

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	33,157	0.0	24.5
Nifty-50	10,323	-0.2	26.1
Nifty-M 100	19,341	0.0	34.8
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,581	0.8	15.3
Nasdaq	6,701	2.2	24.5
FTSE 100	7,505	0.2	5.1
DAX	13,218	0.6	15.1
Hang Seng	11,644	1.7	23.9
Nikkei 225	22,008	1.2	15.1
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	60	2.0	8.9
Gold (\$/OZ)	1,267	-0.9	9.3
Cu (US\$/MT)	6,801	-2.3	23.1
Almn (US\$/MT)	2,150	-1.2	26.2
Currency	Close	Chg .%	YTD.%
USD/INR	65.0	0.3	-4.2
USD/EUR	1.2	-1.6	10.2
USD/JPY	114.0	0.3	-2.6
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.8	0.0	0.3
10 Yrs AAA Corp	7.7	0.0	0.1
Flows (USD b)	27-Oct	MTD	YTD
FII	-0.1	0.2	5.4
DII	0.0	1.4	11.2
Volumes (INRb)	27-Oct	MTD*	YTD*
Cash	425	338	297
F&O	3,413	6,902	5,554

Note: YTD is calendar year, \*Avg



Today's top research theme

India Strategy: De-constructing market valuations, Lower CoE aids re-rating

- Given the context of rich valuations, in this note, we look at valuations from multiple perspectives, and present a few RoE-based frameworks to identify stocks.
- The P/E and P/B ratios do not factor in cost of equity v/s RoE dynamics. While the market is richly valued on P/B v/s RoE framework vis-à-vis past, the valuations are not materially different when viewed with the prism of P/B v/s excess RoE (RoE-CoE).
- Conclusions from back-testing on RoE framework: (i) Companies with the highest absolute RoE (>30) have not delivered the best returns. (ii) Companies having RoE between 15% and 20% have delivered the maximum returns. (iii) We note that RoE is an important indicator, but a significant change in RoE is more important. (iv) Companies earning well above their CoE with excess RoE (>10%) have been re-rated the most from 17x to 25x, re-emphasizing the importance of excess RoE.
- Top ideas based on excess and delta RoE: Eicher Motors, HDFC, KMB, HUL, Coal India, Sun Pharma, HPCL, Ashok Leyland, and PNB.



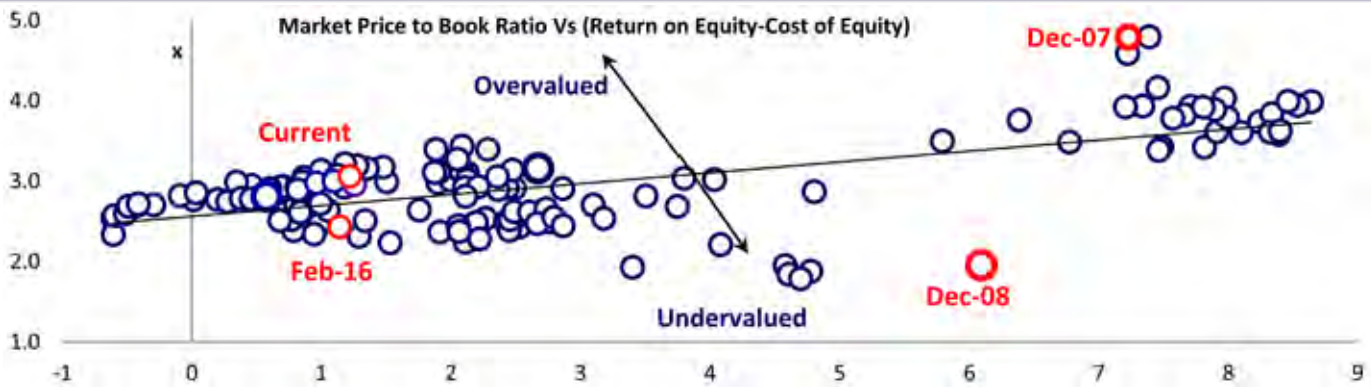
Research covered

Cos/Sector	Key Highlights
India Strategy	De-constructing market valuations, Lower CoE aids re-rating
ITC	Cigarette volume decline higher than expected; outlook muted
Maruti Suzuki	Above est.; Lower RM cost drives near all-time high margins
O N G C	In-line EBITDA; gas/oil production up +8/2% YoY
I O C L	EBITDA/PAT significantly below est.; Core GRM at USD6.9/bbl
ICICI Bank	Operating metrics remain stable; asset quality showing gradual recovery
United Spirits	Significant EBITDA beat led by gross margin improvement
L&T Fin.Holdings	Strong performance continues
Canara Bank	Elevated provisions offset PPOp growth; asset quality stress persists
Cummins India	Results miss estimates due to subdued revenues
Biocon	Plant disruption impacted performance; early remediation is key
Crompton Gr. Con	Robust all-round performance
Mphasis	Operating performance ahead of estimates
Other Results	P I Inds.   Jubilant Life   PVR   Equitas Holdings
Results Expectation	BHE   BHIN   HDFC   LICHF   LPC   MRCO   TATA



Chart of the Day: India Strategy (De-constructing market valuations, Lower CoE aids re-rating)

Market does not appear exorbitantly expensive if we account for lower CoE



Source: Company, MOSL

Research Team (Gautam.Duggad@MotilalOswal.com)

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

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



Kindly click on textbox for the detailed news link

1

### IDFC Bank, Shriram set to call off merger talks

IDFC Bank and Shriram Capital are set to call off merger talks as both sides have failed to arrive at an acceptable valuation after four months of negotiations and regulatory misgivings, three people familiar with the matter said...

2

### FPIs pour \$3-bn into Indian capital markets in Oct

Foreign investors have pumped in close to \$3 billion in the Indian capital markets so far this month due to “high nominal and real yields” and stable macroeconomic conditions. Interestingly, most of the funds have been infused in the debt markets. According to the latest depository data, FPIs invested a net sum of Rs. 2,806 crore in the stock markets and another Rs. 15,132 crore in debt, taking the total to Rs. 17,938 crore (\$2.75 billion) during October 3-27...

3

**Q2 earnings: Sales rise but consumer demand still weak**  
Indian companies reported a slight improvement in business environment in the September quarter from the preceding three months amid lingering issues surrounding the goods and services tax (GST) and depressed rural demand, a review of the latest earnings reports showed...

4

### Panel proposes lower GST rates for small businesses

A ministerial panel has recommended lowering the goods and services tax (GST) rates for small businesses and extending the benefit to more such units in an attempt to reduce their tax burden and improve compliance. If accepted by the GST Council at its 9-10 November meeting,...

5

### LIC may participate in bank recapitalisation programme

State-owned Life Insurance Corporation may be roped in to participate in the Rs. 2.11 lakh crore recapitalisation initiative for public sector banks (PSBs). As part of the programme, LIC could also increase its stake in various PSBs which are required to raise Rs.58,000 crore from the capital market, sources said. Besides, they said, LIC could participate in a non operating holding company (NOHC) structure to which the government may transfer its share in various PSBs. NOHC could then issue recapitalisation bonds worth Rs. 1.35 lakh crore...

6

### Government may miss FY18 revenue collection target: Official

The indirect revenue collection by the government may fall short of the target this fiscal due to disruption caused by the GST rollout, a top official said today. For the year ending March 2018, the government had budgeted Rs 9.68 trillion collection from customs and GST...

7

### RBI's loan classification numbers don't match banks'

Even as Indian lenders face the central bank's ire over the classification of loans or divergence that seems to be burning holes in their books, the dispute may be temporary. RBI's scrutiny of non-performing assets raises concerns over the way classification is being done by auditors at banks...



# India Strategy

BSE Sensex: 33,157

S&P CNX: 10,320

## De-constructing market valuations, Lower CoE aids re-rating

### Back-testing few RoE frameworks for stock selection

#### Valuations rich but not euphoric

Of late, the rich market valuations have been drawing a lot of attention, with the market trading ~23% above the long-period average. Sustenance of healthy macro fundamentals and liquidity has driven valuation re-rating even without concurrent improvement in micros (earnings growth), in our view.

#### Traditional valuation tools don't explicitly incorporate CoE

The P/E ratio is a compressed version of comparing the price that investors attach to a firm's book value (BV) of equity with the profits generated from that equity (return on equity; RoE). However, this metric does not factor in cost of equity (CoE). For example, a low RoE may suffice if CoE is also low. Yet, a high RoE might not suffice if CoE is higher. This becomes even more crucial in the current environment, wherein CoE for India has come off over the past three years due to lower interest rates. Thus, it becomes important to analyze the market valuations concurrently with the trends in CoE, and not in isolation.

#### Absolute RoE low, but excess RoE over CoE is reasonable

The trailing P/E ratio at 22.2x is 23% above average. This is because the P/B ratio is marginally higher (10% above average), whereas RoE is 11% below average. However, we note that over March 2014-September 2017, G-sec yields have fallen by more than 200bp, leading to a reduction in CoE, and excess RoE (RoE-CoE) appears reasonable with respect to history. This decline in CoE coupled with resurgent (and consistent) domestic liquidity has led to valuations reigning at premium to long period averages.

#### RoE Framework: Excess RoE > Delta RoE > RoE

We ran few frameworks on RoE to understand the stock performance vis-à-vis RoE delivery. Key conclusions from our analysis are:

- 1) Companies with highest absolute RoE (>30) have not delivered the best returns.
- 2) Companies having RoE between 15% and 20% have delivered the maximum returns. We note that RoE is an important indicator but a significant change in RoE is more important. Companies in this group have the least decline in RoE across seven years as compared to other groups.
- 3) Companies earning well above their CoE with excess RoE (>10%) have been re-rated the most from 17x to 25x, re-emphasizing the importance of excess RoE.

#### Top picks

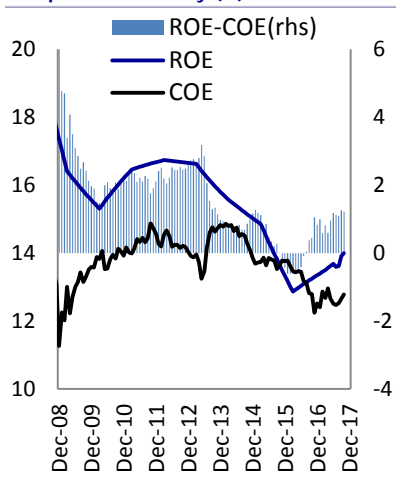
We performed similar analysis on the BSE-100 index. Screening BSE-100 constituents for 1] Excess RoE (RoE-CoE) and 2] Delta RoE (RoE (Year 2) – RoE (Year 1)), we like the following stocks in two buckets.

A] Excess RoE: Eicher Motors, HDFC, KMB, HUL, Coal India, Sun Pharma

B] Delta RoE: HPCL, Ashok Leyland, PNB

Incidentally, PNB, HPCL and Sun Pharma were also part of our preferred picks in our Contrarian Investing studies published in [June](#) and [October](#).

Excess RoE (RoE-CoE) is reasonable compared to history (%)





BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	ITC IN
Equity Shares (m)	12,147.4
M.Cap.(INRb)/(USDb)	3,617.6 / 56.1
52-Week Range (INR)	353/222
1, 6, 12 Rel. Per (%)	-2/-14/-8
Avg Val, INRm	3546.0
Free float (%)	100.0

**CMP: INR269      TP: INR280 (+3%)      Neutral**

**Cigarette volume decline higher than expected; outlook muted**

- n ITC's 2QFY18 net revenue grew 1.1% YoY (est. of +2.5%) to INR97.6b. EBITDA margin expanded 90bp YoY (est. of +160bp). EBITDA thus grew 3.6% YoY to INR37.6b (est. of +6.6%). Adj. PAT grew 5.6% YoY (est. of +9.5%) to INR26.4b.
- n Cigarette volume is likely to have declined ~6% YoY, higher than our expectation of a 2% fall. We reckon the proportion of sub-65mm cigarette sales to have increased further. For cigarette, revenue declined 2.3% YoY, while EBIT grew 2.3% YoY (320bp expansion of EBIT margin on gross sales). Cigarette EBIT growth was the second weakest in 10 quarters, following a 1.7% increase in 3QFY17. Outlook appears tough for the near term.
- n 'FMCG – Others' sales were up 5.3% YoY to INR28b (est. of +4%), with EBIT profit of INR205m compared to INR33m loss in 2QFY17. The accompanying result press release stated that a) comparable sales growth for 'FMCG - Others' was ~10% and b) it gained market share in major FMCG categories, particularly in atta, potato chips, premium cream biscuits and deodorants.
- n Hotels, Agri and Paper revenues grew 1.0%, 4.6% and 4.7% YoY, respectively. Margin in the paper business expanded 240bp YoY to 20.9%, the highest in 13 quarters. Hotel business reported a 120bp margin improvement, while agri business witnessed a 280bp EBIT margin contraction.
- n Valuation view: Results were below our estimates, leading to a 2-3% cut in our FY18/FY19 EPS. Cigarette volumes are likely to be under pressure following the 12% price increase between February and July. Valuations of 26.8x FY19E EPS are fair for a business facing earnings risks from higher GST rates. While eventual diversification away from cigarette (86% of total EBIT in FY17) to other businesses is possible, as of now, the fate of the business is contingent on regulations governing the cigarette business. We maintain **Neutral** with a TP of INR280 (26x September FY19E EPS, 10% discount to three-year average).

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	396.4	410.7	456.2
EBITDA	145.8	155.6	171.7
NP	102.0	110.6	121.9
EPS (INR)	8.4	9.1	10.0
EPS Gr. (%)	9.4	8.5	10.2
BV/Sh. (INR)	37.2	37.5	40.9
RoE (%)	23.5	24.4	25.6
RoCE (%)	22.6	23.5	24.7
P/E (x)	32.0	29.5	26.8
P/BV (x)	7.2	7.2	6.6
EV/EBITDA (x)	21.0	19.6	17.6
Div. Yield	2.1	2.4	2.6

Estimate change	↔
TP change	↔
Rating change	↔

**Quarterly Performance**

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Cigarette Vol Gr (%)	3.0	4.0	-1.0	0.0	1.0	-6.0	-3.0	3.0	1.5	-1.3	-2.0	
Net Sales	100,540	96,607	92,484	111,255	99,547	97,639	96,183	122,253	400,887	415,622	99,022	-1.4%
YoY Change (%)	9.8	9.8	4.3	14.0	-1.0	1.1	4.0	9.9	9.6	3.7	2.5	
Total Exp	65,278	60,307	57,020	72,502	62,083	60,024	58,339	79,584	255,106	260,030	60,329	
EBITDA	35,262	36,300	35,464	38,754	37,464	37,615	37,844	42,669	145,780	155,592	38,693	-2.8%
Growth (%)	8.4	7.3	2.1	7.5	6.2	3.6	6.7	10.1	6.3	6.7	6.6	
Margins (%)	35.1	37.6	38.3	34.8	37.6	38.5	39.3	34.9	36.4	37.4	39.1	
Depreciation	2,613	2,684	2,665	2,418	2,682	2,824	3,065	3,135	10,380	11,707	2,953	
Interest	101	107	136	-115	104	290	136	159	230	689	107	
Other Income	4,205	4,754	6,879	4,021	4,768	4,942	7,567	4,645	19,859	21,923	5,229	
PBT	36,754	38,262	39,542	40,471	39,446	39,443	42,210	44,020	155,030	165,119	40,862	-3.5%
Tax	12,907	13,262	13,075	13,777	13,841	13,045	13,929	13,675	53,021	54,489	13,484	
Rate (%)	35.1	34.7	33.1	34.0	35.1	33.1	33.0	31.1	34.2	33.0	33.0	
Adj PAT	23,847	25,000	26,467	26,695	25,605	26,398	28,281	30,345	102,009	110,630	27,378	-3.6%
YoY Change (%)	10.1	10.5	5.7	12.1	7.4	5.6	6.9	13.7	9.5	8.5	9.5	

E: MOSL Estimates



# Maruti Suzuki

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	MSIL IN
Equity Shares (m)	302
M.Cap.(INRb)/(USD\$b)	2,451.3 / 37.7
52-Week Range (INR)	8242 / 4770
1, 6, 12 Rel. Per (%)	-2/14/20
Avg Val, INRm	3618
Free float (%)	43.8

## Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	800.4	956.2	1,103.0
EBITDA	124.8	159.1	183.8
PAT	85.3	113.3	133.3
Cons. EPS (INR)	288.1	381.0	447.8
Gr. (%)	15.8	32.3	17.5
BV/Sh (INR)	1,378	1,632	1,930
RoE (%)	20.5	23.0	22.9
RoCE (%)	28.6	31.7	31.4
P/E (x)	28.2	21.3	18.1
P/BV (x)	21.3	16.7	14.4

Estimate change

TP change

Rating change

**CMP: INR8,115 TP: INR9,466(+17%)**

**Buy**

## Above est.; Lower RM cost drives near all-time high margins

- EBITDA margin near all-time high at 16.9%:** Net sales grew 21.8% YoY to INR217.7b (est. of INR219.9b), driven by 17.6% growth in volumes and 3.6% increase in realizations to INR442k (est. of INR446.9k). EBITDA margin expanded 360bp QoQ (-10bp YoY) to 16.9% (est. of 15.1%), supported by lower discounts, a better mix, stable commodity cost and operating leverage. EBIT margin expanded 440bp QoQ (+30bp YoY) to 13.8% (est. of 11.9%). Lower other income and a higher tax rate restricted PAT growth to 3.3% YoY (+60% QoQ) to ~INR24.8b (est. of INR23.3b).
- Earnings call highlights:** a) MSIL's festival season sales grew in double-digit. Inventory levels would be ~2 weeks by end-October 2017 (normal inventory of 3-4 weeks). b) Rural volumes have grown 21.5% in 1HFY18. c) Impact of commodity price inflation would reflect in 2HFY18. On a YoY basis, commodity prices are higher by 200bp (% of sales) in 2QFY18. d) With higher GST on hybrid, there is a shift toward non-hybrid variants. e) Gujarat plant contributed ~7% of volumes (~34k) in 2QFY18 (v/s ~6% in 1QFY18 or 24k). 2nd line at Gujarat plant will commission by early-CY19. f) Guides for producible capacity of 1.7m units for FY18.
- Valuation view:** We have largely maintained FY18/FY19 estimates, as the small cut in volume estimate has been mitigated by an upgrade in EBITDA margin. We value MSIL at 25x Sep-19E core EPS, which is at ~35% premium to 5yr/10yr LPA, to factor in further improvement in MSIL's positioning (Exhibits 9, 10). The stock trades at 28.2x/21.3x FY18E/19E EPS. Maintain **Buy** with a TP of INR9,466 (~25x Sep-19 core EPS + ~INR1,471 cash/share).

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Total Volumes (nos)	348,443	418,470	387,251	414,439	394,571	492,118	437,807	473,637	1,568,603	1,798,133	492,118	0.0
Change (%)	2.1	18.4	3.5	15.0	13.2	17.6	13.1	14.3	9.8	14.6	17.6	
Realizations (INR/car)	428,899	427,001	435,500	442,367	444,678	442,337	446,760	446,916	433,729	445,134	446,901	-1.0
Change (%)	9.4	8.9	8.5	4.6	3.7	3.6	2.6	1.0	7.9	2.6	4.8	
<b>Net operating revenues</b>	<b>149,447</b>	<b>178,687</b>	<b>168,648</b>	<b>183,334</b>	<b>175,457</b>	<b>217,682</b>	<b>195,595</b>	<b>211,676</b>	<b>680,348</b>	<b>800,410</b>	219,928	-1.0
Change (%)	11.7	29.0	12.3	20.3	17.4	21.8	16.0	15.5	18.4	17.6	23.3	
RM Cost (% of sales)	67.9	67.7	69.2	69.6	70.0	68.8	69.5	68.7	68.7	69.2	70.4	-160BP
Staff Cost (% of sales)	3.9	2.9	3.7	3.4	3.7	3.1	3.3	3.2	3.4	3.3	3.0	10BP
Other Cost (% of sales)	13.4	12.4	12.4	12.4	13.0	11.2	11.7	12.0	12.5	11.9	11.5	-30BP
<b>EBITDA</b>	<b>22,148</b>	<b>30,365</b>	<b>24,890</b>	<b>26,775</b>	<b>23,312</b>	<b>36,775</b>	<b>30,233</b>	<b>34,032</b>	<b>104,710</b>	<b>124,352</b>	<b>33,188</b>	10.8
EBITDA Margins (%)	14.8	17.0	14.8	14.6	13.3	16.9	15.5	16.1	15.4	15.5	15.1	180BP
Depreciation	6,380	6,291	6,349	7,010	6,839	6,825	7,000	7,203	26,021	27,867	6,975	-2.2
<b>EBIT</b>	<b>15,768</b>	<b>24,074</b>	<b>18,541</b>	<b>19,765</b>	<b>16,473</b>	<b>29,950</b>	<b>23,233</b>	<b>26,829</b>	<b>78,689</b>	<b>96,484</b>	<b>26,213</b>	
EBIT Margins (%)	10.6	13.5	11.0	10.8	9.4	13.8	11.9	12.7	11.6	12.1	11.9	
Interest	181	197	290	226	313	150	200	237	894	900	275	-45.5
Non-Operating Income	4,881	8,189	5,919	4,491	6,827	5,229	6,500	7,157	23,001	25,713	6,500	-19.6
<b>PBT</b>	<b>20,468</b>	<b>32,066</b>	<b>24,170</b>	<b>22,850</b>	<b>22,987</b>	<b>35,029</b>	<b>29,533</b>	<b>33,749</b>	<b>99,616</b>	<b>121,297</b>	<b>32,438</b>	8.0
Effective Tax Rate (%)	27.2	25.0	27.8	25.1	32.3	29.1	29.0	28.5	26.1	29.5	28.1	100BP
<b>Adjusted PAT</b>	<b>14,909</b>	<b>24,043</b>	<b>17,445</b>	<b>17,988</b>	<b>15,564</b>	<b>24,843</b>	<b>20,968</b>	<b>24,139</b>	<b>74,452</b>	<b>85,515</b>	<b>23,323</b>	6.5
Change (%)	23.4	60.6	47.5	21.9	4.4	3.3	20.2	34.2	41.2	14.9	-2.7	

E: MOSL Estimates

BSE SENSEX 33,157 S&P CNX 10,323

CMP: INR184

TP: INR190

Buy

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

Conference Call Details



Date: 30<sup>th</sup> Oct 2017  
Time: 10:30am IST  
Dial-in details:  
+91-11-6675 4500

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	1421	1484	1658	1712
EBITDA	471	604	668	694
Adj. PAT	211	226	240	227
Adj. EPS	16.4	17.6	18.7	17.7
EPS Gr. (%)	20.8	7.1	6.5	-5.5
BV/Sh.(INR)	172	179	185	191
RoE (%)	10.1	10.0	10.3	9.4
RoCE (%)	8.5	8.8	8.9	8.1
Payout (%)	52.5	64.9	64.9	64.9
<b>Valuation</b>				
P/E (x)	11.2	10.4	9.8	10.4
P/BV (x)	1.1	1.0	1.0	1.0
EV/EBITDA	5.5	4.3	4.0	4.5
Div. Yield	4.1	5.3	5.7	5.4

In-line EBITDA; gas/oil production up +8/2% YoY

- Reported EBITDA of INR104.7b (+10% YoY, +6% QoQ) was in line our estimate.
- PAT of INR51.3b (+3% YoY, +32% QoQ) was above our estimate of INR43.5b, led by significantly higher other income of INR19.3b (est. of INR8b; +49% YoY, +126% QoQ).
- Other income was higher on account of higher dividend payments from subsidiaries.
- Oil realization from nominated fields at USD51.2/bbl in 2QFY18 v/s USD47.9/bbl in 2QFY17 and USD51/bbl in 1QFY18.
- Oil production from nominated fields up 2% YoY and from JVs down 7.6% YoY in 2QFY18.
- Gas production from nominated fields up 7.9% YoY and from JVs up 4.4% YoY in 2QFY18.
- Production of 3.3mmtoe from OVL in 2QFY18 v/s 2.99mmtoe in 2QFY17 and 3.6mmtoe in 1QFY18.
- Management declared interim dividend of INR3/share.

Valuation and view: We will revisit our estimates post the earnings call. The stock trades at 8.9x FY19E EPS and 6x FY19E EV/EBITDA. Maintain Buy.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2QE	2QAct	Var (%)		
Net Sales	176,704	182,866	199,338	217,140	190,735	199,763	189,649	-5%	4%	-1%
YoY Change (%)	-21.5	-11.1	9.2	33.7	7.9	9.2	3.7			
Total Expenditure	83,942	87,476	96,440	149,889	91,929	95,613	84,957	-11%	-3%	-8%
EBITDA	92,761	95,391	102,898	67,252	98,807	104,151	104,692	1%	10%	6%
Margins (%)	52.5	52.2	51.6	31.0	51.8	52.1	55.2			
Depreciation	36,997	34,529	47,039	53,875	45,204	44,122	48,389	10%	40%	7%
Interest	2,920	3,034	3,062	3,202	2,769	2,800	3,274	17%	8%	18%
Other Income	10,668	12,920	9,727	45,195	8,544	8,000	19,315	141%	49%	126%
PBT	63,512	70,748	62,524	55,371	59,378	65,228	72,343	11%	2%	22%
Tax	21,186	20,999	19,001	11,969	20,530	21,741	21,036	-3%	0%	2%
Rate (%)	33.4	29.7	30.4	21.6	34.6	33.3	29.1	-13%	-2%	-16%
Reported PAT	42,325	49,749	43,523	43,402	38,847	43,488	51,307	18%	3%	32%
Adj PAT	42,325	49,749	43,523	43,402	38,847	43,488	51,307	18%	3%	32%
YoY Change (%)	-21.2	2.7	3.3	-0.3	-8.2	-12.6	3.1			
Margins (%)	24.0	27.2	21.8	20.0	20.4	21.8	27.1			
<b>Key Assumptions (USD/bbl)</b>										
Fx rate (INR/USD)	66.9	67.0	67.4	67.2	64.5	64.2	64.2	0%	-4%	0%
Gross Oil Realization	46.1	47.9	50.1	54.9	51.0	52.6	51.2	-3%	7%	0%
Subsidy	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Net Oil Realization	46.1	47.9	50.1	54.9	51.0	52.6	51.2	-3%	7%	0%
Subsidy (INR b)	0.0	0.0	0.0	0.0	0.0	0.0	0.0			

E: MOSL Estimates

BSE SENSEX 33,157 S&P CNX 10,323

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

Conference Call Details



Date: 30<sup>th</sup> Oct 2017  
Time: 3:00pm IST  
Dial-in details:  
+91-22-3960 0619

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	3,553	3,900	4,479	4,897
EBITDA	340.1	328.6	397.6	419.8
Adj. PAT	198.5	194.1	220.2	234.0
Adj. EPS (INR)	41.9	40.9	46.5	49.4
EPS Gr. (%)	101.4	(2.2)	13.4	6.3
BV/Sh.(INR)	215.4	245.1	275.6	307.1
RoE (%)	20.7	17.8	17.8	16.9
RoCE (%)	15.0	13.3	13.8	13.6
Payout (%)	64.1	34.4	34.4	36.2

Valuations	2017	2018E	2019E	2020E
P/E (x)	9.9	10.1	8.9	8.4
P/BV (x)	1.9	1.7	1.5	1.3
EV/EBITDA (x)	7.5	7.4	6.0	5.5
Div. Yield (%)	5.4	3.2	3.3	3.7

CMP: INR414

TP: INR559

Buy

EBITDA/PAT significantly below est.; Core GRM at USD6.9/bbl

- IOCL's adj. EBITDA increased 2% YoY (-32% QoQ) to INR63.2b. This is significantly below our estimate of INR116b, primarily due to lower-than-expected core GRM of USD6.9/bbl (est. of USD9.5/bbl and SG GRM of USD8.3/bbl) and lower refinery throughput of 16mmt (est. of 18mmt).
- Reported GRM of USD7.98/bbl includes a crude inventory gain of INR7.8b (~USD1/bbl). Marketing inventory gain stood at INR2.7b. The company recorded forex loss of INR2.6b in the quarter, as against gain of INR3.5b in 2QFY17 and INR6b in 1QFY18.
- Refinery throughput was lower at 16.1mmt (est. of 18mmt; +3% YoY, -8% QoQ), which is likely led by refinery shutdown. Domestic sales of refined products stood at 18mmt (in-line; +4% YoY, -9% QoQ).
- Reported EBITDA for petrochemicals declined 43% YoY/QoQ to INR10.3b due to sales of 0.45mmt (-26% YoY/QoQ) and lower spreads.
- Adj. PAT rose 18% YoY (38% QoQ) to INR37b, below our estimate of INR92b, further impacted by higher interest expense of INR7.7b (est. of INR5.9b, +26% YoY, +8% QoQ).

Valuation view: We will revisit our estimates post the earnings call. The stock trades at 8.9x FY19E EPS and 6x FY19E EV/EBITDA. Maintain Buy.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2QE	2QAct	Var (%)		
Net Sales	856,553	800,435	931,019	1,003,375	1,054,342	1,060,179	905,667	-15%	13%	-14%
YoY Change (%)	-15.3	-5.1	13.0	28.0	23.1	32.5	13.1			
Total Expenditure	720,652	748,519	848,541	959,289	1,002,427	904,105	831,935	-8%	11%	-17%
EBITDA	135,901	51,916	82,478	44,086	51,915	156,073	73,732	-53%	42%	42%
Margins (%)	15.9	6.5	8.9	4.4	4.9	14.7	8.1			
EBITDA adj. for inventory and one-offs	65,840	62,044	71,745	83,756	92,335	116,073	63,172	-46%	2%	-32%
Depreciation	14,350	15,048	15,541	17,290	17,213	17,500	16,970	-3%	13%	-1%
Interest	6,800	6,147	9,967	11,541	7,180	5,899	7,726	31%	26%	8%
Other Income	5,637	14,347	4,938	20,593	12,276	5,602	5,878	5%	-59%	-52%
PBT	120,388	45,069	61,907	35,849	67,878	138,276	54,914	-60%	22%	-19%
Tax	37,698	13,850	21,958	-1,358	22,393	46,087	17,951	-61%	30%	-20%
Rate (%)	31.3	30.7	35.5	-3.8	33.0	33.3	32.7			
Reported PAT	82,690	31,219	39,949	37,206	45,485	92,189	36,963	-60%	18%	-19%
Adj PAT	82,690	31,219	39,949	37,206	26,767	92,189	36,963	-60%	18%	38%
YoY Change (%)	35.2	-456.2	52.3	85.5	-67.6	195.3	18.4			
Margins (%)	9.7	3.9	4.3	3.7	2.5	8.7	4.1			

Key Assumptions	2017	2018E	2019E	2020E
Refining throughput (mmt)	16.1	15.6	16.4	17.1
Core GRM (USD/bbl)	3.6	4.2	5.1	6.9
Domestic sale of refined products (mmt)	19.3	17.3	19.0	18.5

E: MOSL Estimates



# ICICI Bank

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	ICICIB IN
Equity Shares (m)	6,408
M.Cap.(INRb)/(USDb)	1,928.8/29.7
52-Week Range (INR)	315/224
1, 6, 12 Rel. Per (%)	2/8/-2
Avg Val, INRm	5133
Free float (%)	100.0

## Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	237.6	262.1	302.5
OP	228.4	253.3	295.7
NP	87.2	109.2	139.8
NIM (%)	3.3	3.2	3.2
EPS (INR)	13.6	17.0	21.8
EPS Gr (%)	-11.1	25.2	28.0
BV/Sh (INR)*	129.6	139.7	158.9
ABV/Sh (INR)*	112.8	122.1	140.5
RoE (%)	8.2	10.0	12.0
RoA (%)	1.1	1.2	1.4
AP/E (x)	15.9	11.8	8.1
AP/BV (x)	1.7	1.4	1.1

\* BV adj for invt in subsidiaries

**CMP: INR301 TP: INR355 (+18%) Buy**

## Operating metrics remain stable; asset quality showing gradual recovery

- ICICIB reported 2QFY18 PAT of INR20.6b (19% miss), affected by elevated provisions; however, stable margins, in-line slippages and an improvement in the coverage ratio provided comfort. NII grew 9% YoY to INR57.09b (1.5% beat), while core fee growth remained soft at 9% YoY. NIM held stable at 3.27%, and management maintained its >3% NIM guidance for FY18.
- Business growth picked up, with the advances portfolio growing 4% QoQ (flattish in 1QFY18), led by continued traction in retail loans (+19% YoY; ~54% of total loans), and the corporate portfolio growing 5.6% QoQ. Deposit growth, however, stood modest at 2.5% QoQ, even as SA deposits maintained healthy traction (+21% YoY/5% QoQ). CASA mix improved 50bp QoQ to 49.5% (avg. CASA mix at 45.2%).
- Asset quality held largely stable, with GNPLs rising 3% QoQ, but net NPLs declining 4.6% QoQ. PCR improved by 440bp QoQ to ~46%. Fresh slippages stood at INR46.74b (in-line, INR22.87b from one oil & gas account, INR8.79b from a central PSU power company, and INR6.6b from retail), while o/s restructured loans declined to INR20.29b (-14% QoQ; 0.4% of loans).
- ICICIB has made the entire balance provision of INR6.51b toward the NCLT accounts, while it has disclosed exposure of INR104.76b (98.7% already NPL, non-fund exposure of INR13.84b) toward the second RBI list comprising 18 accounts. The bank carries provisions of 31.5% toward these accounts.
- Valuation and view:** While credit cost is likely to stay elevated in the near term (NPL ageing + requirement toward the second list), we expect it to moderate from FY19, enabling ICICIB to deliver ~12% RoE by FY20E. We reiterate **Buy** with an SOTP of INR355, which corresponds to 1.8x Sep-19E ABV for the standalone bank. Subs and associates account for ~33% of our target valuation. Progress on asset resolution via NCLT remains a key trigger, while impending divergence notification remains an overhang.

## ICICI Bank: Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Interest Income	133,303	136,394	136,181	135,685	134,591	135,771	147,526	159,820	541,563	577,708
Interest Expense	81,717	83,861	82,548	76,064	78,693	78,680	87,721	95,031	324,190	340,125
Net Interest Income	51,585	52,533	53,634	59,622	55,898	57,091	59,805	64,789	217,373	237,583
% Change (YoY)	0.8	0.0	-1.6	10.3	8.4	8.7	11.5	8.7	2.4	9.3
Other Income	34,293	91,197	39,383	30,172	33,879	51,862	33,741	36,553	195,045	156,036
Net Income	85,878	143,730	93,017	89,794	89,778	108,953	93,546	101,342	412,418	393,619
Operating Expenses	33,731	37,369	37,777	38,674	37,944	39,088	42,342	45,871	147,551	165,246
Operating Profit	52,147	106,361	55,239	51,120	51,833	69,865	51,204	55,471	264,867	228,373
% Change (YoY)	3.5	106.2	-15.8	-28.1	-0.6	-34.3	-7.3	8.5	11.0	-13.8
Other Provisions	25,145	70,827	27,127	28,982	26,087	45,029	22,509	24,384	152,081	118,009
Profit before Tax	27,002	35,534	28,112	22,138	25,746	24,836	28,695	31,087	112,786	110,364
Tax Provisions	4,679	4,511	3,694	1,892	5,256	4,254	6,560	7,107	14,775	23,176
Net Profit	22,324	31,023	24,418	20,246	20,490	20,582	22,135	23,980	98,011	87,187
% Change (YoY)	-25.0	2.4	-19.1	188.5	-8.2	-33.7	-9.3	18.4	0.8	-11.0
<b>Operating Parameters</b>										
NIM (Reported,%)	3.2	3.1	3.1	3.6	3.3	3.3	0.0	0.0	3.2	
NIM (Cal, %)	3.3	3.3	3.3	3.6	3.4	4.8	4.8	5.0	3.3	4.5
Deposit Growth (%)	15.3	16.8	14.2	16.3	14.7	0.0	7.0	11.6	16.3	11.6
Loan Growth (%)	12.4	10.9	5.2	6.7	3.3	6.3	10.4	13.5	6.7	13.5
CASA Ratio (%)	41.7	41.5	44.8	46.5	49.5					
<b>Asset Quality</b>										
Gross NPA (INR b)	271.9	321.8	380.9	425.5	431.5	444.9	445.6	482.2	425.5	482.2
Gross NPA (%)	5.9	6.8	7.9	7.9	8.0	7.9	0.0	9.2	7.9	9.2

E: MOSL Estimates; Note: We have factored in IPRU stake sale gain in 3QFY17 and reversal of contingency provisions in 2QFY17.





# United Spirits

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	UNSP IN
Equity Shares (m)	145.3
M.Cap.(INRb)/(USD\$b)	374.3 / 5.8
52-Week Range (INR)	3175/1775
1, 6, 12 Rel. Per (%)	18/51/14
Avg Val, (INR m)	1,111
Free float (%)	41.5

## Financials & Valuation (INR b)

Y/E Mar	2017	2018E	2019E
Total Income	85.5	84.6	99.8
EBITDA	9.8	10.6	14.5
PAT	3.9	5.1	7.8
EPS (INR)	26.7	34.9	53.7
EPS Gr. (%)	87.1	30.6	53.8
BV/Sh.(INR)	133.4	191.7	257.1
RoE (%)	21.3	18.2	20.9
RoCE (%)	11.8	12.5	16.1
P/E (x)	113.3	86.7	56.4
P/BV (x)	22.7	15.8	11.8

Estimate change



TP change



Rating change



**CMP: INR3,029 TP: INR2,970 (-2%) Neutral**

## Significant EBITDA beat led by gross margin improvement

- UNSP's standalone net sales fell 3.7% YoY to INR19.5b, with a 15.9% YoY decline (est. of -7%) in overall volumes. Management attributed the decline in sales to the highway ban and the one-off impact of operating model changes. Management expects the highway ban impact to normalize by end-3QFY18.
- Prestige & Above (63% of net sales) volumes rose 2.2% YoY (sales up 10%), while Popular volumes declined 28.2% YoY (sales down 22%).
- Performance excluding the one-off impact of operating model changes: Underlying net sales increased 4% YoY. Prestige & Above sales were up 12% YoY, while Popular sales were down 9% YoY.
- Gross margin expanded 560bp YoY (160bp QoQ) to 47.6%, led by price increase, productivity initiatives, premiumization and operating model changes. Advertising expenses increased by 100bp YoY. EBITDA margin after adjusting for exceptional items expanded 260bp YoY to 14%.
- EBITDA grew 18.5% YoY to INR2.7b (est. of INR2.6b). Interest costs declined 25.5% YoY to INR659m, led by debt reduction and favorable rates. Adjusted PAT grew 39.6% YoY to INR1.4b (est. of INR1.2b).
- Conference call highlights: 1) Medium-term objective: Double-digits sales growth and mid-to-high-teens margins. 2) Management now expects the effect of GST on margins in FY18 to be moderate, unlike fears of a sharp contraction.
- Valuation and view: Effect of highway ban is receding, price increases granted in key states like Andhra in the past month augur well for the future, and management expects the GST impact on margins to be moderate in FY18, unlike earlier worries of a sharp contraction. In our view, management appears far more confident on medium-term margin improvement than any time in the past 2-3 years. Valuations, however, remain fair. We maintain our **Neutral** rating on the stock with a DCF-based target price of INR2,970.

## Quarterly Performance

Y/E March (Standalone)	FY17				FY18				FY17	FY18	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volume Growth %	-0.2	1.0	-5.0	-8.2	-18.9	-15.9	-5.0	5.0	-3.1	-11.4	-7.0	
Total Revenues	20,405	20,268	24,943	20,250	17,818	19,513	24,943	22,351	85,476	84,626	20,278	-3.8%
YoY Change (%)	10.4	7.1	3.5	-0.6	-12.7	-3.7	0.0	10.4	4.4	-1.0	-1.0	
Total Exp	18,271	17,967	22,007	17,599	16,244	16,786	21,708	19,310	75,650	74,047	17,640	
EBITDA	2,134	2,301	2,936	2,651	1,574	2,727	3,235	3,042	9,826	10,578	2,638	3.4%
Margins (%)	10.5	11.4	11.8	13.1	8.8	14.0	13.0	13.6	11.5	12.5	13.0	
EBITDA growth (%)	24.5	-20.7	15.2	142.3	-26.2	18.5	10.2	14.7	18.8	7.7	11.9	
Depreciation	261	332	313	418	321	326	359	475	1,323	1,482	365	
Interest	1,030	885	922	853	703	659	701	705	3,690	2,768	708	
PBT From operations	843	1,084	1,701	1,380	550	1,742	2,175	1,862	4,813	6,329	1,565	11.3%
Other income	241	339	454	253	309	305	363	267	995	1,244	283	
PBT	1,084	1,423	2,155	1,633	859	2,047	2,538	2,129	5,808	7,573	1,848	10.8%
Tax	253	445	580	515	222	681	863	733	1,923	2,499	610	
Rate (%)	23.3	31.3	26.9	31.5	25.8	33.3	34.0	34.4	33.1	33.0	33.0	
Adj. PAT	831	978	1,575	1,118	637	1,366	1,675	1,396	3,885	5,074	1,238	10.3%
YoY Change (%)	616.1	-4.2	98.5	237.8	-23.4	39.6	6.3	24.8	87.1	30.6	26.6	

E: MOSL Estimates

# L&T Finance Holdings

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	LTFH IN
Equity Shares (m)	1,817
M.Cap.(INRb)/(USDb)	363.4 / 5.7
52-Week Range (INR)	214/81
1, 6, 12 Rel. Per (%)	-4/45/69
Avg Val, INRm	826.0
Free float (%)	35.8

## Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	35.7	41.2	47.2
PPP	35.9	43.8	51.3
PAT	12.6	18.9	23.4
EPS (INR)	6.9	10.4	12.9
BV/Sh. (INR)	50.6	59.5	70.5
RoAA (%)	1.6	2.1	2.2
RoE (%)	14.9	18.9	19.8
Payout (%)	15.2	14.8	14.6
<b>Valuation</b>			
P/E (x)	28.8	19.2	15.6
P/BV (x)	4.0	3.4	2.8
Div. Yield (%)	0.5	0.7	0.8

Estimate change



TP change



Rating change



**CMP: INR199**

**TP: INR240 (+21%)**

**Buy**

## Strong performance continues

L&T Finance Holding's (LTFH) 2QFY18 PAT grew 45% YoY to INR3.6b (12% above estimates). Robust core disbursement growth of 81% YoY (excluding IPO financing, which is more opportunistic), a pick-up in fee income across lending segments and a low tax rate were the key highlights of the quarter.

**Rural business:** There was a clear uptick in disbursements in all segments, including microfinance, leading to 88% YoY growth in disbursements (highest-ever quarterly disbursements in each segment). Asset quality improved on a sequential basis (GNPL ratio down 45bp QoQ). PCR is improving, but remains inadequate at 39%, in our view. Management guides to improving asset quality in 2HFY18. An interesting thing to note is the sharp pick-up in fee income (+69% QoQ, 3x YoY).

**Housing business:** Disbursement growth in the retail home loan/LAP segment remains sluggish, but was compensated by 54% disbursement growth in the builder loans segment. The share of builder loans in the housing finance segment now stands at 48%. Management has guided that the current INR15-18b quarterly run-rate of disbursements will continue.

**Wholesale business:** In line with the trend of the prior quarters, growth in the infrastructure finance segment was robust at 182% YoY – the key driver being the DCM desk. Note that management's strategy is to generate and sell-down loans in order to drive strong fee income. This is evident from the 3x YoY jump in fee income. LTFH continues to be opportunistic with IPO funding.

**Valuation view:** LTFH has scripted an impressive turnaround over the past six quarters, with a renewed focus on profitable segments. It has delivered strong growth and consistent improvement in profitability. We are also encouraged by the strong fee income traction– we believe this will play a key role in achieving 18%+ RoE by FY19/20. We marginally upgrade FY18-20 EPS estimates by 1-3% and our target price to INR240 (3.7x Sep-2019E BVPS, 21x Sep-2019E EPS). **Buy.**

## LTFH: Quarterly performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	19,965	20,876	20,940	21,626	22,587	23,838	24,673	26,674	83,406	97,772
Interest Expenses	11,557	11,532	11,602	11,580	12,326	12,967	13,356	13,969	46,270	52,618
<b>Net Interest Income</b>	<b>8,408</b>	<b>9,343</b>	<b>9,338</b>	<b>10,046</b>	<b>10,261</b>	<b>10,871</b>	<b>11,316</b>	<b>12,705</b>	<b>37,136</b>	<b>45,153</b>
YoY Growth (%)	14.7	17.4	16.0	20.9	22.0	16.4	21.2	26.5	17.3	21.6
Other income	342	540	679	755	1,071	1,109	1,200	1,273	2,317	4,653
<b>Total Income</b>	<b>8,751</b>	<b>9,883</b>	<b>10,018</b>	<b>10,801</b>	<b>11,332</b>	<b>11,980</b>	<b>12,516</b>	<b>13,978</b>	<b>39,453</b>	<b>49,806</b>
YoY Growth (%)	13.1	17.7	17.9	22.3	29.5	21.2	24.9	29.4	17.9	26.2
Operating Expenses	3,222	3,327	3,154	3,063	3,277	3,419	3,521	3,733	12,765	13,950
YoY Growth (%)	3.6	-1.9	-1.4	-10.7	1.7	2.8	11.7	21.9	-2.8	9.3
<b>Operating Profits</b>	<b>5,529</b>	<b>6,557</b>	<b>6,864</b>	<b>7,738</b>	<b>8,055</b>	<b>8,561</b>	<b>8,995</b>	<b>10,245</b>	<b>26,688</b>	<b>35,857</b>
YoY Growth (%)	19.4	31.0	29.7	43.2	45.7	30.6	31.0	32.4	31.2	34.4
Provisions	2,530	3,202	3,282	6,885	4,587	4,707	4,800	5,722	15,899	19,815
<b>Profit before Tax</b>	<b>2,999</b>	<b>3,354</b>	<b>3,582</b>	<b>853</b>	<b>3,468</b>	<b>3,855</b>	<b>4,195</b>	<b>4,523</b>	<b>10,789</b>	<b>16,042</b>
Tax Provisions	951	888	811	-2,286	378	230	629	980	364	2,218
Profit/Loss of Associate Company	26	15	(63)	19	2	(22)	15	15	-3	9
<b>Profit after tax</b>	<b>2,074</b>	<b>2,481</b>	<b>2,709</b>	<b>3,158</b>	<b>3,092</b>	<b>3,602</b>	<b>3,581</b>	<b>3,558</b>	<b>10,427</b>	<b>13,814</b>
YoY Growth (%)	8.2	16.3	28.7	34.3	49.1	45.2	32.2	12.7	87	32.5
Loan growth (%)	18.2	18.5	10.4	14.4	17.2	18.8	20.3	18.6	10.4	19.6
Cost to Income Ratio (%)	36.8	33.7	31.5	28.4	28.9	28.5	28.1	26.7	32.4	28.0
Tax Rate (%)	31.7	26.5	34.5	-267.9	10.9	6.0	15.0	21.7	3.4	13.8

E: MOSL Estimates



# Canara Bank

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	CBK IN
Equity Shares (m)	543.0
M.Cap.(INRb)/(USD\$)	219.2/3.4
52-Week Range (INR)	463/250
1, 6, 12 Rel. Per (%)	18/3/13
Avg. Val, INRm	1064
Free float (%)	33.7

## Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	115.5	132.9	158.7
OP	96.2	110.2	134.7
NP	9.6	18.1	37.1
EPS (INR)	16.1	30.3	62.1
EPS Gr. (%)	-14.1	87.9	104.9
BV/Sh. (INR)	486	512	567
RoE (%)	3.4	6.1	11.5
RoA (%)	0.2	0.3	0.5
P/E (x)	25.0	13.3	6.5
P/BV (x)	0.8	0.8	0.7

**CMP: INR404**

**TP: INR386 (-4%)**

**Neutral**

## Elevated provisions offset PPOp growth; asset quality stress persists

- Canara Bank's (CBK) PPOp growth of 16% YoY (9% beat on opex beat of 4%) was offset by elevated provisions of INR21.6b (44% miss), leading to a 27% YoY decline in PAT to INR2.6b.
- Reported NIM was flat QoQ at 2.34% (domestic NIM at 2.6% v/s 2.56 in 1Q). NII grew 3%/14% QoQ/YoY. 1QFY18 NII had INR800-900m of interest reversals. Other income grew 9% YoY (-8% QoQ as 1Q included gains from stake sale in CARE).
- Loan growth picked up marginally to 9.5% YoY, driven by 21.7% YoY growth in retail, while deposits growth was relatively muted at 2.5% YoY, leading to the CD ratio increasing to 72.2% (67.5%/71.7% in 2QFY17/1QFY18).
- Gross slippages declined sharply (40% QoQ) to INR33.7b, driven by controlled slippages in agri/MSME (INR3b/8b). Absolute GNPA increased 4% QoQ to INR392b, while GNPA/NNPA stood at 10.51%/7.02% (-5bp/-7bp QoQ). Total stressed book stood at 13.4% of advances (13.8% in 1Q).
- Other highlights:** (a) The bank is in discussions to raise total capital of INR63b (INR35b equity). (b) CET1 ratio/tier 1 ratio/CAR stood at 8.68%/9.5%/12.45%.

**Valuation view:** Net stress on the books continues to remain high, and we expect continued high credit costs to keep returns subdued. Given the weak operating environment, we would wait and watch developments in asset quality. We roll forward our valuation date and arrive at an SOTP-based target price of INR386 (0.6x Sept 2019E BV + INR62 for other investments). Maintain **Neutral**.

## Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Interest Income	1,02,017	1,04,054	1,02,877	1,04,929	1,01,956	1,00,585	1,03,428	1,35,140	4,13,876	4,41,108
Interest Expense	78,943	79,630	78,739	77,847	74,824	72,751	73,115	1,04,929	3,15,158	3,25,618
<b>Net Interest Income</b>	<b>23,074</b>	<b>24,424</b>	<b>24,138</b>	<b>27,082</b>	<b>27,132</b>	<b>27,834</b>	<b>30,313</b>	<b>30,211</b>	<b>98,718</b>	<b>1,15,490</b>
% Change (Y-o-Y)	-8.3	-7.7	8.4	14.1	17.6	14.0	25.6	11.6	1.1	17.0
Other Income	15,847	17,818	17,917	23,963	21,085	19,362	16,496	17,244	75,544	73,885
<b>Net Income</b>	<b>38,921</b>	<b>42,241</b>	<b>42,055</b>	<b>51,045</b>	<b>48,218</b>	<b>47,196</b>	<b>46,809</b>	<b>47,455</b>	<b>1,74,262</b>	<b>1,89,375</b>
Operating Expenses	20,732	20,834	22,242	21,316	23,494	22,397	23,237	24,043	85,123	93,171
<b>Operating Profit</b>	<b>18,189</b>	<b>21,408</b>	<b>19,813</b>	<b>29,729</b>	<b>24,724</b>	<b>24,798</b>	<b>23,572</b>	<b>23,412</b>	<b>89,140</b>	<b>96,204</b>
% Change (Y-o-Y)	-9.2	10.1	27.6	80.6	35.9	15.8	19.0	-21.2	24.7	7.9
Other Provisions	14,929	15,857	14,846	27,087	22,038	21,566	19,500	19,131	72,720	82,235
<b>Profit before Tax</b>	<b>3,260</b>	<b>5,550</b>	<b>4,968</b>	<b>2,642</b>	<b>2,686</b>	<b>3,232</b>	<b>4,072</b>	<b>4,281</b>	<b>16,420</b>	<b>13,969</b>
Tax Provisions	970	1,981	1,749	500	170	630	1,262	2,268	5,200	4,330
<b>Net Profit</b>	<b>2,290</b>	<b>3,569</b>	<b>3,219</b>	<b>2,142</b>	<b>2,516</b>	<b>2,602</b>	<b>2,810</b>	<b>2,013</b>	<b>11,220</b>	<b>9,638</b>
% Change (Y-o-Y)	-52.2	-32.5	278.8	NA	9.9	-27.1	-12.7	-6.0	-139.9	-14.1
<b>Operating Parameters</b>										
NIM (Rep, %)	2.2	2.2	2.2	2.2	2.3	2.3	0.0	0.0	2.2	1.2
Deposit Growth (%)	-1.4	-0.2	4.0	3.2	4.4	2.5	-0.8	11.5	3.2	11.5
Loan Growth (%)	-0.9	1.3	-0.1	5.3	8.4	9.5	10.7	11.0	5.3	11.0
CASA Ratio (%)	27.6	27.2	30.1	30.2	30.7	31.2	0.0	0.0	30.2	31.2
Tax Rate (%)	29.8	35.7	35.2	18.9	6.3	19.5	31.0	53.0	31.7	31.0
<b>Asset Quality</b>										
OSRL (INR b)	133.8	131.5	120.0	113.7	80.0	75.0	0.0	0.0	113.7	0.0
OSRL (%)	4.2	4.0	3.6	3.3	2.3	2.1	0.0	0.0	3.3	0.0
Gross NPA (INR b)	323.3	333.2	343.4	342.0	376.6	391.6	388.4	398.4	342.0	398.4
Gross NPA (%)	9.7	9.8	10.0	9.6	10.6	10.5	10.2	10.1	9.6	10.1

E: MOSL Estimates



# Cummins India

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	KKC IN
Equity Shares (m)	277.2
M.Cap.(INRb)/(USD\$b)	257.8 / 4.0
52-Week Range (INR)	1,096 / 748
1, 6, 12 Rel. Per (%)	-6/-20/-12
Avg. Val, INRm	281.0
Free float (%)	49.0

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	50.8	51.9	61.4
EBITDA	8.0	8.1	10.9
PAT	7.3	7.0	9.3
EPS (INR)	26.5	25.3	35.0
Gr. (%)	-2.6	-4.4	38.1
BV/Sh (INR)	135.0	144.8	157.7
RoE (%)	21.2	18.1	22.2
RoCE (%)	20.0	17.3	21.2
P/E (x)	35.1	36.7	26.6
P/BV (x)	6.9	6.4	5.9

Estimate change



TP change



Rating change



**CMP: INR907 TP: INR1,150(+24%)**

**Buy**

## Results miss estimates due to subdued revenues

- Operating performance below estimates: Cummins India's (KKC) 2QFY18 revenue declined 10% YoY to INR11.5b (our estimate: INR14.1b). Gross margin improved 170bp YoY to 36.9%. EBITDA declined 16% YoY to INR1.7b (our estimate: INR2.3b), with the margin contracting 110bp YoY to 14.5% (our estimate: 16.0%) due to negative operating leverage. PAT fell 22% YoY to INR1.5b (our estimate: INR1.9b).
- Revenue declines across most segments. Domestic revenue declined 7% YoY, impacted by the power generation (-6% YoY) and distribution & spares (-14% YoY) segments. Exports declined 17% YoY due to weakness in LHP segment demand (-20% YoY).
- Gross margin expands led by cost savings and better product mix: Gross margin improved 170bp YoY to 36.9%, led by cost-saving measures (like value engineering initiatives with vendors) and a better product mix. KKC expects 2HFY18 gross margins to sustain at the current levels. Operating margin contracted 110bp YoY to 14.5%, given negative operating leverage.
- Cutting guidance on exports, but maintaining on domestic revenue: For FY18, KKC lowered its exports growth guidance to -5-10% growth (from flat-to-negative 5%), and maintained its 5-10% growth outlook in the domestic business. It expects the domestic markets to bounce back over 2HFY18, recovering the lost sales of 2QFY18.

**Maintain Buy:** We cut our earnings estimate by 12/6% for FY18/19E, given the weak outlook on the exports front. We maintain our Buy rating with a target price of INR1,150 (30x Dec-2019E EPS). The stock trades at 37x FY18E EPS of INR25.3 and 27x FY19E EPS of INR35. Key risks to our rating are (a) slower-than-expected growth in the domestic power generation market and (b) delay in pick-up of export demand.

## Quarterly Performance (Standalone)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18	Vs Est. 2Q	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Sales	12,590	12,790	13,550	11,844	13,408	11,539	14,500	12,684	50,773	51,925	14,050	-17.9%
Change (%)	-3.9	7.1	19.0	11.1	6.5	-9.8	7.0	7.1	7.8	2.3	9.9	
EBITDA	2,063	1,990	2,265	1,700	1,953	1,675	2,500	2,178	8,018	8,099	2,250	-25.6%
Change (%)	-6.9	-1.4	31.1	-4.9	-5.4	-15.8	10.4	28.1	14.6	-3.0	13.1	
As of % Sales	16.4	15.6	16.7	14.4	14.6	14.5	17.2	17.2	15.8	15.6	16.0	
Depreciation	206	209	225	208	208	220	250	302	848	981	250	
Interest	21	43	55	49	42	38	40	48	168	168	40	
Other Income	416	692	461	511	583	536	550	515	2,080	2,185	550	
PBT	2,252	2,430	2,446	1,954	2,286	1,953	2,760	2,343	9,082	9,136	2,510	-22.2%
Tax	440	461	466	369	625	424	620	443	1,736	2,112	570	
Effective Tax Rate (%)	19.5	19.0	19.0	18.9	27.4	21.7	22.5	18.9	19.1	23.1	22.7	
Adjusted PAT	1,812	1,969	1,981	1,585	1,660	1,529	2,140	1,900	7,346	7,024	1,940	-21.2%
Change (%)	(14.3)	(0.5)	11.3	(5.1)	(8.4)	(22.3)	8.0	19.9	(2.8)	(4.4)	(1.5)	
Reported PAT	1,812	1,969	1,981	1,585	2,222	1,529	2,140	1,900	7,346	7,024	1,940	-21.2%
Change (%)	(14.3)	(0.5)	11.3	(5.1)	22.6	(22.3)	8.0	19.9	(2.8)	(4.4)	(1.5)	

E: MOSL Estimates



BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	BIOS IN
Equity Shares (m)	600
M.Cap.(INR b)/(USD b)	234.1 / 3.6
52-Week Range (INR)	424 / 268
1, 6, 12 Rel. Per (%)	-1/-14/-2
Avg Val, (INR m)	990
Free float (%)	39.3

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	40.8	42.7	53.6
EBITDA	11.4	9.3	13.1
PAT	6.0	3.7	6.3
EPS (INR)	10.2	6.1	10.5
Gr. (%)	31.8	-40.2	72.8
BV/Sh (INR)	80.6	84.9	92.4
RoE (%)	12.3	7.2	11.4
RoCE (%)	9.4	6.1	11.8
P/E (x)			
P/BV (x)	35.1	58.7	33.9
P/BV (x)	4.4	4.2	3.9
EV/EBITDA (x)	18.8	23.1	16.2
Div. Yield (%)	0.7	0.4	0.7

Estimate change	↓
TP change	↓
Rating change	↑

**CMP: INR358 TP: INR335(-6%) Upgrade to Neutral**

**Plant disruption impacted performance; early remediation is key**

- BIOS reported weak 2QFY18 results. Revenue declined 2% YoY to INR9.6b (est. of INR10.9b). The muted performance can primarily be ascribed to disruption at the Bangalore facility, pricing pressure in the US and delays in tenders in the emerging market. EBITDA declined 24.1% YoY (-5% QoQ) to INR1.8b (est. of INR2.6b). EBITDA margin came in at 18.8% (-630bp YoY and -176bp QoQ). PAT declined ~53% YoY to INR687m (est. of INR1.4b), primarily due to an increase in depreciation and interest expense relating to the Malaysian facility.
- Uptick in branded formulation biz post GST; expect pick-up in biologics in 2H:** Branded formulation business showed a smart recovery, growing 29% YoY, driven by channel restocking in India. Biologics segment was impacted mainly due to plant shutdown. Small molecules biz was impacted by pricing pressure in the US. Syngene business (35% of sales) grew 11% YoY.
- Concall takeaways:** 1) Maintains USD1b of total sales guidance for FY19. 2) Small molecule formulation plant in Bangalore has been commissioned. 3) Trastuzumab TAD is for 3<sup>rd</sup> Dec 2017. 4) Remediation plan at Bangalore facility is almost complete. BIOS is planning to invite European Authority for re-inspection shortly. 5) Copaxone filing expected in FY19. 6) Started construction of antibodies and oral solids dosage plant in Bangalore with capex of USD200m over 3-4 years, which is to be completed in two phases.
- Biologics business can take off from 2019; upgrading to Neutral:** Post the successful advisory committee approval for Trastuzumab and recent CRL for Peg-Filgrastim not questioning the science aspect, regulatory remediation is the only key bottleneck. If BIOS can close the pending observations in the next 6-9 months, then we can expect both these approvals in the US and EU in 2019. We upgrade our rating to **Neutral** with a TP of INR335@ 25x 1HFY20E PER (v/s INR330 @ 23x FY19E PER). We have increased our TP multiple to capture upside of the biologics business in the developed market, which will commence 2019 onward. We have cut our FY18/19E EPS by 37%/26% due to plant disruption in Bangalore and pricing pressure in the US.

Quarterly performance (Consolidated)

Y/E March	FY17				FY18E				FY17		FY18E		FY18E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY17	FY18E	2QE	vs Est		
Net Sales	9,920	9,541	10,290	9,250	9,337	9,686	11,058	11,806	40,787	42,719	10,939	-11.5%		
YoY Change (%)	22.4	21.4	24.2	-2.1	-5.9	1.5	7.5	27.6	18.2	4.7	16.4			
Total Expenditure	7,289	7,141	7,680	7,430	7,416	7,864	8,736	9,382	29,421	33,398	8,313			
EBITDA	2,631	2,400	2,610	1,820	1,921	1,822	2,322	2,423	11,366	9,321	2,625	-30.6%		
Margins (%)	26.5	25.2	25.4	19.7	20.6	18.8	21.0	20.5	27.9	21.8	24.0			
Depreciation	661	683	710	730	988	936	1,050	2,098	2,772	5,072	1,000			
Interest	57	65	90	50	161	138	68	-131	260	236	68			
Other Income	409	384	630	653	540	508	500	452	0	2,000	500			
PBT	2,322	2,036	2,440	1,693	1,312	1,256	1,704	909	8,334	6,014	2,057	-38.9%		
Tax	552	417	550	110	376	425	409	233	1,616	1,443	494			
Rate (%)	23.8	20.5	22.5	6.5	28.7	33.8	24.0	25.7	19.4	24.0	24.0			
Minority Interest	104	152	180	150	123	144	175	470	760	912	175			
PAT	1,666	1,467	1,710	1,433	813	687	1,120	206	5,958	3,659	1,389	-50.5%		
YoY Change (%)	34.6	51.2	66.0	-56.6	-51.2	-53.2	-34.5	-85.6	28.3	-38.6	-5.5			
Margins (%)	16.8	15.4	16.6	15.5	8.7	7.1	10.1	1.7	14.6	8.6	12.7			



# Crompton Gr. Con

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	CROMPTON IN
Equity Shares (m)	627
M.Cap.(INRb)/(USD\$)	135.4 / 2.1
52-Week Range (INR)	246 / 135
1, 6, 12 Rel. Per (%)	-1/-12/0
Avg Val, INRm	208
Free float (%)	65.6

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	39.8	41.8	47.2
EBITDA	4.9	5.2	6.3
PAT	2.9	3.3	4.1
EPS (INR)	4.7	5.2	6.5
Gr. (%)	146.1	10.9	24.7
BV/Sh (INR)	8.6	11.7	14.3
RoE (%)	76.4	51.0	49.6
RoCE (%)	32.5	28.7	30.7
P/E (x)	46.4	41.8	33.6
P/BV (x)	25.2	18.5	15.2

Estimate change

TP change

Rating change

**CMP: INR219**

**TP: INR260(+19%)**

**Buy**

## Robust all-round performance

- Results meaningfully above estimates: CG Consumer Electricals (CGCEL) reported a strong set of numbers. 2QFY18 sales stood at INR9.6b (+9.8% YoY, +15.9% YoY adjusted for excise duty on manufactured and sourced products), meaningfully above our estimates, led by market share gains in the Fans segment and healthy growth in the Lighting division (+16% YoY, +25% YoY adjusted for excise duty on manufactured and sourced products). EBITDA improved 19.3% YoY to INR1.2b, with EBITDA margin improving 100bp YoY to 12.6%, led by close to zero spending on advertising & promotion. Net profit of INR0.7b was above our estimate of INR0.6b.
- Margin improvement led by lower adspend and focus on premiumization: Gross margin expanded 90bp YoY to 30.3%, led by premiumization initiatives taken by the company. EBITDA of INR1.2b (13% YoY) was meaningfully above our estimate. Operating margin stood at 12.6% v/s 11.6% in 2QFY17. Margin improvement was on account of close-to-zero ad spend during the quarter, as against INR120m in 2QFY17. Lighting business contributed 35% of revenue (v/s 32% in 2QFY17), while Electrical consumer durables accounted for 65% (v/s 68% in 2QFY17). Excluding non-cash ESOP expenditure of INR141m, the operating margin stood at a healthy 14%.
- Valuation view: We marginally increase our earnings estimates by 4/1% for FY18/19 to adjust for better-than-expected margins. We like CGCEL for its strong product portfolio, established brand, market leadership, wide distribution network and a robust RoCE profile (29%/31% in FY18/19). We maintain our Buy rating on the stock, with a revised target price of INR260 (33x its FY20E EPS of INR7.9).

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18	Vs Est. 2Q	Var. (%)
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE				
Sales	10,962	8,737	8,889	10,762	10,554	9,597	9,700	11,348	39,759	41,454	9,000	6.6%
Change (%)			9.7	7.4	-3.7	9.8	9.1	5.5	119.5	4.3	1.1	
EBITDA	1,573	1,012	993	1,386	1,294	1,207	1,210	1,651	4,902	5,362	990	21.9%
Change (%)			19.9	9.0	-17.8	19.3	21.9	19.2	134.0	9.4	1.7	
As of % Sales	14.4	11.6	11.2	12.9	12.3	12.6	12.5	14.5	12.3	12.9	11.0	
Depreciation	28	27	26	29	32	32	30	22	110	116	30	
Interest	180	161	162	153	162	157	150	133	655	658	155	
Other Income	34	41	50	69	97	35	80	114	195	326	80	
PBT	1,400	865	855	1,273	1,198	1,054	1,110	1,609	4,331	4,914	885	19.1%
Tax	465	286	281	388	395	346	350	497	1,399	1,588	290	
Effective Tax Rate (%)	33.2	33.1	32.9	30.5	33.0	32.8	31.5	30.9	32.3	32.3	32.8	
Adjusted PAT	935	579	574	885	802	708	760	1,112	2,932	3,327	595	19.0%
Change (%)			35	16.6	(14.2)	22.3	32.5	25.7	138.7	13.5	7.4	
Extra-ordinary Income (net)	-	(4.5)	-	(20.7)	-	-	-	-	-	-	-	
Reported PAT	935	574	574	864	802	708	760	1,112	2,907	3,327	595	19.0%
Change (%)			39	29.8	(14.2)	23.3	32.5	28.7	166.9	14.4	7.4	

BSE SENSEX	S&P CNX
33,147	10,344
Bloomberg	MPHL IN
Equity Shares (m)	210
M.Cap.(INRb)/(USD\$b)	148.0/ 2.3
52-Week Range (INR)	722 / 425
1, 6, 12 Rel. Per (%)	12/21/20
Avg Val, INRm	72.0
Free float (%)	39.6

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	60.8	64.8	71.8
EBITDA	9.7	9.9	11.2
PAT	8.2	8.1	8.9
EPS (INR)	38.9	42.0	46.0
Gr. (%)	12.9	8.0	9.5
BV/Sh (INR)	292.4	255.6	275.2
RoE (%)	13.2	14.6	17.3
RoCE (%)	12.4	14.0	16.8
P/E (x)	18.1	16.7	15.3
P/BV (x)	2.4	2.8	2.6

Estimate change 

TP change 

Rating change 

**CMP: INR672**

**TP: INR670**

**Neutral**

### Operating performance ahead of estimates; But again on the back of Services / Technical Helpdesk

**Strong growth and deal wins:** MPHL's revenue growth of 4.9% QoQ to USD242m was better than our estimate of 2.4%, and more broad-based with HP channel up 6% and Direct International pitching in 5%. It reported deals TCV of USD123m on the back of USD183m in 1Q. While significantly lower QoQ, 1Q was exceptionally strong, and this is only the second USD100m+ TCV quarter since MPHL has started reporting this metric.

**But growth driven by ICT/Technical Helpdesk:** Like in the last quarter, growth was again led by Technical Helpdesk service line and ICT/Entertainment vertical. Technical Helpdesk has now grown ~3.5x in two quarters to contribute 7% to revenue. It comprised 42/87% of 2Q/1H incremental revenue. The lopsided performance has also meant that BFSI (64% of revenue in 4QFY17) contributed only ~30% to incremental revenue whereas ICT (10.7% of revenue in 4QFY17) accounted for 70%.

**Beat on profitability, but risk on sustenance:** EBIT margin expanded 60bp QoQ (declined 90bp YoY) to 14.4% v/s our estimate of 14%. Adjusted for forex gains (which MPHL includes while reporting its EBIT margin), EBIT margin deteriorated 210bp YoY versus 90bp decline in reported margin. PAT grew 5.6% QoQ to INR1.98b. Though it maintained its 14-16% target band, 460bp increase in onsite revenue over the last two quarters, lower expected utilization and higher investments, demand caution on the sustenance of margins, in our view.

**Valuation and view:** Strong traction in the HP channel and Direct Core business are encouraging signs, which coupled with robust deal wins provide visibility of a convergence to industry growth after multiple subdued years. However, in our view, the nature of recent growth and potential threat to margin sustenance demand some caution. Our target price of INR670 discounts forward earnings by 14x. **Neutral.**

### Quarterly Performance

Y/E March	(INR M)								FY17	FY18E	Est. Sep 17	Var. (% / bp)
	FY17		FY18E				FY17	FY18E				
	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18				
Revenue (USD m)	224	224	224	222	231	242	246	253	894	972	236.4	2.5
QoQ (%)	-0.3	-0.2	-0.3	-0.9	4.2	4.9	1.6	2.8	-3.5	8.8	2.4	257bp
Revenue (INR m)	15,167	15,176	15,361	15,059	15,360	16,047	16,442	16,958	60,763	64,807	15,828	1.4
YoY (%)	1.5	-2.6	1.3	-0.7	1.3	5.7	7.0	12.6	-0.2	6.7	4.3	145bp
GPM (%)	28.1	28.1	27.8	28.7	27.3	27.5	27.2	27.7	28.2	27.4	27.4	11bp
SGA (%)	12.0	11.8	12.3	12.8	12.4	12.1	12.2	12.2	12.2	12.2	12.0	8bp
EBITDA	2,445	2,463	2,396	2,384	2,295	2,493	2,471	2,634	9,688	9,893	2,424	2.8
EBITDA Margin (%)	16.1	16.2	15.6	15.8	14.9	15.5	15.0	15.5	15.9	15.3	15.3	22bp
EBIT Margin (%)	15.2	15.3	14.7	14.6	13.8	14.4	13.9	14.4	15.0	14.1	13.9	49bp
Other income	572	711	617	485	469	375	539	578	2,385	1,961	621	-39.6
ETR (%)	27.7	27.5	28.5	27.5	26.9	25.4	26.0	26.5	27.8	26.2	27.0	-161bp
PAT	2,043	2,166	2,044	1,934	1,872	1,977	2,066	2,202	8,188	8,117	2,045	-3.3
QoQ (%)	6.4	6.0	-5.6	-5.4	-3.2	5.6	4.5	6.6				9.3
YoY (%)	23.2	14.0	17.7	0.7	-8.4	-8.7	1.1	13.8	13.0	-0.9	-5.6	
EPS (INR)	9.7	10.3	9.7	8.8	9.1	10.2	10.7	11.4	38.5	42.0	9.9	
Headcount	22,374	22,284	22,018	21,979	21,878	22,183	21,194	21,724	21,979	21,724	21,113	5.1
Net Additions	50	-90	-266	-39	-101	305	-989	530	-345	-255	-765.0	
HP Channel rev. (%)	23.4	23.9	24.0	24.4	25.8	26.1						
Fixed Price (%)	19.8	19.1	20.6	19.3	21.3	22.6						

E: MOSL Estimates



# PI Industries

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	PI IN
Equity Shares (m)	138
M.Cap.(INRb)/(USDb)	104.3 / 1.6
52-Week Range (INR)	950 / 674
1, 6, 12 Rel. Per (%)	-6/-24/-30
Avg Val, INRm	164
Free float (%)	48.5

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	23.8	25.0	28.3
EBITDA	5.5	5.7	6.6
PAT	4.6	4.1	4.9
EPS (INR)	33.4	29.9	35.6
Gr. (%)	46.4	-10.4	19.0
BV/Sh (INR)	118.3	141.5	169.1
RoE (%)	32.8	23.0	22.9
RoCE (%)	31.0	22.6	22.9
P/E (x)	22.6	25.2	21.2
P/BV (x)	6.4	5.3	4.5

Estimate change



TP change



Rating change



**CMP: INR754**

**TP: INR890(+18%)**

**Buy**

## Back-ended growth expected in FY18

### 2HFY18 to see recovery from subdued growth so far

**Revenue miss, but EBITDA and PAT exceed estimates:** PI's revenue declined 1.9% YoY to INR5,611m (est. of INR6,256m) in 2QFY18. EBITDA margin shrunk 60bp YoY to 21.8% (est. of 17.4%) in 2QFY18, led by a 390bp YoY contraction in the gross margin to 48.1% and a 160bp rise in employee expense to 10.8% of net sales. EBITDA declined 5% YoY to INR1,222m (est. of INR1,091m). Consequently, adj. PAT declined 21% to INR803m (est. INR759m) from INR1,014m in 2QFY17. The decline in revenue is partly attributable to the change in accounting standards; excise in 2QFY17 was reported as an expense item above EBITDA; however, it is net off from gross sales in 2QFY18. Excise stood at INR279m in 2QFY17 (our estimate in 2QFY18 was flat).

**Domestic business revives, CSM to follow suit:** The domestic agro-chemicals business grew 13% YoY, in spite of generic product pressure on Nominee Gold. The company launched three new products for BASF in 1HFY18, and two more launches are expected in FY18 for the domestic market in segments where the company has little presence, thereby broadening the scope. Global agchem industry has also witnessed falling inventory levels, providing improved visibility of a revival in offtake.

**Valuation and view:** With the industry witnessing signs of a global agchem revival, we believe PI is well braced to leverage its strong order book and aid growth, with continuous commercialization of new products (3-4 products expected per year). FY18 is expected to be a back-ended growth year, with improvement largely expected in the quarters to follow. We largely maintain our estimates and value the stock at 25x FY19E EPS, arriving at a PT of INR890, implying an 18% upside. Maintain Buy.

## Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
Net Sales	6,834	5,719	5,003	6,273	5,848	5,611	6,004	7,527	23,829	24,990	6,256	-10
YoY Change (%)	15.4	20.0	-4.5	3.7	-14.4	-1.9	20.0	20.0	8.4	4.9	15.0	
Total Expenditure	5,178	4,440	3,970	4,736	4,544	4,389	4,682	5,675	18,324	19,289	5,165	
EBITDA	1,656	1,279	1,034	1,537	1,304	1,222	1,322	1,853	5,505	5,701	1,091	12
Margins (%)	24.2	22.4	20.7	24.5	22.3	21.8	22.0	24.6	23.1	22.8	17.4	
Depreciation	178	181	183	185	197	205	167	220	727	789	210	
Interest	16	13	12	31	14	12	3	5	72	34	9	
Other Income	113	134	133	-21	126	123	99	112	358	459	107	
PBT before EO expense	1,575	1,219	973	1,299	1,219	1,127	1,251	1,740	5,065	5,337	979	15
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,575	1,219	973	1,299	1,219	1,127	1,251	1,740	5,065	5,337	979	15
Tax	306	205	33	-53	218	324	282	391	491	1,214	220	
Rate (%)	19.4	16.8	3.4	-4.0	17.9	28.7	22.5	22.5	9.7	22.8	22.5	
Reported PAT	1,269	1,014	940	1,352	1,001	803	970	1,348	4,574	4,123	759	6
Adj PAT	1,269	1,014	940	1,352	1,001	803	970	1,348	4,574	4,123	759	6
YoY Change (%)	47.7	77.9	32.7	40.8	-21.1	-20.8	3.2	-0.2	47.7	-9.9	66.4	
Margins (%)	18.6	17.7	18.8	21.5	17.1	14.3	16.2	17.9	19.2	16.5	12.1	

E: MOSL Estimates



# Jubilant Life Sciences

BSE SENSEX 33,157 S&P CNX 10,323

**CMP: INR638 TP: INR905(+42%) Buy**

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

## Conference Call Details



Date: 30<sup>th</sup> October 2017  
Time: 17:00 IST  
Dial-in details:  
+91-22-3938 1071

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	60.1	65.9	72.9
EBITDA	13.5	15.7	17.7
NP	5.8	7.3	8.8
EPS (INR)	37.0	47.1	56.7
EPS Gr. (%)	37.5	27.3	20.4
BV/Sh. (INR)	220.7	263.1	314.1
RoE (%)	18.1	19.5	19.6
RoCE (%)	11.0	11.7	12.6
P/E (x)	17.3	13.6	11.3
P/BV (x)	2.9	2.4	2.0

## Earnings below estimate; Pharma business impacts 2QFY18 performance

- Jubilant Life Sciences' (JLS) 2QFY18 revenue came in at INR16.4b v/s estimate of INR17.3b. LSI revenue was better than estimate at INR7.4b, and formed 44.5% of net sales.
- Pharma sales of INR8.6b were lower than estimate, and formed 52% of net sales. Deferral of API sales impacted the pharma business for the quarter.
- 2QFY18 includes INR1b sales from the Triad acquisition.
- EBITDA margin of 18.6% (below estimate of 21.3%) contracted 592bp YoY, largely due to the inferior performance of the pharma business. Accordingly, PAT of INR1.3b (estimate of INR1.7b) declined 13.3% YoY.
- In addition, there was one-off acquisition cost of INR190m. Adjusting for the same, EBITDA margin would be 19.8%.
- Pharma and LSI segment EBITDA came in at 24.5% and 14.8%, respectively. Deferred API sales and addition of low-margin Triad business led to lower EBITDA margin for the pharma segment.
- R&D spend for the quarter was INR490m, and formed 5.6% of net sales.
- Net debt is at INR36.4b, implying a marginal rise from INR36.2 at end-FY17.
- During the quarter, JLS had successful USFDA inspection at Spokane and Montreal (radiopharma facility).
- Management guided for strong earnings in 2HFY18 v/s H1FY18 on the back of higher revenues from the CMO business to meet order backlog, addition of new customers/execution of deferred sales in the API segment, and continued better performance in radiopharma and allergy products.

## Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	FY18 vs Est 2QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	14,195	13,855	14,582	15,982	15,563	16,420	16,508	17,636	60,063	64,927	17,353	(5.4)
YoY Change (%)	-1.8	-4.6	6.7	7.6	9.6	18.5	13.2	10.4	4.5	8.1		
Total Expenditure	10,514	10,452	11,264	12,932	12,187	13,360	12,463	13,013	46,610	49,823	13,657	(2.2)
EBITDA	3,682	3,403	3,318	3,050	3,376	3,061	4,044	4,624	13,453	15,105	3,696	(17.2)
Margins (%)	25.9	24.6	22.8	19.1	21.7	18.6	24.5	26.2	22.4	23.3		
Depreciation	715	720	727	752	725	790	815	820	2,914	3,150	780	1.3
Interest	828	800	982	802	687	660	695	695	3,411	2,737	680	(4.3)
Other Income	44	51	51	105	68	71	72	88	251	299	70	1.3
PBT before EO expense	2,183	1,934	1,661	1,601	2,032	1,681	2,606	3,197	7,379	9,517	2,296	(26.8)
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	2,183	1,934	1,661	1,601	2,032	1,681	2,606	3,197	7,379	9,517	2,296	(26.8)
Tax	542	497	480	111	595	427	717	882	1,630	2,621	620	(31.2)
Rate (%)	24.9	25.7	28.9	6.9	29.3	25.4	27.5	27.6	22.1	27.5		
Minority Interest & P/Lof Asso. Cos.	24	-11	0	0	0	0	0	0	-14	-11		
Reported PAT	1,616	1,448	1,181	1,490	1,437	1,255	1,890	2,314	5,756	6,906	1,676	(25.1)
Adj PAT	1,616	1,448	1,181	1,490	1,437	1,255	1,890	2,314	5,756	6,906	1,676	(25.1)
YoY Change (%)	22.5	14.5	-4.0	1,272.3	-11.1	-13.3	60.0	55.3	46.7	20.0		
Margins (%)	11.4	10.4	8.1	9.3	9.2	7.6	11.4	13.1	9.6	10.6		

E: MOSL Estimates

BSE SENSEX	S&P CNX
33,157	10,323
Bloomberg	PVRL IN
Equity Shares (m)	47
M.Cap.(INRb)/(USDb)	66.4 / 1.0
52-Week Range (INR)	1,660 / 1,011
1, 6, 12 Rel. Per (%)	12/-23/-2
Avg Val, INRm	291.0
Free float (%)	79.8

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	21.2	23.7	27.9
EBITDA	3.1	4.1	5.3
PAT	1.0	1.3	2.0
EPS (INR)	20.5	27.1	43.0
Gr. (%)	-3.8	31.9	58.6
BV/Sh (INR)	206.5	231.7	272.3
RoE (%)	10.4	12.4	17.0
RoCE (%)	9.5	10.5	13.8
P/E (x)	69.2	52.5	33.1
P/BV (x)	6.9	6.1	5.2

Estimate change



TP change



Rating change



**CMP: INR1,421 TP: INR1,640(+15%)**

**Buy**

**Strong screen addition to aid growth momentum**

- Results below estimates; margins expand 150bp: PVR's revenue grew 2.1% YoY to INR5,554m (est. of INR5,930m). EBITDA increased 13% YoY to INR905m (est. of INR1,008m), with the margin expanding 150bp YoY to 16.3% (est. of 17%) led by reduced rent cost (-40bp to 17.5% of sales) and significantly lower admin expenses (-500bp to 24.7%), partly offset by higher movie exhibition cost (+290bp to 24%). Consequently, adj. PAT increased to INR255m (est. of INR291m) in 2QFY18 from INR291m in the year-ago period.
- Significant screen additions planned for 2HFY18: PVR has already added 21 screens in 1HFY18 (13 additions in 2QFY18 – 10 in Pune and 3 in Delhi). The company plans to further add 48 screens in 2HFY18, with 65% of these to be in south India. With *Golmaal Again* running well on box office and the content pipeline appearing promising with the likes of *Padmavati* and *Tiger Zinda Hai*, the company is set to leverage the expected increase in traction.
- Growth in ad revenue intact: PVR clocked growth of 10% YoY to INR688m in sponsorship revenue in 2QFY18 (+20% YoY in 1HFY18). The increase in ad revenue can primarily be ascribed to better content, and with 2HFY18 lined up with crowd-pulling content, ad revenue is expected to continue growing at a rate over 15% in the next couple of years.
- Valuation and view: We believe PVR is set to benefit from multiple factors, including aggressive screen additions in the under-penetrated markets, a steady rise in advertisement revenue and the newly launched loyalty program for customer stickiness. We expect revenue CAGR of 16% and PAT CAGR of 40% over FY17-20E. We value the stock at 15.5x EV/EBITDA and maintain our **Buy** rating with a target price of INR1,640.

**Quarterly Performance**

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	5,622	5,438	5,377	4,826	6,366	5,554	6,237	5,550	21,194	23,689	5,930	-6
YoY Change (%)	15.7	14.6	7.4	18.4	13.2	2.1	16.0	15.0	14.6	11.8	7.0	
Total Expenditure	4,557	4,634	4,488	4,358	5,246	4,649	4,915	4,789	18,058	19,567	4,922	
EBITDA	1,065	804	890	467	1,120	905	1,322	760	3,136	4,122	1,008	-10
Margins (%)	19.0	14.8	16.5	9.7	17.6	16.3	21.2	13.7	14.8	17.4	17.0	
Depreciation	331	346	345	363	376	347	420	450	1,384	1,660	390	
Interest	193	194	204	216	208	207	220	226	806	870	215	
Other Income	165	175	21	171	164	42	41	56	623	311	40	
PBT before EO expense	707	440	363	60	700	393	723	140	1,569	1,903	443	-11
Extra-Ord expense	26	0	0	15	0	6	0	0	41	0	0	
PBT	681	440	363	45	700	387	723	140	1,528	1,903	443	-13
Tax	249	149	127	45	258	140	252	48	570.0	637.6	152	
Rate (%)	36.6	33.8	35.1	99.8	36.8	36.1	34.8	34.0	37.3	33.5	34.4	
Reported PAT	428	291	239	-0.5	445	252	472	92.6	958	1,266	291	-13
Adj PAT	444	291	239	-0.5	445	255	472	92.6	984	1,266	291	-12
YoY Change (%)	-3.0	-8.7	-23.5	NM	0.1	-12.3	97.4	NM	-8.0	28.6	0	
Margins (%)	7.6	5.4	4.4	0.0	7.0	4.5	7.6	1.7	4.5	5.3	4.9	

E: MOSL Estimates

# Equitas Holdings

BSE SENSEX 33,157  
S&P CNX 10,323

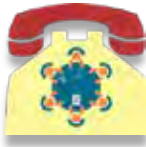
CMP: INR144

TP: INR213

Buy

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

## Conference Call Details



Date: 30<sup>th</sup> Oct 2017

Time: 04:30pm IST

Dial-in details:

+91-22-3938 1003

## Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
NII	9.3	11.5	14.4
OP	2.1	4.1	6.5
NP	0.6	2.1	3.4
EPS (INR)	1.7	6.1	10.1
EPS Gr. (%)	-65.7	252.9	65.2
BV/Sh. (INR)	68	73	82
RoE (%)	2.6	8.7	13.0
RoA (%)	0.6	1.7	2.0
P/E (x)	83.1	23.6	14.3
P/BV (x)	2.1	2.0	1.7

## Balance sheet de-risking continues; opex moderation leads to PAT beat

- Operating expenses start stabilizing: Equitas reported a PPop decline of 36%/50% QoQ/YoY (INR445m, 40% beat) due to 58% sequentially lower other income (1Q included INR600m of PSLC fees). With branch expansion and employee addition stabilizing, expenses moderated (-4% QoQ, 4% beat), leading to a PPop beat. Even as provisions missed estimate by 18%, reported PAT of INR109m beat estimate by 88%. Bulk of provisions were on account of increased PCR (41% v/s 37% in 1Q) on non-MF portfolio GNPA's (INR2.3b, +28% QoQ), implying INR280m of incremental provisions on this portfolio.
- Balance sheet de-risking continues: In keeping with the goal of reducing the microfinance share of AUMs, microfinance AUMs decreased to 36% of total v/s 42% in 1QFY18, with sequentially flat disbursements in microfinance, while non-MF portfolio disbursements jumped 48% QoQ. Total AUM/loan book grew 3.5%/13.6% YoY (decreasing securitized book share to 12.3%), while unsecured AUMs decreased to 39% v/s 44% in 1Q, with robust growth in secured lending products, UCV (+6%/+17% QoQ/YoY) and M-LAP (+11%/+26% QoQ/YoY).
- Asset quality deteriorated, but PCR held strong: Total GNPA increased 23% QoQ to INR3.7b, but PCR stayed stable at 51%, with the GNPA/NNPA ratio at 5.76%/3.1% (2.8% incl. floating provisions of INR190m). GNPA in microfinance shot up to 6.72% (4.91% in 1Q, +190m QoQ), while that in non-MF book increased to 5.3% (4.85% in 1Q, +510m QoQ). PCR on MF/non-MF portfolio stood at 54%/41% (v/s 58%/37% in 1Q). Total portfolio at risk (PAR) > 0 in MF stood at INR2.1b, of which the 'on-book' PAR was INR1.76b (INR1.71b in 1Q).
- Other highlights: (1) Deposits up 37% QoQ on strong CASA growth (+49% QoQ); CASA ratio up 200bp QoQ to 28%. (2) MF portfolio collection efficiency stable QoQ at 94.5%.

**Valuation view:** Equitas targets to reduce MFI's share in overall loans to ~30% by FY18. This would be partially offset by high growth in secured products. We expect near-term recalibration of growth strategy to yield positive results over medium-to-long term. Fast-paced liability branch set-up, strong BC reach and large captive MFI customer base will enable it to recalibrate liabilities, lowering CoF, increasing cross-sell/fee income. We will revise our estimates post concall on 31 July.

## Quarterly Performance

	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	2,043	2,006	2,291	2,214	2,160	2,296	2,396	2,445	8,666	9,296
% Change (Y-o-Y)	62.7	34.8	46.8	29.9	5.7	14.4	4.6	10.4	44.2	7.3
Other Income	230	287	418	205	820	341	355	509	1,140	2,026
Net Income	2,273	2,293	2,709	2,419	2,980	2,637	2,751	2,954	9,806	11,322
Operating Expenses	1,134	1,408	1,663	1,945	2,286	2,192	2,328	2,461	6,150	9,267
Operating Profit	1,139	885	1,046	474	694	445	423	493	3,656	2,055
% Change (Y-o-Y)	52.3	18.2	27.5	-45.8	-39.1	-49.7	-59.6	3.9	14.6	-43.8
Other Provisions	176	149	340	365	441	271	240	210	1,029	1,162
Profit before Tax	963	736	706	109	253	174	183	283	2,627	893
Tax Provisions	352	273	256	40	98	65	63	82	922	308
Net Profit	612	463	449	69	156	109	120	201	1,705	585
% Change (Y-o-Y)	62.6	17.8	3.5	-85.3	-74.6	-76.5	-73.3	191.4	2.1	-65.7
<b>Operating Parameters</b>										
AUM Growth (YoY %)	52.8	47.9	44.7	30.4	7.3	3.5	4.6	7.3	30.4	7.3
NIM (Cal, %)	15.2	14.1	15.9	15.1	14.5	14.7	14.6	14.2	15.1	14.5
Deposit Growth (%)						323.9	38.9	37.0		38.9
Loan Growth (%)	42.2	26.5	17.4	15.1	6.9	13.6	13.5	21.6	15.1	21.6
<b>Asset Quality</b>										
Gross NPA (INR b)	0.9	1.4	1,450	2,060	3,000	3,702	3,852	3,517		

E: MOSL Estimates



# Bharat Electronics

Bloomberg	BHE IN
Equity Shares (m)	2457.0
M. Cap. (INR b)/(USD b)	403 / 6
52-Week Range (INR)	181 / 110
1,6,12 Rel Perf. (%)	-5 / 6 / 30

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Net Sales	86.1	110.1	122.8	132.3
EBITDA	17.6	19.8	21.3	24.4
NP	15.5	16.5	18.3	21.0
EPS (INR)	6.3	6.7	7.4	8.6
EPS Gr. (%)	27.2	6.8	10.6	15.1
BV/Sh (INR)	30.6	39.4	43.7	48.7
RoE (%)	20.6	17.1	17.0	17.6
RoCE (%)	18.8	19.2	17.9	18.6

## Valuations

P/E (x)	25.4	24.5	22.2	19.3
P/BV (x)	5.2	4.2	3.8	3.4
EV/EBITDA (x)	20.2	17.6	16.0	13.7

**CMP: INR164 TP: INR187 (+14%) Buy**

- n For FY18, BHE plans to pursue business opportunities in solar energy, homeland security, smart cities, smart cards and telecom.
- n For FY18, BHE's growth would be driven by radar/missile systems, communication and network centric systems, tank electronics, gun upgrades, electro-optic systems, and electronic warfare systems.
- n BHE has planned capacity enhancement and creation of new test facilities for the defense business.
- n We expect BHE to register revenue growth of 18% YoY, supported by execution of Akash missile system, IACCS, and ship-borne EW systems.
- n We expect gross margin to decline 450bp YoY to 45%, led by adverse product mix and lower contribution from the service segment, which is a higher-margin business.
- n We expect EBITDA margin of 12.8% v/s 19.7% in 2QFY17 on account of weak product mix. EBITDA could decline 24% YoY to INR2.5b. PAT is expected at INR2.2b (-35% YoY). Maintain **Buy**.

## Key issues to watch

- ⊗ Revenue growth: Key orders (Akash missile, intake of INR67b in FY11-12) are currently under execution for Army and Air Force.
- ⊗ Operating at 60% capacity utilization; possibility of strong operating leverage.

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Sales</b>	8714	17033	20867	39877	17248	19820	24775	48267	86119	110110
Change (%)	-20.8	15.9	37.2	23.7	97.9	16.4	18.7	21.0	17.5	27.9
<b>EBITDA</b>	-467	3349	4828	9797	1633	2535	3823	11812	17617	19804
Change (%)	-699	85	74	8	-450	-24	-21	21	28	12
As of % Sales	-5.4	19.7	23.1	24.6	9.5	12.8	15.4	24.5	20.5	18.0
Depreciation	435	455	455	571	561	550	520	536	1915	2166
Interest	0	3	106	9	3	0	0	47	118	50
Other Income	1387	1714	776	909	723	850	1200	1227	4710	4000
Exceptional items (reported)	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	486	4606	5043	10125	1793	2835	4503	12456	20294	21588
Tax	125	1178	1307	2208	540	624	991	2906	4818	5060
Effective Tax Rate (%)	25.7	25.6	25.9	21.8	30.1	22.0	22.0	23.3	23.7	23.4
<b>Reported PAT</b>	361	3427	3735	7918	1253	2211	3513	9550	15476	16527
Change (%)	-52.9	66.5	33.3	6.3	247.2	-35.5	-6.0	20.6	18.4	6.8
<b>Adj. PAT</b>	361	3427	3735	7918	1253	2211	3513	9550	15476	16527
Change (%)	-52.9	66.5	33.3	6.3	247.2	-35.5	-6.0	20.6	18.4	6.8



# Bharti Infratel

Bloomberg	BHIN IN
Equity Shares (m)	1896.7
M. Cap. (INR b)/(USD b)	768 / 12
52-Week Range (INR)	439 / 283
1,6,12 Rel Perf. (%)	10 / 14 / -4

## Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Net Sales	134.2	146.3	158.9	171.1
EBITDA	59.0	65.9	70.9	75.9
Adj. NP	27.5	32.0	36.4	39.7
AdjEPS INR	14.9	17.3	19.7	20.9
Gr. (%)	25.3	16.4	13.7	6.5
BV/Sh (INR)	83.7	83.6	85.9	87.7
RoE (%)	16.2	20.7	23.2	24.4
RoCE (%)	13.2	15.6	17.0	18.0
Payout (%)	125.0	100.6	88.5	81.0

## Valuations

P/E (x)	27.3	23.4	20.6	19.3
P/BV (x)	4.8	4.8	4.7	4.6
EV/EBITDAx	12.7	11.2	10.2	9.5
Div. Yld (%)	4.0	3.7	3.7	3.6

**CMP: INR404 TP: INR440 (+9%) Buy**

- n We expect consolidated revenue to grow 2.7% QoQ (and 10% YoY) to INR36.2b.
- n Consolidated rental revenue is likely to reach INR22.9b, up 1.6% QoQ and 10.6% YoY. We expect energy and other reimbursements to grow 4.8% QoQ.
- n We expect consolidated EBITDA to grow 2.6% QoQ to INR16.2b. EBITDA margin is likely to remain flat QoQ to 44.7%, despite 20bp rental EBITDA margin improvement due to higher contribution from energy margin.
- n We expect PAT to grow 5.4% QoQ to INR8.2b.
- n Bharti Infratel trades at EV/EBITDA of 11.2x FY18E and 10.2x FY19E. Maintain Buy.

## Key monitorables

- Ø Consolidated co-location additions (we expect a steady ~4,290, in line with high tenancy addition in 2HFY17).
- Ø Consolidated revenue per sharing operator (expected to remain flat due to tenancy renewal risks).

## Quarterly Performance

(INR Million)

Y/E March (Consolidated)	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from operations	32,106	32,919	34,007	35,204	35,239	36,201	37,008	37,819	1,34,237	1,46,267
YoY Change (%)	6.9	8.3	9.5	10.6	9.8	10.0	8.8	7.4	8.9	9.0
Total Expenditure	18,159	18,421	19,206	19,481	19,489	20,034	20,369	20,456	75,268	80,348
EBITDA	13,947	14,498	14,801	15,723	15,750	16,166	16,639	17,363	58,969	65,919
Margins (%)	43.4	44.0	43.5	44.7	44.7	44.7	45.0	45.9	43.9	45.1
Depreciation	5,648	5,629	5,664	5,684	5,905	5,933	6,083	6,107	22,626	24,028
Interest	-1,281	-2,472	-947	287	-627	-2,120	-2,120	-2,120	-4,414	-6,988
Other Income	352	333	357	414	474	0	0	0	1,455	474
PBT	9,932	11,674	10,441	10,166	10,946	12,354	12,676	13,377	42,212	49,353
Tax	2,369	3,936	4,237	4,200	4,307	4,200	4,310	4,548	14,742	17,365
Rate (%)	23.9	33.7	40.6	41.3	39.3	34.0	34.0	34.0	34.9	35.2
Reported PAT	7,563	7,738	6,204	5,966	6,639	8,154	8,366	8,828	27,470	31,987
Adj PAT	7,563	7,738	6,204	5,966	6,639	8,154	8,366	8,828	27,470	31,987
YoY Change (%)	71.0	30.8	25.3	-17.0	-12.2	5.4	34.9	48.0	22.2	16.4
Margins (%)	23.6	23.5	18.2	16.9	18.8	22.5	22.6	23.3	20.5	21.9

E: MOSL Estimates



Bloomberg	HDFC IN
Equity Shares (m)	1574.7
M. Cap. (INR b)/(USD b)	2760 / 42
52-Week Range (INR)	1802 / 1185
1,6,12 Rel Perf. (%)	0 / 12 / 11

**CMP: INR1,752 TP: INR2,020 (15%)**

**Buy**

**Financial Snapshot (INR b)**

Y/E March	2017	2018E	2019E	2020E
NII	99.5	116.3	132.0	151.0
PAT	74.4	83.0	94.6	108.7
Adj. EPS (INR)	35.7	39.9	45.4	52.8
EPS Gr. (%)	9.7	11.6	13.9	16.3
BV/Sh. (INR)	253.0	279.7	337.0	393.3
ABV/Sh. (INR)	201.2	227.9	286.4	321.7
RoAA (%)	2.4	2.3	2.3	2.3
Core RoE (%)	18.9	18.6	17.8	17.4
Payout (%)	37.1	43.5	43.5	43.5

**Valuation**

AP/E (x)	31.5	25.4	19.9	17.1
P/BV (x)	6.9	6.3	5.2	4.5
AP/ABV (x)	5.6	4.4	3.2	2.8
Div. Yield (%)	1.0	1.1	1.2	1.4

- n We estimate AUM growth of 18% YoY, in line with the trend in the prior quarters. We expect the pick-up in corporate loan growth to sustain.
- n NII is expected to grow 17% YoY, with margins staying stable.
- n Operating expenses will grow 13% YoY to INR2.3b.
- n Asset quality has remained healthy over past several quarters, and the trend is likely to continue. Asset quality in the corporate loan book would be a key monitorable.
- n We estimate provisions at INR950m (flat YoY).
- n We expect 19% YoY PAT growth in the quarter
- n The stock trades at 4.4x FY18E AP/ABV and 3.2x FY19E AP/ABV (price adjusted for value of other businesses and book value adjusted for investments made in those businesses). Buy.

**Key issues to watch for**

- Ø Loan growth and uptick in corporate loans.
- Ø Impact of RERA on real estate demand.
- Ø Movement in spreads and margins (on individual loans), and asset quality trends.

**Quarterly Performance**

(INR m)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Interest Income</b>	<b>22,291</b>	<b>22,972</b>	<b>25,755</b>	<b>28,524</b>	<b>25,852</b>	<b>26,924</b>	<b>30,066</b>	<b>33,430</b>	<b>99,542</b>	<b>116,273</b>
YoY Change (%)	9.3	14.5	18.0	15.5	16.0	17.2	16.7	17.2	14.5	16.8
Gross fee income	1,913	1,985	1,944	2,702	2,097	2,100	2,125	2,154	8,486	8,459
<b>Core Income</b>	<b>24,204</b>	<b>24,958</b>	<b>27,699</b>	<b>31,226</b>	<b>27,949</b>	<b>29,024</b>	<b>32,191</b>	<b>35,583</b>	<b>108,029</b>	<b>124,732</b>
YoY Change (%)	9.3	14.4	17.2	13.2	15.5	16.3	16.2	14.0	13.6	15.5
Operating Expenses	2,274	2,048	2,142	1,904	2,536	2,320	2,440	2,158	8,368	9,455
% of core income	9.4	8.2	7.7	6.1	9.1	8.0	7.6	6.1	7.7	7.6
Comission expenses	1,369	1,344	1,011	1,300	1,704	1,400	1,450	1,475	5,024	6,029
% of core income	5.7	5.4	3.6	4.2	6.1	4.8	4.5	4.1	4.7	4.8
<b>Core Operating profits</b>	<b>20,561</b>	<b>21,565</b>	<b>24,546</b>	<b>28,023</b>	<b>23,709</b>	<b>25,304</b>	<b>28,301</b>	<b>31,951</b>	<b>94,637</b>	<b>109,249</b>
YoY Change (%)	7.5	14.2	19.5	13.9	15.3	17.3	15.3	14.0	13.8	15.4
Provisions	650	950	1,170	1,480	850	950	1,000	1,050	4,250	3,850
<b>Core PBT</b>	<b>19,911</b>	<b>20,615</b>	<b>23,376</b>	<b>26,543</b>	<b>22,859</b>	<b>24,354</b>	<b>27,301</b>	<b>30,901</b>	<b>90,387</b>	<b>105,399</b>
YoY Change (%)	6.9	12.2	17.7	12.2	14.8	18.1	16.8	16.4	12.3	16.6
Profit on Sale of Inv.	9,216	281	34	486	21	650	800	1,029	10,017	2,500
Dividend income	510	4,560	1,788	2,228	599	5,370	1,500	2,635	9,144	10,103
One off expense/Prov	-2,750				0	0	0	0	-2,750	0
Other Income	111	118	114	125	109	135	135	135	468	538
<b>PBT</b>	<b>26,997</b>	<b>25,575</b>	<b>25,312</b>	<b>29,382</b>	<b>23,587</b>	<b>30,509</b>	<b>29,736</b>	<b>34,699</b>	<b>107,266</b>	<b>118,541</b>
YoY Change (%)	38.3	10.1	15.6	-19.3	-12.6	19.3	17.5	18.1	1.6	10.5
Provision for Tax	8,290	7,310	8,300	8,940	8,030	8,848	8,623	10,061	32,840	35,562
<b>PAT</b>	<b>18,707</b>	<b>18,265</b>	<b>17,012</b>	<b>20,442</b>	<b>15,557</b>	<b>21,661</b>	<b>21,113</b>	<b>24,637</b>	<b>74,426</b>	<b>82,978</b>
YoY Change (%)	37.5	13.9	11.9	-21.6	-16.8	18.6	24.1	20.5	-1.3	11.5

E: MOSL Estimates



# LIC Housing Finance

Bloomberg	LICHF IN
Equity Shares (m)	505.0
M. Cap. (INR b)/(USD b)	327 / 5
52-Week Range (INR)	794 / 470
1,6,12 Rel Perf. (%)	-4 / -2 / -3

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	36.5	39.1	44.2	50.1
PPP	32.4	34.2	39.0	44.1
Adj. PAT	19.3	21.0	24.7	27.9
Adj. EPS (INR)	38.2	41.6	48.9	55.3
EPS Gr. (%)	16.3	8.7	17.7	13.1
BV/Sh (INR)	212.1	245.5	284.7	329.1
RoAA (%)	1.5	1.4	1.5	1.5
RoE (%)	19.4	18.2	18.5	18.0
Payout (%)	18.8	19.7	19.7	19.7

Valuations				
P/E (x)	16.9	15.6	13.2	11.7
P/BV (x)	3.1	2.6	2.3	2.0
Div. Yield (%)	1.0	1.1	1.3	1.5

**CMP: INR648 TP: INR730 (+13%) Neutral**

- We expect loan growth of 15% YoY, driven primarily by the LAP segment. The share of builder loans is likely to remain ~4% of overall book. Growth in the retail home loan book would be the key monitorable.
- Calculated margins are likely to shrink ~30bp YoY, driven by falling loan yields.
- Operating expenses would rise 14% YoY, with the C/I ratio largely stable at 15%.
- Asset quality is likely to remain stable. We model provisions of INR350m, as against INR303m in 2QFY17.
- The stock trades at 2.6x FY18E and 2.3x FY19E BV. Maintain Neutral.

### Key issues to watch for

- ⊘ Trend in incremental spreads.
- ⊘ Impact of RERA.
- ⊘ Performance of corporate loan book and loans against property.
- ⊘ Management commentary on increasing competitive intensity and margin trends.

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Interest Income	33,263	34,283	35,125	36,096	36,332	37,170	38,285	40,013	138,767	151,801
Interest Expenses	25,018	25,626	25,972	25,699	26,962	27,637	28,466	29,439	102,315	112,504
<b>Net Interest Income</b>	<b>8,245</b>	<b>8,657</b>	<b>9,154</b>	<b>10,396</b>	<b>9,370</b>	<b>9,534</b>	<b>9,820</b>	<b>10,574</b>	<b>36,452</b>	<b>39,297</b>
YoY Growth (%)	25.1	20.8	22.6	26.6	13.6	10.1	7.3	1.7	23.8	7.8
Fees and other income	535	616	362	523	214	515	550	571	2,036	1,850
<b>Net Income</b>	<b>8,780</b>	<b>9,273</b>	<b>9,516</b>	<b>10,919</b>	<b>9,583</b>	<b>10,049</b>	<b>10,370</b>	<b>11,145</b>	<b>38,489</b>	<b>41,147</b>
YoY Growth (%)	24.2	18.8	18.7	22.7	9.1	8.4	9.0	2.1	21.1	6.9
Operating Expenses	1,382	1,364	1,407	1,965	1,354	1,550	1,775	2,229	6,118	6,908
<b>Operating Profit</b>	<b>7,399</b>	<b>7,909</b>	<b>8,109</b>	<b>8,954</b>	<b>8,229</b>	<b>8,499</b>	<b>8,595</b>	<b>8,916</b>	<b>32,371</b>	<b>34,239</b>
YoY Growth (%)	18.7	17.3	19.2	22.3	11.2	7.5	6.0	-0.4	19.4	5.8
Provisions and Cont.	1,165	303	453	893	1,045	350	375	417	2,813	2,187
<b>Profit before Tax</b>	<b>6,234</b>	<b>7,606</b>	<b>7,656</b>	<b>8,061</b>	<b>7,185</b>	<b>8,149</b>	<b>8,220</b>	<b>8,499</b>	<b>29,558</b>	<b>32,052</b>
Tax Provisions	2,156	2,659	2,663	2,769	2,484	2,811	2,836	2,927	10,247	11,058
<b>Net Profit</b>	<b>4,078</b>	<b>4,948</b>	<b>4,993</b>	<b>5,292</b>	<b>4,701</b>	<b>5,337</b>	<b>5,384</b>	<b>5,572</b>	<b>19,311</b>	<b>20,994</b>
YoY Growth (%)	6.7	20.2	19.2	18.1	15.3	7.9	7.8	5.3	16.3	8.7
Loan Growth (%)	15.4	14.9	15.3	15.5	15.4	15.0	15.0	12.6	15.5	12.6
Borrowings Growth (%)	15.7	14.2	15.0	13.9	14.3	14.6	14.7	12.0	13.9	12.0
Cost to Income Ratio (%)	15.7	14.7	14.8	18.0	14.1	15.4	17.1	20.0	15.9	16.8
Tax Rate (%)	34.6	35.0	34.8	34.4	34.6	34.5	34.5	34.4	34.7	34.5

E: MOSL Estimates



# Lupin

Bloomberg	LPC IN
Equity Shares (m)	447.5
M. Cap. (INR b)/(USD b)	460 / 7
52-Week Range (INR)	1572 / 920
1,6,12 Rel Perf. (%)	4 / -35 / -43

**CMP: INR1,028 TP:INR1,125 (+9%)**

**Buy**

**Financial Snapshot (INR Billion)**

Y/E MARCH	2017	2018E	2019E	2020E
Sales	174.9	169.1	198.6	229.7
EBITDA	44.9	36.2	46.5	57.6
NP	25.6	18.7	25.4	33.4
EPS (INR)	56.6	41.4	56.3	74.0
EPS Gro. (%)	12.4	-26.9	36.0	31.5
BV/Sh. (INR)	298.9	329.8	375.5	439.1
RoE (%)	20.9	13.2	16.0	18.2
RoCE (%)	13.3	8.8	10.8	12.8

**Valuations**

P/E (x)	18.2	24.8	18.3	13.9
P/BV (x)	3.4	3.1	2.7	2.3
EV/EBITDA (x)	11.5	13.8	10.5	8.1
D. Yield (%)	0.9	0.9	0.9	0.9

- We expect Lupin's (LPC) 2QFY18 revenue to decline 4.3% YoY to IN41b, mainly due to a decline in the US business by ~26% YoY, as the company may face further competitive pressure on Glumetza/Fortamet sales.
- India business is expected to exhibit 15% YoY growth to INR20b. Japan sales are expected to improve 14.7% YoY to INR5b in 2QFY18, aided by currency tailwinds.
- EBITDA is estimated to decline 14% YoY to INR8.8b, as margins are expected to come down by ~250bp to 21.5%.
- Reported PAT is likely to decline 31% YoY to IN4.5b, as tax rate is expected to increase to 26.5% from 19.4% in 2QFY17, along with a decrease in EBITDA margin.
- Although pricing pressure in base business and new competition in Metformin portfolio will keep exerting pressure on the US business, we believe that sales will bottom by 2QFY18. Resolution of Goa and Indore plant inspection in the next two months, coupled with key upcoming launches, will help drive growth from 2H. We maintain Buy with TP of INR1,125 @ 20x FY19E PER.

**Key issues to watch out**

- ⊗ Gavis sales ramp-up.
- ⊗ Outlook on future ANDA launches and Gavis integration.
- ⊗ Impact of new competition in Glumetza and Fortamet.
- ⊗ Outlook on inorganic growth initiatives.

**Quarterly Performance**

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	44,677	42,905	44,828	42,533	38,696	41,041	43,212	46,160	174,943	169,110
YoY Change (%)	41.6	28.9	26.1	2.0	-13.4	-4.3	-3.6	8.5	23.1	-3.3
Total Expenditure	31,596	32,624	32,670	31,481	31,012	32,218	33,706	35,985	130,012	132,920
EBITDA	13,080	10,281	12,158	11,052	7,684	8,824	9,507	10,175	44,931	36,190
Margins (%)	29.3	24.0	27.1	26.0	19.9	21.5	22.0	22.0	25.7	21.4
Depreciation	2,027	2,112	2,309	2,674	2,605	2,610	2,610	2,626	9,122	10,451
Interest	320	263	459	406	439	410	425	415	1,525	1,689
Other Income	826	271	1,036	453	320	400	350	430	1,065	1,500
PBT	11,560	8,177	10,426	8,425	4,959	6,204	6,822	7,565	35,349	25,550
Tax	2,734	1,589	4,095	1,367	1,368	1,644	1,808	1,951	9,785	6,771
Rate (%)	23.7	19.4	39.3	16.2	27.6	26.5	26.5	25.8	27.7	26.5
Minority Interest	6	8	24	-16	-12	20	20	57	72	85
Recurring PAT	8,820	6,622	6,331	6,069	3,581	4,540	4,994	5,557	25,492	18,694
YoY Change (%)	55.1	58.0	19.5	-18.9	-59.4	-31.0	-21.1	-8.4	12.3	-26.7
Margins (%)	19.7	15.4	14.1	14.3	9.3	11.1	11.6	12.0	14.6	11.1





# Marico

Bloomberg	MRCO IN
Equity Shares (m)	1289.6
M. Cap. (INR b)/(USD b)	404 / 6
52-Week Range (INR)	348 / 235
1,6,12 Rel Perf. (%)	0 / 0 / -3

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	59.2	65.0	76.9	89.9
EBITDA	11.4	12.2	14.6	16.9
Adj. PAT	8.1	8.8	10.6	12.4
Adj. EPS (INR)	6.3	6.8	8.2	9.6
EPS Gr. (%)	12.1	8.5	20.9	16.8
BV/Sh.(INR)	18.0	21.0	22.7	25.7
RoE (%)	36.7	34.9	37.7	39.7
RoCE (%)	31.5	29.8	32.3	34.1
Payout (%)	47.7	46.9	66.8	57.1

## Valuations

P/E (x)	49.8	45.9	38.0	32.5
P/BV (x)	17.4	14.9	13.8	12.2
EV/EBITDA (x)	35.1	32.4	27.1	23.2
Div. Yield (%)	1.0	1.0	1.8	1.8

**CMP: INR313 TP: INR350 (+12%) Neutral**

- n We expect sales to grow 10% YoY at INR15.8b, with 8% growth in domestic volumes. We have factored in GST-related accounting impact of 4% on sales and no impact on absolute EBITDA.
- n In our opinion, *Parachute*, *VAHO* and *Saffola* should post 9%, 6% and 7% growth, respectively.
- n We observe that copra prices are up 82% YoY (data available till August 2017), while kardi oil prices are up 24% YoY. We are modeling 50bp EBITDA margin decline for 2QFY18.
- n PAT is projected to grow by 8.2% YoY to INR1.95b.
- n We like MRCO's franchise, portfolio strength, management quality and multiple growth drivers. Valuations remain fair. The stock trades at 38x FY19E EPS of INR8.2; maintain Neutral.

## Key issues to watch for

- Ø Comments on volume growth trends across key categories.
- Ø Outlook for raw materials.
- Ø Margin expansion and guidance for the international business.

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic volume growth (%)	8.0	3.4	-4.0	10.0	-9.0	8.0	20.0	14.0	3.6	8.5
<b>Net Sales</b>	<b>17,523</b>	<b>14,390</b>	<b>14,140</b>	<b>13,152</b>	<b>16,815</b>	<b>15,829</b>	<b>17,251</b>	<b>15,131</b>	<b>59,180</b>	<b>65,026</b>
YoY Change (%)	0.2	-0.9	-7.5	2.2	-4.0	10.0	22.0	15.1	-3.3	9.9
<b>EBITDA</b>	<b>3,740</b>	<b>2,493</b>	<b>2,697</b>	<b>2,525</b>	<b>3,243</b>	<b>2,663</b>	<b>3,393</b>	<b>2,908</b>	<b>11,414</b>	<b>12,207</b>
Margins (%)	21.3	17.3	19.1	19.2	19.3	16.8	19.7	19.2	19.3	18.8
YoY Change (%)	18.2	9.8	-6.4	20.1	-13.3	6.8	25.8	15.2	8.1	7.0
Depreciation	208	209	213	273	211	262	266	385	903	1,124
Interest	54	21	44	47	35	27	58	101	166	220
Other Income	275	285	260	293	229	342	312	486	1,152	1,369
<b>PBT</b>	<b>3,753</b>	<b>2,548</b>	<b>2,700</b>	<b>2,497</b>	<b>3,226</b>	<b>2,716</b>	<b>3,382</b>	<b>2,908</b>	<b>11,497</b>	<b>12,232</b>
Tax	1,072	740	781	784	866	761	947	851	3,377	3,425
Rate (%)	28.6	29.1	28.9	31.4	26.8	28.0	28.0	29.3	29.4	28.0
<b>Adjusted PAT</b>	<b>2,679</b>	<b>1,806</b>	<b>1,916</b>	<b>1,709</b>	<b>2,359</b>	<b>1,954</b>	<b>2,433</b>	<b>2,051</b>	<b>8,110</b>	<b>8,797</b>
YoY Change (%)	17.2	18.1	-6.8	25.5	-11.9	8.2	26.9	20.0	14.4	8.5

E: MOSL Estimates



# Tata Steel

Bloomberg	TATA IN
Equity Shares (m)	971.4
M. Cap. (INR b)/(USD b)	641 / 10
52-Week Range (INR)	697 / 366
1,6,12 Rel Perf. (%)	2 / 28 / 57

## Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	1,123	1,255	1,254	1,263
EBITDA	170	212	202	219
Adj. PAT	37	66	62	74
Adj. EPS (INR)	37.9	67.8	63.4	76.4
EPS Gr(%)	394.2	78.7	-6.5	20.5
BV/Sh. (INR)	330	373	427	493
RoE (%)	15.7	19.3	15.8	16.6
RoCE (%)	9.4	11.7	10.3	11.0
Payout (%)	-21.8	14.6	14.2	11.9

## Valuation

P/E (x)	18.2	10.2	10.9	9.0
P/BV	2.1	1.9	1.6	1.4
EV/EBITDA (x)	8.3	6.7	6.9	6.2
Div. Yield (%)	1.2	1.2	1.2	1.2

**CMP: INR660 TP: 666 (-4%) Neutral**

- India: We estimate Tata Steel's standalone EBITDA to increase 26% QoQ/96% YoY to INR37.5b on higher volumes, flat product realization and higher ferro prices. Sales volumes are up 19% YoY to 3.1mt (reported) on ramp-up at Kalinganagar. EBITDA per ton is estimated to increase ~INR1,200 QoQ to INR11,985 on higher realization, operating leverage and ferro.
- Europe: EU sales volumes grew 8% QoQ to 2.6mt, despite a seasonally weak quarter. Margins are estimated to decline 7% QoQ to USD76/t.
- Consolidated EBITDA is estimated to increase 7% QoQ/79% YoY to INR53.2b. Adj. PAT is estimated to turn from a loss of INR1.1b to INR17.3b YoY (and from INR15.3b QoQ).

## Key issues to watch out:

- Imports from China and global iron ore prices.

## Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales (k tons)	5,410	5,650	6,110	6,830	5,830	6,400	6,246	6,791	24,000	25,267
Change (YoY %)	-14.5	-10.2	-4.1	-1.6	7.8	13.3	2.2	-0.6	-7.4	5.3
Avg Realization (INR/tss)	46,635	46,674	45,755	49,628	50,698	50,795	48,925	48,432	47,272	49,675
<b>Net Sales</b>	<b>252,298</b>	<b>263,710</b>	<b>279,565</b>	<b>338,960</b>	<b>295,568</b>	<b>325,089</b>	<b>305,592</b>	<b>328,912</b>	<b>1,134,532</b>	<b>1,255,160</b>
Change (YoY %)	-16.7	-10.0	-0.3	14.9	17.2	23.3	9.3	-3.0	-3.2	10.6
<b>EBITDA</b>	<b>32,420</b>	<b>29,700</b>	<b>35,393</b>	<b>70,252</b>	<b>49,740</b>	<b>53,179</b>	<b>53,996</b>	<b>53,769</b>	<b>167,764</b>	<b>210,684</b>
Change (YoY %)	16.9	62.3	356.3	218.6	53.4	79.1	53	-23	121.2	25.6
(% of Net Sales)	12.8	11.3	12.7	20.7	16.8	16.4	17.7	16.3	14.8	16.8
<b>EBITDA(USD/tss)</b>	<b>90</b>	<b>79</b>	<b>86</b>	<b>154</b>	<b>132</b>	<b>127</b>	<b>131</b>	<b>119</b>	<b>104</b>	<b>127</b>
Interest	10,707	13,511	13,874	12,631	13,437	13,106	13,350	13,380	50,723	53,274
Depreciation	12,417	14,677	13,797	15,892	15,011	14,735	14,955	15,118	56,784	59,819
Other Income	1,367	1,084	1,301	1,522	1,555	1,213	1,343	1,315	5,274	5,426
<b>PBT (before EO Inc.)</b>	<b>10,662</b>	<b>2,597</b>	<b>9,022</b>	<b>43,250</b>	<b>22,846</b>	<b>26,551</b>	<b>27,033</b>	<b>26,586</b>	<b>65,531</b>	<b>103,016</b>
EO Income(exp)	-35,231	634	284	-45,199	-6,289				-79,512	-6,289
<b>PBT (after EO Inc.)</b>	<b>-24,568</b>	<b>3,230</b>	<b>9,306</b>	<b>-1,948</b>	<b>16,557</b>	<b>26,551</b>	<b>27,033</b>	<b>26,586</b>	<b>-13,981</b>	<b>96,727</b>
Total Tax	7,405	3,634	6,984	9,760	7,405	9,256	9,437	9,251	27,782	35,350
% Tax	69.4	139.9	77.4	22.6	32.4	34.9	34.9	34.8	42.4	34.3
<b>Reported PAT</b>	<b>-31,973</b>	<b>-403</b>	<b>2,322</b>	<b>-11,708</b>	<b>9,152</b>	<b>17,295</b>	<b>17,596</b>	<b>17,335</b>	<b>-41,762</b>	<b>61,378</b>
<b>Adj. PAT (after MI &amp; asso)</b>	<b>3,400</b>	<b>-1,127</b>	<b>2,035</b>	<b>33,435</b>	<b>15,352</b>	<b>17,333</b>	<b>17,641</b>	<b>17,363</b>	<b>37,742</b>	<b>67,690</b>



### 1. **EQUITAS HOLDINGS : H2 Traditionally good for lending; crossed rs 3000 cr in deposits - HK Raghavan, President - Inclusive and Outreach Banking**

- n Banking transition is almost complete and for the first time have crossed Rs 3000 crore in terms of deposits and 38 percent of this is CASA.
- n Second half has always been good for lending and so hopes H2 will be good and so expect GNPA's in the non MFI business to be around March'17 levels.
- n Asset under management (AUM) growth for the company remain muted at Rs 7326 crore up only 3.5 percent Year on Year (YoY) and 4.1 percent quarter on quarter (QoQ). Meanwhile, the gross non-performing assets (GNPA) came in higher at 5.76 percent versus 4.91 percent in the earlier quarter.
- n The GNPA of MFI book stood at 6.72 percent versus 4.99 percent QoQ, while that for non-MFI book came in at 5.3 percent versus 4.85 percent QoQ.

[➔ Read More](#)

### 2. **BIOCON : Optimistic about entry into generics market; hoping for better returns in H2; Kiran Mazumdar Shaw, Chairperson & MD**

- n Decline on account of lower off-take of APIs, production disruption due to plant modifications and tender delays.
- n Very optimistic about our own entry into the generics market with our Rosuvastatin and that will pick up in terms of sales.
- n Have little more than a quarter to show some positive growth trajectory. So real uptick will start next fiscal.
- n Looking at certain tenders in emerging markets, certain delayed regulatory approvals in certain markets, which company hopes will come into play for the rest of this year.

[➔ Read More](#)

### 3. **SREI INFRA : Seeing higher disbursement growth; recovery in stressed assets; Hemant Kanoria, CMD**

- n Haven't been any fresh slippages because in the new portfolio the NPAs are very low.
- n Business wise have seen a pickup in equipment financing business and a recovery in stressed assets.
- n Repayments have been higher and so disbursement growth is high as well.

[➔ Read More](#)

### 4. **L&T FINANCE HOLDINGS : See FY18 loan book growth around 25%; expect roe to improve; Dinanath Dubhashi, MD & CEO**

- n New microfinance centres opened in Q4 of FY17 and Q1 of FY18 are now coming into play and are contributing to disbursements. Overall productivity of all people on ground is also going up. These two things led to growth in microfinance.
- n Renewable energy and road re-financing segments are also doing pretty well.
- n Public sector undertaking (PSU) banks are looked at more as customers than competitors. So, they expect further boost to company's fee income from PSU bank recapitalization.

[➔ Read More](#)



### 1. Is globalization going to be unravelled?

- n Globalization is getting very bad press in industrialized countries. From being touted aggressively only 10 years ago as a “win-win” development for all, it is now blamed for these economies’ ills. Recent election results suggest that the elites in these countries are thoroughly discredited. Inevitably, this has extended to the expertise traditionally associated with them. There is a real danger of ill-conceived populist solutions gaining traction. Globalization is not dead but it does seem headed for a reset. It was all about freer movement of capital, people and trade. The movement of private capital continues much as before with two qualifications. First, worries about global financial stability are pervasive. Second, traditional multilateral development banks such as the World Bank and the Asian Development Bank (ADB) enjoy little support. The movement of people, an important aspect of globalization, was never free, except for the highly educated. Even that is now being restricted.

[➔ Read More](#)

### 2. A lease of life called bank recapitalization

- n The Rs2.11 trillion recapitalization package announced by the government is a major initiative towards revitalizing public sector banks (PSBs) grappling with non-performing assets (NPAs) and inadequate capital, and will help them focus on credit growth. Also, with incremental accretion to stressed assets unlikely to materialize going forward, we expect the credit profiles of PSBs to improve. The proposed infusion would be adequate, because CRISIL estimates that PSBs would need Rs1.4-1.7 trillion of capital by March 2019 to offset profit and loss (P&L) losses stemming from higher NPA provisioning, and to comply with Basel III capital adequacy norms. And that’s after some capital savings (because of slower growth in risk-weighted assets) and approximately Rs30,000 crore raised through additional tier 1 (AT1) bond issuances in the last fiscal.

[➔ Read More](#)

### 3. Economic growth: Till job creation, investment growth don’t happen, consumption can’t drive economic growth

- n Consumption has been a key driver of India’s growth. In the last five years, the private final consumption expenditure (PFCE) has grown by 6.7% (CAGR), even while investment and export growth have slowed to 3.7% and 3%, respectively. Unfortunately, in the last few quarters, there has been a deceleration in consumption trend and a dip in consumer sentiments, leading to concerns on whether the healthy consumption trend will be sustained. PFCE growth has fallen to 6.7% in Q1 FY18 from a high of 11% in Q3 FY17. The deceleration is in line with the weakness in consumer sentiment. Consumer sentiment has hit a four-year low, and has been pessimistic for the last two quarters.

[➔ Read More](#)

#### 4. Beyond MSP

n The Centre, while announcing the minimum support prices for the oncoming rabi season, has stuck to its policy of announcing moderate increases in the case of cereals, while promoting a shift towards pulses and oilseeds. MSP increases have moderated after 2013, after double-digit spurts that were the norm in the preceding four years. Hence, the rise in the case of wheat amounts to 6.4 per cent or ₹110 a quintal to ₹1,735, against a rise of ₹100 a quintal last year, while the increase with respect to gram (chana) is 10 per cent, or by ₹400 a quintal to ₹4,400; in the case of safflower, the hike is 10.8 per cent or ₹400 a quintal on last year's MSP of ₹3,700 a quintal. This consistent emphasis on pulses has translated into improvements in acreage and output. MSP for most categories of pulses has been generously raised at 8-10 per cent levels in the last two years. This led to 158 lakh hectares being brought under rabi pulses in 2016-17, against 142 lakh hectares in the previous year. Of this, gram (chana), the principal rabi pulses crop, accounted for an acreage of 98 lakh hectares in 2016-17, against 89 lakh hectares in the previous year, an increase of about 10 per cent. The sharp increase in both acreage and output in the kharif and rabi seasons of 2016-17 led to a record foodgrain output of 275 million tonnes, which included a record pulses output of nearly 23 million tonnes.

[➔ Read More](#)

### International

#### 5. The search for the 'minsky moment' is bigger than china

n You can tell China's Zhou Xiaochuan, 69, is on the verge of retirement. No other powerbroker would have had the gall to suggest Beijing's debt-fuelled boom might come to a nasty end at last week's Communist Party Congress bash. Not having to worry about job security frees officials to say what they really think. Such was the case with the People's Bank of China (PBOC) governor talk of a "Minsky Moment". Zhou's warning contrasted wildly with the Chinese President's grand talk of a "new era" and an epochal "Xi Jinping thought" ideology. Mao Zedong, move aside. Deng Xiaoping, who's that? Zhou's admonition is the real takeaway from last week's conclave. Particularly because China is just one of three candidates in the running for the kind of sudden collapse in asset values of which American economist Hyman Minsky warned.

[➔ Read More](#)



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
<b>Automobiles</b>														
Amara Raja	Buy	685	854	25	28.0	25.6	32.9	24.4	26.8	4.5	4.0	20.3	15.8	17.7
Ashok Ley.	Buy	128	145	13	4.6	5.3	7.0	28.1	24.0	6.1	5.4	23.1	23.8	27.0
Bajaj Auto	Buy	3,290	3,753	14	132.3	145.2	175.0	24.9	22.7	5.6	5.0	25.3	23.3	25.3
Bharat Forge	Buy	672	726	8	13.1	18.3	25.5	51.4	36.7	7.6	6.6	16.2	19.3	22.9
Bosch	Neutral	21,259	22,781	7	473.1	540.8	698.6	44.9	39.3	7.4	6.6	15.8	17.8	20.5
CEAT	Buy	1,685	2,029	20	93.3	94.2	126.8	18.1	17.9	2.8	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	31,783	36,487	15	612.7	826.7	1,119.2	51.9	38.4	16.2	12.2	37.1	36.1	36.4
Endurance Tech.	Buy	1,083	1,229	14	23.5	29.6	39.3	46.1	36.5	8.8	7.3	20.8	21.8	24.0
Escorts	Neutral	737	732	-1	20.0	37.1	45.8	36.9	19.9	3.7	3.2	10.6	17.3	18.3
Exide Ind	Buy	203	254	25	8.1	7.9	9.7	25.0	25.7	3.5	3.2	13.9	12.5	13.7
Hero Moto	Neutral	3,797	3,868	2	169.1	185.0	197.1	22.5	20.5	7.5	6.5	35.7	34.0	31.4
M&M	Buy	1,386	1,585	14	54.3	69.5	81.7	25.5	20.0	3.2	2.9	14.2	13.5	14.3
Mahindra CIE	Not Rated	244	-		5.4	9.9	11.8	45.7	24.8	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,115	9,417	16	248.6	285.5	381.7	32.6	28.4	6.8	5.9	20.3	20.4	23.0
Tata Motors	Buy	430	562	31	19.8	20.0	61.3	21.7	21.5	2.5	2.2	9.8	11.0	27.4
TVS Motor	Buy	718	719	0	11.7	15.1	24.5	61.1	47.6	14.2	11.5	25.6	26.7	34.2
<b>Aggregate</b>								<b>29.7</b>	<b>26.0</b>	<b>5.1</b>	<b>4.5</b>	<b>17.1</b>	<b>17.2</b>	<b>22.6</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	485	470	-3	15.4	18.1	29.9	31.5	26.8	2.1	2.0	6.9	7.6	11.6
DCB Bank	Neutral	177	197	11	7.0	8.5	10.5	25.3	20.8	2.6	2.1	10.8	11.5	11.8
Equitas Hold.	Buy	144	212	47	5.0	1.7	6.1	28.5	84.7	2.2	2.1	9.5	2.5	8.6
Federal Bank	Buy	120	146	21	4.8	5.5	6.6	24.9	21.7	2.4	1.9	9.9	9.6	10.0
HDFC Bank	Buy	1,793	2,150	20	56.8	68.7	84.7	31.6	26.1	5.3	4.7	18.3	18.8	20.4
ICICI Bank	Buy	301	366	22	15.3	14.5	16.6	19.7	20.8	2.2	2.1	10.2	8.6	9.3
IDFC Bank	Neutral	57	56	-2	3.0	2.8	3.2	19.0	20.5	1.3	1.3	7.2	6.3	6.9
IndusInd	Buy	1,627	2,000	23	48.1	60.9	78.6	33.8	26.7	4.7	4.2	15.3	16.9	19.0
J&K Bank	Neutral	86	91	6	-31.3	3.9	8.3	NM	22.2	0.8	0.8	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	1,033	1,179	14	26.8	32.1	41.6	38.5	32.2	5.0	4.4	13.8	14.8	16.5
RBL Bank	Buy	525	665	27	11.9	16.4	23.0	44.2	32.1	4.6	3.3	12.3	12.4	13.7
South Indian	Buy	31	36	16	2.5	1.9	3.8	12.5	16.7	1.2	1.1	9.0	6.7	12.6
Yes Bank	Buy	307	382	24	14.6	17.8	23.3	21.1	17.2	3.3	2.8	18.9	17.3	19.5
<b>Aggregate</b>								<b>29.7</b>	<b>24.9</b>	<b>3.4</b>	<b>3.0</b>	<b>11.5</b>	<b>12.2</b>	<b>13.9</b>
<b>Banks - PSU</b>														
BOB	Buy	174	217	24	6.0	9.5	20.8	29.1	18.3	1.1	1.1	4.0	6.1	12.4
BOI	Neutral	180	141	-22	-14.8	-11.2	6.6	NM	NM	0.8	0.8	-6.7	-5.2	3.0
Canara	Neutral	404	323	-20	18.8	30.1	47.0	21.5	13.4	0.9	0.8	4.2	6.2	9.1
IDBI Bk	Neutral	62	49	-21	1.5	6.4	8.6	40.7	9.7	0.6	0.5	1.4	5.8	7.3
Indian Bk	Buy	307	333	9	29.3	34.4	38.3	10.5	8.9	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	136	150	10	-31.6	17.1	21.4	NM	8.0	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	196	184	-6	6.2	5.8	11.0	31.5	33.6	1.1	1.1	3.6	3.2	5.9
SBI	Buy	311	341	10	0.3	14.6	26.8	1,045.4	21.3	1.5	1.4	-0.2	7.0	11.4
Union Bk	Neutral	176	135	-23	8.1	9.0	19.1	21.7	19.4	0.6	0.6	2.7	3.0	6.1
<b>Aggregate</b>								<b>122.4</b>	<b>21.7</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>4.6</b>	<b>8.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,814	2,300	27	32.0	45.7	63.7	56.6	39.7	10.8	6.4	21.6	20.2	20.4
Bharat Fin.	Neutral	972	900	-7	21.0	29.9	54.9	46.3	32.5	5.5	4.4	15.1	15.1	22.4
Capital First	Buy	708	925	31	24.6	32.8	42.4	28.7	21.6	3.0	2.7	12.0	13.2	15.0
Cholaman.Inv.&Fn	Buy	1,124	1,400	25	46.0	56.0	68.1	24.4	20.1	4.1	3.5	18.0	18.6	19.2
Dewan Hsg.	Buy	610	690	13	29.6	37.6	46.0	20.6	16.2	2.4	2.2	14.4	14.1	15.3
GRUH Fin.	Neutral	499	500	0	8.1	9.9	12.0	61.4	50.6	18.4	15.1	32.5	32.8	32.8
HDFC	Buy	1,698	2,020	19	46.8	52.2	58.2	36.2	32.5	6.7	6.1	18.9	18.6	17.8
Indiabulls Hsg	Buy	1,265	1,550	23	68.6	83.6	105.1	18.4	15.1	4.4	3.9	25.5	27.6	30.7
L&T Fin Holdings	Buy	199	230	16	5.2	6.8	10.1	37.9	29.0	4.5	3.9	12.4	14.7	18.5
LIC Hsg Fin	Neutral	614	730	19	38.2	41.6	48.9	16.1	14.8	2.9	2.5	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	98	-		8.6	9.2	9.7	11.3	10.6	2.5	2.3	24.0	22.3	21.4
M&M Fin.	Buy	421	481	14	7.1	14.2	19.1	59.4	29.7	3.7	3.4	6.4	11.9	14.8
Muthoot Fin	Buy	480	550	15	29.5	38.7	44.4	16.3	12.4	2.9	2.5	19.4	21.8	21.2
PNB Housing	Buy	1,417	1,750	23	31.6	52.5	66.5	44.8	27.0	4.3	3.8	13.8	15.0	16.7
Repco Home	Buy	602	800	33	29.1	33.7	38.4	20.7	17.8	3.3	2.8	17.4	17.1	16.7
Shriram City Union	Buy	2,145	2,700	26	84.3	118.3	155.3	25.4	18.1	2.8	2.5	11.7	14.6	16.8
STF	Buy	1,160	1,320	14	55.6	80.0	102.4	20.9	14.5	2.3	2.1	11.7	15.0	16.9
<b>Aggregate</b>								<b>30.4</b>	<b>24.5</b>	<b>4.9</b>	<b>4.2</b>	<b>16.1</b>	<b>17.1</b>	<b>18.0</b>
<b>Capital Goods</b>														
ABB	Sell	1,403	1,230	-12	19.7	20.2	28.7	71.2	69.3	9.1	8.0	12.7	11.6	14.6
Bharat Elec.	Buy	172	187	9	6.3	6.7	7.4	27.4	25.6	5.6	4.4	20.6	17.1	17.0
BHEL	Sell	95	75	-21	1.3	2.7	3.8	71.1	35.0	1.1	1.1	1.5	3.1	4.1
Blue Star	Neutral	792	690	-13	12.9	17.1	25.5	61.5	46.4	10.0	9.4	18.0	20.9	28.9
CG Cons. Elec.	Buy	219	240	10	4.7	5.3	6.5	46.7	41.2	25.4	18.5	76.4	52.0	49.4
CG Power & Indu.	Neutral	82	80	-2	4.1	2.0	2.5	19.9	40.2	1.2	1.2	6.2	3.0	3.7
Cummins	Buy	907	1,170	29	26.5	25.2	35.0	34.2	36.1	6.7	6.3	21.2	18.0	22.3
GE T&D	Neutral	389	395	2	5.7	9.3	11.3	67.8	41.8	9.6	8.4	12.4	21.5	22.7
Havells	Neutral	483	460	-5	9.6	11.5	14.3	50.5	41.9	9.2	8.2	18.2	19.5	21.2
K E C Intl	Neutral	298	295	-1	11.9	13.1	16.4	25.1	22.8	4.8	4.1	21.2	19.5	20.9
L&T	Buy	1,224	1,400	14	42.3	46.5	56.6	28.9	26.3	3.4	3.1	12.5	12.4	13.8
Pennar Eng.	Not Rated	106	-		7.1	9.1	11.2	15.0	11.7	1.5	1.4	10.2	11.6	12.6
Siemens	Neutral	1,269	1,355	7	17.8	21.7	33.4	71.2	58.6	6.6	5.8	9.3	9.8	13.8
Solar Ind	Neutral	1,001	900	-10	20.6	24.2	30.0	48.6	41.3	8.9	7.6	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	25.2	18.1	-1.5	-1.6	NM	-8.8	-11.0
Thermax	Neutral	987	840	-15	30.8	30.1	33.4	32.0	32.7	4.4	4.0	14.3	12.7	12.8
Va Tech Wab.	Buy	590	800	36	29.8	34.6	39.8	19.8	17.1	3.2	2.8	16.8	17.6	17.4
Voltas	Sell	543	470	-13	15.5	16.8	19.1	35.1	32.3	5.4	4.8	18.0	15.8	16.0
<b>Aggregate</b>								<b>36.1</b>	<b>31.8</b>	<b>4.0</b>	<b>3.7</b>	<b>11.2</b>	<b>11.6</b>	<b>13.1</b>
<b>Cement</b>														
Ambuja Cem.	Neutral	279	314	12	4.9	6.9	8.4	57.1	40.2	2.9	2.7	5.1	7.0	8.0
ACC	Neutral	1,786	1,797	1	36.1	52.2	70.9	49.5	34.2	3.9	3.7	7.9	11.1	14.2
Birla Corp.	Buy	1,050	1,150	10	28.5	40.9	58.9	36.8	25.6	2.4	2.3	7.1	9.2	12.2
Dalmia Bharat	Buy	2,887	3,272	13	38.8	62.9	88.3	74.5	45.9	5.2	4.7	7.2	10.7	13.3
Grasim Inds.	Neutral	1,189	1,276	7	67.8	70.6	101.2	17.5	16.8	1.8	1.6	10.8	10.0	12.9
India Cem	Neutral	195	198	1	5.6	7.5	10.8	34.7	26.0	1.2	1.1	3.4	4.4	6.1
J K Cements	Buy	1,005	1,196	19	33.7	39.7	54.4	29.8	25.3	4.0	3.5	14.4	14.8	17.5
JK Lakshmi Ce	Buy	443	485	10	7.0	9.7	16.4	63.6	45.5	3.8	3.5	6.1	8.0	12.3
Ramco Cem	Buy	718	832	16	27.3	27.4	34.4	26.3	26.2	4.6	4.0	19.0	16.1	17.5
Orient Cem	Buy	171	182	7	-1.6	4.4	7.1	NM	38.6	3.5	3.3	-3.2	8.8	12.8
Prism Cem	Buy	120	140	17	0.3	3.5	5.6	439.9	34.5	6.3	5.5	1.4	17.0	22.9
Shree Cem	Buy	19,069	22,084	16	384.4	507.1	547.8	49.6	37.6	8.6	7.1	18.4	20.8	18.8
Ultratech	Buy	4,435	4,906	11	96.1	102.2	147.1	46.2	43.4	5.1	4.5	11.6	11.1	14.2
<b>Aggregate</b>								<b>39.3</b>	<b>32.6</b>	<b>3.7</b>	<b>3.4</b>	<b>9.4</b>	<b>10.4</b>	<b>12.6</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,187	1,280	8	21.0	21.6	25.8	56.5	55.0	15.0	14.6	28.5	26.9	29.4
Britannia	Buy	4,589	5,165	13	73.7	85.3	104.6	62.3	53.8	20.4	16.8	36.9	34.3	34.5
Colgate	Buy	1,057	1,328	26	21.2	23.4	28.6	49.8	45.2	22.6	21.5	50.4	48.7	56.2
Dabur	Neutral	322	330	2	7.2	7.7	9.1	44.5	41.7	11.7	10.0	28.4	26.0	26.3
Emami	Buy	1,243	1,435	15	26.5	26.6	33.2	46.8	46.7	16.1	13.7	35.8	31.7	34.0
Godrej Cons.	Neutral	925	1,005	9	18.9	21.5	24.7	48.9	42.9	11.9	9.2	24.6	24.2	22.8
GSK Cons.	Neutral	4,927	4,630	-6	156.1	158.1	182.1	31.6	31.2	6.6	6.5	22.2	21.1	22.6
HUL	Buy	1,257	1,440	15	19.6	22.8	27.6	64.0	55.1	41.9	41.7	66.5	75.9	88.0
ITC	Neutral	269	290	8	8.4	9.3	10.3	32.1	29.1	7.2	7.2	23.5	24.8	26.3
Jyothy Lab	Neutral	375	410	9	11.2	9.8	11.1	33.4	38.2	6.3	6.3	21.1	16.5	18.4
Marico	Neutral	311	350	13	6.3	6.8	8.2	49.5	45.6	17.2	14.8	36.7	34.9	37.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Nestle	Neutral	7,166	6,160	-14	118.0	115.0	133.6	60.7	62.3	22.9	21.3	39.0	35.5	38.1
Page Inds	Buy	19,932	21,310	7	238.7	294.7	398.4	83.5	67.6	33.4	26.8	40.0	39.6	43.1
Parag Milk	Neutral	265	280	6	3.6	9.1	12.5	73.5	29.1	3.4	3.0	6.0	11.0	13.3
Pidilite Ind.	Neutral	787	865	10	16.7	18.1	20.6	47.0	43.6	12.2	10.0	28.2	25.2	23.5
P&G Hygiene	Neutral	8,623	9,200	7	132.9	151.6	176.0	64.9	56.9	40.6	33.7	39.3	64.9	62.8
Prabhat Dairy	Not Rated	146	-		3.5	3.5	6.4	41.3	41.9	2.1	2.0	5.2	4.9	8.5
United Brew	Buy	988	980	-1	8.7	9.9	14.0	113.8	99.9	11.2	10.2	10.2	10.7	13.6
United Spirits	Neutral	3,029	2,600	-14	26.7	34.5	51.5	113.3	87.8	22.7	15.8	21.3	18.0	20.3
<b>Aggregate</b>								<b>47.4</b>	<b>43.0</b>	<b>13.1</b>	<b>12.2</b>	<b>27.5</b>	<b>28.3</b>	<b>29.4</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	498	510	2	21.6	19.8	25.5	23.1	25.2	4.9	4.3	23.0	18.4	20.5
Alkem Lab	Neutral	1,867	1,830	-2	75.7	72.5	93.3	24.7	25.8	5.3	4.6	23.4	19.0	20.9
Ajanta Pharma	Buy	1,197	1,605	34	58.4	52.8	64.2	20.5	22.7	6.8	5.4	37.7	26.5	25.9
Aurobindo	Buy	761	850	12	39.3	44.9	50.0	19.4	16.9	4.8	3.8	27.6	24.8	22.1
Biocon	Neutral	358	335	-6	10.2	9.7	14.2	35.1	36.8	4.4	4.1	12.3	11.1	14.5
Cadila	Buy	491	555	13	14.2	17.5	23.6	34.6	28.1	7.2	6.1	23.0	23.5	26.0
Cipla	Neutral	623	520	-17	15.9	21.1	26.0	39.2	29.5	4.0	3.6	10.2	12.1	13.2
Divis Lab	Neutral	871	720	-17	39.9	33.9	40.4	21.8	25.7	4.3	4.5	22.0	17.0	19.5
Dr Reddy's	Neutral	2,395	2,400	0	72.6	72.6	119.9	33.0	33.0	3.2	3.1	9.7	9.7	14.4
Fortis Health	Buy	146	220	51	10.3	2.2	5.6	14.1	66.8	1.5	1.3	11.3	2.1	4.9
Glenmark	Neutral	610	775	27	39.3	39.7	49.1	15.5	15.4	3.8	3.1	24.7	20.3	20.4
Granules	Buy	136	200	47	7.2	8.0	11.0	18.8	17.0	3.4	2.4	21.1	17.7	18.8
GSK Pharma	Neutral	2,531	2,500	-1	34.4	44.2	54.9	73.6	57.3	10.7	12.6	14.5	22.0	31.4
IPCA Labs	Neutral	524	430	-18	16.1	16.6	26.8	32.6	31.6	2.7	2.5	8.6	8.2	12.2
Jubilant Life	Buy	638	905	42	37.0	47.1	56.7	17.3	13.6	2.9	2.4	18.1	19.5	19.6
Lupin	Buy	1,001	1,125	12	56.6	41.4	58.0	17.7	24.2	3.3	3.0	20.9	13.2	16.4
Sanofi India	Buy	4,161	4,850	17	129.1	133.6	160.6	32.2	31.1	5.5	5.2	17.1	16.6	18.1
Shilpa Medicare	Buy	657	805	22	14.0	21.1	30.4	46.9	31.1	5.7	4.9	14.4	17.0	20.4
Strides Shasun	Buy	844	1,300	54	32.3	47.4	74.8	26.2	17.8	2.8	2.5	10.7	14.7	20.2
Sun Pharma	Buy	550	515	-6	26.1	15.1	23.3	21.1	36.5	3.6	3.4	18.1	9.6	13.8
Syngene Intl	Not Rated	500	-		13.0	16.1	18.0	38.4	31.0	7.8	6.3	22.2	22.5	20.7
Torrent Pharma	Neutral	1,265	1,350	7	55.2	53.4	67.3	22.9	23.7	4.9	4.3	23.8	19.5	21.5
<b>Aggregate</b>								<b>24.1</b>	<b>26.8</b>	<b>4.1</b>	<b>3.7</b>	<b>16.9</b>	<b>13.6</b>	<b>16.1</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	168	213	27	9.8	10.3	12.9	17.1	16.3	2.3	2.1	13.7	13.4	15.1
Blue Dart	Not Rated	4,188	-		102.5	129.9	163.2	40.8	32.2	18.1	13.8	50.5	48.6	46.8
Concor	Neutral	1,363	1,503	10	38.0	46.8	57.8	35.9	29.1	3.8	3.6	10.8	12.5	14.6
Gateway Distriparks	Buy	256	277	8	6.8	8.4	11.0	37.6	30.3	2.7	2.6	7.3	8.8	11.0
Gati	Not Rated	117	-		8.4	15.9	23.9	14.0	7.4	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	278	-		16.9	21.0	25.9	16.4	13.2	2.6	2.2	16.7	17.8	18.6
<b>Aggregate</b>								<b>31.3</b>	<b>25.2</b>	<b>3.9</b>	<b>3.6</b>	<b>12.3</b>	<b>14.1</b>	<b>16.3</b>
<b>Media</b>														
Dish TV	Buy	78	106	36	1.0	1.0	2.4	76.0	76.7	16.9	13.9	25.1	19.9	35.2
D B Corp	Buy	369	450	22	20.4	23.7	28.0	18.1	15.6	4.3	3.5	25.1	24.7	23.9
Den Net.	Neutral	83	90	8	-9.3	-2.9	0.1	NM	NM	1.8	1.9	-19.1	-6.4	0.2
Ent.Network	Neutral	804	928	15	11.4	12.2	20.6	70.4	66.0	4.5	4.2	6.7	6.6	10.3
Hind. Media	Buy	239	302	26	25.8	25.6	30.2	9.3	9.3	1.5	1.3	18.2	15.0	15.3
HT Media	Neutral	102	113	10	7.4	10.4	11.9	13.9	9.9	1.1	1.0	7.9	10.2	10.6
Jagran Prak.	Buy	180	225	25	10.7	12.2	13.4	16.9	14.8	2.7	2.8	18.5	18.6	19.0
Music Broadcast	Buy	377	469	24	6.4	9.3	14.0	58.7	40.4	3.9	3.6	11.2	9.3	12.4
PVR	Buy	1,421	1,597	12	20.5	26.5	43.6	69.2	53.6	6.9	6.1	10.4	12.1	17.3
Prime Focus	Buy	96	130	35	1.2	3.0	5.9	78.7	31.8	5.2	4.4	7.6	15.0	23.9
Siti Net.	Neutral	25	32	27	-1.8	-0.4	0.4	NM	NM	4.1	4.4	-28.7	-7.5	6.4
Sun TV	Neutral	842	860	2	24.9	28.8	36.9	33.9	29.3	8.3	7.6	26.0	27.0	31.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Zee Ent.	Buy	542	630	16	12.1	10.5	16.0	44.7	51.8	6.1	5.6	17.0	12.8	16.8
<b>Aggregate</b>								<b>40.3</b>	<b>33.5</b>	<b>5.1</b>	<b>4.7</b>	<b>12.6</b>	<b>13.9</b>	<b>17.5</b>
<b>Metals</b>														
Hindalco	Buy	271	308	14	8.6	19.8	24.5	31.6	13.6	2.1	1.8	7.4	14.3	15.4
Hind. Zinc	Neutral	316	322	2	19.7	22.7	29.4	16.1	13.9	4.3	4.6	24.4	32.3	38.0
JSPL	Buy	166	192	15	-20.9	-17.4	2.0	NM	NM	0.5	0.5	-7.9	-5.5	0.6
JSW Steel	Buy	265	298	12	14.8	22.3	25.7	17.9	11.9	2.8	2.4	17.3	21.6	20.8
Nalco	Neutral	92	87	-5	3.7	4.5	5.8	24.7	20.5	1.7	1.7	7.2	8.3	10.1
NMDC	Buy	129	188	46	10.0	13.1	12.9	12.9	9.9	1.8	1.7	12.8	15.5	16.2
SAIL	Sell	80	30	-62	-6.2	-7.7	-4.2	NM	NM	0.9	1.0	-6.7	-9.1	-5.3
Vedanta	Buy	340	360	6	15.1	25.4	40.0	22.4	13.4	2.1	1.9	9.7	15.0	21.6
Tata Steel	Neutral	726	665	-8	37.9	66.9	63.4	19.1	10.8	2.2	1.9	15.7	19.1	15.9
<b>Aggregate</b>								<b>24.9</b>	<b>15.8</b>	<b>1.9</b>	<b>1.8</b>	<b>7.6</b>	<b>11.5</b>	<b>14.3</b>
<b>Oil &amp; Gas</b>														
BPCL	Buy	527	644	22	48.3	49.2	52.0	10.9	10.7	3.4	2.8	32.4	28.5	25.2
GAIL	Sell	471	634	35	22.6	26.5	30.0	20.9	17.8	2.1	1.9	9.6	11.3	11.9
Gujarat Gas	Sell	898	712	-21	16.2	31.6	44.0	55.4	28.5	7.5	6.2	14.2	23.9	27.0
Gujarat St. Pet.	Neutral	209	180	-14	8.8	12.1	13.3	23.7	17.3	2.6	2.3	11.6	14.3	14.1
HPCL	Buy	457	585	28	40.7	45.9	42.9	11.2	10.0	3.4	2.8	32.4	31.0	24.2
IOC	Buy	414	559	35	43.0	51.1	46.5	9.6	8.1	1.9	1.6	21.2	21.9	17.4
IGL	Neutral	1,586	1,295	-18	44.0	49.6	54.8	36.1	32.0	7.6	6.4	21.0	21.7	20.4
MRPL	Sell	134	112	-17	14.8	10.7	11.6	9.1	12.6	2.3	2.0	31.4	17.3	16.5
Oil India	Buy	351	340	-3	19.3	29.1	34.1	18.2	12.0	1.0	0.9	5.7	7.9	8.8
ONGC	Buy	184	190	4	16.4	17.8	19.2	11.2	10.3	1.1	1.0	10.1	10.2	10.5
PLNG	Buy	256	275	7	11.4	14.1	18.0	22.5	18.1	4.8	4.0	23.2	23.9	25.5
Reliance Ind.	Buy	929	1,005	8	48.3	55.5	64.0	19.2	16.8	2.0	1.8	11.6	11.9	12.3
<b>Aggregate</b>								<b>14.5</b>	<b>12.8</b>	<b>1.9</b>	<b>1.7</b>	<b>13.2</b>	<b>13.5</b>	<b>13.1</b>
<b>Retail</b>														
Jubilant Food	Sell	1,621	1,270	-22	10.0	21.4	27.4	162.0	75.6	13.3	12.5	8.2	16.5	20.9
Titan Co.	Neutral	590	590	0	9.0	10.5	12.6	65.3	56.4	12.4	11.3	20.6	21.0	22.2
<b>Aggregate</b>								<b>72.4</b>	<b>58.7</b>	<b>12.5</b>	<b>11.4</b>	<b>17.2</b>	<b>19.5</b>	<b>20.7</b>
<b>Technology</b>														
Cyient	Buy	556	600	8	30.6	36.0	41.9	18.2	15.4	2.9	2.7	16.2	17.4	18.3
HCL Tech.	Neutral	858	970	13	59.8	63.2	68.2	14.3	13.6	3.6	3.4	27.5	25.9	25.6
Hexaware	Neutral	283	250	-12	13.7	15.6	16.5	20.7	18.1	5.0	4.4	26.5	25.6	23.1
Infosys	Buy	947	1,100	16	62.8	63.8	67.8	15.1	14.8	3.1	3.4	22.0	21.8	22.5
KPIT Tech	Neutral	135	140	3	11.9	10.8	13.6	11.4	12.5	1.7	1.6	14.3	13.3	14.7
L&T Infotech	Buy	811	880	9	55.5	60.9	65.3	14.6	13.3	5.1	3.9	40.4	33.3	28.3
Mindtree	Neutral	475	480	1	24.9	28.5	33.6	19.1	16.7	3.1	3.0	16.8	17.3	20.4
Mphasis	Neutral	704	610	-13	38.9	42.0	46.0	18.1	16.7	2.4	2.8	13.2	14.6	17.3
NIIT Tech	Neutral	641	600	-6	38.0	43.7	50.3	16.9	14.7	2.2	2.2	13.7	15.1	16.4
Persistent Sys	Buy	655	780	19	37.7	43.3	52.4	17.4	15.1	2.7	2.6	17.0	17.9	20.8
Tata Elxsi	Buy	840	1,004	20	28.1	33.8	40.2	29.8	24.8	9.4	7.5	37.1	33.6	32.4
TCS	Neutral	2,579	2,450	-5	133.4	131.8	151.4	19.3	19.6	5.8	6.2	32.6	30.6	33.5
Tech Mah	Buy	476	490	3	30.9	34.8	37.3	15.4	13.7	2.5	2.3	18.4	17.9	17.1
Wipro	Neutral	297	280	-6	16.9	19.1	20.1	17.5	15.5	2.8	2.7	16.9	17.0	16.7
Zensar Tech	Buy	771	950	23	52.1	51.5	70.0	14.8	15.0	2.4	2.1	17.2	14.9	17.9
<b>Aggregate</b>								<b>17.2</b>	<b>17.0</b>	<b>3.9</b>	<b>4.1</b>	<b>22.9</b>	<b>24.2</b>	<b>23.1</b>
<b>Telecom</b>														
Bharti Airtel	Buy	485	470	-3	11.1	2.4	3.2	43.7	202.5	2.9	2.9	6.7	1.4	1.9
Bharti Infratel	Buy	419	440	5	14.9	17.3	19.7	28.2	24.2	5.0	5.0	16.2	20.7	23.2
Idea Cellular	Buy	93	105	13	-1.1	-15.5	-14.9	NM	NM	1.4	1.8	-1.6	-25.6	-32.6
Tata Comm	Buy	657	780	19	10.0	5.4	18.2	65.9	121.0	11.8	12.8	48.4	10.1	30.0
<b>Aggregate</b>								<b>48.7</b>	<b>-266.4</b>	<b>3.2</b>	<b>3.3</b>	<b>6.5</b>	<b>-1.2</b>	<b>0.1</b>
<b>Utilities</b>														

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Coal India	Buy	291	335	15	14.9	17.5	20.7	19.5	16.6	7.4	7.0	37.8	42.4	47.7
CESC	Buy	1,005	1,360	35	51.9	88.9	99.3	19.4	11.3	1.3	1.1	6.5	10.6	10.8
JSW Energy	Sell	86	49	-43	3.8	3.3	2.7	22.5	25.8	1.4	1.3	6.3	5.3	4.2
NTPC	Buy	182	211	16	12.0	13.5	15.7	15.3	13.5	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	211	262	24	14.2	17.4	20.6	14.8	12.1	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	85	71	-17	7.4	7.3	7.3	11.5	11.8	2.0	1.8	17.1	15.8	14.2
<b>Aggregate</b>								<b>16.9</b>	<b>14.4</b>	<b>2.5</b>	<b>2.3</b>	<b>14.5</b>	<b>15.7</b>	<b>16.8</b>
<b>Others</b>														
Arvind	Neutral	400	376	-6	12.4	12.9	18.6	32.3	30.9	2.9	2.7	10.3	9.1	12.0
Avenue Supermarts	Sell	1,136	873	-23	7.7	12.0	17.5	148.0	94.8	18.4	16.2	17.9	18.2	22.9
Bata India	Under Review	778	-		13.5	15.7	19.4	57.6	49.5	7.6	6.8	13.9	14.4	15.8
BSE	Neutral	990	1,100	11	41.0	42.2	44.6	24.1	23.5	2.0	2.0	8.3	8.5	7.7
Castrol India	Buy	402	467	16	13.6	12.6	13.3	29.4	31.8	33.4	30.3	115.2	99.8	95.8
Century Ply.	Neutral	279	323	16	8.7	9.8	12.9	32.1	28.3	8.7	7.2	31.1	27.7	29.6
Coromandel Intl	Buy	496	523	5	16.6	24.1	29.0	29.8	20.6	5.0	4.3	17.5	22.5	23.4
Delta Corp	Buy	251	257	2	3.1	5.7	8.0	82.2	44.4	6.3	4.2	8.1	12.1	12.9
Dynamatic Tech	Buy	2,161	3,334	54	67.6	112.9	166.7	32.0	19.1	4.4	3.6	15.1	20.7	24.3
Eveready Inds.	Buy	327	358	9	12.9	13.6	16.3	25.4	24.0	8.2	6.7	37.7	30.8	30.1
Interglobe	Neutral	1,202	1,142	-5	43.2	55.2	81.6	27.8	21.8	12.2	7.1	51.0	41.1	46.6
Indo Count	Neutral	119	118	-1	13.0	8.9	10.8	9.1	13.4	2.8	2.3	34.8	18.6	18.3
Info Edge	Buy	1,112	1,130	2	15.7	21.8	24.7	71.0	51.1	6.8	6.2	10.2	12.7	13.1
Inox Leisure	Sell	229	240	5	3.3	8.0	12.0	68.5	28.5	4.0	3.5	5.9	12.5	16.2
Jain Irrigation	Under Review	100	-		5.5	7.6	10.0	18.0	13.1	1.5	1.5	8.6	11.7	14.8
Just Dial	Neutral	411	465	13	17.5	18.5	21.1	23.5	22.3	3.2	2.8	14.8	13.4	13.7
Kaveri Seed	Buy	587	738	26	19.1	34.1	41.0	30.8	17.2	4.0	4.2	13.6	23.3	27.4
Kitex Garm.	Buy	223	394	76	18.6	22.1	26.2	12.0	10.1	3.2	2.6	29.8	28.6	27.6
Manpasand	Buy	444	534	20	6.3	9.7	15.3	69.9	45.6	4.4	4.1	7.3	8.2	13.4
MCX	Buy	1,068	1,300	22	24.8	26.5	43.4	43.0	40.3	4.0	4.1	10.2	10.0	15.9
Monsanto	Buy	2,461	3,295	34	86.2	105.0	126.6	28.6	23.4	8.0	7.2	31.5	32.5	34.5
Navneet Education	Buy	164	209	27	7.3	8.4	10.4	22.5	19.4	5.5	4.8	26.7	26.3	27.9
Qess Corp	Buy	865	1,040	20	10.0	27.7	29.1	86.5	31.2	11.7	4.8	19.0	21.9	15.0
PI Inds.	Buy	754	894	19	33.4	30.4	35.8	22.6	24.8	6.4	5.3	32.8	23.4	22.9
Piramal Enterp.	Buy	2,704	3,266	21	72.6	104.6	149.7	37.3	25.9	3.1	2.9	9.0	11.7	15.3
SRF	Buy	1,655	1,751	6	85.9	80.2	103.0	19.3	20.6	3.0	2.7	16.6	13.7	16.0
S H Kelkar	Buy	277	298	8	7.2	7.6	9.9	38.2	36.4	4.9	4.5	13.7	12.9	15.2
Symphony	Sell	1,423	1,288	-9	23.7	35.1	42.9	60.1	40.5	22.3	19.7	43.3	51.6	54.5
Team Lease Serv.	Buy	1,633	1,990	22	38.8	36.8	56.0	42.1	44.3	7.3	6.3	19.2	15.3	19.5
Trident	Buy	99	114	15	6.6	8.3	10.4	15.0	12.0	1.8	1.6	13.0	14.5	16.1
TTK Prestige	Neutral	6,424	5,281	-18	132.1	137.8	176.1	48.6	46.6	8.8	8.0	19.5	18.0	20.7
V-Guard	Neutral	215	167	-22	3.6	4.5	6.0	60.1	47.9	14.3	11.7	27.4	26.9	28.8
Wonderla	Buy	363	393	8	7.0	11.9	16.0	52.0	30.4	4.7	4.3	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-0.8	-3.7	-31.4
Ashok Ley.	-2.5	14.1	50.7
Bajaj Auto	0.3	8.6	19.0
Bharat Forge	1.4	10.4	56.8
Bosch	1.2	0.9	-4.6
CEAT	0.5	0.7	40.5
Eicher Mot.	0.9	4.3	29.6
Endurance Tech.	1.0	8.5	77.5
Escorts	2.0	15.9	93.7
Exide Ind	-1.6	0.1	6.2
Hero Moto	0.9	1.7	14.6
M&M	1.1	12.6	6.5
Mahindra CIE	-0.7	8.6	23.7
Maruti Suzuki	0.5	4.9	38.5
Tata Motors	2.6	6.5	-17.6
TVS Motor	-0.4	11.4	74.5
<b>Banks - Private</b>			
Axis Bank	0.0	-4.2	-0.2
DCB Bank	-0.7	-0.3	38.5
Equitas Hold.	-1.4	-7.1	-18.8
Federal Bank	0.8	8.8	47.5
HDFC Bank	-0.3	1.0	43.6
ICICI Bank	0.6	8.9	16.6
IDFC Bank	-0.4	1.2	-26.2
IndusInd	0.6	-2.3	37.5
J&K Bank	3.5	17.2	26.6
Kotak Mah. Bk	1.4	5.4	28.0
RBL Bank	-1.1	4.8	45.4
South Indian	-1.0	11.1	45.4
Yes Bank	-7.4	-13.1	22.5
<b>Banks - PSU</b>			
BOB	-6.0	25.8	13.9
BOI	-6.8	30.2	58.0
Canara	-4.6	28.0	31.8
IDBI Bk	-8.0	19.3	-16.4
Indian Bk	-3.8	19.6	40.4
OBC	-6.4	11.5	4.1
PNB	-8.0	47.8	38.3
SBI	-3.0	24.2	21.9
Union Bk	-5.8	38.8	21.9
<b>NBFCs</b>			
Bajaj Fin.	3.6	0.3	64.1
Bharat Fin.	-0.9	4.3	10.4
Capital First	-0.7	-1.6	-3.1
Cholaman.Inv.&Fn	1.0	6.1	-1.0
Dewan Hsg.	1.1	16.1	88.0
GRUH Fin.	-1.3	-4.0	46.9
HDFC	0.6	-1.2	22.7
Indiabulls Hsg	1.1	3.4	49.3
L&T Fin.Holdings	1.2	5.5	87.9
LIC Hsg Fin	-0.2	1.3	4.9
Manappuram	-0.9	2.3	-2.4
M&M Fin.	1.0	6.4	15.2
Muthoot Fin	-1.3	4.3	34.7
PNB Housing	-0.2	0.4	
PFC	1.5	20.6	17.4
Repco Home	-3.1	0.1	-20.3
REC	3.5	13.5	27.7
STF	3.6	10.5	6.1
Shriram City Union	4.0	7.1	-7.2

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	0.2	-2.4	32.0
Bharat Elec.	1.2	6.9	50.6
BHEL	-1.3	14.6	3.3
Blue Star	-0.4	5.9	43.5
CG Cons. Elec.	1.1	5.0	18.7
CG Power & Inds Sol.	-0.4	7.1	10.3
Cummins	-0.2	0.1	6.4
GE T&D	1.2	0.9	12.7
Havells	-0.4	1.7	18.6
K E C Intl	1.4	-1.0	138.9
L&T	-0.1	7.4	24.6
Pennar Eng.	-3.6	3.8	-41.0
Siemens	0.8	4.1	7.9
Solar Ind	0.4	10.7	51.8
Suzlon Energy	0.6	0.9	9.2
Thermax	0.1	12.0	16.0
Va Tech Wab.	-1.0	-1.4	18.1
Voltas	1.7	6.3	42.3
<b>Cement</b>			
Ambuja Cem.	1.1	6.7	14.4
ACC	0.1	12.2	16.9
Birla Corp.	0.7	21.2	39.6
Dalmia Bharat	2.2	12.1	42.9
Grasim Inds.	-0.2	6.6	48.9
India Cem	-0.3	18.0	26.6
J K Cements	0.7	4.3	8.2
JK Lakshmi Ce	0.8	14.8	-7.8
Ramco Cem	-0.5	4.1	16.4
Orient Cem	2.6	12.6	2.7
Prism Cem	3.5	17.1	15.6
Shree Cem	-0.5	6.3	13.8
Ultratech	-1.2	16.8	12.4
<b>Consumer</b>			
Asian Paints	-0.3	2.2	9.3
Britannia	-0.5	6.9	43.0
Colgate	0.2	-0.4	12.6
Dabur	0.2	5.5	11.5
Emami	2.8	13.8	6.7
Godrej Cons.	0.1	1.9	16.9
GSK Cons.	0.0	0.1	-18.3
HUL	-1.1	4.2	49.6
ITC	0.3	4.2	10.7
Jyothy Lab	1.1	-2.2	4.4
Marico	-0.9	-1.0	11.7
Nestle	0.4	0.9	3.5
Page Inds	0.1	7.6	21.5
Parag Milk	-1.6	12.4	-14.3
Pidilite Ind.	-0.4	1.2	11.0
P&G Hygiene	0.5	3.2	23.9
Prabhat Dairy	-2.5	15.1	20.4
United Brew	5.0	20.5	13.1
United Spirits	17.6	25.9	33.1
<b>Healthcare</b>			
Alembic Phar	0.9	0.1	-25.1
Alkem Lab	0.2	1.8	15.4
Ajanta Pharma	2.4	4.4	-39.3
Aurobindo	1.5	10.3	-5.6
Biocon	-2.2	5.7	16.7
Cadila	1.7	8.2	24.5
Cipla	1.8	9.4	6.6



Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	1.3	2.4	-31.9
Dr Reddy's	2.1	3.8	-27.8
Fortis Health	0.1	0.7	-17.9
Glenmark	1.8	1.4	-32.7
Granules	-1.6	18.7	11.4
GSK Pharma	0.8	5.7	-13.0
IPCA Labs	4.1	5.5	-15.3
Jubilant Life	0.9	-1.0	-1.3
Lupin	0.4	0.3	-32.6
Sanofi India	-0.4	3.0	-2.8
Shilpa Medicare	-0.3	17.3	10.4
Strides Shasun	1.0	-4.1	-10.2
Sun Pharma	3.7	11.2	-26.1
Syngene Intl	-2.0	2.4	-7.4
Torrent Pharma	1.3	3.6	-11.4
<b>Logistics</b>			
Allcargo Logistics	0.7	-2.0	-7.5
Blue Dart	0.0	2.5	-17.3
Concor	-0.3	8.1	25.3
Gateway Distriparks	5.1	18.9	2.0
Gati	0.7	8.3	-18.4
Transport Corp.	0.9	5.8	52.9
<b>Media</b>			
Dish TV	1.8	4.7	-18.4
D B Corp	2.5	-0.8	-3.7
Den Net.	-0.2	-8.9	6.9
Ent.Network	1.4	0.7	2.1
Hind. Media	-0.5	-6.3	-20.6
HT Media	0.0	10.0	16.9
Jagran Prak.	0.3	2.0	-7.7
Music Broadcast	-0.4	-0.2	
PVR	0.3	21.1	17.0
Prime Focus	-1.3	5.0	34.9
Siti Net.	2.0	-0.2	-26.1
Sun TV	3.4	13.1	57.7
Zee Ent.	2.1	3.3	7.1
<b>Metals</b>			
Hindalco	-0.6	15.9	82.4
Hind. Zinc	-0.5	7.9	25.9
JSPL	-0.8	24.3	118.5
JSW Steel	1.8	12.1	62.2
Nalco	0.4	23.0	84.4
NMDC	1.2	9.0	4.5
SAIL	4.4	47.4	60.4
Vedanta	-0.8	9.5	70.4
Tata Steel	-0.4	12.0	82.9
<b>Oil &amp; Gas</b>			
BPCL	-1.9	12.9	16.8
GAIL	2.1	18.2	44.3
Gujarat Gas	0.0	10.7	56.3
Gujarat St. Pet.	0.0	8.6	31.2
HPCL	-4.8	9.8	51.3
IOC	-4.8	4.7	32.6
IGL	-0.3	12.6	88.1
MRPL	0.0	10.7	45.3
Oil India	-0.3	0.4	13.5
ONGC	3.5	7.8	-5.2
PLNG	-0.8	13.6	34.6
Reliance Ind.	-1.9	16.4	77.3
<b>Retail</b>			
Jubilant Food	-1.3	19.6	63.0
Titan Co.	0.7	0.5	59.9

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	-1.8	14.6	13.1
HCL Tech.	-1.5	-2.0	10.7
Hexaware	-1.0	8.8	41.2
Infosys	0.0	5.4	-5.8
KPIT Tech	-1.1	13.7	-6.5
L&T Infotech	-1.2	5.2	25.4
Mindtree	-2.4	3.5	7.6
Mphasis	4.7	18.4	38.9
NIIT Tech	5.4	22.0	56.6
Persistent Sys	0.0	1.3	-1.0
Tata Elxsi	-0.2	4.0	35.3
TCS	1.4	3.6	6.9
Tech Mah	-0.2	5.8	14.8
Wipro	-1.7	2.8	28.2
Zensar Tech	-0.4	3.5	-19.5
<b>Telecom</b>			
Bharti Airtel	-5.0	25.9	50.2
Bharti Infratel	-8.0	9.9	18.0
Idea Cellular	-3.9	23.3	19.9
Tata Comm	-3.1	-1.6	5.0
<b>Utilities</b>			
Coal India	-0.5	11.5	-8.2
CESC	-2.3	1.6	63.3
JSW Energy	3.0	24.8	32.4
NTPC	-1.2	10.6	20.0
Power Grid	-0.4	1.8	20.0
Tata Power	3.5	8.8	7.2
<b>Others</b>			
Arvind	0.7	9.7	-3.7
Avenue Super.	-0.7	5.4	
Bata India	0.6	14.3	61.5
BSE	0.1	1.3	
Castrol India	0.7	11.7	-12.2
Century Ply.	-0.3	14.6	15.5
Coromandel Intl	1.6	19.5	76.5
Delta Corp	-1.4	31.4	36.2
Dynamatic Tech	0.8	1.3	-33.5
Eveready Inds.	-0.9	9.6	28.8
Interglobe	2.9	14.0	28.8
Indo Count	-1.7	23.6	-25.1
Info Edge	1.8	8.4	23.6
Inox Leisure	-0.2	5.2	-13.1
Jain Irrigation	5.4	5.8	-6.3
Just Dial	1.1	11.6	-3.2
Kaveri Seed	1.8	15.1	37.0
Kitex Garm.	0.8	6.1	-36.9
Manpasand	-0.3	-3.0	23.2
MCX	1.3	4.2	-15.8
Monsanto	-0.6	0.1	4.9
Navneet Educat.	0.2	-1.0	47.7
PI Inds.	-0.5	0.3	-10.8
Piramal Enterp.	2.7	3.6	50.1
Quess Corp	-0.9	7.0	46.8
SRF	0.7	8.6	-8.4
S H Kelkar	1.6	10.8	-11.7
Symphony	1.2	6.7	8.8
Team Lease Serv.	-0.7	4.2	61.7
Trident	-1.1	3.6	69.5
TTK Prestige	-1.2	2.2	5.7
V-Guard	3.7	20.2	42.0
Wonderla	-1.0	6.4	-10.6

# THEMATIC/STRATEGY RESEARCH GALLERY

**MOTILAL OSWAL** | Thematic | December 2017

## Staffing

**Well placed!**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

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

## Indian Exchanges

**The confluence of growth drivers**

Market Capital: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | August 2017

## Rural India

**Back on the saddle**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | July 2017

## Radio

**Well tuned to flourish**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | June 2017

## The Big Leap to a formal economy

Volume 2.2

**Ground Reality Jewelry**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | June 2017

## The Big Leap to a formal economy

Volume 2.1

**Ground Reality Tiles**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | June 2017

## India Strategy

SEI Series: ELSR2 | SEP-CR: 15.02

**Still in the works**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | June 2017

## India Strategy

**Still in the works**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

**MOTILAL OSWAL** | Thematic | June 2017

## Sustainability

**Expanding horizons**

Equity: 1488 | Research Analyst: Deepak Singh | deepak@motilal.com | 91 11 2602 4638  
 Subst. Charge: Research Service: 1488 | Research@motilal.com | 91 11 2602 4638  
 Motilal Oswal is a member of Motilal Oswal Financial Services, a company registered in India. Motilal Oswal Financial Services is a member of the Securities and Exchange Board of India (SEBI) and is regulated by SEBI.

# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

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

### Trident

Healthcare is a strong growth sector, which, along with other sectors, provides a strong return to investors in the long run.

**An attractive utilization play**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Strides Shasun

Strides Shasun is a leading pharmaceutical company in India, with a strong focus on research and development.

**Making great strides**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Shilpa Medicare

Shilpa Medicare is a leading pharmaceutical company in India, with a strong focus on research and development.

**Injecting Growth**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Capital First

Capital First is a leading insurance company in India, with a strong focus on research and development.

**Capitalizing on multiple opportunities**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### L&T Finance Holdings

L&T Finance Holdings is a leading financial services company in India, with a strong focus on research and development.

**Focused approach**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Jubilant Life Sciences

Jubilant Life Sciences is a leading pharmaceutical company in India, with a strong focus on research and development.

**Promising formulation**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Avenue Supermarts

Avenue Supermarts is a leading retail company in India, with a strong focus on research and development.

**Delivering Value**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Cholamandam Finance

Cholamandam Finance is a leading financial services company in India, with a strong focus on research and development.

**Prepared, Equipped and Armed**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

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

### Tata Power

Tata Power is a leading utility company in India, with a strong focus on research and development.

**Struggling for RoE**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Registered Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Intermediaries) Regulations, 2008.

# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** 30 September 2017

## Annual Report Threadbare

**AIROBODD PHARMA FY17**

AIROBODD PHARMA FY17 annual report highlights a year of rebuilding growth. FY17 revenue grew by 10% to Rs. 1079 crore from Rs. 979 crore in FY16. Earnings before tax rose to Rs. 107 crore from Rs. 100 crore. The company's operating leverage was 1.1x, indicating that for every 1% increase in sales, earnings grew by 1.1%. The company's operating leverage was 1.1x, indicating that for every 1% increase in sales, earnings grew by 1.1%.

**The ART of Annual Report Threadbare**

ART is a unique initiative to make the annual report more accessible and user-friendly. It is a comprehensive guide to the company's annual report, covering all the key aspects of the business. ART is available on the company's website and is a valuable resource for investors and analysts.

**Company's Name:** Airobodd Pharma Ltd.

**Stock Info:** BSE: 505433, NSE: 505433

**Shareholding Pattern (%)**

Category	Shareholding (%)
Public Shareholding	75.00
Non-Public Shareholding	25.00
Government	0.00
Foreign Institutional Investors	0.00
Foreign Individual Investors	0.00
Domestic Institutional Investors	0.00
Domestic Individual Investors	0.00

**Key Highlights:**

- Revenue growth of 10% to Rs. 1079 crore
- EBITDA margin of 10.3%
- Operating leverage of 1.1x
- Dividend payout of 10%

**Download the Annual Report at:** [www.airoboddpharma.com](http://www.airoboddpharma.com)

**MOTILAL OSWAL** 28 August 2017

## Confidence on long-term prospects intact

Despite a 10% decline in share price, investors remain confident on the long-term prospects of the company.

**Key Highlights:**

- Revenue growth of 10% to Rs. 1079 crore
- EBITDA margin of 10.3%
- Operating leverage of 1.1x
- Dividend payout of 10%

**Download the Annual Report at:** [www.airoboddpharma.com](http://www.airoboddpharma.com)

**MOTILAL OSWAL** 28 August 2017

## VOICES

India Inc on Call

VOICES is a quarterly report that provides a platform for industry leaders to share their views on the current economic and business environment. The report is a valuable resource for investors and analysts.

**Key Highlights:**

- Revenue growth of 10% to Rs. 1079 crore
- EBITDA margin of 10.3%
- Operating leverage of 1.1x
- Dividend payout of 10%

**Download the Annual Report at:** [www.airoboddpharma.com](http://www.airoboddpharma.com)

**MOTILAL OSWAL** 28 August 2017

## EcoKnowLedge

Driving into Tomorrow's Chapter

**India Inc on Call**

VOICES is a quarterly report that provides a platform for industry leaders to share their views on the current economic and business environment. The report is a valuable resource for investors and analysts.

**Key Highlights:**

- Revenue growth of 10% to Rs. 1079 crore
- EBITDA margin of 10.3%
- Operating leverage of 1.1x
- Dividend payout of 10%

**Download the Annual Report at:** [www.airoboddpharma.com](http://www.airoboddpharma.com)

**MOTILAL OSWAL**

## BULLS & BEARS

INDIA VALUATIONS HANDBOOK

**Highlights of August edition:**

- Nifty down 1.8% in August - but two months of positive return in CY17
- Global Cyclical outperforms PSU
- Banks underperform
- Technology today near historical averages, cheap month led by Infosys
- EB selling of USDBs during the month

**Download the Annual Report at:** [www.airoboddpharma.com](http://www.airoboddpharma.com)

**MOTILAL OSWAL**

## FUND FOLIO

Indian Mutual Fund Tracker

**Key Highlights:**

- Revenue growth of 10% to Rs. 1079 crore
- EBITDA margin of 10.3%
- Operating leverage of 1.1x
- Dividend payout of 10%

**Download the Annual Report at:** [www.airoboddpharma.com](http://www.airoboddpharma.com)

## Disclosures:

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

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

Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

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

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

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

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

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

### Terms & Conditions:

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

### Analyst Certification

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

### Disclosure of Interest Statement

#### Companies where there is interest

§ Analyst ownership of the stock

No

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

### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

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

#### Disclaimer:

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

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

Registration details of group entities: MOSL: NSE (Cash): INB231041238; NSE (F&O): INF231041238; NSE (CD): INE231041238; BSE (Cash): INB011041257; BSE(F&O): INF011041257; BSE(CD): MSE(Cash): INB261041231; MSE(F&O): INF261041231; MSE(CD): INE261041231; CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INAA00007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP00004409) offers wealth management solutions. \*Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. \* Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. \* Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. \* Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products