

Market snapshot



| Equities - India | Close | Chg .% | YTD.% |
|------------------|--------|--------|--------|
| Sensex | 35,159 | -0.2 | 3.2 |
| Nifty-50 | 10,585 | -0.1 | 0.5 |
| Nifty-M 100 | 17,606 | 1.2 | -16.7 |
| Equities-Global | Close | Chg .% | YTD.% |
| S&P 500 | 2,781 | -0.9 | 4.0 |
| Nasdaq | 7,407 | -1.6 | 7.3 |
| FTSE 100 | 7,105 | -0.5 | -7.6 |
| DAX | 11,529 | 0.0 | -10.7 |
| Hang Seng | 10,431 | -2.5 | -10.9 |
| Nikkei 225 | 22,250 | -1.1 | -2.3 |
| Commodities | Close | Chg .% | YTD.% |
| Brent (US\$/Bbl) | 69 | -2.0 | 2.9 |
| Gold (\$/OZ) | 1,210 | -1.2 | -7.2 |
| Cu (US\$/MT) | 6,079 | -1.5 | -15.7 |
| Almn (US\$/MT) | 1,946 | -1.7 | -13.7 |
| Currency | Close | Chg .% | YTD.% |
| USD/INR | 72.5 | -0.7 | 13.5 |
| USD/EUR | 1.1 | -0.8 | -5.6 |
| USD/JPY | 113.8 | 0.3 | 1.0 |
| YIELD (%) | Close | 1MChg | YTDchg |
| 10 Yrs G-Sec | 7.8 | -0.46 | 0.4 |
| 10 Yrs AAA Corp | 8.8 | -0.03 | 0.9 |
| Flows (USD b) | 9-Nov | MTD | YTD |
| FII | 0.08 | 0.2 | -5.6 |
| DII | -0.05 | -0.1 | 15.7 |
| Volumes (INRb) | 9-Nov | MTD* | YTD* |
| Cash | 320 | 0 | 0 |
| F&O | 4,155 | 0 | 0 |

Note: YTD is calendar year, *Avg



Today's top research idea

Titan Company: Jewelry sales remain robust; margins impacted by certain one-offs

- ❖ Growing well across businesses, TTAN continued gaining market share (particularly in Jewellery business) in 2QFY19. Consol. revenue growth, thus, came in better than expected at 27.5%.
- ❖ Jewelry growth prospects remain robust. Encouragingly, Watches and even Eyewear now have started contributing to growth.
- ❖ We believe that premium valuations are fully deserved for a business that has perhaps the best revenue growth potential in the large-cap FMCG/retail space (20% CAGR growth in Jewelry – its largest segment – in the next five years). The healthy outlook on margins led by operating leverage also provides visibility of strong earnings growth.
- ❖ We, thus, maintain our Buy rating with a target price of INR1,045, based on 47x Sep'20E EPS (10% premium to three-year average P/E).



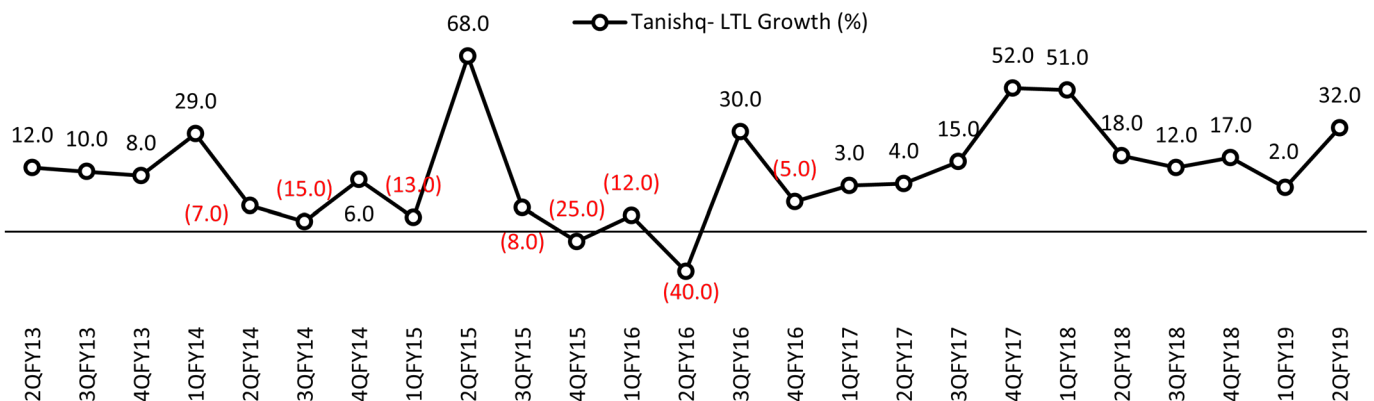
Research covered

| Cos/Sector | Key Highlights |
|-----------------------|---|
| Titan Company | Jewelry sales remain robust; margins impacted by certain one-offs |
| India Politics | Pre-poll surveys for Rajasthan, MP and Chhattisgarh |
| Amara Raja Batteries | Above est.; healthy revenue across segments drives PAT; EBITDA margin at 13.5% |
| Indian Bank | Operating performance in line; Earnings to recover gradually |
| India Cement | Revenue in-line; PAT miss attributed to FX headwinds |
| Fuel or Engines | Role of NBFCs in India's growth story; Nascent recovery in investments may get hurt |
| Expert Speak – Metals | Steel demand growth outlook robust, but, for near-term hiccups |
| Results Expectation | ARBP BRIT COAL EIM KNRC NACL OINL SRCM |



Chart of the Day: Titan Company – Jewelry sales remain robust

Tanishq LTL growth stood at 32% for 2QFY19



Source: Company, MOSL

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

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



Kindly click on textbox for the detailed news link

1

Saudi Arabia to cut oil output as producers discuss price dip

Saudi Arabia, the world's top crude exporter, said Sunday it will cut oil output from next month, as major producers held a key meeting to discuss shoring up sliding prices. Saudi Energy Minister Khalid al-Falih announced the kingdom was cutting its supplies by 500,000 barrels per day from December.

2

Sebi shortlists 7 firms to beef up its surveillance systems

The Securities and Exchange Board of India (Sebi) has shortlisted seven firms, including Wipro Ltd and L&T Infotech Ltd, to build a private data storage cloud, automate its inspection of brokers and enhance analytics capabilities, as the regulator is eyeing a technological leap in surveillance and investigation functions. Other firms on the shortlist are Accenture Solutions, Capgemini Technology Services India, Hewlett Packard Enterprises (India), EIT Services India and Tharavu Technologies.

3

NBFCs push credit demand by 14.4% to a 5-year high

Despite the overall increase in lending rates, for first time in over five years, bank credit rose by a healthy 14.41 per cent during the fortnight to October 26, the Reserve Bank has said. This growth is at a five-year high, after the 16.6 per cent achieved by the system in October 2013 and the data come amid reports of an increase in demand from ...

4

Royal Enfield targets tripling of US sales this year

India-based motorcycle brand Royal Enfield expects sales in its new North American business to almost triple this year and is aiming to dominate the market for middleweight bikes into which Harley-Davidson Inc has just shifted in a bid to revive sales. Enfield, originally a classic UK brand but manufactured by Eicher Motors Ltd in south India since ...

5

M&M eyes No. 3 spot in heavy-duty truck market with 10% share in 2 years

Albeit on a small base, MTB is emerging a formidable no. 3 brand in the heavy-duty truck market, where Tata Motors and Ashok Leyland have a head start of several years. In the first half of 2018-19, MTB sold 6,200 units of the Blazo, said Vinod Sahay, chief executive at Mahindra Trucks & Buses. A steady climb in volumes has helped the company double its market share in the segment to 5 per cent in the first six months of the financial year from the year-ago period and it has now set its sights on a 10 per cent share in the next two years.

6

Tech Mahindra bets big on 5G

Fifth biggest domestic tech company Tech Mahindra is looking at upcoming 5G rollouts in global markets as a big opportunity and is on the right trajectory in its communications vertical to achieve 'gradual growth' from now on, a top official has said. In the recent past, communications, which has traditionally been the mainstay for the company, had delivered mixed results due to difficulties ...

7

Sales Of 9 Mass Market Passenger Vehicle Makers Fell Between April And October

More than half of the 17 automobile firms selling passenger vehicles in the mass-market segment in India posted a decline in sales in the first seven months of the ongoing financial year, reflecting the continued struggles of global brands in trying to make their presence felt in the country. According to the latest data by the Society ...



Titan Company

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 35,159 | 10,585 |
| Bloomberg | TTAN IN |
| Equity Shares (m) | 888 |
| M.Cap.(INRb)/(USD\$b) | 752.8 / 10.4 |
| 52-Week Range (INR) | 1006 / 732 |
| 1, 6, 12 Rel. Per (%) | 11/-10/3 |
| 12M Avg Val (INR M) | 2535 |
| Free float (%) | 47.1 |

Financials & Valuations (INR b)

| Y/E Mar | 2018 | 2019E | 2020E |
|-------------|-------|-------|-------|
| Net Sales | 161.2 | 191.3 | 229.3 |
| EBITDA | 16.4 | 20.3 | 25.6 |
| PAT | 11.2 | 13.8 | 17.5 |
| EPS (INR) | 12.6 | 15.5 | 19.7 |
| Gr. (%) | 39.9 | 22.7 | 27.3 |
| BV/Sh (INR) | 57.3 | 57.2 | 66.1 |
| RoE (%) | 24.0 | 27.1 | 32.0 |
| RoCE (%) | 24.7 | 27.7 | 32.7 |
| P/E (x) | 67.1 | 54.7 | 43.0 |
| P/BV (x) | 14.8 | 14.8 | 12.8 |

Estimate change



TP change



Rating change



CMP: INR848

TP: INR1,045 (+23%)

Buy

Jewelry sales remain robust; margins impacted by certain one-offs

- **TTAN's 2QFY19 reported consol. revenue increased 27.5% YoY** to INR45.7b (our estimate: INR42b). EBITDA grew 11.2% YoY to INR4.7b (our estimate: INR5.1b), while adj. PAT rose 8.8% YoY to INR3b (our estimate: INR3.4b).
- **Consol. segmental performance:** (a) Jewelry sales grew 29% YoY to INR36.5b, but the segmental margin shrank 200bp YoY to 10.4%. (b) Watches sales rose 17.5% YoY to INR6.8b, with the EBIT margin expanding 210bp YoY to 16.4%.
- **Concall highlights:** (1) TTAN witnessed 29% growth in the 40-day Dussehra-Diwali festive period; likely to maintain momentum for the remainder of 3QFY19. (2) Other expenses had certain one-offs: (a) INR290m provision on IL&FS investment exposure (total investment: INR1.45b), (b) inventory valuation loss of INR180m, which will reverse in the subsequent quarter and (c) INR150m compensation cost to franchisee toward taking over two large profitable stores in Hyderabad.
- **In 1HFY19, sales/EBITDA/adj. PAT grew 17.9%/21%/19.7% YoY.** For 2HFY19, we expect sales/EBITDA/adj. PAT growth of 19.3%/25.6%/25.4% YoY.
- **Valuation view:** Lower-than-expected 2QFY19 margins have led us to cut our FY19/20 EPS estimate by 3.3%/2.5%. Nevertheless, Jewelry business growth prospects remain robust. Moreover, Watches and even Eyewear now have started contributing to growth. We believe that premium valuations are fully deserved for a business that has perhaps the best revenue growth potential in the large-cap FMCG/retail space (20% CAGR growth in Jewelry – its largest segment – in the next five years). The healthy outlook on margins led by operating leverage also provides visibility of strong earnings growth. We, thus, maintain our **Buy** rating with a target price of INR1,045, based on 47x Sep'20E EPS (10% premium to three-year average P/E).

Quarterly Performance

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E | FY19 | Var. (%) |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Net Sales | 40,673 | 35,822 | 43,631 | 41,072 | 44,510 | 45,672 | 52,357 | 48,725 | 161,198 | 191,264 | 41,962 | 8.8 |
| YoY change (%) | 45.1 | 33.7 | 10.5 | 13.3 | 9.4 | 27.5 | 20.0 | 18.6 | 23.5 | 18.7 | 20.0 | |
| Gross Profit | 9,939 | 10,085 | 11,427 | 12,069 | 12,177 | 12,980 | 14,498 | 14,614 | 44,336 | 54,269 | 11,801 | |
| Margin (%) | 24.4 | 28.2 | 26.2 | 29.4 | 27.4 | 28.4 | 27.7 | 30.0 | 27.5 | 28.4 | 28.1 | |
| EBITDA | 3,649 | 4,219 | 4,224 | 4,355 | 4,829 | 4,689 | 5,331 | 5,444 | 16,447 | 20,293 | 5,063 | -7.4 |
| EBITDA growth % | 27.2 | 59.6 | 21.2 | 70.3 | 32.3 | 11.2 | 26.2 | 25.0 | 42.3 | 23.4 | 20.0 | |
| Margin (%) | 9.0 | 11.8 | 9.7 | 10.6 | 10.8 | 10.3 | 10.2 | 11.2 | 10.2 | 10.6 | 12.1 | |
| Depreciation | 295 | 310 | 349 | 360 | 407 | 428 | 437 | 433 | 1,314 | 1,705 | 419 | |
| Interest | 108 | 145 | 109 | 167 | 109 | 135 | 126 | 170 | 529 | 539 | 160 | |
| Other Income | 283 | 208 | 213 | 185 | 361 | 279 | 213 | 209 | 889 | 1,063 | 208 | |
| PBT | 3,529 | 3,972 | 3,979 | 4,013 | 4,674 | 4,405 | 4,982 | 5,050 | 15,492 | 19,111 | 4,692 | -6.1 |
| Tax | 1,038 | 1,189 | 1,159 | 893 | 1,388 | 1,377 | 1,395 | 1,191 | 4,279 | 5,351 | 1,314 | |
| Rate (%) | 29.4 | 29.9 | 29.1 | 22.3 | 29.7 | 31.3 | 28.0 | 23.6 | 27.6 | 28.0 | 28.0 | |
| Adjusted PAT | 2,491 | 2,783 | 2,820 | 3,120 | 3,286 | 3,028 | 3,587 | 3,859 | 11,213 | 13,760 | 3,378 | -10.4 |
| YoY change (%) | 14.1 | 64.6 | 21.0 | 72.2 | 31.9 | 8.8 | 27.2 | 23.7 | 39.9 | 22.7 | 21.4 | |

E: MOSL Estimates

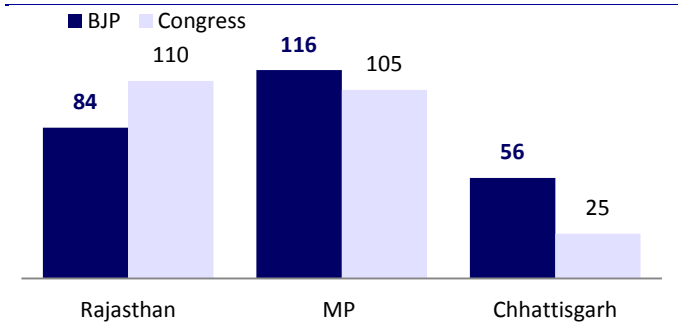
Pre-poll surveys for Rajasthan, MP and Chhattisgarh

As the busy election calendar for State elections for the five states commences, we take a look at the pre-poll survey conducted on Rajasthan, MP and Chhattisgarh by different media channels.

State Elections: ABP-CSDS Pre-Poll Survey

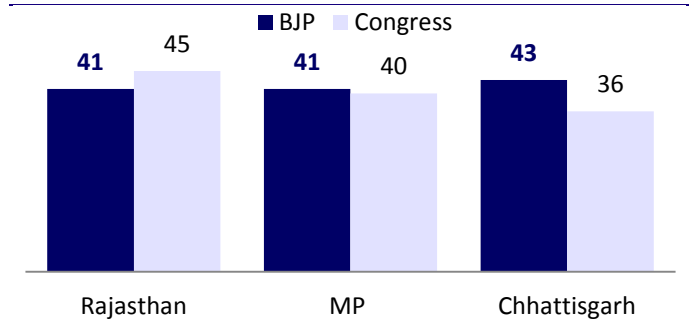
- Over the next one month, five states will go for elections, which will be viewed with key interest and as a potential showdown for General Assembly elections.
- According to the survey, the BJP will win Chhattisgarh for the fourth consecutive time, whereas Congress will emerge victorious in Rajasthan. The MP election is expected to be closely contested, with BJP having a narrow lead over Congress.
- In Rajasthan, Congress is expected to win with a clear majority (110 seats) to BJP (84), whereas in Chhattisgarh BJP is expected to win with a clear majority (56 seats) to Congress (25). In MP, the battle appears to be much closer with BJP expected to win 116 seats to Congress' 105.

Exhibit 1: Seats Count by ABP-CSDS



Source: ABP-CSDS

Exhibit 2: Vote Share by ABP-CSDS

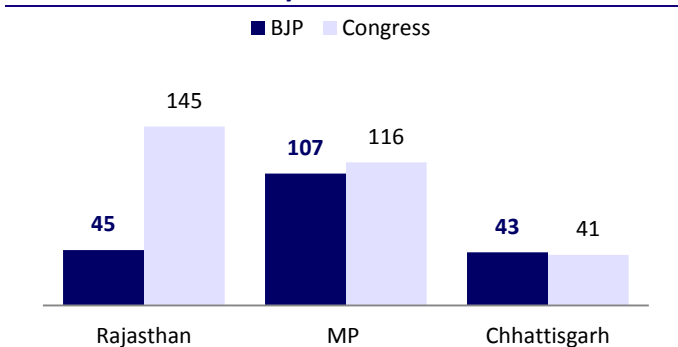


Source: ABP-CSDS

State Elections: C-Voter Survey

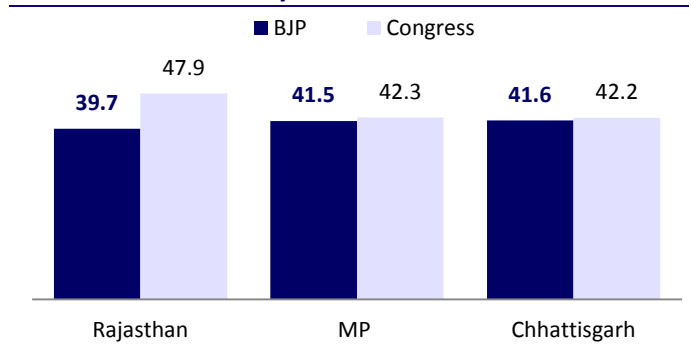
- Separately, as per the C-Voter survey for MP, Congress is projected to win 116 seats with a vote share of 42.3%, inching out BJP marginally (107 seats)
- The survey in Rajasthan gave the ruling BJP only 45 seats against 145 seats for Congress.
- In Chhattisgarh, poll gives a slender advantage to BJP which is expected to win 43 seats to Congress 41.
- In Telangana, survey has also projected a clear majority of 64 seats to the Congress-TDP combine.

Exhibit 3: Seats Count by C-Voter



Source: C-Voter

Exhibit 4: Vote Share by C-Voter



Source: C-Voter



Amara Raja Batteries

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 35,159 | 10,585 |
| Bloomberg | AMRJ IN |
| Equity Shares (m) | 171 |
| M.Cap.(INRb)/(USD\$b) | 132 / 2.0 |
| 52-Week Range (INR) | 908 / 682 |
| 1, 6, 12 Rel. Per (%) | 3/-10/-1 |
| 12M Avg Val (INR M) | 472 |
| Free float (%) | 47.9 |

Financials & Valuations (INR b)

| Y/E Mar | 2018 | 2019E | 2020E |
|-------------|-------|-------|-------|
| Net Sales | 60.6 | 71.6 | 84.4 |
| EBITDA | 8.8 | 9.7 | 12.2 |
| PAT | 4.7 | 5.0 | 6.4 |
| EPS (INR) | 27.6 | 29.1 | 37.3 |
| Gr. (%) | (1.5) | 5.4 | 28.2 |
| BV/Sh (INR) | 172 | 196 | 226 |
| RoE (%) | 17.0 | 15.8 | 17.7 |
| RoCE (%) | 16.3 | 15.1 | 16.8 |
| P/E (x) | 28.0 | 26.5 | 20.7 |
| P/BV (x) | 4.5 | 3.9 | 3.4 |

Estimate change



TP change



Rating change



CMP: INR772 TP: INR902 (+17%)

Buy

Above est.; healthy revenue across segments drives PAT; EBITDA margin at 13.5%

- Strong revenues supported by growth in Auto/Industrial/Exports:** Net sales grew 23% YoY (-1% QoQ) to INR17.5b (our estimate: INR16b), led by healthy growth in Auto (4W: +19% YoY; 2W: +13% YoY), Industrial (+35% YoY) and Exports segments. AMRJ did not take any price increase in Auto segment in 2QFY19. Management indicated market share gains in Auto segment and double-digit growth across Industrial segment in the quarter. Confronted with pricing challenges, Telecom segment growth was driven by volumes recovery, albeit off a low base. Higher exports to South-East Asia and Middle East countries (4W: +40% YoY) also aided revenue growth.
- EBITDA margin driven by favorable mix and lower lead price:** Gross margin improved 240bp QoQ (-310bp YoY) to 30.9% (our estimate: 30.5%), led by a favorable product mix (low share of traded batteries) and a decline in lead price. However, INR depreciation partially negated the impact of lower lead price. Consequently, EBITDA margin expanded 110bp QoQ (-320bp YoY) to 13.5% (higher than our estimate of 13.2%, and 12.4% in 1QFY19). Other income increased 16.4% YoY (+3.9% QoQ) to INR142m (in-line). Tax rate of 34.9% was higher than our estimate of 33.5%. Thus, adj. PAT declined 5.5% YoY (+6.4% QoQ) to INR1.2b (our estimate: INR1.05b). For 1HFY19, revenue/EBITDA/adj. PAT grew 20.7%/6%/2.7% YoY, implying residual growth of 15.8%/14.3%/7.9% YoY for 2HFY19.
- Takeaways from management interaction:** (a) Industrial segment grew ~35% in 2Q, led by healthy growth in Telecom (off a low base). (b) Not taken any price hike in Auto segment. (c) Expect capex of INR4.5-5b in FY19; investing additional ~INR5.2b in stamp grid technology. (d) Witnessing crude-linked price inflation in key components (like plastic); acid price softened QoQ.
- Valuation view:** We raise FY19/20 estimates by 3%/5% as we build in healthy growth in Industrial and 4W battery revenue. The stock trades at 26.5x/20.7x FY19E/20E EPS. Maintain **Buy** with a TP of INR902 (22.5x Sep'20 EPS).

Quarterly Performance

(INR M)

| Y/E March (INR m) | FY18 | | | | FY19E | | | | FY18 | FY19E | FY19 | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | VAR (%) |
| Net Sales | 14,975 | 14,275 | 15,535 | 15,807 | 17,787 | 17,531 | 17,865 | 18,442 | 60,592 | 71,624 | 16,131 | 8.7 |
| YoY Change (%) | 14.5 | 7.1 | 17.1 | 17.6 | 18.8 | 22.8 | 15.0 | 16.7 | 14.0 | 18.2 | 13.0 | |
| RM Cost (% of sales) | 70.0 | 66.0 | 66.9 | 68.7 | 71.5 | 69.1 | 68.7 | 68.2 | 67.9 | 69.4 | 69.5 | -40bp |
| Staff Cost (% of sales) | 5.4 | 5.2 | 4.9 | 5.0 | 4.7 | 5.3 | 5.2 | 5.1 | 4.2 | 4.9 | 5.3 | 0bp |
| Other Exp (% of sales) | 11.7 | 12.1 | 12.0 | 13.0 | 11.4 | 12.1 | 12.2 | 12.1 | 11.6 | 13.0 | 12.0 | 10bp |
| EBITDA | 1,929 | 2,381 | 2,416 | 2,107 | 2,203 | 2,366 | 2,477 | 2,693 | 8,832 | 9,739 | 2,124 | 11.4 |
| Margins (%) | 12.9 | 16.7 | 15.6 | 13.3 | 12.4 | 13.5 | 13.9 | 14.6 | 14.6 | 13.6 | 13.2 | 30bp |
| Depreciation | 544 | 584 | 587 | 588 | 630 | 643 | 710 | 748 | 2,303 | 2,730 | 673 | -4.5 |
| Interest | 14 | 13 | 11 | 13 | 15 | 18 | 12 | 15 | 51 | 60 | 10 | 82.0 |
| Other Income | 137 | 122 | 168 | 237 | 137 | 142 | 149 | 152 | 664 | 580 | 142 | 0.3 |
| PBT | 1,508 | 1,907 | 1,985 | 1,743 | 1,695 | 1,848 | 1,904 | 2,081 | 7,142 | 7,529 | 1,583 | 16.7 |
| Tax Rate (%) | 33.7 | 33.3 | 32.3 | 37.0 | 33.3 | 34.9 | 34.0 | 33.7 | 34.0 | 34.0 | 33.5 | |
| Adj PAT | 999 | 1,272 | 1,345 | 1,098 | 1,130 | 1,202 | 1,257 | 1,379 | 4,713 | 4,969 | 1,053 | 14.2 |
| YoY Change (%) | -23.6 | -6.7 | 19.7 | 10.7 | 13.2 | -5.5 | -6.5 | 25.6 | -1.5 | 5.4 | -17.2 | |

E: MOSL Estimates



Indian Bank

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 35,159 | 10,585 |
| Bloomberg | INBK IN |
| Equity Shares (m) | 480 |
| M.Cap.(INRb)/(USD\$b) | 110.2 / 1.5 |
| 52-Week Range (INR) | 428 / 211 |
| 1, 6, 12 Rel. Per (%) | -1/-27/-48 |
| Avg Val, INRm | 597 |
| Free float (%) | 18.3 |

CMP: INR229 TP: INR350(+53%) Buy

Operating performance in line; Earnings to recover gradually

- INBK reported PAT of INR1.5b (significantly below our estimates of INR2.9b) weighed down by elevated provisions of INR10b (25% above our estimate). NII grew 12% YoY to INR17.3b (4% above our estimates) led by ~20% YoY loan growth to INR1.7t (3% above our estimates). Margins for the quarter stood at 2.97%. Muted treasury gains led to 40% YoY decline in other income to INR4.3b.
- Loan book grew ~20% YoY to INR1.7t while deposits grew 10% YoY to INR2.2t. The share of RAM advances stood at 58.7% (v/s 56.4% in 2QFY18). CASA growth was muted at 7.4% YoY and trailed deposit growth leading to 175bp QoQ decline in CASA ratio to 36.1%.
- Slippages spiked to INR22.5b (v/s INR14.4b in 1QFY19) while recoveries/upgrades came in at INR2.3b/INR0.4b, respectively. Absolute GNPA/NNPA increased 4.3%/17.7% QoQ to INR123.3b/INR70.6b. GNPA/NNPA ratio stood at 7.2%/4.2%, respectively, while PCR ratio moderated 652bp QoQ to 42.8%. Total net NPA + restructured book stood at INR85.4b in 2QFY19, which corresponds to 5.1% of loans (v/s INR80b in 1QFY19).
- **Other Highlights:**(1) Bank guided for INR10b of gross slippages each in 3Q and 4Q, (2) majority of the slippages during the quarter were from the corporate book due to 4/5th consortium accounts from road, infra sector and sugar sector.
- **Valuation view:** Going forward, focus on balance sheet consolidation and moderation in fresh slippages will aid earnings recovery. INBK has a strong capital position with Tier-1 of 11.5%, thus, it's well-poised to grow its loan book and benefit from further improvement in operating leverage. We expect FY20E RoA/RoE to be at ~0.6%/10.8% and maintain Buy with a revised Target Price of INR350 (1.0x Sept-20E ABV).

Financials & Valuations(INR b)

| Y/E March | FY18 | FY19E | FY20E |
|-------------------|------|-------|-------|
| NII | 62.6 | 71.4 | 86.7 |
| OP | 50.0 | 51.2 | 64.3 |
| NP | 12.6 | 10.7 | 18.6 |
| NIM (%) | 2.8 | 2.7 | 2.8 |
| EPS (INR) | 26.2 | 22.3 | 38.8 |
| BV/Sh. (INR) | 354 | 369 | 399 |
| ABV/Sh. (INR) | 265 | 285 | 324 |
| RoE (%) | 8.3 | 6.6 | 10.8 |
| RoA (%) | 0.5 | 0.4 | 0.6 |
| Valuations | | | |
| P/E(X) | 8.8 | 10.3 | 5.9 |
| P/BV (X) | 0.6 | 0.6 | 0.6 |
| P/ABV (X) | 0.9 | 0.8 | 0.7 |

Quarterly performance

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E | FY19E | v/s our |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2Q | | Est |
| Net Interest Income | 14,595 | 15,436 | 16,228 | 16,377 | 18,070 | 17,309 | 17,495 | 18,533 | 62,636 | 71,407 | 16,711 | 3.6 |
| % Change (YoY) | 18.1 | 20.8 | 30.2 | 18.2 | 23.8 | 12.1 | 7.8 | 13.2 | 21.7 | 14.0 | 15.5 | -3.3 |
| Other Income | 6,521 | 7,146 | 5,489 | 4,903 | 4,398 | 4,283 | 6,285 | 7,889 | 24,058 | 22,855 | 5,485 | -21.9 |
| Total Income | 21,116 | 22,582 | 21,717 | 21,280 | 22,468 | 21,593 | 23,780 | 26,422 | 86,694 | 94,262 | 22,197 | -2.7 |
| Operating Expenses | 8,592 | 8,826 | 9,623 | 9,643 | 9,492 | 9,682 | 10,562 | 13,373 | 36,684 | 43,109 | 10,070 | -3.9 |
| Operating Profit | 12,524 | 13,756 | 12,094 | 11,638 | 12,976 | 11,910 | 13,218 | 13,049 | 50,010 | 51,153 | 12,127 | -1.8 |
| % Change (YoY) | 38.7 | 36.7 | 18.4 | 8.7 | 3.6 | -13.4 | 9.3 | 12.1 | 25.0 | 2.3 | 3.5 | -17.0 |
| Other Provisions | 7,156 | 7,446 | 9,181 | 15,463 | 10,296 | 10,043 | 9,252 | 8,173 | 39,246 | 37,764 | 8,057 | 24.7 |
| Profit before Tax | 5,368 | 6,310 | 2,913 | -3,826 | 2,680 | 1,867 | 3,966 | 4,876 | 10,764 | 13,388 | 4,070 | -54.1 |
| Tax | 1,644 | 1,795 | -120 | -5,145 | 587 | 366 | 656 | 1,069 | -1,826 | 2,678 | 1,140 | -67.9 |
| Net Profit | 3,724 | 4,515 | 3,033 | 1,320 | 2,093 | 1,501 | 3,310 | 3,806 | 12,590 | 10,711 | 2,930 | -48.8 |
| % Change (YoY) | 21.1 | 11.5 | -18.8 | -58.7 | -43.8 | -66.7 | 9.1 | 188.4 | -10.4 | -14.9 | -44.3 | -22.5 |
| Op. Parameters | | | | | | | | | | | | |
| Deposits (INR b) | 1,915 | 1,987 | 2,065 | 2,083 | 2,102 | 2,195 | 2,280 | 2,377 | 2,083 | 2,377 | 2,156 | 1.8 |
| Loans (INR b) | 1,294 | 1,392 | 1,483 | 1,566 | 1,584 | 1,670 | 1,775 | 1,879 | 1,566 | 1,879 | 1,628 | 2.6 |
| Deposit Growth (%) | 7.9 | 11.5 | 12.5 | 14.1 | 9.8 | 10.5 | 10.4 | 14.1 | 14.1 | 14.1 | 8.5 | 2.0 |
| Loan Growth (%) | 4.2 | 13.4 | 21.6 | 22.6 | 22.5 | 19.9 | 19.7 | 20.0 | 22.6 | 20.0 | 16.9 | 3.0 |
| Asset Quality | | | | | | | | | | | | |
| Gross NPA (INR B) | 96.5 | 96.2 | 96.0 | 119.9 | 118.3 | 123.3 | 122.1 | 116.0 | 119.9 | 116.0 | 121 | 1.6 |
| Net NPA (INR B) | 52.4 | 47.5 | 49.0 | 59.6 | 60.0 | 70.6 | 58.6 | 53.1 | 59.6 | 53.1 | 60 | 16.8 |
| Gross NPA (%) | 7.2 | 6.7 | 6.3 | 7.4 | 7.2 | 7.2 | 6.6 | 6.2 | 7.4 | 6.2 | 7.2 | 0.0 |
| Net NPA (%) | 4.1 | 3.4 | 3.3 | 3.8 | 3.8 | 4.2 | 3.3 | 2.8 | 3.8 | 2.8 | 3.7 | 0.5 |
| PCR (%) | 45.7 | 50.7 | 48.9 | 50.3 | 49.3 | 42.8 | 52.0 | 54.2 | 50.3 | 54.2 | 50.2 | -7.4 |



India Cement

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 35,159 | 10,585 |
| Bloomberg | ICEM IN |
| Equity Shares (m) | 308 |
| M.Cap.(INRb)/(USDb) | 30.1 / 0.4 |
| 52-Week Range (INR) | 206 / 80 |
| 1, 6, 12 Rel. Per (%) | 2/-28/-50 |
| Avg Val, INRm | 655 |
| Free float (%) | 71.7 |

Financials & Valuations (INR b)

| Y/E Mar | 2018 | 2019E | 2020E |
|-------------|-------|-------|-------|
| Net Sales | 51.7 | 56.3 | 64.2 |
| EBITDA | 6.9 | 6.2 | 7.7 |
| PAT | 1.0 | 0.4 | 1.5 |
| EPS (INR) | 3.3 | 1.4 | 4.9 |
| Gr. (%) | -42.0 | -58.4 | 258.9 |
| BV/Sh (INR) | 168.8 | 169.0 | 172.7 |
| RoE (%) | 2.0 | 0.8 | 2.9 |
| RoCE (%) | 4.8 | 3.6 | 4.7 |
| P/E (x) | 29.4 | 70.8 | 19.7 |
| P/BV (x) | 0.6 | 0.6 | 0.6 |

Estimate change

TP change

Rating change



CMP: INR96

TP: INR93 (-3%)

Neutral

Revenue in-line; PAT miss attributed to FX headwinds

- **In-line sales; south demand robust:** ICEM's 2QFY19 volumes grew 14% YoY to 3.08mt (in-line), led by healthy demand growth in the south market. Blended realizations increased 2% QoQ (-4% YoY) to INR4,508/t (in-line). Net sales, thus, increased 9% YoY to INR13.9b (in-line).
- **Earnings hurt by FX fluctuations:** Cost/t increased 2% QoQ. Blended EBITDA/t declined 1% QoQ (-25% YoY) to INR503 (our estimate: INR470). EBITDA was down 15% YoY (-1% QoQ) to INR1.5b (our estimate: INR1.45b) due to lower realizations. Margin shrank 3.14pp YoY to 11.2% (-0.3pp QoQ). Interest cost was higher by 8% YoY (+30% QoQ) at INR954m due to INR118m of loss on account of FX fluctuations. PAT declined 94% YoY to INR14.3m (our estimate: INR117m).
- **Key takeaways from concall:** (1) ICEM entered into a share Purchase Agreement for acquiring the entire shareholding of Springway Mining Private in a phased manner for INR1.8b. (2) ICEM has INR10b of capex plan to put capacity of 2.3mt in the central region by 4QFY21.
- **1H FY19 performance:** Volumes grew 15% YoY, with sales growth of 7% YoY. EBITDA/PAT declined 15%/55% YoY. For 2H FY19, we expect volumes to increase 10% YoY, with sales growth of 10% YoY; EBITDA/PAT are expected to decline by 6%/62% YoY.
- **Maintain Neutral:** We cut our EBITDA estimate by 7% for FY19 (unchanged for FY20). We cut our PAT estimate by 63% in FY19 and 4% in FY20 due to higher depreciation and interest rate on announced capacity expansion. We value ICEM at 7.5x Sept'20 EV/EBITDA to arrive at a TP of INR93. **Neutral.**

Quarterly Performance (Standalone)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E | FY19 | Var. (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Sales Dispatches (m ton) | 2.66 | 2.70 | 2.73 | 3.08 | 3.08 | 3.08 | 3.08 | 3.33 | 11.17 | 12.57 | 3.08 | 0 |
| YoY Change (%) | 15 | 10 | 3 | 5 | 16 | 14 | 13 | 8 | 1.2 | 12.5 | 14.0 | |
| Realization (INR/ton) | 4,857 | 4,696 | 4,450 | 4,524 | 4,425 | 4,508 | 4,454 | 4,526 | 4,588 | 4,452 | 4,516 | 0 |
| YoY Change (%) | -6.1 | -10.7 | -7.0 | -1.7 | -8.9 | -4.0 | 0.1 | 0.0 | 1.1 | -3.0 | -3.8 | |
| QoQ Change (%) | 5.6 | -3.3 | -5.2 | 1.7 | -2.2 | 1.9 | -1.2 | 1.6 | | | 2.1 | |
| Net Sales | 12,901 | 12,683 | 12,131 | 13,978 | 13,607 | 13,871 | 13,719 | 15,088 | 51,692 | 56,284 | 13,905 | 0 |
| YoY Change (%) | 7.3 | -3.0 | -4.3 | 4.0 | 5.5 | 9.4 | 13.1 | 7.9 | 1.8 | 8.9 | 9.6 | |
| EBITDA | 1,856 | 1,814 | 1,673 | 1,585 | 1,561 | 1,548 | 1,424 | 1,647 | 6,928 | 6,179 | 1,447 | 7 |
| Margins (%) | 14.4 | 14.3 | 13.8 | 11.3 | 11.5 | 11.2 | 10.4 | 10.9 | 13.4 | 11.0 | 10.4 | |
| Depreciation | 630 | 632 | 633 | 664 | 616 | 617 | 620 | 631 | 2,559 | 2,484 | 620 | |
| Interest | 874 | 886 | 924 | 718 | 733 | 954 | 820 | 822 | 3,402 | 3,329 | 733 | |
| Other Income | 52 | 66 | 37 | 39 | 55 | 38 | 40 | 37 | 194 | 170 | 55 | |
| PBT before EO expense | 404 | 362 | 152 | 242 | 267 | 14 | 24 | 231 | 1,161 | 536 | 149 | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| PBT | 404 | 362 | 152 | 242 | 267 | 14 | 24 | 231 | 1,161 | 536 | 149 | |
| Tax | 140 | 125 | 0 | -110 | 57 | 0 | 5 | 56 | 155 | 118 | 33 | |
| Rate (%) | 34.6 | 34.6 | 0.0 | -45.5 | 21.2 | 0.0 | 22.0 | 24.3 | 13.3 | 22.0 | 22.0 | |
| Reported PAT | 264 | 237 | 152 | 353 | 210 | 14 | 19 | 175 | 1,006 | 418 | 117 | -88 |
| Adj PAT | 264 | 237 | 152 | 353 | 210 | 14 | 19 | 175 | 1,006 | 418 | 117 | |
| YoY Change (%) | -39.9 | -62.1 | -56.9 | 2.9 | -20.5 | -94.0 | -87.8 | -50.3 | -42.0 | -58.4 | -50.8 | |
| Margins (%) | 2.0 | 1.9 | 1.3 | 2.5 | 1.5 | 0.1 | 0.1 | 1.2 | 1.9 | 0.7 | 0.8 | |

E: MOSL Estimates

Role of NBFCs in India's growth story

Nascent recovery in investments may get hurt

- An analysis of India's non-banking financial company (NBFC) sector, including housing finance companies (HFCs), reveals that its share in the outstanding debt of the non-government non-financial (NGNF) sector¹ has risen from 15% in FY13 to 20% in FY18. For the first time in India's history, the contribution of NBFCs² to annual incremental NGNF debt was as high as ~40%, up from 29.2% in FY17 and sub-20% in the pre-FY15 period. Our calculations suggest that NBFCs' loan book increased by INR5.1t (3% of GDP) in FY18, while banks' lending rose by INR6.5t. Corporate bonds (CBs) and commercial papers (CPs) issued by the non-financial sector, however, slowed sharply in FY18.
- As far as exposure of NBFCs to the real economy³ is concerned, our estimates suggest that almost four-fifth of the loan book is exposed to the investment-intensive⁴ sector (including real estate and housing), implying that consumption-related loans were ~20%. Further, while the share of infrastructure loans has declined to ~31% in FY18, it is broadly replaced by commercial real estate that now accounts for ~16%.
- Moreover, NBFCs were the largest gross borrowers – on an annual basis – of funds from the financial system amounting to INR12.5t in FY18. Banks were the largest lenders to NBFCs accounting for ~42% of their total borrowings, followed by AMC-MFs (~33%) and insurance companies (ICs) (~19%). Over the last few years, while the share of banks and ICs to NBFCs' borrowings has declined, it has increased considerably for AMC-MFs.
- Finally, although NGNF debt was broadly unchanged at 84% of GDP in FY18, the debt intensity of real GDP growth increased from a multi-year low of 1.2x in FY17 to 1.5x. This was reflected in sharper-than-expected recovery in real investments, which grew at a 7-year high of 7.6% YoY in FY18.
- Accordingly, if the NBFC sector witnesses liquidity stress, the nascent investment revival, and thus, real GDP growth, will certainly get hurt. Notably though, since this development is coinciding with the fading of the favorable base, it would be very difficult to estimate the exclusive impact of the NBFCs slowdown on the GDP growth deceleration in 2HFY19. On the positive side, weaker investments/GDP growth may help mitigate the pressures on the external sector, which is a serious threat at this point in time.

The IL&FS default has brought India's NBFC sector to the forefront. With its diverse businesses and it being relatively younger than banks, there are more questions than answers related to the role of NBFCs in India's growth story. In order to understand the adverse impact of the NBFCs turmoil on India's economic growth, we intend to answer these four questions through this note:

1. What is the share and contribution of NBFCs (including HFCs) in India's total outstanding non-government non-financial (NGNF) sector's debt?
2. Which sectors/industries have NBFCs lent to? Whether they have more exposure towards consumption segment or investment-intensive sectors?
3. What is the exposure of the financial system and individual industries to the NBFCs?
4. What is the debt intensity of India's economic growth and how could slowdown of NBFCs hurt the aggregate demand in the economy?

¹ Please see Box 1 on Page#3 for the estimation of India's NGNF debt and the Appendix at the end of the report for details

² NBFCs including HFCs unless mentioned otherwise.

³ Please see Box 2 on Page#6 for the methodology used to divide NBFCs and HFCs loans into several sectors

⁴ Investment-intensive sectors comprise infrastructure, housing, real estate and vehicles financing. Since there is no clear distinction between personal loans, SME loans and wholesale financing, the consumption-related loans are at ~20% of loan book (including capital market exposure (CME), which are primarily loans against shares), after adjusting for investment-intensive exposure.



Expert Speak

Steel demand growth outlook robust, but for near-term hiccups

Indian steel imports may rise to 10-11mt in few years

We hosted a conference call with Dr. AS Firoz (Chief Economist at the Economic Research Unit of the Ministry of Steel) to understand demand outlook for steel and key issues in the industry. Key highlights - (1) Steel demand is expected to grow at 10% CAGR over the next 2-3 years, but, with near-term hiccups, (2) quality control measures have helped curb unfettered growth in imports, (3) supply growth will lag due to shortage of capital, while net imports may rise to 10-11mt, (4) many iron ore mining leases will expire by end-FY20E, yet there are no answers to key issues regarding transfer, (5) SAIL has many operational and product mix issues and will continue to require investments, and (6) there are structural changes in the consumption pattern of stainless steel.



Dr. A S Firoz
Chief Economist at the
Economic Research Unit (ERU)

Dr. A S Firoz is the Chief Economist at the Economic Research Unit (ERU) of the Ministry of Steel. He is known world-wide for his analysis of steel, iron ore and the coal market. He was also associated with many other research organizations such as Hatch, ICRIER, NCAER, FIMI, etc. He is also Member Convenor of Steel Exporters' Forum of India. He played a key role in the formulation of the Five-Year Plans and steel policies of the Government of India. He studied Economics at India's prestigious Jawaharlal Nehru University, obtaining an MA, M.Phil and a Ph.D degree.

Demand outlook robust, but, for near-term hiccups

- Dr. Firoz expects domestic steel demand to grow close to 9% in FY19. He has toned down expectations by 2pp as a cloud of uncertainty has emerged over infrastructure spending. There is a bit of a slowdown and issue of non-payment in road and few other sectors, too. These issues are likely to be short-lived. However, the longer-term outlook is very positive.
- Steel demand is expected to grow at a rate in excess of 10% per annum over FY20 and FY21. Rail demand has been hovering around 800kt for a long time but it is now at an inflection point and is expected to increase to 1.5mt in FY19 and 2.5mt over the next few years. Drinking water supply program has been driving demand for pipes. River linking program will add further to demand. Construction and infrastructure building is now getting more steel intensive. Railways are going in for a big revamp with much gas-pipeline infrastructure being built. Private sector investment cycle has yet to start, which may take another couple of years to begin.

Quality control helped control unfettered imports

- Introduction of quality control measures has helped reduced unfettered imports as the approval process takes 6-10 months. Many suppliers have taken approval but they are limited. This has also helped improve quality of steel from induction furnaces. Most products are now covered under the quality control order. There are some products that don't require quality orders because of rigorous quality testing requirements, e.g. rails and railway materials.

Iron ore mining's lease expiry in 2020; yet no answers for many issues

- It is not clear how the transition will take place. There are various issues with regards to passing the baton from the current miner to another successful miner in the bidding process. Various issues pertain to mine closure, valuation and utility of infrastructure at mines, etc., which the government is aware of.

India's net imports may rise to 10-11mt as supply will lag

- India has turned net importer of steel because of stronger domestic demand and steel prices rising above the anti-dumping floor prices. India currently has a capacity of 135mt. There is poor visibility on capacity addition due to balance sheet stress across the sector. It is likely that India could turn net importer of steel to the extent of 10-11mt from being neutral right now. India will need 60-70mt of brownfield capacity expansion and a similar size of Greenfield projects by 2030. Unless the steel sector sees high profitability for the next 10-15 years, it will be difficult to get capital for such capacity additions.

Why is SAIL not sailing?

- SAIL has issues with its product mix, lack of coordination in projects and layout. It is present mostly in the low-end segment. SAIL has never tried to target niche markets like autos. A brand new CRM has been installed at Bokaro, but the Hot Strip Mill is still old. SAIL will continue to require huge investments. The plants are spread over huge tracks of land, which requires higher maintenance cost, e.g. Bokaro is producing 4mt steel over a land area of 60,000acres (after losing 40,000acres to illegal occupants), while JSW Dolvi produces same amount of steel in about 1200acres of land.

Stainless steel - structural changes in the consumption pattern

- Stainless steel is witnessing structural changes in its consumption pattern. Its share in utensils has declined from 80% earlier to 40% currently in India, which is further expected to decline to 30%. Currently, majority of the stainless steel is getting consumed in capital goods, infrastructure, housing, public housing, public utilities, chemical industries, food processing industries, etc. Stainless steel sector is now well protected against imports.



Aurobindo Pharma

Buy

| | |
|-------------------------|--------------|
| Bloomberg | ARBP IN |
| Equity Shares (m) | 585.9 |
| M. Cap. (INR b)/(USD b) | 451 / 6 |
| 52-Week Range (INR) | 826 / 527 |
| 1,6,12 Rel Perf. (%) | 17 / 22 / -6 |

Financial Snapshot (INR Billion)

| Y/E MARCH | 2017 | 2018 | 2019E | 2020E |
|--------------|-------|-------|-------|-------|
| Sales | 150.9 | 165.0 | 183.3 | 251.9 |
| EBITDA | 34.3 | 37.9 | 40.3 | 56.2 |
| NP | 23.0 | 25.0 | 25.9 | 34.6 |
| EPS (INR) | 39.3 | 42.7 | 44.2 | 59.1 |
| EPS Gro. (%) | 13.5 | 8.7 | 3.5 | 33.8 |
| BV/Sh. (INR) | 160.0 | 199.4 | 240.0 | 296.6 |
| RoE (%) | 27.6 | 23.8 | 20.1 | 22.0 |
| RoCE (%) | 19.0 | 17.4 | 15.3 | 15.9 |

Valuations

| | | | | |
|--------------|------|------|------|------|
| P/E (x) | 19.6 | 18.0 | 17.4 | 13.0 |
| P/BV (x) | 4.8 | 3.9 | 3.2 | 2.6 |
| EV/EBITDA(x) | 12.1 | 11.2 | 10.3 | 7.8 |
| EV/Sales (x) | 2.8 | 2.6 | 2.3 | 1.7 |

- We expect Aurobindo (ARBP) to post muted growth of 2% YoY to INR45.3b in 2QFY19. Slowdown in growth is primarily due to higher sales of g-Renvela in 2QFY18.
- We expect the US business (~56% of formulation sales) to remain flat YoY to INR21b. Europe and rest-of-the-world (RoW) sales are expected to grow 9% YoY, while active pharmaceutical ingredient (API) sales are estimated to remain muted.
- EBITDA margin is expected to contract by ~470 bp YoY to 20.5% (higher margin in 2QFY18 on back of higher g-Renvela sales). Absolute EBITDA is expected to decline by ~17% YoY to INR9.3b.
- We expect PAT to decline by ~26% YoY to INR5.8b on back of muted revenue growth and margin contraction.
- We remain positive on the stock due to its strong growth in the US, despite a high base. Robust pace of approvals (49 in FY18), a strong ANDA pipeline (112) pending for approval, consistency in regulatory compliance, and an improving EU business operating margin (on increased manufacturing from India facilities) are the key drivers for ARBP's growth in its focus markets. Re-iterate Buy with TP of INR910 (12- month forward P/E multiple of 15x).

Key issues to watch out for

- Debt reduction during the quarter
- Outlook on the US business (35-40 launches expected over next 12 months)
- Growth outlook for next 12-18 months

Quarterly Performance Consolidated

(INR Million)

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Sales | 36,788 | 44,359 | 43,361 | 40,491 | 42,503 | 45,340 | 48,024 | 47,393 | 164,998 | 183,259 |
| YoY Change (%) | -2.3 | 17.5 | 11.0 | 11.2 | 15.5 | 2.2 | 10.8 | 17.0 | 9.3 | 11.1 |
| EBITDA | 8,416 | 11,173 | 10,256 | 8,040 | 7,792 | 9,295 | 11,045 | 12,185 | 37,885 | 40,317 |
| Margins (%) | 22.9 | 25.2 | 23.7 | 19.9 | 18.3 | 20.5 | 23.0 | 25.7 | 23.0 | 22.0 |
| Depreciation | 1,312 | 1,321 | 1,381 | 1,566 | 1,545 | 1,550 | 1,550 | 1,541 | 5,580 | 6,186 |
| Interest | 169 | 173 | 189 | 247 | 295 | 280 | 214 | 76 | 777 | 865 |
| Other Income | 221 | 103 | 258 | 438 | 437 | 125 | 125 | 113 | 1,020 | 800 |
| PBT before EO expense | 7,156 | 9,782 | 8,944 | 6,665 | 6,389 | 7,590 | 9,406 | 10,681 | 32,548 | 34,066 |
| Extra-Ord expense | 77 | 4 | -73 | 159 | 682 | 0 | 0 | 0 | 168 | 682 |
| PBT | 7,080 | 9,778 | 9,017 | 6,506 | 5,707 | 7,590 | 9,406 | 10,681 | 32,380 | 33,384 |
| Tax | 1,910 | 1,980 | 3,069 | 1,224 | 1,155 | 1,822 | 2,399 | 2,800 | 8,183 | 8,176 |
| Rate (%) | 27.0 | 20.2 | 34.0 | 18.8 | 20.2 | 24.0 | 25.5 | 26.2 | 25.3 | 24.5 |
| Minority Interest | -15 | -13 | -3 | -3 | -3 | -14 | -14 | -24 | -34 | -55 |
| Reported PAT | 5,185 | 7,812 | 5,950 | 5,285 | 4,555 | 5,782 | 7,022 | 7,905 | 24,231 | 25,263 |
| Adj PAT | 5,241 | 7,815 | 6,566 | 5,414 | 5,203 | 5,782 | 7,022 | 7,905 | 25,021 | 25,723 |
| YoY Change (%) | -9.7 | 32.0 | 2.9 | -2.7 | -0.4 | -26.1 | 6.8 | 45.6 | 10.9 | 2.8 |
| Margins (%) | 14.2 | 17.6 | 15.1 | 13.4 | 12.2 | 12.7 | 14.6 | 16.6 | 15.2 | 14.0 |

E: MOSL Estimates



Britannia Industries

Buy

| | |
|-------------------------|-------------|
| Bloomberg | BRIT IN |
| Equity Shares (m) | 120.0 |
| M. Cap. (INR b)/(USD b) | 688 / 9 |
| 52-Week Range (INR) | 6944 / 4305 |
| 1,6,12 Rel Perf. (%) | -6 / 4 / 17 |

Financial Snapshot (INR b)

| Y/E March | 2017 | 2018 | 2019E | 2020E |
|----------------|-------|-------|-------|-------|
| Sales | 90.5 | 99.1 | 110.5 | 131.7 |
| EBITDA | 12.8 | 15.0 | 17.5 | 22.3 |
| Adj. PAT | 8.8 | 10.0 | 11.8 | 15.0 |
| Adj. EPS (INR) | 73.7 | 83.6 | 98.6 | 124.9 |
| EPS Gr. (%) | 7.3 | 13.5 | 17.8 | 26.7 |
| BV/Sh.(INR) | 224.7 | 283.7 | 320.1 | 343.4 |
| RoE (%) | 36.9 | 32.9 | 32.6 | 37.6 |
| RoCE (%) | 31.1 | 27.9 | 27.5 | 32.6 |
| Payout (%) | 29.9 | 29.9 | 50.0 | 70.0 |

Valuations

| | | | | |
|----------------|------|------|------|------|
| P/E (x) | 77.9 | 68.6 | 58.2 | 45.9 |
| P/BV (x) | 25.5 | 20.2 | 17.9 | 16.7 |
| EV/EBITDA (x) | 53.5 | 45.2 | 38.7 | 30.3 |
| Div. Yield (%) | 0.4 | 0.4 | 0.9 | 1.5 |

- We expect Britannia's (BRIT) sales to grow 13% YoY to INR28.7b, with base business volumes growing 10% on a base of 5% volume growth.
- Wheat prices are up 17.4% YoY, while sugar prices are down 14.4% YoY. Gross margin is likely to expand 150bp YoY to 39.3% in 2QFY19.
- We expect 100bp YoY expansion in the operating margin to 15.8%. We estimate 20.6% EBITDA growth and 21% adjusted PAT growth for the quarter.
- The stock trades at 58.2x/45.9x FY19E/20E EPS of INR98.6/INR124.9. Maintain Buy. Britannia is one of our top picks in the tier-II consumer space.

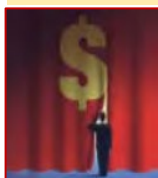
Key issues to watch for

- Pace of growth in erstwhile weak states
- Direction on future volume growth
- Outlook for raw materials
- Update on dairy business

Quarterly Performance

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Base business volume gr. (%) | 2.0 | 5.0 | 11.0 | 11.0 | 11.0 | 10.0 | 6.0 | 7.0 | 7.3 | 8.4 |
| Net Sales | 22,637 | 25,453 | 25,675 | 25,375 | 25,438 | 28,762 | 28,114 | 28,162 | 99,140 | 110,476 |
| YoY Change (%) | 5.7 | 6.6 | 12.5 | 13.1 | 12.4 | 13.0 | 9.5 | 11.0 | 9.5 | 11.4 |
| COGS | 13,873 | 15,840 | 15,745 | 15,613 | 15,264 | 17,468 | 16,959 | 16,899 | 61,071 | 66,590 |
| Gross Profit | 8,764 | 9,613 | 9,930 | 9,762 | 10,175 | 11,294 | 11,154 | 11,263 | 38,069 | 43,886 |
| Margins (%) | 38.7 | 37.8 | 38.7 | 38.5 | 40.0 | 39.3 | 39.7 | 40.0 | 38.4 | 39.7 |
| Other Operating Exp | 5,479 | 5,836 | 5,946 | 5,791 | 6,281 | 6,739 | 6,652 | 6,748 | 23,052 | 26,420 |
| % of Sales | 24.2 | 22.9 | 23.2 | 22.8 | 24.7 | 23.4 | 23.7 | 24.0 | 23.3 | 23.9 |
| EBITDA | 3,285 | 3,777 | 3,984 | 3,971 | 3,894 | 4,555 | 4,503 | 4,515 | 15,017 | 17,466 |
| Margins (%) | 14.5 | 14.8 | 15.5 | 15.6 | 15.3 | 15.8 | 16.0 | 16.0 | 15.1 | 15.8 |
| YoY Growth (%) | 3.9 | 11.4 | 26.8 | 28.9 | 18.5 | 20.6 | 13.0 | 13.7 | 17.6 | 16.3 |
| Depreciation | 332 | 336 | 329 | 424 | 356 | 370 | 362 | 492 | 1,421 | 1,580 |
| Interest | 13 | 14 | 26 | 24 | 24 | 14 | 26 | 29 | 76 | 93 |
| Other Income | 352 | 508 | 359 | 444 | 420 | 610 | 431 | 674 | 1,664 | 2,136 |
| PBT | 3,293 | 3,934 | 3,989 | 3,968 | 3,933 | 4,781 | 4,547 | 4,669 | 15,184 | 17,929 |
| Tax | 1,133 | 1,326 | 1,354 | 1,330 | 1,352 | 1,625 | 1,546 | 1,573 | 5,142 | 6,096 |
| Rate (%) | 34.4 | 33.7 | 33.9 | 33.5 | 34.4 | 34.0 | 34.0 | 33.7 | 33.9 | 34.0 |
| Adjusted PAT | 2,160 | 2,609 | 2,635 | 2,638 | 2,581 | 3,155 | 3,001 | 3,096 | 10,041 | 11,833 |
| YoY Change (%) | -1.5 | 11.5 | 19.6 | 25.2 | 19.5 | 21.0 | 13.9 | 17.4 | 13.5 | 17.8 |

E: MOSL Estimates



Coal India

Buy

| | |
|-------------------------|--------------|
| Bloomberg | COAL IN |
| Equity Shares (m) | 6207.4 |
| M. Cap. (INR b)/(USD b) | 1717 / 23 |
| 52-Week Range (INR) | 317 / 256 |
| 1,6,12 Rel Perf. (%) | 3 / -9 / -13 |

Financial Snapshot (INR Million)

| Y/E March | 2017 | 2018 | 2019E | 2020E |
|----------------|-------|-------|-------|---------|
| Net Sales | 783.7 | 858.6 | 941.6 | 1,002.9 |
| EBITDA | 150.6 | 203.1 | 251.9 | 292.8 |
| NP | 94.2 | 118.9 | 166.6 | 191.4 |
| Adj. EPS (INR) | 15.2 | 19.2 | 26.8 | 30.8 |
| EPS Gr. (%) | -32.9 | 26.3 | 40.0 | 14.9 |
| BV/Sh. (INR) | 39.5 | 32.0 | 34.7 | 37.7 |
| RoE (%) | 38.4 | 35.4 | 77.4 | 81.7 |
| RoCE (%) | 32.7 | 58.4 | 98.2 | 102.0 |
| Payout (%) | 160.3 | 103.3 | 90.0 | 90.0 |

VALUATION

| | | | | |
|----------------|------|------|------|-----|
| P/E (x) | 17.9 | 14.2 | 10.1 | 8.8 |
| P/BV (x) | 6.9 | 8.5 | 7.8 | 7.2 |
| EV/EBITDA (x) | 8.7 | 6.3 | 5.4 | 4.8 |
| Div. Yield (%) | 7.3 | 6.1 | 7.4 | 8.5 |

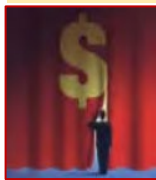
- We expect Coal India's EBITDA (ex-OBR) to decline 5% QoQ (+387% YoY) to INR62.7b due to lower volumes, partly offset by lower employee cost.
- Dispatches are up 6% YoY/-9% QoQ to 139mt. FSA volumes are estimated to increase 10% YoY to 115mt due to strong power sector demand. E-auction volumes would be down 14% YoY at ~20mt.
- FSA realization is estimated to increase 8% YoY to INR1,325/ton, led by the benefit of price hike.
- E-auction realization is estimated to be flat QoQ at INR2,400/t.
- PAT is estimated to increase ~5% QoQ/~10x YoY to INR39.7b. **Buy.**

Key issues to watch for

- E-auction volumes and realization
- Global coal prices

Quarterly Performance
(INR m)

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Sales | 191,617 | 181,483 | 216,433 | 269,092 | 242,609 | 227,130 | 239,029 | 232,785 | 858,624 | 941,553 |
| Change (%) | 4.0 | 11.9 | 6.0 | 16.1 | 26.6 | 25.2 | 10.4 | -13.5 | 9.8 | 9.7 |
| Adj. EBITDA | 34,151 | 12,888 | 55,405 | 100,646 | 66,160 | 62,740 | 71,543 | 51,493 | 203,089 | 251,935 |
| As of % Sales | 17.8 | 7.1 | 25.6 | 37.4 | 27.3 | 27.6 | 29.9 | 22.1 | 23.7 | 26.8 |
| Depreciation | 6,699 | 7,146 | 7,511 | 9,308 | 7,452 | 7,266 | 7,637 | 8,824 | 30,664 | 31,180 |
| OBR | -1,069 | 578 | 9,226 | 24,847 | 8,835 | 217 | 3,468 | 103 | 33,583 | 12,623 |
| Interest | 1,209 | 1,007 | 974 | 1,127 | 1,103 | 842 | 815 | 851 | 4,318 | 3,611 |
| Other Income | 12,066 | 6,107 | 8,409 | 20,002 | 12,100 | 4,831 | 6,651 | 13,265 | 46,583 | 36,846 |
| EO Income/(Expense) | 0 | 0 | 0 | -73,844 | 0 | 0 | 0 | 0 | -73,844 | 0 |
| PBT | 39,378 | 10,264 | 46,102 | 11,521 | 60,869 | 59,245 | 66,274 | 54,980 | 107,264 | 241,368 |
| Tax | 15,860 | 6,576 | 16,052 | -1,420 | 23,025 | 19,551 | 21,870 | 10,353 | 37,067 | 74,800 |
| Tax Rate (%) | 40.3 | 64.1 | 34.8 | -1.7 | 37.8 | 33.0 | 33.0 | 18.8 | 34.6 | 31.0 |
| Reported PAT | 23,518 | 3,689 | 30,050 | 12,942 | 37,843 | 39,694 | 44,403 | 44,627 | 70,198 | 166,568 |
| Adjusted PAT | 23,518 | 3,689 | 30,050 | 61,686 | 37,843 | 39,694 | 44,403 | 44,627 | 118,942 | 166,568 |
| Change (%) | -23.3 | -38.5 | 4.2 | 127.0 | 60.9 | 976.2 | 47.8 | -27.7 | 28.3 | 40.0 |



Eicher Motors

Buy

| | |
|-------------------------|-----------------|
| Bloomberg | EIM IN |
| Equity Shares (m) | 27.3 |
| M. Cap. (INR b)/(USD b) | 632 / 9 |
| 52-Week Range (INR) | 32763 / 23005 |
| 1,6,12 Rel Perf. (%) | -13 / -26 / -41 |

Financial Snapshot (INR b)

| Y/E March | FY17 | FY18 | FY19E | FY20E |
|----------------|-------|-------|-------|-------|
| Net Income | 70.3 | 89.6 | 106.5 | 124.3 |
| EBITDA | 21.7 | 28.1 | 33.8 | 39.8 |
| Net Profit | 17.1 | 21.8 | 26.0 | 32.7 |
| Adj. EPS (INR) | 630 | 800 | 956 | 1,199 |
| EPS Gr. (%) | 59.7 | 27.0 | 19.5 | 25.5 |
| BV/Sh. (INR) | 1,964 | 2,579 | 3,329 | 4,295 |
| RoE (%) | 38.1 | 35.2 | 32.4 | 31.5 |
| RoCE (%) | 33.3 | 30.1 | 28.2 | 28.0 |
| Payout (%) | 0.4 | 0.5 | 0.8 | 0.9 |

Valuations

| | | | | |
|----------------|------|------|------|------|
| P/E (x) | 36.8 | 29.0 | 24.2 | 19.3 |
| P/BV (x) | 11.8 | 9.0 | 7.0 | 5.4 |
| EV/EBITDA (x) | 23.3 | 17.4 | 14.1 | 11.2 |
| Div. Yield (%) | 0.4 | 0.5 | 0.8 | 0.9 |

- Royal Enfield's volumes grew by just 3.6% YoY (-6.8% QoQ) to 210,102 units, impacted by Kerala floods and the decline in production led by strike at one of its plant. Net realization is expected to improve by 6.1% YoY (+0.2% QoQ), supported by price hikes and mix. We expect S/A EBITDA margin to contract by 80 bp YoY to 31.1% (-120 bp QoQ).
- VECV's volume increased by 24.5% YoY (+14.5% QoQ). We expect net realization to decline by 0.5% YoY (-3% QoQ). Margin is expected to expand 40 bp YoY and QoQ to 9.6%.
- Consolidated revenue would increase 9.7% YoY (-6.6% QoQ) to INR23.8b. Consolidated margin is likely to be 31.1%. Adj. PAT is estimated to grow 12.2% YoY (+0.9% QoQ) at INR5.8b.
- We downgrade consolidated EPS by 3.1% for FY19 and by 7% for FY20 as we cut RE's FY19/20 volume by 2.4%/4.4% and margins by 60/160 bp in FY19/FY20. We increase VECV margins by 20/60 bp.
- The stock trades at 24.2x FY19E and 19.3x FY20E EPS. Maintain **Buy**.

Key issues to watch

- Outlook on RE demand from metros and tier 1 and tier 2 cities, and order book trend
- Inventory levels for RE

Quarterly performance (Consolidated)

| Y/E March | FY18 | | | | FY19 | | | FY18 | FY19E | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | | | 4QE |
| Net Operating income | 20,006 | 21,673 | 22,690 | 25,280 | 25,478 | 23,785 | 27,985 | 29,246 | 89,650 | 106,494 |
| Growth (%) | 28.6 | 23.5 | 23.7 | 33.9 | 27.3 | 9.7 | 23.3 | 15.7 | 27.5 | 18.8 |
| EBITDA | 6,207 | 6,825 | 7,072 | 7,972 | 8,095 | 7,409 | 8,834 | 9,418 | 28,076 | 33,756 |
| EBITDA Margins (%) | 31.0 | 31.5 | 31.2 | 31.5 | 31.8 | 31.1 | 31.6 | 32.2 | 31.3 | 31.7 |
| Recurring PAT | 4,708 | 5,180 | 5,274 | 6,486 | 5,761 | 5,812 | 6,734 | 7,742 | 21,797 | 26,049 |
| Growth (%) | 25.1 | 25.4 | 26.1 | 39.1 | 22.4 | 12.2 | 27.7 | 19.4 | 27.2 | 19.5 |
| Standalone (Royal Enfield) | | | | | | | | | | |
| Royal Enfield ('000 units) | 184 | 203 | 207 | 227 | 225 | 210 | 240 | 247 | 820 | 922 |
| Growth (%) | 24.8 | 21.5 | 18.8 | 27.4 | 22.5 | 3.6 | 16.2 | 8.8 | 23.1 | 12.4 |
| Net Realn (INR '000/unit) | 109 | 107 | 110 | 111 | 113 | 113 | 117 | 119 | 109 | 115 |
| Change - YoY (%) | 2.9 | 1.0 | 3.9 | 5.4 | 3.9 | 6.1 | 6.4 | 6.4 | 3.4 | 5.8 |
| EBITDA Margins (%) | 31.4 | 31.9 | 31.7 | 32.3 | 32.3 | 31.1 | 31.6 | 31.7 | 31.9 | 31.7 |
| Recurring PAT | 4,943 | 4,864 | 4,720 | 4,146 | 5,912 | 5,031 | 6,087 | 6,493 | 18,674 | 23,524 |
| Growth (%) | 46.6 | 22.8 | 13.7 | 0.7 | 19.6 | 3.4 | 29.0 | 56.6 | 19.7 | 26.0 |
| VECV | | | | | | | | | | |
| Total CV Volumes | 11,584 | 15,017 | 16,231 | 23,100 | 16,326 | 18,696 | 17,435 | 24,368 | 65,932 | 76,825 |
| Growth (%) | -27.9 | 12.0 | 37.7 | 33.2 | 40.9 | 24.5 | 7.4 | 5.5 | 12.5 | 16.5 |
| Net Realn (INR '000/unit) | 1,556 | 1,558 | 1,596 | 1,436 | 1,598 | 1,550 | 1,535 | 1,541 | 1,524 | 1,554 |
| Change - YoY (%) | 16.9 | 5.9 | -0.2 | -2.5 | 2.7 | -0.5 | -3.8 | 7.3 | 4.4 | 1.9 |
| EBITDA Margins (%) | 8.3 | 9.2 | 8.7 | 9.5 | 9.2 | 9.6 | 9.0 | 9.9 | 9.0 | 9.5 |
| Recurring PAT | 670 | 950 | 1,328 | 1,783 | 1,180 | 1,436 | 1,190 | 2,053 | 4,731 | 5,859 |
| Growth (%) | -38.1 | 46.2 | 133.0 | 52.4 | 76.1 | 51.1 | -10.4 | 15.1 | 35.8 | 23.8 |

E: MOSL Estimates



KNR

Buy

| | |
|-------------------------|-----------------|
| Bloomberg | KNRC IN |
| Equity Shares (m) | 140.6 |
| M. Cap. (INR b)/(USD b) | 27 / 0 |
| 52-Week Range (INR) | 349 / 167 |
| 1,6,12 Rel Perf. (%) | -11 / -40 / -21 |

Financial Snapshot (INR b)

| Y/E March | 2017 | 2018 | 2019E | 2020E |
|-------------|------|------|-------|-------|
| Net Sales | 15.4 | 19.3 | 20.2 | 28.0 |
| EBITDA | 2.3 | 3.9 | 3.5 | 4.2 |
| NP | 1.7 | 2.7 | 1.9 | 2.4 |
| EPS (INR) | 12.0 | 19.4 | 13.7 | 16.8 |
| EPS Gr. (%) | 4.3 | 61.8 | -29.1 | 22.3 |
| BV/Sh (INR) | 63.7 | 82.3 | 95.3 | 111.8 |
| RoE (%) | 20.7 | 26.5 | 15.5 | 16.2 |
| RoCE (%) | 16.8 | 19.5 | 14.0 | 15.5 |

Valuations

| | | | | |
|---------------|------|------|------|------|
| P/E (x) | 19.2 | 11.9 | 16.8 | 13.7 |
| P/BV (x) | 3.6 | 2.8 | 2.4 | 2.1 |
| EV/EBITDA (x) | 14.5 | 8.8 | 8.9 | 7.0 |

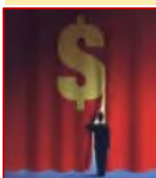
- We expect revenue to decline marginally by 2.2% YoY to INR3.8b on account of lower order book available for execution.
- Operating profit is expected to decline 28%, led by margin contraction of 550bp YoY to 15.5% (as high margin-orders have seen completion on execution front).
- Net profit is expected to decline 55% YoY on account of higher tax rate assumption for the quarter at 10% as against -2.9% in 2QFY18. Maintain **Buy**.

Key issues to watch

- Management tie-up for equity infusion required in the newly won HAM projects

Quarterly performance

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Sales | 4,807 | 3,933 | 4,332 | 6,244 | 5,564 | 3,847 | 4,353 | 6,484 | 19,317 | 20,247 |
| YoY Change (%) | 58.6 | 5.3 | 13.3 | 29.5 | 15.7 | -2.2 | 0.5 | 3.8 | 25.3 | 4.8 |
| Total Expenditure | 3,962 | 3,109 | 3,348 | 5,036 | 4,465 | 3,251 | 3,678 | 5,399 | 15,455 | 16,793 |
| EBITDA | 845 | 825 | 984 | 1,207 | 1,099 | 596 | 675 | 1,085 | 3,861 | 3,454 |
| Margins (%) | 17.6 | 21.0 | 22.7 | 19.3 | 19.7 | 15.5 | 15.5 | 16.7 | 20.0 | 17.1 |
| Depreciation | 244 | 235 | 371 | 491 | 360 | 328 | 328 | 295 | 1,341 | 1,310 |
| Interest | 52 | 43 | 49 | 88 | 72 | 54 | 62 | 98 | 231 | 286 |
| Other Income | 123 | 27 | 61 | 183 | 178 | 78 | 89 | 68 | 393 | 413 |
| PBT before EO expense | 672 | 574 | 624 | 811 | 844 | 293 | 374 | 759 | 2,682 | 2,271 |
| PBT | 672 | 574 | 624 | 811 | 844 | 293 | 374 | 759 | 2,682 | 2,271 |
| Tax | -4 | -17 | -33 | 14 | 104 | 29 | 37 | 170 | -39 | 341 |
| Rate (%) | -0.6 | -2.9 | -5.2 | 1.7 | 12.3 | 10.0 | 10.0 | 22.3 | -1.5 | 15.0 |
| Reported PAT | 676 | 591 | 657 | 798 | 740 | 263 | 337 | 590 | 2,721 | 1,930 |
| Adj PAT | 676 | 591 | 657 | 798 | 740 | 263 | 337 | 590 | 2,721 | 1,930 |
| YoY Change (%) | 123.7 | 34.5 | 58.1 | 52.1 | 9.5 | -55.4 | -48.7 | -26.1 | 61.8 | -29.1 |
| Margins (%) | 14.1 | 15.0 | 15.2 | 12.8 | 13.3 | 6.8 | 7.7 | 9.1 | 14.1 | 9.5 |



Nalco

Buy

| | |
|-------------------------|---------------|
| Bloomberg | NACL IN |
| Equity Shares (m) | 1932.9 |
| M. Cap. (INR b)/(USD b) | 134 / 2 |
| 52-Week Range (INR) | 98 / 57 |
| 1,6,12 Rel Perf. (%) | -1 / -7 / -28 |

Financial Snapshot (INR Billion)

| Y/E March | 2017 | 2018 | 2019E | 2020E |
|----------------|-------|------|-------|-------|
| Sales | 75.4 | 95.1 | 117.8 | 116.5 |
| EBITDA | 10.8 | 16.8 | 33.1 | 28.4 |
| NP | 7.2 | 9.9 | 20.7 | 17.8 |
| Adj. EPS (INR) | 3.7 | 5.1 | 10.7 | 9.2 |
| EPS Gr(%) | 37.9 | 37.0 | 110.5 | -14.3 |
| BV/Sh. (INR) | 52.8 | 54.3 | 58.3 | 60.3 |
| RoE (%) | 7.2 | 9.5 | 19.1 | 15.5 |
| RoCE (%) | 7.9 | 12.9 | 25.7 | 20.9 |
| Payout (%) | 110.4 | 81.5 | 64.6 | 77.6 |

Valuations

| | | | | |
|----------------|------|------|-----|-----|
| P/E (x) | 16.7 | 12.2 | 5.8 | 6.8 |
| P/BV | 1.2 | 1.1 | 1.1 | 1.0 |
| EV/EBITDA (x) | 7.9 | 5.1 | 2.6 | 3.1 |
| Div. Yield (%) | 4.5 | 7.6 | 9.7 | 9.7 |

- We expect EBITDA to decline 17% QoQ to INR8.4b (+138% YoY) on lower aluminum LME and alumina realization.
- Aluminum LME is down ~USD200/t QoQ to USD2,050/t. Alumina is expected to be down USD10/t to USD550/t.
- Aluminum volumes are expected to increase 7% QoQ to 112kt. Alumina sales would increase 1% QoQ to 322kt.
- Adj. PAT is expected to decline 14% QoQ to INR5.4b. **Buy.**

Key issues to watch for

- Availability of coal for captive power plant
- LME price trend, utilization of smelter

Quarterly Performance

(INR Million)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Aluminium Prod. ('000 tons) | 101 | 105 | 111 | 112 | 110 | 112 | 112 | 112 | 429 | 446 |
| Alumina Sales ('000 tons) | 259 | 380 | 256 | 440 | 320 | 322 | 303 | 353 | 1,335 | 1,299 |
| Avg LME Aluminium (USD/ton) | 1,910 | 2,011 | 2,097 | 2,162 | 2,250 | 2,050 | 2,050 | 2,050 | 2,045 | 2,100 |
| NSR premiums (USD/ton) | 323 | 239 | 269 | 190 | 269 | 190 | 190 | 190 | 256 | 210 |
| Alumina NSR (USD/ton) | 314 | 334 | 422 | 413 | 560 | 550 | 450 | 450 | 371 | 503 |
| Net Sales | 18,027 | 24,548 | 23,888 | 28,632 | 29,733 | 30,052 | 28,081 | 29,917 | 95,094 | 117,783 |
| Change (YoY %) | 16.4 | 33.0 | 20.2 | 12.3 | 64.9 | 22.4 | 17.6 | 4.5 | 19.9 | 23.9 |
| EBITDA | 2,270 | 3,549 | 4,668 | 6,297 | 10,111 | 8,429 | 6,791 | 7,779 | 16,783 | 33,111 |
| Change (YoY %) | 16.6 | 106.0 | 63.7 | 47.3 | 345.5 | 137.5 | 45.5 | 23.5 | 55.5 | 97.3 |
| As % of Net Sales | 12.6 | 14.5 | 19.5 | 22.0 | 34.0 | 28.0 | 24.2 | 26.0 | 17.6 | 28.1 |
| Interest | 4 | 4 | 5 | 6 | 6 | 0 | 0 | 0 | 20 | |
| Depreciation | 1,170 | 1,123 | 1,243 | 1,268 | 1,217 | 1,169 | 1,224 | 1,219 | 4,804 | 4,829 |
| Other Income | 859 | 810 | 766 | 573 | 621 | 704 | 704 | 704 | 3,008 | 2,732 |
| PBT (before EO Item) | 1,954 | 3,231 | 4,186 | 5,597 | 9,509 | 7,964 | 6,271 | 7,263 | 14,968 | 31,013 |
| Extra-ordinary Income | 6 | -32 | 6,784 | -1,336 | 910 | 0 | 0 | 0 | 5,421 | |
| PBT (after EO Item) | 1,960 | 3,199 | 10,969 | 4,261 | 10,419 | 7,964 | 6,271 | 7,263 | 20,388 | 31,013 |
| Total Tax | 670 | 853 | 3,752 | 1,690 | 3,549 | 2,600 | 2,047 | 2,371 | 6,964 | 10,566 |
| % Tax | 34.2 | 26.7 | 34.2 | 39.7 | 34.1 | 32.6 | 32.6 | 32.6 | 34.2 | 34.1 |
| Reported PAT | 1,289 | 2,346 | 7,218 | 2,571 | 6,871 | 5,365 | 4,224 | 4,893 | 13,424 | 20,447 |
| Adjusted PAT | 1,287 | 2,127 | 2,756 | 3,685 | 6,270 | 5,365 | 4,224 | 4,893 | 9,855 | 20,447 |



Oil India

Buy

| | |
|-------------------------|---------------|
| Bloomberg | OINL IN |
| Equity Shares (m) | 1202.3 |
| M. Cap. (INR b)/(USD b) | 266 / 4 |
| 52-Week Range (INR) | 259 / 200 |
| 1,6,12 Rel Perf. (%) | 12 / -8 / -21 |

Financial snapshot (INR b)

| Y/E March | 2017 | 2018 | 2019E | 2020E |
|----------------|-------|-------|-------|-------|
| Sales | 93.6 | 106.6 | 146.9 | 144.8 |
| EBITDA | 29.6 | 39.1 | 61.6 | 59.1 |
| Adj. PAT | 27.0 | 26.7 | 38.2 | 36.3 |
| Adj. EPS (INR) | 22.5 | 22.2 | 31.8 | 30.2 |
| EPS Gr. (%) | 7.2 | -1.2 | 43.3 | -5.0 |
| BV/Sh.(INR) | 242.0 | 232.1 | 249.1 | 265.3 |
| RoE (%) | 5.7 | 9.4 | 13.2 | 11.7 |
| RoCE (%) | 3.5 | 4.8 | 7.7 | 6.8 |
| Payout (%) | 96.5 | 56.1 | 56.1 | 56.1 |

Valuations

| | | | | |
|----------------|-----|------|-----|-----|
| P/E (x) | 9.8 | 10.0 | 6.9 | 7.3 |
| P/BV (x) | 0.9 | 1.0 | 0.9 | 0.8 |
| EV/EBITDA (x) | 9.8 | 7.9 | 5.0 | 5.1 |
| Div. Yield (%) | 4.7 | 4.7 | 6.7 | 6.4 |

- We estimate gross and net realization at USD73.7/bbl, with no subsidy-sharing burden.
- We estimate EBITDA at INR14.7b (+46% YoY and +5% QoQ).
- We expect OINL to report adjusted PAT of INR9.7b (v/s INR7.0b in 1QFY19 and INR6.5b in 2QFY18).
- Our Brent price assumption is USD75/bbl for FY19 and USD70/bbl for FY20.
- The stock trades at 7.3x FY20E EPS of INR30.2. Maintain Buy.

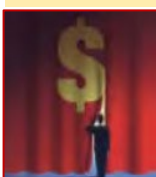
Key issues to watch for

- Depreciation, depletion and amortization (DD&A) charges
- Oil & gas production volumes

Quarterly Performance

(INR Billion)

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Sales | 23.3 | 24.7 | 28.5 | 30.0 | 33.9 | 35.7 | 37.3 | 38.5 | 106.6 | 145.4 |
| Change (%) | 5.0 | 6.1 | 20.0 | 23.1 | 45.4 | 44.2 | 30.6 | 28.5 | 13.8 | 36.4 |
| EBITDA | 8.7 | 10.1 | 12.2 | 8.0 | 14.1 | 14.7 | 15.7 | 16.1 | 39.1 | 60.6 |
| % of Net Sales | 37.5 | 40.9 | 42.9 | 26.7 | 41.5 | 41.3 | 42.2 | 41.8 | 36.7 | 41.7 |
| Change (%) | 1.3 | 21.0 | 84.2 | 34.6 | 61.1 | 45.5 | 28.5 | 101.0 | 32.2 | 55.0 |
| D,D&A | 2.9 | 3.2 | 3.6 | 3.0 | 3.4 | 3.4 | 3.5 | 3.5 | 12.7 | 13.8 |
| Interest | 1.0 | 1.1 | 1.0 | 1.1 | 1.1 | 0.8 | 0.8 | 1.8 | 4.2 | 4.5 |
| OI (incl. Oper. other inc) | 1.5 | 3.3 | 2.1 | 7.9 | 1.3 | 4.0 | 4.0 | 6.3 | 14.8 | 15.6 |
| PBT before exceptional | 6.4 | 9.1 | 9.8 | 11.8 | 10.9 | 14.5 | 15.5 | 17.1 | 37.1 | 58.0 |
| Exceptional item | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PBT after exceptional | 6.4 | 9.1 | 9.8 | 11.8 | 10.9 | 14.5 | 15.5 | 17.1 | 37.1 | 58.0 |
| Tax | 1.9 | 2.7 | 2.7 | 3.1 | 3.8 | 4.8 | 5.1 | 5.7 | 10.4 | 19.4 |
| Rate (%) | 29.4 | 29.3 | 28.0 | 26.5 | 35.2 | 33.0 | 33.0 | 33.0 | 28.1 | 33.4 |
| PAT | 4.5 | 6.5 | 7.1 | 8.7 | 7.0 | 9.7 | 10.4 | 11.5 | 26.7 | 38.6 |
| Change (%) | -8.9 | 11.3 | 55.1 | 4,387.3 | 56.2 | 50.6 | 47.3 | 32.5 | 72.3 | 44.8 |
| Adj. EPS (INR) | 3.7 | 5.4 | 5.9 | 7.2 | 5.8 | 8.1 | 8.6 | 9.6 | 22.2 | 32.1 |
| Key Assumptions (USD/bbl) | | | | | | | | | | |
| Exchange rate (INR/USD) | 64.5 | 64.3 | 64.8 | 64.4 | 67.0 | 70.2 | 72.5 | 73.0 | 64.5 | 70.7 |
| Gas Price (USD/bbl) | 2.8 | 2.8 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 3.0 | 3.2 |
| Gross Oil Realization | 48.4 | 50.1 | 59.4 | 64.9 | 72.0 | 73.7 | 73.8 | 73.8 | 55.7 | 73.3 |
| Oil sales (mmt) | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 3.3 | 3.2 |
| Gas sales (bcm) | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 2.4 | 2.4 |
| Net Oil Realization | 48.4 | 50.1 | 59.4 | 64.9 | 72.0 | 73.7 | 73.8 | 73.8 | 55.7 | 73.3 |



Shree Cement

Buy

| | |
|-------------------------|---------------|
| Bloomberg | SRCM IN |
| Equity Shares (m) | 34.8 |
| M. Cap. (INR b)/(USD b) | 581 / 8 |
| 52-Week Range (INR) | 19842 / 15015 |
| 1,6,12 Rel Perf. (%) | -5 / -8 / -25 |

Financial Snapshot (INR Billion)

| Y/E March | 2017 | 2018 | 2019E | 2020E |
|----------------|-------|-------|-------|-------|
| Sales | 85.9 | 98.3 | 120.4 | 147.4 |
| EBITDA | 25.1 | 24.3 | 26.1 | 34.2 |
| NP | 13.4 | 13.4 | 12.7 | 18.7 |
| Adj. EPS (INR) | 384.4 | 385.8 | 363.3 | 535.8 |
| EPS Gr. (%) | 5.4 | 0.4 | -5.8 | 47.5 |
| BV/Share (INR) | 2,210 | 2,554 | 2,836 | 3,309 |
| RoE (%) | 18.4 | 16.2 | 13.5 | 17.4 |
| RoCE (%) | 17.5 | 13.7 | 11.3 | 14.5 |
| Payout (%) | 43.8 | 15.1 | 17.9 | 11.9 |

Valuation

| | | | | |
|---------------|------|------|------|------|
| P/E (x) | 41.5 | 43.2 | 45.9 | 31.1 |
| P/BV (x) | 7.2 | 6.5 | 5.9 | 5.0 |
| EV/EBITDA (x) | 21.0 | 23.0 | 20.9 | 15.6 |
| EV/Ton (USD) | 263 | 227 | 206 | 194 |

- We expect 2QFY19 cement volumes to grow 13% YoY to 5.51m tons, led by healthy growth in underlying markets. Realizations are expected to increase 2.4% QoQ to INR4,207/ton due to better pricing in the North
- Revenue is estimated at INR24.6 b (+15% YoY) and EBITDA at INR4.5b, translating into margin of 18.5% (-7.72pp YoY; -2.5ppQoQ) due to cost push.
- We expect power EBITDA to be around INR75m.
- SRCM should report EBITDA/ton of INR813 (-INR50 QoQ), led by QoQ increase in cost/t. Adjusted PAT is likely to be INR1.5b (-27% YoY).
- The stock trades at a P/E of 46x (FY19E) and 31x (FY20E), EV/EBITDA of 20.9x (FY19E) and 15.6x (FY20E), and EV/ton of USD206 (FY19E) and USD194 (FY20E). Maintain Buy.

Key issues to watch out for

- Volume and pricing recovery for North India
- Update on various expansion projects
- New expansion plans

Quarterly Performance - Shree Cement (S/A)
(INR Million)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Sales Dispat. (m ton) | 5.89 | 4.88 | 5.33 | 6.44 | 6.99 | 5.51 | 6.28 | 7.81 | 22.54 | 26.59 |
| YoY Change (%) | 14.8 | 6.8 | 8.5 | 8.7 | 18.7 | 13.0 | 18.0 | 21.2 | 9.7 | 18.0 |
| Realization (INR/Ton) | 4,215 | 4,170 | 4,132 | 4,157 | 4,107 | 4,207 | 4,327 | 4,419 | 4,171 | 4,271 |
| YoY Change (%) | 8.5 | 2.6 | 10.4 | 7.4 | -2.6 | 0.9 | 4.7 | 6.3 | 6.8 | 2.4 |
| QoQ Change (%) | 8.9 | -1.1 | -0.9 | 0.6 | -1.2 | 2.4 | 2.9 | 2.1 | | |
| Net Sales | 25,769 | 21,368 | 23,027 | 28,111 | 30,699 | 24,618 | 28,648 | 36,397 | 98,331 | 120,362 |
| YoY Change (%) | 17.2 | 4.1 | 23.5 | 15.3 | 19.1 | 15.2 | 24.4 | 29.5 | 14.4 | 22.4 |
| EBITDA | 7,133 | 5,605 | 5,293 | 6,294 | 6,452 | 4,556 | 6,203 | 8,929 | 24,325 | 26,140 |
| Margins (%) | 27.7 | 26.2 | 23.0 | 22.4 | 21.0 | 18.5 | 21.7 | 24.5 | 24.7 | 21.7 |
| Depreciation | 2,312 | 2,253 | 2,100 | 2,330 | 3,055 | 3,060 | 3,060 | 3,065 | 8,994 | 12,240 |
| Interest | 329 | 380 | 207 | 437 | 562 | 560 | 560 | 565 | 1,353 | 2,247 |
| Other Income | 974 | 995 | 873 | 1,049 | 936 | 1,000 | 1,000 | 1,064 | 3,891 | 4,000 |
| PBT before EO Exp | 5,466 | 3,968 | 3,858 | 4,576 | 3,771 | 1,936 | 3,583 | 6,363 | 17,868 | 15,653 |
| Extra-Ord Expense | 0 | 0 | -403 | 0 | 676 | 0 | 0 | 0 | -403 | 676 |
| PBT | 5,466 | 3,968 | 4,262 | 4,576 | 3,095 | 1,936 | 3,583 | 6,363 | 18,271 | 14,977 |
| Tax | 1,065 | 1,850 | 928 | 584 | 301 | 387 | 717 | 1,591 | 4,427 | 2,995 |
| Rate (%) | 19.5 | 46.6 | 21.8 | 12.8 | 9.7 | 20.0 | 20.0 | 25.0 | 24.2 | 20.0 |
| Reported PAT | 4,401 | 2,118 | 3,333 | 3,992 | 2,795 | 1,549 | 2,867 | 4,772 | 13,844 | 11,982 |
| Adj PAT | 4,401 | 2,118 | 2,930 | 3,992 | 3,471 | 1,549 | 2,867 | 4,772 | 13,441 | 12,658 |
| YoY Change (%) | -13.3 | -27.4 | 24.5 | 31.1 | -21.1 | -26.9 | -2.2 | 19.5 | 0.4 | -5.8 |

E:MOSL Estimates



1. BERGER PAINTS : Impact of oil price fall to be felt in December and Q4; Samit Ghosh, MD & CEO

- The drop in crude oil prices could result in softening of the raw material prices but the impact would be felt more in December and going forward in the fourth quarter. Have some buffer stock already built in and October has gone by already. The softening of crude oil prices will impact in December and then January, February and March.
- Had a fairly reasonable growth in auto segment because company is not present in the car segment at all. Primarily concentrated in the commercial vehicles, two-wheelers and tractors segments.
- Decoratives did well as anticipated. Because Diwali came late this year, demand picked up in October.
- As of now, do not see any reason for cutting prices.
- Overall, the consumer sentiment has been reasonably good.
- The advertisement spends have actually marginally gone up this year compared to last year. For company, it is skewed more in the third quarter because Diwali got delayed and therefore the impact of the advertisement will come into the third quarter mostly.
- The paint industry has been doing well even in recessionary times. In the worst of times two years back, when everything was sinking, company was maintaining volumes at close to double digit growth rates. October has seen reasonably good growth rates and do not see major issues there in terms of consumption for the paint industry at large.

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2. UJJIVAN SMALL FINANCE BANK : NBFC crisis an opportunity for niche banks; Samit Ghosh, MD & CEO

- There is no direct impact on small finance banks in terms of liquidity. Company does not have an issue. In fact, it offers opportunities because bulk of business is microfinance. So, a lot of MFIs, which are NBFCs today, are in a much more difficult situation, given the fact that some of them used to fund themselves through NBFCs. But company has its own resource base. So, this offers an opportunity, because competition in terms of microfinance has gone down.
- Have already started diversifying into affordable housing and MSME finance around three years ago. But after having started as a bank, on the lending side, have also started looking at personal loans and vehicle finance. By becoming a bank, company is able to raise own deposits. So, have a whole branch banking set-up along with other channels like phone banking, mobile banking, internet banking. Trying to source deposits through all these channels.
- For the first two years, company invested in infrastructure and technology. So operating costs have gone up. Once company scales up, operating costs will come down. Also, as the company builds its retail deposit base, cost of funds will also come down. So, NIMs will not be the same as what has been seen in microfinance. (Commercial) banks operate at 4-5% NIMs. It will move to that level.
- Looking at the option of reverse merging the holding company into a bank.
- Expect real growth to take place in the last two quarters because traditionally microfinance business grows dramatically during the festive season.
- Will also be retiring high-cost debt.

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3. CAN FIN HOMES : Disbursements are picking up; Expect second half of fy19 to be better; SK Hota, MD

- Disbursement were picking up quarter-on-quarter as well as year-on-year. Expect H2 to be better.
- Liquidity not an issue for retail home loan players.
- Cost of funds has gone up from 7.73 to 7.83 this quarter, quarter-on-quarter it has gone up by 10 basis points where yields hover around 9.99 levels.
- Will be able to hold onto margins despite higher cost of funds.
- There are few players who are very aggressive on balance transfers. As long as it is benefiting the customer it is always good, but the balance transfers are supposed to cool off. Once it cools off a bit the conversion of disbursements into loan book will be higher.

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4. MANAPPURAM GENERAL FINANCE : Plans to expand housing and micro finance business; VP Nandakumar, MD & CEO

- There is a growth of 17 percent in asset under management (AUM) compared to Q2 of last year.
- AUM growth slowing due to seasonal factors.
- Planning to expand the housing and micro finance business.
- Expect 10 percent AUM growth by the year-end.
- Currently RoE is at 22 percent. Hopeful of maintaining over 20 percent through current year.

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1. Can the congress retain its hold on Mizoram?

- In a tiny corner of India, as its neighbours have fallen under the sway of the ruling Bharatiya Janata Party (BJP), Mizoram has remained a Congress stronghold. After seven state elections, the BJP has yet to win an Assembly seat in Mizoram and, in 2013, the party could only secure 0.37% of the vote share. In contrast, the Congress, led by chief minister Lal Thanhawla, swept the state winning 34 of the 40 Assembly seats and 45% of the vote share. Mizoram's demographics is one reason for the BJP's lack of success so far in the state. Nearly 90% of the state's population is Christian, and the Church holds considerable influence over even temporal matters such as elections. Yet, the BJP's ability to make inroads in other Christian-dominated states, and its success in weaning away seasoned politicians, suggests that the party may well be on the verge of opening its account in Mizoram.

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2. The need for customs duty rationalization

- A second round of hikes in import duties was announced recently, this time on telecom equipment. This is a move to not only curb imports but also rein in a rising current account deficit (CAD), aiming to check the rupee's weakness against the dollar. The Indian rupee has been one of the worst performing currencies among the emerging markets in this calendar year. The hike in customs duties is seen as too little to trigger any reasonable correction in CAD. The need of the hour is to take bold decisions that will not only help cushion the rupee but also usher in a sustained reduction in India's import dependency. Imports are a necessity when a nation doesn't have the wherewithal to produce goods locally. However, it is inefficient utilization of resources when a nation allows a copious flow of imports even when the domestic industry has the necessary capacity and expertise to manufacture the same products.

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3. FISCAL DEFICIT: The path of fiscal consolidation

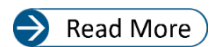
- Over the last seven years, the Centre's fiscal deficit has been reducing, reversing the uptrend observed post the Global Financial Crisis. Even while the Centre has been following a path of fiscal consolidation, there is concern that the fiscal deficit has been consistently breaching the budgeted target. This year also we could see it exceeding the budgeted target. The other concern is the financing through off-balance sheet by the Centre, in which case the fiscal deficit doesn't reflect the correct picture. Another critical aspect is to analyse as to how fiscal consolidation is being achieved. How much of it is through sustainable route like increase in tax-to-GDP ratio and through cut in wasteful expenditure?

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International

4. Digital disruption's silver lining

- Technology is often oversold as either a panacea for the world's problems or an unshakeable curse inflicting disruption and displacement on the most vulnerable. But historically, neither of these characterizations is accurate. From the steam engine to the personal computer, inventions have transformed societies in complex ways. On balance, however, technology has always created more jobs and economic opportunities than it has destroyed. That trend is likely to continue. Why am I so upbeat? Because everywhere I look, leaders are repositioning their economies to ensure that technological change and automation are assets rather than liabilities. As the University of Oxford-based Pathways for Prosperity Commission recently observed, with "optimism and collective action," so-called frontier technologies can empower even the poorest countries.

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| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|------------------------|---------|-----------|----------|-------------------|-----------|-------|-------|-----------------|-------------|--------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | | | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY18 | FY19E | FY18 | FY19E |
| Automobiles | | | | | | | | | | | | | | | | |
| Amara Raja | Buy | 772 | 902 | 17 | 27.6 | 29.1 | 37.3 | -1.5 | 5.5 | 28.2 | 28.0 | 26.5 | 4.5 | 3.9 | 17.0 | 15.8 |
| Ashok Ley. | Buy | 118 | 148 | 25 | 5.4 | 7.0 | 8.9 | 23.9 | 29.6 | 27.3 | 22.0 | 17.0 | 4.8 | 4.2 | 23.7 | 26.4 |
| Bajaj Auto | Buy | 2696 | 3196 | 19 | 151.3 | 161.5 | 190.2 | 7.3 | 6.7 | 17.8 | 17.8 | 16.7 | 4.1 | 3.6 | 24.2 | 23.1 |
| Bharat Forge | Buy | 585 | 702 | 20 | 18.4 | 23.6 | 30.0 | 40.7 | 28.1 | 27.1 | 31.8 | 24.8 | 5.9 | 5.0 | 19.6 | 21.7 |
| Bosch | Neutral | 19814 | 20302 | 2 | 469.8 | 541.0 | 682.3 | -0.7 | 15.2 | 26.1 | 42.2 | 36.6 | 6.1 | 5.5 | 15.3 | 15.8 |
| CEAT | Buy | 1230 | 1278 | 4 | 64.0 | 68.1 | 83.2 | -30.3 | 6.5 | 22.1 | 19.2 | 18.1 | 1.9 | 1.8 | 10.3 | 10.1 |
| Eicher Mot. | Buy | 22502 | 28057 | 25 | 799.6 | 956 | 1,199 | 27.0 | 19.5 | 25.5 | 28.1 | 23.5 | 8.7 | 6.8 | 35.2 | 32.4 |
| Endurance Tech. | Buy | 1292 | 1450 | 12 | 29.1 | 36.4 | 46.9 | 23.8 | 25.3 | 28.9 | 44.4 | 35.5 | 8.4 | 7.1 | 21.0 | 21.6 |
| Escorts | Neutral | 665 | 715 | 7 | 39.5 | 49.7 | 58.5 | 88.0 | 25.8 | 17.8 | 16.8 | 13.4 | 2.7 | 2.3 | 18.3 | 18.4 |
| Exide Ind | Buy | 257 | 304 | 18 | 8.2 | 9.5 | 11.8 | 0.4 | 15.8 | 24.6 | 31.3 | 27.1 | 4.0 | 3.6 | 12.9 | 13.4 |
| Hero Moto | Neutral | 2950 | 3280 | 11 | 185.1 | 181.4 | 200.1 | 9.5 | -2.0 | 10.3 | 15.9 | 16.3 | 5.0 | 4.6 | 33.8 | 29.4 |
| M&M | Buy | 797 | 1038 | 30 | 41.0 | 49.4 | 55.4 | 49.8 | 20.5 | 12.0 | 19.4 | 16.1 | 3.1 | 2.8 | 14.2 | 14.9 |
| Maruti Suzuki | Buy | 7266 | 8484 | 17 | 266.7 | 265.9 | 334.7 | 7.3 | -0.3 | 25.9 | 27.2 | 27.3 | 5.3 | 4.8 | 18.5 | 17.4 |
| Motherson Sumi | Buy | 171 | 230 | 35 | 5.4 | 6.6 | 9.4 | 6.0 | 21.6 | 43.5 | 31.7 | 26.0 | 5.8 | 5.0 | 19.4 | 20.6 |
| Tata Motors | Buy | 195 | 248 | 27 | 22.9 | 4.3 | 22.4 | 15.7 | -81.3 | 421.5 | 8.5 | 45.5 | 0.7 | 0.7 | 10.1 | 1.5 |
| TVS Motor | Neutral | 557 | 554 | -1 | 13.9 | 16.0 | 22.6 | 18.7 | 14.5 | 41.8 | 40.0 | 34.9 | 9.2 | 7.8 | 25.1 | 24.1 |
| Aggregate | | | | | | | | 15.3 | -7.6 | 38.2 | 21.5 | 23.2 | 3.3 | 3.1 | 15.5 | 13.2 |
| Banks - Private | | | | | | | | | | | | | | | | |
| AU Small Finance | Buy | 550 | 740 | 34 | 10.2 | 13.8 | 19.2 | -79.5 | 35 | 38.9 | 53.7 | 39.8 | 6.9 | 5.1 | 13.8 | 14.7 |
| Axis Bank | Buy | 613 | 750 | 22 | 1.1 | 17.9 | 37.9 | -92.8 | 1,514 | 111.5 | 551.3 | 34.2 | 2.5 | 2.3 | 0.5 | 7.0 |
| DCB Bank | Neutral | 166 | 170 | 3 | 8.0 | 9.6 | 11.9 | 13.8 | 20.0 | 24.9 | 20.8 | 17.3 | 1.9 | 1.7 | 10.9 | 10.9 |
| Equitas Hold. | Buy | 107 | 160 | 49 | 0.9 | 5.7 | 7.9 | -82.3 | 514.8 | 38.2 | 116.0 | 18.9 | 1.6 | 1.5 | 1.4 | 8.2 |
| Federal Bank | Buy | 81 | 105 | 29 | 4.8 | 5.8 | 8.6 | -1.3 | 21.8 | 48.5 | 17.1 | 14.1 | 1.3 | 1.2 | 8.3 | 9.0 |
| HDFC Bank | Buy | 1950 | 2400 | 23 | 67.8 | 79.8 | 95.9 | 19.4 | 17.6 | 20.2 | 28.8 | 24.4 | 4.8 | 3.6 | 17.9 | 16.7 |
| ICICI Bank | Buy | 356 | 400 | 12 | 11.1 | 8.0 | 19.8 | -34.3 | -28.1 | 148.7 | 32.2 | 44.7 | 2.2 | 2.1 | 6.8 | 4.9 |
| IndusInd | Buy | 1497 | 2000 | 34 | 60.2 | 67.4 | 98.7 | 25.2 | 12.0 | 46.5 | 24.9 | 22.2 | 3.8 | 3.4 | 16.5 | 16.2 |
| J&K Bank | Buy | 42 | 100 | 138 | 3.8 | 9.1 | 11.5 | LP | 143.1 | 25.5 | 11.2 | 4.6 | 0.4 | 0.4 | 3.8 | 8.9 |
| Kotak Mah. Bk | Neutral | 1138 | 1250 | 10 | 32.5 | 37.3 | 45.8 | 21.3 | 14.6 | 22.9 | 35.0 | 30.5 | 4.3 | 3.8 | 12.5 | 11.8 |
| RBL Bank | Buy | 552 | 600 | 9 | 15.1 | 20.6 | 28.6 | 27.3 | 36.0 | 39.1 | 36.5 | 26.8 | 3.5 | 3.1 | 11.6 | 12.3 |
| South Indian | Buy | 15 | 20 | 29 | 1.9 | 1.4 | 2.8 | -25.5 | -22.5 | 94.4 | 8.4 | 10.8 | 0.5 | 0.5 | 6.6 | 4.9 |
| Yes Bank | Buy | 228 | 270 | 18 | 18.4 | 20.1 | 24.7 | 26.3 | 9.0 | 23.0 | 12.4 | 11.3 | 2.0 | 1.8 | 17.7 | 16.7 |
| Aggregate | | | | | | | | -1.3 | 22.3 | 48.6 | 32.7 | 26.7 | 3.4 | 2.9 | 10.4 | 10.9 |
| Banks - PSU | | | | | | | | | | | | | | | | |
| BOB | Buy | 111 | 140 | 26 | -9.8 | 9.5 | 15.9 | PL | LP | 67.8 | NM | 11.7 | 0.7 | 0.7 | -5.8 | 5.7 |
| BOI | Neutral | 92 | 90 | -2 | -43.2 | 5.1 | 8.3 | Loss | LP | 62.7 | NM | 18.0 | 0.5 | 0.5 | -17.8 | 2.5 |
| Canara | Neutral | 247 | 278 | 13 | -63.5 | 19.3 | 44.2 | PL | LP | 129.2 | NM | 12.8 | 0.6 | 0.5 | -12.2 | 3.9 |
| Indian Bk | Buy | 229 | 350 | 53 | 26.2 | 22.3 | 38.8 | -10.4 | -14.9 | 74.0 | 8.8 | 10.3 | 0.6 | 0.6 | 8.3 | 6.6 |
| PNB | Neutral | 72 | 74 | 3 | -50.3 | -18.5 | 8.6 | PL | Loss | LP | NM | NM | 0.5 | 0.6 | -29.5 | -13.6 |
| SBI | Buy | 283 | 370 | 31 | -5.3 | 5.0 | 29.6 | PL | LP | 488.4 | NM | 56.3 | 1.2 | 1.2 | -3.5 | 1.1 |
| Union Bk | Neutral | 82 | 80 | -2 | -56.5 | -4.3 | 3.5 | PL | Loss | LP | NM | NM | 0.4 | 0.4 | -23.7 | -2.1 |
| Aggregate | | | | | | | | PL | LP | 787.7 | 0.0 | 79.5 | 0.9 | 0.9 | -8.0 | 1.1 |
| NBFCs | | | | | | | | | | | | | | | | |
| Aditya Birla Cap | Buy | 103 | 145 | 41 | 3.8 | 4.1 | 5.3 | NA | 10.4 | 27.2 | 27.4 | 24.8 | 2.6 | 2.3 | 12.4 | 10.2 |
| Bajaj Fin. | Neutral | 2376 | 2000 | -16 | 43.4 | 65.6 | 81.2 | 35.9 | 51.1 | 23.9 | 54.7 | 36.2 | 8.8 | 7.3 | 20.4 | 22.0 |
| Capital First | Buy | 492 | 960 | 95 | 33.1 | 44.2 | 55.6 | 34.3 | 33.4 | 26.0 | 14.9 | 11.1 | 1.9 | 1.6 | 13.4 | 15.7 |
| Cholaman.Inv.&Fn | Buy | 1310 | 1525 | 16 | 62.3 | 78.1 | 87.8 | 35.5 | 25.4 | 12.4 | 21.0 | 16.8 | 4.0 | 3.3 | 20.9 | 21.8 |
| Dewan Hsg. Fin. | Buy | 233 | - | | 39.0 | 45.4 | 65.9 | 31.7 | 16.3 | 45.3 | 6.0 | 5.1 | 0.8 | 0.7 | 14.7 | 15.4 |
| GRUH Fin. | Neutral | 297 | 285 | -4 | 5.0 | 6.1 | 6.8 | 21.7 | 24.0 | 11.0 | 59.9 | 48.3 | 15.1 | 12.7 | 29.8 | 28.5 |
| HDFC | Buy | 1817 | 2140 | 18 | 42.3 | 43.4 | 49.9 | 6.2 | 2.7 | 15.0 | 43.0 | 41.9 | 4.9 | 4.3 | 18.6 | 16.3 |
| HDFC Stand. Life | Buy | 401 | 450 | 12 | 5.5 | 6.8 | 8.3 | 23.7 | 22.3 | 22.5 | 72.5 | 59.3 | 5.3 | 4.5 | 22.0 | 18.6 |
| ICICI Pru Life | Buy | 358 | 450 | 26 | 11.3 | 9.7 | 11.5 | -3.8 | -13.6 | 18.4 | 31.7 | 36.7 | 2.7 | 2.3 | 16.1 | 16.8 |
| Indiabulls Hsg | Buy | 862 | 1150 | 33 | 90.2 | 98.4 | 115.9 | 31.5 | 9.1 | 17.7 | 9.6 | 8.8 | 2.5 | 2.2 | 27.9 | 26.3 |
| L&T Fin Holdings | Buy | 136 | 175 | 28 | 6.8 | 11.5 | 13.4 | 29.5 | 70.0 | 16.7 | 20.1 | 11.8 | 2.4 | 2.1 | 14.2 | 18.8 |
| LIC Hsg Fin | Buy | 437 | 550 | 26 | 33.7 | 45.5 | 55.0 | -11.9 | 34.9 | 21.0 | 13.0 | 9.6 | 1.5 | 1.3 | 13.3 | 14.9 |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|-----------------------|-----------|-----------|----------|-------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | | | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY18 | FY19E | FY18 | FY19E |
| MAS Financial | Buy | 492 | 650 | 32 | 19.2 | 25.3 | 30.9 | 27.5 | 32.0 | 22.0 | 25.7 | 19.5 | 3.7 | 3.2 | 20.7 | 17.8 |
| M&M Fin. | Buy | 430 | 525 | 22 | 17.4 | 22.8 | 26.4 | 146.3 | 30.8 | 15.6 | 24.6 | 18.8 | 2.7 | 2.5 | 12.5 | 13.9 |
| Muthoot Fin | Neutral | 457 | 425 | -7 | 43.0 | 50.4 | 55.5 | 45.6 | 17.2 | 10.2 | 10.6 | 9.1 | 2.4 | 2.0 | 24.1 | 23.8 |
| PNB Housing | Buy | 929 | 1215 | 31 | 49.6 | 62.6 | 77.7 | 56.9 | 26.3 | 24.0 | 18.7 | 14.8 | 2.4 | 2.2 | 14.0 | 15.4 |
| Repco Home | Buy | 399 | 553 | 39 | 32.9 | 38.8 | 43.4 | 13.1 | 17.8 | 11.9 | 12.1 | 10.3 | 1.9 | 1.6 | 16.9 | 17.2 |
| Shriram City UnionBuy | | 1526 | 2000 | 31 | 100.8 | 140.7 | 157.3 | 19.5 | 39.6 | 11.8 | 15.1 | 10.8 | 1.9 | 1.6 | 12.7 | 15.9 |
| Shriram Trans. | Buy | 1229 | 1400 | 14 | 69.1 | 109.0 | 127.9 | 24.7 | 57.7 | 17.3 | 17.8 | 11.3 | 2.0 | 1.8 | 12.7 | 16.9 |
| Aggregate | | | | | | | | 24.2 | 22.9 | 18.5 | 28.8 | 23.4 | 4.2 | 3.6 | 14.5 | 15.4 |
| Capital Goods | | | | | | | | | | | | | | | | |
| ABB | Sell | 1313 | 990 | -25 | 19.8 | 25.6 | 32.5 | 8.1 | 29.1 | 27.2 | 66.3 | 51.3 | 7.7 | 6.9 | 11.6 | 13.5 |
| Bharat Elec. | Buy | 99 | 105 | 6 | 5.7 | 6.4 | 7.0 | -8.8 | 11.4 | 9.7 | 17.2 | 15.4 | 3.1 | 2.8 | 18.0 | 17.9 |
| BHEL | Sell | 70 | 60 | -14 | 2.2 | 3.2 | 4.0 | 62.7 | 46.6 | 23.1 | 31.8 | 21.7 | 0.8 | 0.8 | 2.5 | 3.6 |
| Blue Star | Neutral | 583 | 550 | -6 | 14.5 | 18.5 | 24.3 | 12.7 | 27.2 | 31.5 | 40.2 | 31.6 | 6.7 | 6.1 | 17.5 | 20.2 |
| CG Cons. Elec. | Buy | 214 | 260 | 21 | 5.2 | 6.0 | 7.4 | 14.3 | 15.3 | 24.7 | 41.5 | 36.0 | 17.0 | 13.7 | 48.7 | 42.2 |
| CG Power & Indu. | Neutral | 36 | 51 | 41 | 2.9 | 4.4 | 5.1 | -29.8 | 52.6 | 16.1 | 12.5 | 8.2 | 0.6 | 0.6 | 4.5 | 6.9 |
| Cummins | Buy | 779 | 920 | 18 | 23.5 | 27.3 | 32.8 | -11.2 | 16.2 | 20.1 | 33.1 | 28.5 | 5.4 | 5.0 | 18.3 | 18.3 |
| Engineers India | Buy | 122 | 155 | 28 | 6.3 | 6.5 | 7.8 | 14.8 | 4.2 | 19.3 | 19.4 | 18.6 | 3.6 | 3.3 | 15.7 | 17.3 |
| GE T&D | Neutral | 236 | 275 | 17 | 7.5 | 10.5 | 10.9 | 30.8 | 40.5 | 3.5 | 31.5 | 22.4 | 5.1 | 4.4 | 17.3 | 21.2 |
| Havells | Buy | 648 | 700 | 8 | 11.2 | 13.2 | 16.2 | 17.4 | 17.5 | 22.6 | 57.7 | 49.1 | 10.8 | 9.6 | 18.7 | 19.5 |
| K E C Intl | Neutral | 283 | 330 | 17 | 17.9 | 20.3 | 25.3 | 51.1 | 13.5 | 24.7 | 15.8 | 13.9 | 3.6 | 3.0 | 23.1 | 21.4 |
| L&T | Buy | 1367 | 1570 | 15 | 51.7 | 61.0 | 74.7 | 22.4 | 17.9 | 22.5 | 26.4 | 22.4 | 3.4 | 3.1 | 13.7 | 14.6 |
| Siemens | Neutral | 949 | 990 | 4 | 19.8 | 25.1 | 30.0 | 10.9 | 27.0 | 19.7 | 48.0 | 37.8 | 4.4 | 4.1 | 9.1 | 10.8 |
| Solar Ind | Neutral | 1014 | 1100 | 8 | 24.4 | 28.3 | 36.4 | 18.2 | 15.9 | 28.8 | 41.6 | 35.9 | 8.5 | 7.1 | 21.9 | 21.6 |
| Thermax | Buy | 1054 | 1240 | 18 | 20.5 | 29.7 | 38.8 | -1.2 | 44.5 | 30.8 | 51.3 | 35.5 | 4.4 | 4.0 | 8.8 | 11.8 |
| Va Tech Wab. | Buy | 295 | 450 | 52 | 24.1 | 30.8 | 35.8 | 27.6 | 28.1 | 16.1 | 12.3 | 9.6 | 1.4 | 1.3 | 12.4 | 12.2 |
| Voltas | Neutral | 538 | 510 | -5 | 17.3 | 17.8 | 20.1 | 11.9 | 3.0 | 12.7 | 31.1 | 30.2 | 4.6 | 4.1 | 15.9 | 14.3 |
| Aggregate | | | | | | | | 15.1 | 19.6 | 20.9 | 30.2 | 25.3 | 3.3 | 3.1 | 11.0 | 12.1 |
| Cement | | | | | | | | | | | | | | | | |
| Ambuja Cem. | Neutral | 205 | 215 | 5 | 6.1 | 6.4 | 7.7 | 30.5 | 6.0 | 19.4 | 33.8 | 31.9 | 2.0 | 2.0 | 6.1 | 6.3 |
| ACC | Buy | 1466 | 1771 | 21 | 46.9 | 57.6 | 81.7 | 27.7 | 22.9 | 41.9 | 31.3 | 25.5 | 2.9 | 2.7 | 9.7 | 11.2 |
| Birla Corp. | Buy | 627 | 707 | 13 | 18.9 | 29.1 | 52.2 | -35.6 | 53.7 | 79.7 | 33.2 | 21.6 | 1.1 | 1.1 | 3.8 | 5.2 |
| Dalmia Bharat | Buy | 2198 | 2875 | 31 | 32.7 | 16.1 | 30.9 | 21.1 | -50.8 | 91.6 | 67.2 | 136.5 | 1.9 | 4.0 | 3.8 | 3.0 |
| Grasim Inds. | Neutral | 866 | 1069 | 23 | 47.3 | 65.3 | 83.3 | -30.2 | 37.9 | 27.7 | 18.3 | 13.3 | 1.0 | 0.9 | 7.0 | 7.2 |
| India Cem | Neutral | 97 | 93 | -4 | 3.3 | 1.4 | 4.9 | -42.0 | -57.1 | 250.0 | 29.4 | 70.8 | 0.6 | 0.6 | 2.0 | 0.8 |
| J K Cements | Buy | 697 | 883 | 27 | 42.8 | 33.9 | 42.1 | 63.0 | -20.9 | 24.3 | 16.3 | 20.6 | 2.5 | 2.3 | 16.5 | 11.5 |
| JK Lakshmi Ce | Buy | 274 | 349 | 27 | 7.4 | 8.3 | 10.6 | 6.4 | 12.4 | 27.3 | 37.0 | 32.9 | 2.2 | 2.1 | 6.1 | 6.5 |
| Ramco Cem | Buy | 624 | 695 | 11 | 24.0 | 21.3 | 27.6 | -11.9 | -10.9 | 29.3 | 26.0 | 29.2 | 3.6 | 3.3 | 14.5 | 11.9 |
| Orient Cem | Buy | 91 | 113 | 25 | 2.2 | 1.0 | 5.5 | LP | -52.9 | 443.2 | 42.0 | 89.3 | 1.8 | 1.8 | 4.4 | 2.0 |
| Prism Johnson | Buy | 89 | 106 | 19 | 1.4 | 2.5 | 3.4 | 302.1 | 82.1 | 32.4 | 63.7 | 35.0 | 4.4 | 4.0 | 7.1 | 11.9 |
| Sagar Cements | Not Rated | 679 | - | | 12.9 | 23.5 | 40.2 | LP | 81.7 | 71.1 | 52.5 | 28.9 | 1.8 | 1.7 | 3.4 | 6.0 |
| Sanghi Inds. | Buy | 63 | 102 | 63 | 3.7 | 4.5 | 6.3 | 29.5 | 21.9 | 38.2 | 16.9 | 13.8 | 1.0 | 0.9 | 6.9 | 6.8 |
| Shree Cem | Buy | 15434 | 19461 | 26 | 385.8 | 363.3 | 535.8 | 0.4 | -5.8 | 47.5 | 40.0 | 42.5 | 6.0 | 5.4 | 16.2 | 13.5 |
| Ultratech | Buy | 3801 | 4157 | 9 | 85.7 | 83.0 | 107.1 | -10.9 | -3.1 | 29.0 | 44.3 | 45.8 | 4.0 | 3.8 | 9.4 | 8.5 |
| Aggregate | | | | | | | | 2.5 | 12.9 | 35.5 | 34.2 | 30.3 | 2.4 | 2.3 | 7.0 | 7.4 |
| Consumer | | | | | | | | | | | | | | | | |
| Asian Paints | Neutral | 1298 | 1195 | -8 | 21.1 | 22.8 | 27.2 | 1.9 | 7.9 | 19.1 | 61.4 | 56.9 | 14.8 | 13.9 | 25.3 | 25.2 |
| Britannia | Buy | 5754 | 6870 | 19 | 83.6 | 98.6 | 124.9 | 13.5 | 17.8 | 26.7 | 68.8 | 58.4 | 20.3 | 18.0 | 32.9 | 32.6 |
| Colgate | Buy | 1106 | 1340 | 21 | 25.2 | 26.5 | 30.8 | 18.6 | 5.2 | 16.1 | 43.9 | 41.7 | 19.7 | 18.7 | 49.0 | 46.1 |
| Dabur | Neutral | 376 | 410 | 9 | 7.8 | 8.1 | 9.5 | 7.2 | 4.2 | 17.7 | 48.4 | 46.5 | 11.6 | 10.1 | 25.9 | 23.3 |
| Emami | Buy | 422 | 550 | 30 | 12.1 | 12.9 | 15.4 | -8.5 | 5.9 | 20.0 | 34.8 | 32.8 | 9.5 | 8.7 | 29.2 | 27.8 |
| Future Consumer | Buy | 49 | 63 | 29 | -0.2 | 0.0 | 0.8 | Loss | Loss | LP | NM | NM | 8.1 | 8.1 | -3.3 | -0.2 |
| Godrej Cons. | Neutral | 694 | 775 | 12 | 14.1 | 15.4 | 18.1 | 11.4 | 9.2 | 17.7 | 49.3 | 45.2 | 11.3 | 10.3 | 24.9 | 23.8 |
| GSK Cons. | Neutral | 7151 | 7045 | -1 | 166.5 | 205.9 | 228.8 | 6.6 | 23.7 | 11.1 | 43.0 | 34.7 | 8.6 | 8.4 | 21.2 | 24.5 |
| HUL | Buy | 1673 | 1900 | 14 | 24.5 | 28.8 | 34.8 | 24.7 | 17.5 | 21.1 | 68.3 | 58.1 | 51.2 | 49.0 | 78.1 | 86.1 |
| ITC | Neutral | 277 | 295 | 6 | 8.9 | 9.8 | 11.1 | 5.5 | 10.5 | 13.8 | 31.3 | 28.3 | 6.6 | 6.7 | 22.3 | 23.5 |



| Company | Reco | CMP | TP | % Upside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|-----------------------|--------------|-------|-------|----------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | (INR) | (INR) | Downside | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY18 | FY19E | FY18 | FY19E |
| Jyothy Lab | Neutral | 191 | 190 | -1 | 4.9 | 5.4 | 6.7 | -12.4 | 10.3 | 24.0 | 38.9 | 35.2 | 6.1 | 5.7 | 16.0 | 16.7 |
| Marico | Buy | 340 | 390 | 15 | 6.5 | 7.4 | 8.8 | -2.8 | 14.7 | 18.8 | 52.8 | 46.0 | 17.3 | 15.1 | 34.2 | 35.1 |
| Nestle | Neutral | 10224 | 10130 | -1 | 140.0 | 181.6 | 202.9 | 13.2 | 29.7 | 11.7 | 73.0 | 56.3 | 28.8 | 26.1 | 40.3 | 48.7 |
| Page Inds | Neutral | 30190 | 30597 | 1 | 311.1 | 406.5 | 522.3 | 30.3 | 30.7 | 28.5 | 97.0 | 74.3 | 39.7 | 32.0 | 41.0 | 43.1 |
| Parag Milk Foods | Neutral | 251 | 278 | 11 | 10.4 | 12.9 | 15.7 | 383.7 | 24.0 | 22.3 | 24.2 | 19.5 | 3.0 | 2.6 | 13.0 | 14.2 |
| Pidilite Ind. | Buy | 1038 | 1130 | 9 | 18.9 | 18.3 | 22.4 | 13.2 | -3.3 | 22.4 | 54.8 | 56.7 | 14.8 | 13.2 | 27.3 | 24.6 |
| P&G Hygiene | Neutral | 9714 | 10180 | 5 | 115.3 | 157.1 | 190.3 | -13.4 | 36.3 | 21.1 | 84.3 | 61.8 | 33.9 | 29.3 | 46.3 | 50.9 |
| Prabhat Dairy | Not Rated | 111 | - | | 3.5 | 6.4 | 9.7 | -2.0 | 83.8 | 52.1 | 31.9 | 17.3 | 1.5 | 1.4 | 4.9 | 8.5 |
| United Brew | Buy | 1262 | 1661 | 32 | 14.9 | 19.2 | 24.1 | 71.7 | 28.8 | 25.6 | 84.6 | 65.7 | 12.4 | 10.7 | 15.7 | 17.5 |
| United Spirits | Neutral | 626 | 655 | 5 | 6.7 | 11.3 | 15.0 | 26.1 | 68.1 | 31.9 | 92.7 | 55.2 | 18.2 | 14.4 | 19.6 | 26.0 |
| Aggregate | | | | | | | | 10.6 | 14.3 | 18.2 | 50.4 | 44.1 | 13.3 | 12.8 | 26.4 | 28.9 |
| Healthcare | | | | | | | | | | | | | | | | |
| Alembic Phar | Neutral | 592 | 595 | 1 | 21.9 | 28.0 | 29.4 | 2.5 | 27.8 | 4.9 | 27.0 | 21.1 | 5.0 | 4.3 | 19.6 | 21.5 |
| Alkem Lab | Buy | 1902 | 2500 | 31 | 58.9 | 74.3 | 97.0 | -21.1 | 26.2 | 30.5 | 32.3 | 25.6 | 4.7 | 4.1 | 15.1 | 17.1 |
| Ajanta Pharma | Buy | 1081 | 1482 | 37 | 53.0 | 46.7 | 58.8 | -7.5 | -12.0 | 26.1 | 20.4 | 23.2 | 4.7 | 4.0 | 26.0 | 20.4 |
| Aurobindo | Buy | 813 | 910 | 12 | 42.7 | 44.2 | 59.1 | 8.7 | 3.5 | 33.8 | 19.0 | 18.4 | 4.1 | 3.4 | 23.8 | 20.1 |
| Biocon | Neutral | 640 | 650 | 1 | 6.2 | 10.5 | 20.9 | -39.2 | 68.4 | 99.8 | 103.2 | 61.3 | 7.4 | 6.7 | 7.4 | 11.5 |
| Cadila | Buy | 360 | 430 | 19 | 17.5 | 17.5 | 18.3 | 20.6 | 0.0 | 4.5 | 20.6 | 20.6 | 4.2 | 3.7 | 22.1 | 19.1 |
| Cipla | Neutral | 527 | 540 | 3 | 20.3 | 19.3 | 26.5 | 31.2 | -5.0 | 36.9 | 25.9 | 27.2 | 3.0 | 2.7 | 11.5 | 10.0 |
| Divis Lab | Neutral | 1551 | 1390 | -10 | 33.0 | 50.3 | 57.5 | -17.3 | 52.2 | 14.4 | 46.9 | 30.8 | 6.9 | 5.9 | 15.5 | 20.7 |
| Dr Reddy's | Neutral | 2407 | 2300 | -4 | 64.7 | 103.2 | 124.6 | -10.9 | 59.6 | 20.7 | 37.2 | 23.3 | 3.2 | 2.9 | 8.6 | 13.0 |
| Fortis Health | Buy | 141 | 171 | 22 | -2.3 | 1.4 | 4.8 | PL | LP | 234.2 | NM | 98.5 | 1.6 | 1.6 | -2.3 | 1.6 |
| Glenmark | Neutral | 674 | 550 | -18 | 28.5 | 29.7 | 35.6 | -27.5 | 4.1 | 20.0 | 23.7 | 22.7 | 3.7 | 3.2 | 15.6 | 14.0 |
| Granules | Buy | 105 | 140 | 33 | 5.7 | 7.7 | 9.4 | -21.8 | 35.6 | 22.3 | 18.6 | 13.7 | 2.0 | 1.9 | 12.2 | 14.2 |
| GSK Pharma | Neutral | 1426 | 1374 | -4 | 19.7 | 27.0 | 30.1 | 14.4 | 37.4 | 11.6 | 72.6 | 52.8 | 11.7 | 11.2 | 16.2 | 21.2 |
| IPCA Labs | Buy | 703 | 850 | 21 | 19.0 | 28.4 | 38.3 | 18.1 | 49.8 | 34.6 | 37.1 | 24.7 | 3.3 | 3.0 | 9.3 | 12.7 |
| Jubilant Life | Buy | 765 | 917 | 20 | 45.6 | 59.7 | 69.2 | 23.3 | 30.9 | 16.1 | 16.8 | 12.8 | 2.9 | 2.4 | 18.9 | 20.6 |
| Laurus Labs | Under Review | 367 | - | | 15.8 | 21.1 | 31.2 | -10.9 | 33.1 | 47.7 | 23.2 | 17.4 | 2.6 | 2.3 | 11.9 | 14.0 |
| Lupin | Buy | 854 | 1020 | 19 | 32.0 | 26.4 | 44.8 | -43.5 | -17.6 | 70.1 | 26.7 | 32.4 | 2.8 | 2.7 | 10.7 | 8.5 |
| Sanofi India | Buy | 6119 | 6850 | 12 | 141.7 | 172.4 | 194.9 | 9.8 | 21.6 | 13.0 | 43.2 | 35.5 | 6.9 | 6.3 | 16.1 | 17.7 |
| Shilpa Medicare | Buy | 401 | 620 | 54 | 12.8 | 21.2 | 26.9 | -0.7 | 65.3 | 26.6 | 31.3 | 18.9 | 3.0 | 2.6 | 10.3 | 14.4 |
| Strides Pharma | Buy | 477 | 520 | 9 | 11.3 | 9.6 | 22.8 | -65.1 | -14.9 | 138.2 | 42.3 | 49.7 | 1.7 | 1.7 | 3.9 | 3.4 |
| Sun Pharma | Buy | 596 | 790 | 33 | 13.5 | 18.6 | 26.3 | -48.5 | 38.6 | 41.2 | 44.3 | 32.0 | 3.8 | 3.5 | 8.7 | 11.4 |
| Torrent Pharma | Neutral | 1645 | 1500 | -9 | 53.7 | 47.5 | 65.1 | -2.6 | -11.5 | 37.0 | 30.6 | 34.6 | 6.0 | 5.1 | 20.3 | 16.0 |
| Aggregate | | | | | | | | -21.1 | 18.9 | 32.5 | 32.4 | 27.2 | 3.9 | 3.5 | 12.1 | 13.0 |
| Infrastructure | | | | | | | | | | | | | | | | |
| Ashoka Buildcon | Buy | 122 | 175 | 44 | -4.2 | 2.6 | 4.2 | Loss | LP | 66.1 | NM | 47.7 | 10.8 | 8.8 | -30.2 | 20.4 |
| IRB Infra | Neutral | 139 | 145 | 4 | 23.9 | 22.5 | 20.9 | 17.5 | -5.8 | -7.1 | 5.8 | 6.2 | 0.8 | 0.7 | 14.6 | 12.3 |
| KNR Constructions | Buy | 194 | 275 | 42 | 19.4 | 13.7 | 16.8 | 61.8 | -29.1 | 22.3 | 10.0 | 14.1 | 2.4 | 2.0 | 26.5 | 15.5 |
| Sadbhav Engineering | Buy | 218 | 300 | 38 | 12.9 | 16.0 | 17.8 | 17.5 | 24.7 | 11.3 | 17.0 | 13.6 | 2.0 | 1.8 | 12.5 | 13.8 |
| Aggregate | | | | | | | | | | | 12.3 | 11.2 | 1.6 | 1.4 | 12.9 | 12.6 |
| Logistics | | | | | | | | | | | | | | | | |
| Allcargo Logistics | Buy | 109 | 136 | 25 | 7.3 | 8.4 | 10.5 | -23.1 | 16.3 | 24.3 | 15.0 | 12.9 | 1.4 | 1.2 | 9.5 | 10.0 |
| Concor | Buy | 668 | 791 | 18 | 17.1 | 26.7 | 31.5 | 13.4 | 56.7 | 17.8 | 39.2 | 25.0 | 3.5 | 3.2 | 9.1 | 13.4 |
| Aggregate | | | | | | | | 4.7 | 49.6 | 18.7 | 34.9 | 23.3 | 3.1 | 2.9 | 8.9 | 12.3 |
| Media | | | | | | | | | | | | | | | | |
| Dish TV | Buy | 42 | 50 | 19 | -0.4 | 0.9 | 3.5 | PL | LP | 296.7 | NM | 48.0 | 1.1 | 1.1 | -2.1 | 2.4 |
| D B Corp | Neutral | 170 | 170 | 0 | 17.6 | 15.5 | 19.9 | -13.8 | -11.8 | 28.0 | 9.7 | 10.9 | 1.6 | 1.7 | 18.4 | 14.5 |
| Ent.Network | Buy | 630 | 800 | 27 | 6.8 | 12.3 | 19.9 | -40.5 | 81.5 | 61.5 | 92.7 | 51.1 | 3.4 | 3.2 | 3.7 | 6.4 |
| Hathway Cable | Buy | 30 | 47 | 56 | -0.9 | -0.8 | -0.6 | Loss | Loss | Loss | NM | NM | 3.1 | 3.4 | -8.7 | -8.2 |
| Hind. Media | Neutral | 130 | 237 | 82 | 23.9 | 20.6 | 21.9 | -7.5 | -13.8 | 6.5 | 5.4 | 6.3 | 0.7 | 0.6 | 14.0 | 10.8 |
| HT Media | Neutral | 41 | 59 | 44 | 13.0 | 8.5 | 9.9 | 75.6 | -34.5 | 16.6 | 3.1 | 4.8 | 0.4 | 0.3 | 12.6 | 7.5 |
| Jagran Prak. | Buy | 113 | 130 | 15 | 9.6 | 10.6 | 13.3 | -9.5 | 10.1 | 25.5 | 11.7 | 10.6 | 1.7 | 1.7 | 14.3 | 15.7 |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|----------------------|---------|-----------|----------|-------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY18 | FY19E | FY18 | FY19E |
| Music Broadcast | Buy | 331 | 420 | 27 | 9.1 | 11.4 | 15.5 | 41.1 | 25.2 | 36.6 | 36.6 | 29.2 | 3.2 | 3.0 | 9.0 | 10.5 |
| PVR | Buy | 1447 | 1650 | 14 | 26.7 | 40.4 | 47.9 | 30.4 | 51.4 | 18.5 | 54.2 | 35.8 | 6.3 | 5.4 | 12.2 | 16.2 |
| Sun TV | Buy | 622 | 835 | 34 | 27.7 | 36.2 | 41.7 | 11.6 | 30.5 | 15.1 | 22.4 | 17.2 | 5.3 | 4.8 | 25.2 | 29.4 |
| Zee Ent. | Buy | 451 | 600 | 33 | 14.6 | 16.0 | 19.8 | -7.0 | 9.7 | 24.1 | 30.9 | 28.2 | 5.7 | 5.0 | 19.6 | 18.9 |
| Aggregate | | | | | | | | 0.1 | 17.9 | 31.9 | 26.7 | 22.7 | 3.2 | 3.0 | 12.1 | 13.4 |
| Metals | | | | | | | | | | | | | | | | |
| Hindalco | Buy | 239 | 338 | 42 | 18.9 | 26.6 | 27.8 | 120.5 | 40.7 | 4.7 | 12.6 | 9.0 | 1.4 | 1.3 | 12.8 | 14.9 |
| Hind. Zinc | Neutral | 264 | 285 | 8 | 21.1 | 21.0 | 27.0 | 7.2 | -0.6 | 28.7 | 12.5 | 12.6 | 3.1 | 3.2 | 26.7 | 25.1 |
| JSPL | Buy | 184 | 315 | 71 | -8.5 | -1.0 | 3.9 | Loss | Loss | LP | NM | NM | 0.6 | 0.6 | -2.7 | -0.3 |
| JSW Steel | Buy | 347 | 444 | 28 | 23.4 | 37.1 | 34.3 | 56.9 | 58.6 | -7.7 | 14.8 | 9.4 | 3.0 | 2.5 | 22.2 | 29.3 |
| Nalco | Buy | 70 | 107 | 52 | 5.1 | 10.7 | 9.2 | 37.0 | 110.5 | -14.3 | 13.8 | 6.6 | 1.3 | 1.2 | 9.5 | 19.1 |
| NMDC | Buy | 110 | 177 | 61 | 13.1 | 13.9 | 14.3 | 31.5 | 6.5 | 2.7 | 8.4 | 7.9 | 1.4 | 1.3 | 17.7 | 17.4 |
| SAIL | Neutral | 66 | 78 | 18 | 0.3 | 8.9 | 6.6 | LP | 3,354 | -25.3 | 256.7 | 7.4 | 0.7 | 0.7 | 0.3 | 9.5 |
| Rain Industries | Buy | 188 | 241 | 28 | 23.7 | 32.4 | 34.2 | 238.1 | 36.4 | 5.7 | 7.9 | 5.8 | 1.6 | 1.3 | 22.9 | 24.5 |
| Vedanta | Buy | 209 | 243 | 16 | 20.4 | 18.4 | 25.4 | 34.6 | -9.9 | 38.4 | 10.3 | 11.4 | 1.2 | 1.3 | 12.2 | 10.9 |
| Tata Steel | Neutral | 573 | 647 | 13 | 71.9 | 87.0 | 75.2 | 76.5 | 21.0 | -13.5 | 8.0 | 6.6 | 1.2 | 1.0 | 17.8 | 16.9 |
| Aggregate | | | | | | | | 73.4 | 31.2 | 5.3 | 12.6 | 9.6 | 1.4 | 1.3 | 11.5 | 14.0 |
| Oil & Gas | | | | | | | | | | | | | | | | |
| Aegis Logistics | Buy | 215 | 312 | 45 | 5.9 | 6.7 | 9.8 | 64.5 | 13.9 | 46.0 | 36.3 | 31.9 | 6.0 | 5.2 | 19.4 | 17.4 |
| BPCL | Buy | 297 | 397 | 34 | 49.8 | 45.0 | 34.8 | 3.0 | -9.7 | -22.6 | 6.0 | 6.6 | 1.6 | 1.4 | 29.0 | 22.5 |
| GAIL | Neutral | 368 | 371 | 1 | 20.4 | 29.4 | 34.0 | 20.5 | 44.4 | 15.3 | 18.0 | 12.5 | 2.0 | 1.8 | 11.8 | 15.7 |
| Gujarat Gas | Buy | 644 | 902 | 40 | 21.2 | 21.8 | 37.1 | 32.7 | 3.0 | 70.3 | 30.4 | 29.5 | 4.8 | 4.2 | 16.7 | 15.2 |
| Gujarat St. Pet. | Buy | 189 | 210 | 11 | 11.9 | 16.7 | 14.9 | 34.6 | 40.6 | -10.9 | 15.9 | 11.3 | 2.1 | 1.8 | 14.0 | 17.2 |
| HPCL | Neutral | 241 | 209 | -13 | 47.4 | 43.2 | 41.7 | -12.4 | -8.7 | -3.6 | 5.1 | 5.6 | 1.4 | 1.3 | 31.0 | 24.0 |
| IOC | Buy | 142 | 170 | 20 | 23.9 | 15.7 | 16.2 | 11.0 | -34.1 | 2.8 | 5.9 | 9.0 | 1.2 | 1.1 | 21.0 | 12.8 |
| IGL | Buy | 275 | 371 | 35 | 9.4 | 10.7 | 12.6 | 9.2 | 13.7 | 17.2 | 29.1 | 25.6 | 5.5 | 4.7 | 20.8 | 19.7 |
| Mahanagar Gas | Buy | 845 | 1098 | 30 | 48.4 | 51.1 | 54.9 | 21.5 | 5.7 | 7.3 | 17.5 | 16.5 | 4.0 | 3.5 | 24.3 | 22.6 |
| MRPL | Neutral | 83 | 90 | 9 | 12.8 | 9.9 | 12.7 | -13.6 | -22.2 | 28.1 | 6.5 | 8.3 | 1.3 | 1.2 | 21.2 | 14.9 |
| Oil India | Buy | 200 | 257 | 29 | 22.2 | 31.8 | 30.2 | -1.2 | 43.3 | -5.0 | 9.0 | 6.3 | 0.9 | 0.8 | 9.4 | 13.2 |
| ONGC | Buy | 156 | 208 | 33 | 20.2 | 31.9 | 32.8 | -9.9 | 58.2 | 2.7 | 7.7 | 4.9 | 1.0 | 0.9 | 13.0 | 18.9 |
| PLNG | Buy | 225 | 298 | 33 | 13.9 | 15.0 | 18.9 | 21.8 | 8.5 | 25.5 | 16.2 | 15.0 | 3.5 | 3.2 | 23.3 | 22.1 |
| Reliance Ind. | Buy | 1093 | 1479 | 35 | 60.9 | 66.7 | 86.3 | 20.7 | 9.4 | 29.4 | 17.9 | 16.4 | 2.2 | 2.0 | 13.0 | 12.7 |
| Aggregate | | | | | | | | 5.5 | 11.0 | 10.2 | 11.2 | 10.1 | 1.7 | 1.5 | 14.9 | 14.9 |
| Retail | | | | | | | | | | | | | | | | |
| Jubilant Food | Neutral | 1086 | 1235 | 14 | 14.9 | 22.1 | 27.9 | 180.4 | 48.6 | 26.1 | 73.0 | 49.1 | 14.8 | 12.4 | 20.3 | 25.1 |
| Titan Co. | Buy | 848 | 1045 | 23 | 12.6 | 15.5 | 19.7 | 39.9 | 22.7 | 27.1 | 67.1 | 54.7 | 14.8 | 14.8 | 24.0 | 27.1 |
| Aggregate | | | | | | | | 51.1 | 30.1 | 26.2 | 67.8 | 52.1 | 14.8 | 14.3 | 21.8 | 27.4 |
| Technology | | | | | | | | | | | | | | | | |
| Cyient | Neutral | 654 | 750 | 15 | 38.2 | 41.2 | 48.5 | 24.8 | 7.7 | 17.7 | 17.1 | 15.9 | 3.1 | 2.8 | 18.3 | 17.7 |
| HCL Tech. | Neutral | 1029 | 1090 | 6 | 62.6 | 72.4 | 78.4 | 4.5 | 15.7 | 8.4 | 16.4 | 14.2 | 3.9 | 3.1 | 25.0 | 24.4 |
| Hexaware | Neutral | 320 | 400 | 25 | 16.6 | 20.4 | 22.8 | 21.2 | 22.7 | 12.0 | 19.3 | 15.7 | 4.8 | 4.0 | 26.9 | 27.9 |
| Infosys | Buy | 661 | 800 | 21 | 32.4 | 37.6 | 43.0 | 3.1 | 16.3 | 14.1 | 20.4 | 17.6 | 4.6 | 4.6 | 24.1 | 26.1 |
| KPIT Tech | Buy | 216 | 275 | 28 | 12.7 | 16.5 | 19.1 | 6.1 | 30.2 | 16.0 | 17.0 | 13.1 | 2.4 | 2.0 | 15.4 | 17.4 |
| L & T Infotech | Neutral | 1715 | 1850 | 8 | 66.3 | 85.7 | 99.5 | 19.6 | 29.2 | 16.1 | 25.9 | 20.0 | 7.8 | 6.0 | 33.1 | 33.9 |
| Mindtree | Buy | 852 | 1125 | 32 | 34.4 | 47.2 | 58.7 | 38.0 | 37.4 | 24.4 | 24.8 | 18.0 | 5.1 | 4.4 | 18.8 | 26.1 |
| Mphasis | Neutral | 946 | 1150 | 22 | 44.0 | 57.5 | 62.3 | 13.2 | 30.6 | 8.4 | 21.5 | 16.5 | 3.3 | 4.3 | 14.6 | 21.8 |
| NIIT Tech | Neutral | 1172 | 1350 | 15 | 45.6 | 70.8 | 80.8 | 19.8 | 55.4 | 14.2 | 25.7 | 16.6 | 4.1 | 3.7 | 16.2 | 23.4 |
| Persistent Sys | Buy | 559 | 750 | 34 | 40.4 | 45.0 | 50.0 | 7.2 | 11.5 | 11.1 | 13.8 | 12.4 | 2.0 | 1.8 | 16.1 | 16.1 |
| Tata Elxsi | Buy | 1028 | 1400 | 36 | 38.7 | 48.0 | 52.7 | 37.7 | 23.8 | 10.0 | 26.5 | 21.4 | 8.7 | 6.8 | 37.2 | 35.5 |
| TCS | Neutral | 1910 | 2000 | 5 | 66.0 | 84.0 | 95.7 | -1.0 | 27.2 | 13.9 | 28.9 | 22.7 | 8.4 | 8.7 | 29.4 | 38.0 |
| Tech Mah | Buy | 706 | 800 | 13 | 42.7 | 48.0 | 54.0 | 33.6 | 12.5 | 12.4 | 16.5 | 14.7 | 3.3 | 3.0 | 21.5 | 22.0 |
| Wipro | Neutral | 325 | 350 | 8 | 17.9 | 19.9 | 22.9 | 7.7 | 11.3 | 15.2 | 18.2 | 16.3 | 3.0 | 2.6 | 17.0 | 17.5 |
| Zensar Tech | Buy | 246 | 300 | 22 | 10.6 | 14.5 | 17.0 | 1.3 | 37.3 | 17.3 | 23.3 | 17.0 | 3.4 | 2.9 | 15.3 | 18.4 |
| Aggregate | | | | | | | | 5.3 | 15.9 | 12.3 | 22.8 | 19.6 | 5.5 | 5.2 | 24.2 | 26.7 |
| Telecom | | | | | | | | | | | | | | | | |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|-------------------|---------|-----------|----------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | | | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY18 | FY19E | FY18 | FY19E |
| Bharti Airtel | Buy | 298 | 390 | 31 | 3.5 | -5.8 | -3.0 | -68.6 | PL | Loss | 85.5 | NM | 1.7 | 2.4 | 2.0 | -3.9 |
| Bharti Infratel | Neutral | 269 | 275 | 2 | 13.6 | 11.9 | 10.9 | -8.1 | -13.1 | -8.0 | 19.7 | 22.6 | 2.9 | 3.1 | 15.6 | 13.3 |
| Vodafone Idea | Buy | 42 | 55 | 31 | -9.6 | -15.9 | -14.4 | Loss | Loss | Loss | NM | NM | 0.7 | 0.8 | -16.0 | -28.0 |
| Tata Comm | Buy | 514 | 670 | 30 | 1.2 | 2.8 | 14.0 | -89.0 | 141.9 | 398.0 | 442.5 | 182.9 | 29.3 | 25.2 | 3.2 | 14.8 |
| Aggregate | | | | | | | | PL | Loss | Loss | -936 | -29 | 1.8 | 2.3 | -0.2 | -8.0 |
| Utilities | | | | | | | | | | | | | | | | |
| Coal India | Buy | 268 | 354 | 32 | 19.2 | 26.8 | 30.8 | 26.3 | 40.0 | 14.9 | 14.0 | 10.0 | 8.4 | 7.7 | 35.4 | 77.4 |
| CESC | Buy | 688 | 1077 | 57 | 75.5 | 97.3 | 106.6 | 45.5 | 29.0 | 9.5 | 9.1 | 7.1 | 0.8 | 0.7 | 9.2 | 11.0 |
| JSW Energy | Neutral | 72 | 72 | -1 | 3.0 | 2.9 | 4.4 | -21.2 | -4.1 | 53.1 | 23.9 | 25.0 | 1.1 | 1.1 | 4.6 | 4.3 |
| NHPC | Buy | 26 | 33 | 25 | 2.4 | 2.5 | 3.0 | -17.3 | 0.5 | 23.3 | 10.8 | 10.7 | 0.9 | 0.9 | 8.5 | 8.3 |
| NTPC | Buy | 154 | 195 | 26 | 10.7 | 13.7 | 15.9 | -10.9 | 28.2 | 16.3 | 14.5 | 11.3 | 1.2 | 1.2 | 8.7 | 10.6 |
| Power Grid | Buy | 192 | 249 | 30 | 16.5 | 18.5 | 20.2 | 16.1 | 12.0 | 9.2 | 11.6 | 10.3 | 1.8 | 1.6 | 16.6 | 16.7 |
| Tata Power | Neutral | 76 | 72 | -5 | 5.3 | 4.4 | 7.0 | 3.5 | -17.9 | 59.2 | 14.2 | 17.3 | 1.3 | 1.2 | 10.7 | 7.3 |
| Aggregate | | | | | | | | 7.3 | 25.7 | 14.7 | 13.1 | 10.5 | 1.9 | 1.8 | 14.5 | 16.9 |
| Others | | | | | | | | | | | | | | | | |
| Arvind | Neutral | 320 | 397 | 24 | 12.7 | 13.9 | 18.8 | -1.8 | 8.9 | 35.8 | 25.1 | 23.1 | 2.2 | 2.0 | 8.9 | 9.1 |
| Avenue Supermarts | Sell | 1396 | 1124 | -19 | 12.9 | 17.0 | 22.5 | 68.4 | 31.2 | 32.6 | 108.1 | 82.4 | 18.7 | 15.2 | 18.9 | 20.4 |
| BSE | Buy | 626 | 800 | 28 | 43.5 | 32.5 | 42.2 | 6.0 | -25.1 | 29.5 | 14.4 | 19.2 | 1.1 | 0.9 | 7.6 | 4.6 |
| Castrol India | Buy | 149 | 226 | 51 | 7.0 | 6.8 | 6.5 | 2.9 | -3.3 | -4.4 | 21.4 | 22.1 | 14.5 | 13.6 | 69.1 | 63.5 |
| Coromandel Intl | Buy | 424 | 557 | 31 | 22.7 | 24.6 | 27.8 | 38.8 | 8.3 | 13.3 | 18.7 | 17.3 | 4.0 | 3.5 | 22.1 | 21.4 |
| Delta Corp | Buy | 240 | 290 | 21 | 5.8 | 7.1 | 9.7 | 89.4 | 23.3 | 35.6 | 41.5 | 33.6 | 3.8 | 3.6 | 11.9 | 11.2 |
| Interglobe | Neutral | 991 | 785 | -21 | 58.3 | -22.9 | 56.1 | 35.1 | PL | LP | 17.0 | NM | 5.4 | 5.5 | 41.3 | -12.6 |
| Indo Count | Neutral | 64 | 72 | 12 | 6.4 | 5.8 | 6.6 | -45.7 | -9.5 | 13.6 | 10.1 | 11.1 | 1.3 | 1.2 | 14.0 | 11.4 |
| Info Edge | Neutral | 1403 | 1600 | 14 | 22.5 | 25.9 | 31.8 | 31.3 | 15.3 | 22.9 | 62.5 | 54.2 | 8.1 | 7.3 | 13.4 | 14.2 |
| Kaveri Seed | Buy | 527 | 729 | 38 | 32.0 | 34.2 | 42.9 | 67.8 | 7.0 | 25.4 | 16.5 | 15.4 | 3.4 | 3.2 | 20.9 | 21.4 |
| MCX | Buy | 708 | 875 | 24 | 21.2 | 20.4 | 28.3 | -14.6 | -3.7 | 38.8 | 33.4 | 34.6 | 2.6 | 2.9 | 7.9 | 8.0 |
| Navneet Education | Buy | 113 | 156 | 38 | 5.5 | 7.7 | 8.7 | -25.4 | 40.7 | 13.3 | 20.8 | 14.8 | 3.5 | 3.4 | 17.6 | 23.1 |
| Oberoi Realty | Buy | 422 | 574 | 36 | 12.6 | 23.3 | 36.9 | 21.2 | 84.9 | 58.3 | 33.4 | 18.1 | 2.5 | 1.9 | 7.8 | 12.1 |
| Phoenix Mills | Buy | 599 | 699 | 17 | 15.8 | 17.1 | 23.2 | 44.2 | 8.1 | 35.7 | 37.9 | 35.0 | 3.2 | 2.7 | 9.7 | 8.4 |
| Qess Corp | Neutral | 783 | 750 | -4 | 21.8 | 19.6 | 31.3 | 115.7 | -10.2 | 59.8 | 35.9 | 40.0 | 3.6 | 3.2 | 16.5 | 11.0 |
| PI Inds. | Buy | 846 | 860 | 2 | 26.7 | 30.0 | 35.8 | -20.2 | 12.6 | 19.4 | 31.7 | 28.2 | 6.1 | 5.2 | 20.7 | 19.9 |
| Piramal Enterp. | Buy | 2288 | 2735 | 20 | 77.8 | 75.8 | 128.6 | 7.2 | -2.6 | 69.7 | 29.4 | 30.2 | 1.7 | 1.7 | 7.5 | 5.6 |
| SRF | Buy | 2084 | 2408 | 16 | 79.0 | 107.3 | 144.5 | -10.3 | 35.8 | 34.7 | 26.4 | 19.4 | 3.4 | 3.0 | 13.7 | 16.5 |
| S H Kelkar | Buy | 194 | 244 | 26 | 7.1 | 7.6 | 9.8 | -2.2 | 7.3 | 28.5 | 27.4 | 25.5 | 3.3 | 3.0 | 12.3 | 12.3 |
| Tata Chemicals | Buy | 699 | 933 | 33 | 48.2 | 44.4 | 54.4 | 39.7 | -7.9 | 22.4 | 14.5 | 15.7 | 1.6 | 1.5 | 24.9 | 9.8 |
| Team Lease Serv. | Buy | 2685 | 3500 | 30 | 43.0 | 63.8 | 98.9 | 28.0 | 48.3 | 54.9 | 62.4 | 42.1 | 10.1 | 8.1 | 17.6 | 21.4 |
| Trident | Buy | 70 | 83 | 18 | 5.3 | 8.4 | 9.2 | -21.8 | 59.6 | 9.5 | 13.3 | 8.3 | 1.2 | 1.1 | 9.2 | 13.7 |
| UPL | Buy | 741 | 749 | 1 | 44.2 | 45.8 | 50.6 | 5.9 | 3.7 | 10.4 | 16.8 | 16.2 | 4.1 | 3.4 | 26.9 | 23.3 |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|------------------------|-----------|--------|---------|
| Automobiles | | | |
| Amara Raja | -1.1 | 5.6 | 5.0 |
| Ashok Ley. | -2.9 | 7.1 | 2.6 |
| Bajaj Auto | 0.1 | 6.0 | -15.8 |
| Bharat Forge | -1.4 | 3.6 | -18.6 |
| Bosch | 1.5 | 7.5 | -6.1 |
| CEAT | 5.3 | 16.5 | -28.0 |
| Eicher Mot. | -0.7 | 6.6 | -27.0 |
| Endurance Tech. | 2.0 | 9.1 | 12.1 |
| Escorts | -1.8 | 17.2 | -6.6 |
| Exide Ind | 0.4 | 5.7 | 26.8 |
| Hero Moto | 2.1 | 2.3 | -18.1 |
| M&M | 0.4 | 4.3 | 17.0 |
| Maruti Suzuki | 1.8 | 8.6 | -11.4 |
| Motherson Sumi | -0.6 | 8.8 | -29.1 |
| Tata Motors | 0.2 | 6.1 | -55.6 |
| TVS Motor | 0.7 | 12.7 | -19.8 |
| Banks - Private | | | |
| AU Small Fin. Bank | -0.4 | -3.6 | -11.9 |
| Axis Bank | 0.9 | 10.8 | 13.3 |
| DCB Bank | -0.7 | 15.8 | -7.9 |
| Equitas Hold. | 1.6 | -5.5 | -22.8 |
| Federal Bank | 0.6 | 15.0 | -28.9 |
| HDFC Bank | -0.4 | 0.4 | 6.7 |
| ICICI Bank | -0.1 | 16.2 | 14.2 |
| IndusInd | 0.9 | -6.9 | -10.3 |
| Kotak Mah. Bk | 0.2 | 2.7 | 13.2 |
| RBL Bank | 2.0 | 11.0 | 8.1 |
| South Indian | 2.0 | 15.1 | -49.5 |
| Yes Bank | 5.5 | 1.7 | -25.2 |
| Banks - PSU | | | |
| BOB | 0.3 | 19.1 | -32.6 |
| BOI | 6.1 | 21.9 | -54.2 |
| Canara | 1.4 | 13.9 | -36.7 |
| Indian Bk | -12.5 | 1.4 | -42.7 |
| PNB | 0.9 | 14.4 | -62.7 |
| SBI | -1.3 | 7.7 | -9.8 |
| Union Bk | 3.0 | 24.0 | -50.8 |
| NBFCs | | | |
| Aditya Birla Cap | -3.6 | -2.0 | -48.5 |
| Bajaj Fin. | 1.1 | 15.2 | 35.4 |
| Capital First | 2.4 | 9.0 | -30.4 |
| Dewan Hsg. | 0.9 | -4.4 | -63.2 |
| Cholaman.Inv.&Fn | 1.5 | 23.1 | 3.0 |
| GRUH Fin. | 1.0 | 11.7 | 21.8 |
| HDFC | 0.1 | 6.0 | 5.3 |
| HDFC Stand. Life | -0.7 | 11.1 | |
| Indiabulls Hsg | 3.6 | -8.7 | -30.2 |
| L&T Fin.Holdings | -0.1 | 10.0 | -27.7 |
| LIC Hsg Fin | 1.5 | 8.7 | -25.1 |
| M&M Fin. | 1.5 | 16.2 | 2.1 |
| Muthoot Fin | 2.4 | 22.7 | -6.8 |
| MAS Financial Serv. | -1.1 | 7.1 | -17.0 |
| ICICI Pru Life | -0.5 | 13.0 | -5.0 |
| PNB Housing | 2.3 | 5.8 | -33.3 |
| Repco Home | -1.6 | 8.4 | -29.9 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| Shriram City Union | -2.5 | -2.1 | -28.0 |
| Shriram Trans. | 0.5 | 28.6 | -2.8 |
| Capital Goods | | | |
| ABB | -1.2 | -2.9 | -2.7 |
| Bharat Elec. | 3.3 | 30.0 | -46.4 |
| BHEL | 0.1 | -0.3 | -24.0 |
| Blue Star | 0.5 | 6.3 | -13.5 |
| CG Cons. Elec. | 0.0 | 6.2 | -10.5 |
| CG Power & Inds Sol. | -1.0 | -11.2 | -58.5 |
| Cummins | -0.1 | 17.0 | -11.0 |
| Engineers India | 1.7 | 19.1 | -36.3 |
| GE T&D | 0.9 | -11.7 | -41.1 |
| Havells | -0.2 | 14.8 | 25.6 |
| K E C Intl | -0.9 | 13.4 | -8.9 |
| L&T | 0.0 | 11.9 | 12.3 |
| Siemens | 0.6 | 6.7 | -22.0 |
| Solar Ind | -1.8 | 0.0 | -4.7 |
| Thermax | 2.3 | 17.5 | 7.5 |
| Va Tech Wab. | 3.6 | 18.7 | -49.5 |
| Voltas | 4.6 | 11.1 | -4.3 |
| Cement | | | |
| Ambuja Cem. | 0.0 | 0.0 | -24.1 |
| ACC | 0.2 | 0.2 | -16.7 |
| Birla Corp. | 2.4 | 9.8 | -48.2 |
| Dalmia Bharat | 0.2 | 6.6 | -24.9 |
| Grasim Inds. | 0.7 | -3.8 | -29.5 |
| India Cem | 3.3 | 4.9 | -44.2 |
| J K Cements | 0.6 | -0.7 | -32.2 |
| JK Lakshmi Ce | -0.9 | -2.3 | -39.8 |
| Ramco Cem | -0.4 | 3.8 | -11.4 |
| Orient Cem | 1.2 | 8.1 | -46.3 |
| Prism Johnson | 0.1 | 14.0 | -22.4 |
| Sagar Cements | 2.1 | 6.6 | -18.8 |
| Sanghi Inds. | 2.7 | -5.9 | -48.0 |
| Shree Cem | 0.9 | -1.8 | -14.7 |
| Ultratech | 0.5 | 0.5 | -13.0 |
| Consumer | | | |
| Asian Paints | 3.8 | 8.0 | 8.6 |
| Britannia | -1.0 | 4.4 | 20.9 |
| Colgate | 0.0 | 5.3 | 6.4 |
| Dabur | 1.8 | -4.2 | 8.1 |
| Emami | 0.2 | 1.0 | -32.6 |
| Future Consumer | 5.9 | 36.6 | -19.0 |
| Godrej Cons. | -1.6 | 3.7 | 6.6 |
| GSK Cons. | 0.4 | 7.2 | 20.5 |
| HUL | 2.0 | 10.4 | 33.5 |
| ITC | -1.0 | 3.3 | 6.6 |
| Jyothy Lab | -1.0 | 2.2 | 10.6 |
| Marico | 0.2 | 15.4 | 8.5 |
| Nestle | -0.1 | 7.8 | 31.2 |
| Page Inds | 2.0 | 3.9 | 35.3 |
| Parag Milk | -2.3 | 8.1 | -1.4 |
| Pidilite Ind. | 2.7 | 13.3 | 27.7 |
| P&G Hygiene | 0.0 | 7.8 | 10.3 |
| Prabhat Dairy | 0.1 | -2.9 | -25.0 |
| United Brew | 0.6 | 8.8 | 14.6 |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|-----------------------|-----------|--------|---------|
| United Spirits | -0.1 | 35.2 | 0.6 |
| Healthcare | | | |
| Alembic Phar | 0.4 | 3.8 | 15.0 |
| Alkem Lab | 0.0 | -1.2 | -2.1 |
| Ajanta Pharma | 1.5 | 7.5 | -10.7 |
| Aurobindo | 2.5 | 6.5 | 3.1 |
| Biocon | 1.2 | 9.0 | 59.8 |
| Cadila | 1.6 | -5.2 | -24.7 |
| Cipla | -1.2 | -17.6 | -14.2 |
| Divis Lab | 3.5 | 24.3 | 53.6 |
| Dr Reddy's | -1.8 | -1.6 | 1.7 |
| Fortis Health | -0.6 | 6.0 | 1.2 |
| Glenmark | 1.4 | 14.2 | 13.8 |
| Granules | 1.3 | 14.9 | -19.6 |
| GSK Pharma | 3.1 | 6.3 | 8.6 |
| IPCA Labs | 2.3 | 12.9 | 28.5 |
| Jubilant Life | 3.9 | 17.4 | 18.4 |
| Lupin | 0.2 | -1.3 | 2.7 |
| Laurus Labs | 0.5 | -8.6 | -32.2 |
| Sanofi India | 2.1 | 2.3 | 38.9 |
| Shilpa Medicare | -1.4 | 4.9 | -38.3 |
| Strides Pharma | 11.1 | 11.6 | -37.8 |
| Sun Pharma | 2.3 | -2.3 | 11.4 |
| Torrent Pharma | -1.5 | 3.2 | 33.0 |
| Infrastructure | | | |
| Ashoka Buildcon | -2.1 | 14.6 | -18.4 |
| IRB Infra.Devl. | -1.8 | 11.0 | -40.2 |
| KNR Construct. | 0.4 | 13.8 | -26.4 |
| Sadbhav Engg. | 1.3 | 9.9 | -30.4 |
| Logistics | | | |
| Allcargo Logistics | 1.0 | 11.3 | -37.7 |
| Concor | 0.0 | 11.6 | -0.1 |
| Media | | | |
| Dish TV | -1.9 | -22.5 | -44.8 |
| D B Corp | 0.0 | -12.2 | -53.7 |
| Ent.Network | -0.7 | 1.8 | -21.4 |
| Hathway Cab. | 0.0 | 20.2 | -22.8 |
| Hind. Media | 1.7 | -13.2 | -45.1 |
| HT Media | -0.6 | -5.9 | -58.7 |
| Jagran Prak. | -0.2 | 5.2 | -34.8 |
| Music Broadcast | -2.0 | 3.3 | -12.5 |
| PVR | 2.1 | 19.8 | 5.7 |
| Sun TV | 2.1 | 2.1 | -29.3 |
| Zee Ent. | 0.3 | 4.3 | -16.4 |
| Metals | | | |
| Hindalco | -2.4 | 6.4 | -9.5 |
| Hind. Zinc | 0.2 | -3.3 | -16.0 |
| JSPL | -0.1 | 5.4 | 12.1 |
| JSW Steel | -1.3 | -6.3 | 31.6 |
| Nalco | -0.5 | 15.3 | -21.0 |
| NMDC | -2.9 | 2.8 | -12.5 |
| Rain Industries | 0.2 | 18.4 | -49.6 |
| SAIL | -0.9 | 4.1 | -15.5 |
| Vedanta | -0.5 | -1.4 | -35.5 |
| Tata Steel | -1.2 | 0.2 | -13.5 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| Oil & Gas | | | |
| Aegis Logistics | -2.8 | 22.0 | -4.3 |
| BPCL | 2.6 | 15.5 | -43.2 |
| GAIL | -1.9 | 10.2 | 8.9 |
| Gujarat Gas | 0.2 | 7.3 | -27.7 |
| Gujarat St. Pet. | 2.4 | 10.9 | -12.3 |
| HPCL | 4.7 | 40.7 | -44.2 |
| IOC | 1.9 | 15.8 | -28.1 |
| IGL | -0.1 | 22.9 | -11.4 |
| Mahanagar Gas | -0.1 | 6.8 | -27.2 |
| MRPL | -0.4 | 30.4 | -35.4 |
| Oil India | 0.2 | 2.7 | -17.8 |
| ONGC | -0.4 | 6.5 | -17.4 |
| PLNG | 2.7 | 6.0 | -16.3 |
| Reliance Ind. | -1.5 | 0.3 | 21.3 |
| Retail | | | |
| Jubilant Food | 3.6 | -5.9 | 31.6 |
| Titan Co. | -0.4 | 13.0 | 9.0 |
| Technology | | | |
| Cyient | 4.5 | -3.5 | 21.4 |
| HCL Tech. | -0.1 | -3.5 | 17.3 |
| Hexaware | 2.3 | -18.3 | -7.1 |
| Infosys | -2.2 | -7.8 | 38.6 |
| KPIT Tech | -2.4 | 8.2 | 35.5 |
| L&T Infotech | -0.7 | -1.1 | 83.8 |
| Mindtree | 1.8 | -15.7 | 72.3 |
| Mphasis | 1.7 | -11.1 | 30.2 |
| NIIT Tech | -0.1 | 5.1 | 77.7 |
| Persistent Sys | -1.6 | -21.6 | -14.9 |
| Tata Elxsi | -2.8 | 5.9 | 13.2 |
| TCS | -1.7 | -8.6 | 39.7 |
| Tech Mah | 1.1 | 1.5 | 44.2 |
| Wipro | -0.2 | 1.5 | 7.4 |
| Zensar Tech | 1.0 | -12.0 | 42.6 |
| Telecom | | | |
| Bharti Airtel | -2.5 | 3.4 | -40.8 |
| Bharti Infratel | 1.2 | 0.7 | -37.3 |
| Idea Cellular | -0.2 | 22.2 | -56.4 |
| Tata Comm | 2.2 | 8.4 | -25.8 |
| Utilites | | | |
| Coal India | 0.5 | -1.7 | -5.3 |
| CESC | 0.3 | 5.9 | -12.4 |
| JSW Energy | 5.5 | 22.3 | -12.6 |
| NHPC Ltd | 5.0 | 16.6 | -5.4 |
| NTPC | -0.5 | -4.5 | -13.2 |
| Power Grid | 1.3 | 2.7 | -8.0 |
| Tata Power | -0.3 | 24.2 | -9.4 |
| Others | | | |
| Arvind | 0.1 | 6.6 | -26.5 |
| Avenue Super. | -2.1 | 2.1 | 24.6 |
| BSE | 1.0 | -1.2 | -36.0 |
| Castrol India | 2.1 | 8.7 | -24.4 |
| Coromandel Intl | 0.0 | 15.9 | -15.1 |
| Delta Corp | -2.6 | 15.1 | -9.5 |
| Interglobe | 2.9 | 36.9 | -17.2 |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|------------------|-----------|--------|---------|
| Indo Count | -1.3 | 18.3 | -45.1 |
| Info Edge | 0.4 | -2.5 | 15.4 |
| Kaveri Seed | 5.2 | 9.4 | -1.5 |
| MCX | 0.2 | 6.0 | -27.7 |
| Navneet Educat. | -0.4 | 4.2 | -31.4 |
| Oberoi Realty | -4.1 | 12.7 | -13.6 |
| Phoenix Mills | -0.9 | 16.3 | 15.0 |
| PI Inds. | 3.9 | 18.5 | 4.2 |
| Piramal Enterp. | 3.9 | 5.9 | -12.8 |
| Ques Corp | 0.5 | 8.7 | -4.7 |
| SRF | 4.2 | 23.4 | 27.3 |
| S H Kelkar | 1.7 | -1.9 | -28.3 |
| Tata Chemicals | -0.3 | 9.8 | -2.7 |
| Team Lease Serv. | -0.4 | 21.1 | 41.0 |
| Trident | -2.4 | 28.1 | -23.0 |
| UPL | 1.8 | 22.3 | -0.7 |

THEMATIC/STRATEGY RESEARCH GALLERY

MOTILAL OSWAL Thematic | April 2018
Economy

Private investment Fiscal spending Private consumption

Fiscal policy has reached limits

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MOTILAL OSWAL Thematic | 10 January 2018
Economy

Consumption Income GDP Employment

Employment: Broken Link Or...?

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MOTILAL OSWAL Thematic Research | April 2017
Economy

Is fiscal policy reaching limits?

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MOTILAL OSWAL Thematic | August 2018
Oil & Gas

IMO 2020: Busting the myth!

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MOTILAL OSWAL Thematic | June 2018
Utilities

2021-22 Balanced Market
2016 Peak of over supply
2013 Balanced Market
2009 Peak of Deficit

Power oversupply has started shrinking

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MOTILAL OSWAL Thematic | 20 March 2018
Automobiles

Batteries: Huge opportunities, but challenges too

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MOTILAL OSWAL October 2018
India Strategy

Correction everywhere

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MOTILAL OSWAL June 2018
India Strategy

'Recovery' ball starts rolling

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MOTILAL OSWAL April 2018
India Strategy

More ladders than snakes

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REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 21 June 2020
Sector: Financials

ICICI Prudential Life Insurance



Moving up the profitability curve

Research Analyst: Anupam Singh (anupam.singh@motilal.com), 461 21 6616 6400
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MOTILAL OSWAL Initiating Coverage | 28 April 2020
Sector: Auto Autos

Phoenix Mills



The Specialist

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MOTILAL OSWAL Initiating Coverage | 27 April 2020
Sector: Chemicals

Tata Chemicals



Flight of rebirth

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MOTILAL OSWAL Initiating Coverage | 22 March 2020
Sector: Consumer

Future Consumer



Company of the "Future"

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MOTILAL OSWAL Initiating Coverage | 7 March 2020
Sector: Logistics

Aegis Logistics



The Giant Kelp

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MOTILAL OSWAL Initiating Coverage | 28 February 2020
Sector: Agriculture

UPL



Reaping growth

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MOTILAL OSWAL Initiating Coverage | 20 January 2020
Sector: Healthcare

Laurus Labs

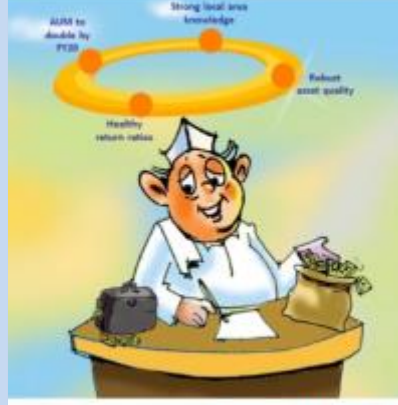


Angling for growth

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MOTILAL OSWAL Initiating Coverage | 20 January 2020
Sector: Financials

MAS Financial Services



Grassroots financier

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MOTILAL OSWAL Initiating Coverage | 9 January 2020
Sector: Financials

AU Small Finance Bank



First Among Equals

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

7 September 2018

Annual Report Threadbare

LUPIN FY18

LPC's FY18 annual report analysis highlights a weak operating performance, with EBITDA declining 3% to INR15.2b, primarily due to continuing pricing pressure in the US market. QoQ declined 6% to INR15.2b, as cash conversion days deteriorated to 218 (FY17: 188 days), mainly due to rising trade receivables. Further, synergistic growth continued with the acquisition of Solstice for an upfront cash payout of INR3.7b (total consideration: USD124.1m, INR81.1b), which led to FCF post interest declining to INR6.2b (FY17: INR8.2b). Our analysis reveals that revenue growth from the acquired subsidiaries has been high; however, their profit contribution has remained muted. Intangibles assets remained elevated at INR66.2b, 84% of EOV. This is despite an impairment of INR14.6b recognized on acquired intangibles of the Gavis portfolio. Interestingly, the transfer of IP rights (primarily Gavis) within the group (from Lupin entities holding it to Lupin Inc before impairment) led to a reduction in an otherwise high ETR (at 123%) to 57.2% (FY17: 28.8%).

- Op. performance deteriorates, further drag on Impairment: High pricing pressure, intensified competition, volatile industry conditions and regulatory challenges in the US markets led to a revenue decline of 10% to INR15.2b. Further, rising input costs dragged EBITDA by 3% to INR15.2b with margins declining 600bps to 20%. Impairment charges (at INR14.6b) for the Gavis portfolio and higher taxes (ETR at 57.2% v/s 29.9% in FY17) led to a decline in profitability by 80% to INR6.2b.
- Rising working capital intensity dents cash flows: Increased investment in working capital at INR10.2b as against release of INR5.2b in FY17 led to a decline in operating cash flows post interest declining 61% to INR15.5b (FY17: INR39.6b). Trade receivables increased by 21% to INR51.2b (despite a decline in revenue) leading to an increase in receivable days to 218 days (FY17: 90 days). Cash conversion cycle in turn increased to 218 days from 188 days in FY17. Net debt increased by INR4.2b to INR56.2b.

- Acquisitions boost revenue, profitability remains muted: LPC has made 15 acquisitions over FY08-18. The revenue contribution from these acquisitions has been strong; however, their profitability contribution continues to be weak. These acquisitions have led to significant intangibles (including ITD and Goodwill) from INR7.7b in FY14 to INR70.9b in FY18 (52% of NW).
- Intra-group transfer of assets and ETR reduction: LAMSA (Lupin Atlantic Holdings SA) transferred various intangible products, primarily comprising portfolio of Gavis to Lupin Inc. For a consideration of USD52.6m, Lupin Inc. recorded the intangibles for USD302.3m and wrote off USD379.7m (~INR2.5b) through net worth. This intra-group transfer has led to a tax benefit of INR3.6b, thereby aiding to reduce ETR to 57.2% (FY17: 29.9%) ETR (excluding this benefit) rose to 123% due to non-deductibility of expenses (primarily impairment related in our view).

The ART of annual report analysis

- Rise in working capital intensity at INR10.2b (FY17: INR5.2b) led to a 61% decline in OCF to INR6.2b
- Intra-group asset transfer (primarily post-IP rights) has benefits of INR3.6b
- Revenue contribution of acquired businesses remains strong; however, their profit contribution remains subdued

| Stock Info | LPC IN |
|----------------------|-----------|
| Bloomberg | 553 |
| CRP | 553 |
| Equity Shares (m) | 432 |
| M.Cap (INR)/(USD) | 423.7/5.8 |
| 52-week Range (INR) | 209/17.04 |
| L.E. 12 Mth. Per (%) | 4/5/26 |
| 12M Avg. Div (INR) | 2083 |
| Free float (%) | 53.0 |

| Shareholding pattern (%) | Jun-18 | Mar-18 | Jun-17 |
|--------------------------|--------|--------|--------|
| Promoter | 47.0 | 47.0 | 46.7 |
| DFI | 12.1 | 12.2 | 9.9 |
| FI | 25.8 | 25.4 | 30.8 |
| Others | 15.1 | 15.4 | 12.6 |



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MOTILAL OSWAL

4Q FY18 | VOICES

VOICES

India Inc on Call

VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results emailings attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates, transcripts and audio links of the respective conference calls.

- This quarterly report contains:
 - CONRII Audio Links for 20 companies
 - Key takeaways from the post results management commentary for 140 companies, with links to the full earnings call transcripts
 - Links to our Results Updates on each of the companies included

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MOTILAL OSWAL

EcoKnowledge

24 August 2018 Economy Diving into Trending Themes

How sustainable is the leverage of Indian households?

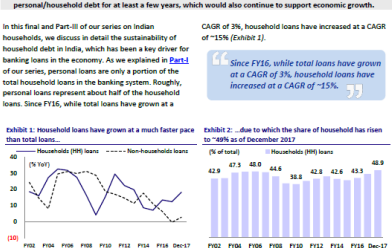
Household debt market is only 20-30% of its potential size

Between FY12 and FY15, non-food credit (NFC) of scheduled commercial banks (SCBs) grew at a CAGR of 11.5%, while personal/retail loans grew at a CAGR of 14.2%. In the subsequent three years (up to FY18), while NFC growth eased to 8.4%, personal loans grew faster at 17.8%. Consequently, the latter has become the key driving force of bank loans, and thus, almost all banks are now pushing personal loans. Personal loans now account for ~25% of NFC, as against ~18% in FY12. This trend has obviously raised doubts over the sustainability of such a high growth in personal loans, and thus, reliance of banks on them.

In the first two parts of our III-part series, we discussed in detail the balance sheet of Indian households and how it compares with its foreign counterparts. We explained in Part I that personal loans are only a part of the total household debt in India, which has risen to an all-time high of 46.1% of its income in FY18. In Part II, we confirmed that notwithstanding the recent growth, India's household debt is still much lower compared to its counterparts in other developing economies. In this final Part-III, we present two arguments debating the ongoing rise in household/personal debt that could continue for many more years to come.

One, for the first time in the past two decades, the growth in household debt (and personal loans also) is driven by credit widening (number of accounts), rather than credit deepening (loan accounts). Such trends are beneficial to all – the lenders, the borrowers and the economy – and make the growth sustainable.

Two, an estimate of the potential size of the household debt in the country and the potential base of creditworthy borrowers confirm that the current market and the tax base also is only 20-30% of its potential size. It implies that there is a large room for the lenders (banks or other lending institutions) to grow its personal/household debt for at least a few years, which would also continue to support economic growth.



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MOTILAL OSWAL

4 June 2018

The Corner Office

Interaction with the CEO

Targeting INR600b sales in 10 years, 14% CAGR over FY18-28

Four-ier strategy to reduce sales volatility from large projects

We met the MD, Unishulbham, Managing Director and CEO of Thermoax. He highlighted that the company targets annual sales of INR600b by 2028 (Translating into a CAGR of 14%). We also discussed the company's four-ier strategy to reduce sales volatility from large projects. Our key takeaways:

- Four-ier strategy to reduce revenue volatility from large projects: Over the past five years, Thermoax has witnessed drying up of large orders from the core sectors: Power, Steel, Cement and Refining, leading to volatility in its sales. To de-risk itself, the company has identified a four-ier strategy:
 - Thermoax is primarily in absorption chillers. It is looking at an acquisition to enter process cooling, which is 2-3x the size of the absorption chiller market.
 - Thermoax is the market leader in the B2B segment but has ~4% share in the commercial segment. It targets a double-digit market share in the commercial segment.
 - Roof-top solar (HRS200 industry) is an emerging market and Thermoax would be present in the industrial and commercial segments.
 - After three years of difficulty, its water business is now profitable. Thermoax intends to expand footprint and achieve double-digit profit in this segment.

Green shoots of recovery in industrial caps

Equity pipeline for transport products (Inklap-50 quarterly) has improved in FY18 – it is more widely spread across the end markets of tyres, auto components, F&B, pharma and chemicals. On core sectors, the company highlighted:

- In the tyre segment, there are a few projects in the pipeline, with orders likely to be placed in FY18.
- In steel, steel is likely to place an order for its plant near Mumbai in FY18 while Tata Steel is likely to order out phase-2 of Kalinganagar (Orissa) in FY20.
- In cement, a few captive power plant orders are in the pipeline along with SWSIS.
- In refineries, two plants are in the pipeline in FY18, namely, HPCIL, Bharmer and BPLC, Numaligarh.
- In aluminium, no large orders are expected in FY18.
- In power, Thermoax is participating in the SOI tenders issued by NTPC/State/private power plants. However, given the intense competition, it is not building in any order in FY18.

Need for new products and geographies to drive growth

Thermoax is already in heating, cooling, captive power, air/water pollution equipment. For growth, it needs new geographies and new products. It has started a manufacturing facility in Indonesia (INR20b of sales in three years) and invested in new factories for boilers in Deqing and absorption chillers in Sheny, Andhra Pradesh. The Sheny factory will complement the Deqing facility in China for heat exchangers. Reports have already grown to 40% of sales and the target is 50% of sales – key geographies being targeted are Africa, Middle East, SE Asia and Europe. The Indonesian factory that currently manufactures the company's standard products will supply to the entire ASEAN region and management expects this region to be a bigger market than India for Thermoax in the next 10 years.

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATION'S HANDBOOK

Highlights of August edition

- Nifty continues its positive momentum; up 2.9% in August
- Healthcare, Metals, Utilities, Technology and Consumer were the top positive performers
- Mid-caps outperform large-caps after three months of underperformance

₹

Equity

Equity AUM rises in July after two consecutive months of decline

INR8.3t

INR106b Net inflows in July up 29% MoM

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

For CY18 YTD, equity AUM is up 8%, in line with Nifty's rise

AUM CAGR 5%
Nifty CAGR 5.4%

6,304 | 8,283 | 7,946 | 8,136 | 10,531 | 11,257 | 6,251

1,827 | 3,195 | 4,057 | 4,497 | 7,211

CY13 | CY14 | CY15 | CY16 | CY17 | CY18 YTD

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September 2018

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < -10% |
| NEUTRAL | > -10% to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst becomes inconsistent with the investment rating legend, the Research Analyst shall within 28 days of the inconsistency, take appropriate measures to make the recommendation consistent with the investment rating legend.

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