

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	34,395	0.3	1.0
Nifty-50	10,549	0.2	0.2
Nifty-M 100	19,860	0.1	-6.0
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,706	1.1	1.2
Nasdaq	7,281	1.7	5.5
FTSE 100	7,226	0.4	-6.0
DAX	12,586	1.6	-2.6
Hang Seng	11,900	-0.9	1.6
Nikkei 225	21,848	0.1	-4.0
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	72	0.0	7.5
Gold (\$/OZ)	1,347	0.1	3.4
Cu (US\$/MT)	6,828	-0.7	-5.3
Almn (US\$/MT)	2,407	-0.2	6.7
Currency	Close	Chg .%	YTD.%
USD/INR	65.6	0.2	2.8
USD/EUR	1.2	-0.1	3.0
USD/JPY	107.0	-0.1	-5.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	7.5	0.00	0.2
10 Yrs AAA Corp	8.2	0.00	0.3
Flows (USD b)	17-Apr	MTD	YTD
FII	-0.1	-0.3	1.9
DII	0.1	0.8	4.5
Volumes (INRb)	17-Apr	MTD*	YTD*
Cash	317	324	378
F&O	5,875	6,860	8,017

Note: YTD is calendar year, \*Avg



Today's top research theme

Room air conditioners: CY18 to be another year of strong growth

Inverters' share to rise to 50% by FY20

- ❖ With the Indian Meteorological Division forecasting above-normal temperatures in the CY18 summer season across most parts of the country, we expect continued strong momentum in room AC sales. Led by healthy demand, the room AC industry is likely to grow at 15% in FY19.
- ❖ We expect inverter ACs to account for 50% of industry sales by FY20. Three key factors are expected to drive the shift toward inverter ACs: (1) narrowing price gap between fixed and inverter ACs, which now stands at only INR3,000-4,000, 2) free installation (INR1,500/unit) and a comprehensive 3-5 year warranty on inverter ACs and (3) rising electricity prices, which may persuade consumers to look for energy-efficient inverter ACs.
- ❖ We prefer Blue Star (Neutral, TP: INR880, 35x FY20E UCP segment EPS, which we value at INR720; INR160 for the remaining business) over Voltas (Neutral, TP: INR660, 35x FY20E UCP segment EPS, which we value at INR530; INR130 for the remaining business).



Research covered

Cos/Sector	Key Highlights
Room Air Conditioners	CY18 to be another year of strong industry growth
Nestle India (Annual Report)	Non-Maggi yet to taste success of new launches
GRUH Finance	Steady quarter; margins and opex surprise positively
EcoScope	IMD expects normal rainfall in 2018



Piping hot news

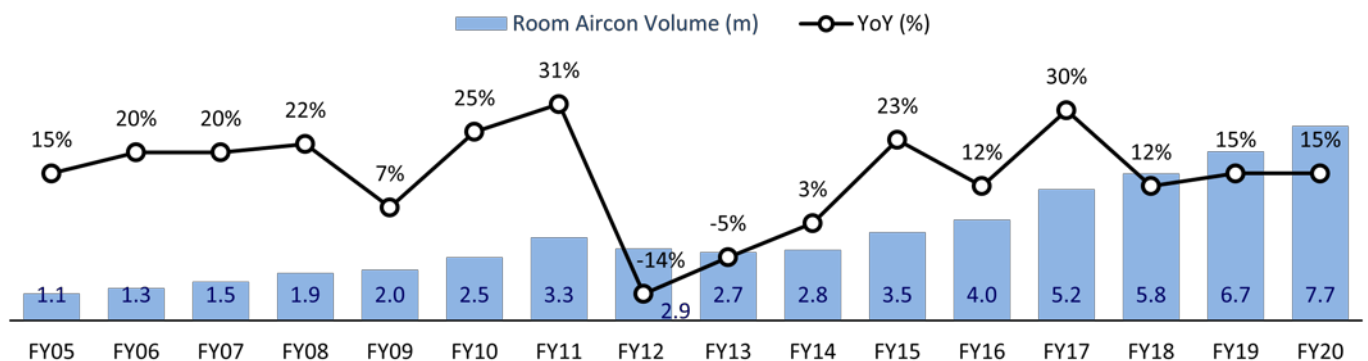
Rupee tanks to near 7-mth low of 65.64 a dollar

- ❖ The rupee extended its losing run for the second straight day, falling by another 15 paise to end at a near 7-month low of 65.64 against the US dollar amid persistent capital outflows and a fresh ripple of geopolitical tensions.



Chart of the Day: Room air conditioners- CY18 to be another year of strong industry growth

Room AC volumes (FY05-20E) and growth (% YoY)



Source: MOSL, Industry

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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

**China's Fosun emerges as the fourth contender for cash-strapped Fortis healthcare**

China's Fosun international group has become the fourth suitor for cash-strapped hospital chain Fortis Healthcare signalling a bidding war is in the works for the company after a TPG-Manipal combine...

2

**More than adequate currency in circulation: Jaitley**

In a bid to allay the fears of cash shortage in the country, Finance Minister Arun Jaitley on Tuesday said there was more than adequate currency in circulation. He added that the temporary shortage of currency in some areas was being tackled. "Have reviewed the currency situation in the country. Overall there is more than adequate currency in circulation and also available with the banks. The temporary shortage caused by 'sudden and unusual increase' in some areas is being tackled quickly," he tweeted...

3

**Electrosteel Steels first from RBI's dirty dozen to exit bankruptcy**

Electrosteel Steels Ltd became the first of the 12 large loan defaulters identified by the Reserve Bank of India (RBI) to win court approval to exit bankruptcy. The Kolkata bench of the National Company Law Tribunal (NCLT) on Tuesday cleared Vedanta Ltd's Rs5,320 crore resolution ...

4

**IMF expects India's economy to grow at 7.4% in 2018**

The International Monetary Fund (IMF) on Tuesday said that it expects India's economy to grow at 7.4 per cent in 2018 from 6.7 per cent in 2017. According to the IMF's World Economic Outlook (WEO) report, the country's economic growth is expected to be 7.8 per cent in 2019...

5

**IT dept conducts searches on McDonald's franchise**

The Income Tax today carried out searches at premises of Hardcastle Restaurants Pvt Ltd (HRPL), the master franchisee of fast food chain McDonald's, in Delhi and Mumbai, officials said here. The Income Tax officials alleged that searches were carried out against the HRPL following allegations of tax evasion...

6

**India Increases Highway Award Target After A Record Year**

India increased highway award target after handing out contracts for record length in the previous financial year...

7

**Small jewellers feel the heat as large players gain market share**

Small jewellery retailers and manufacturers in India are facing pressure because the system, they say, is loaded in favour of their large counterparts. They have alleged larger jewellery chains are getting gold loans at lower interest rates and other sops, apart from access to deposits of customers...



# Room air conditioners



## CY18 to be another year of strong industry growth

### Inverters' share in industry volumes to rise to 50% by FY20

- Another scorching summer is coming, India!:** The Indian Meteorological Division (IMD) has warned of above-normal temperatures in the CY18 summer season (April to June) across most parts of the country. We, thus, expect continued strong momentum in room air conditioner (AC) sales, which are highly levered to the soaring temperature. Led by healthy demand, the room air conditioner industry is likely to grow at 15% (in terms of volumes) in FY19/CY18, in our view.
- AC penetration to inch up from current low levels:** Increasing disposable income, cheap financing and lower running costs for ACs are expected to further drive demand for air conditioners in India, in our view. We took a deep dive into the room AC market in urban India and discovered that AC penetration remains very low at 10%. There are 9.1m/24m households with washing machines/refrigerators but no ACs. Thus, as more households install ACs going forward, demand could reach 18-48m (which is equal to 3-8 years of annual industry AC sales) and penetration levels could increase significantly from current low levels of 10% in urban India.
- Brand, distribution, service network and dealer margins are key differentiators:** Our discussion with channel partners/manufacturers indicates that brand, distribution (~50–55% of AC sales now in tier 2/3 cities), service network and dealer margins are the key success factors in the industry. In our view, Voltas has been able to retain/grow its market share in India's room AC industry, primarily due to its strong competitive positioning across all the aforementioned parameters.
- Shift toward inverter ACs accelerates – estimated at 50% of industry by FY20 (30-35% in 4QFY18):** We see three key factors driving the shift to inverter ACs: (1) the narrowing price gap between fixed and inverter ACs, which now stands at only INR3,000-4,000, 2) free installation (INR1,500/unit) and comprehensive 3-5 year warranty on inverter ACs and (3) rising electricity prices, which may persuade consumers to look for energy-efficient inverter ACs. Our channel checks indicate that the share of inverter ACs has already increased to >50% of overall sales in the metros/tier 1 cities. Moreover, the new energy ratings (effective from January 2018) would only accelerate this trend, as 4- and 5-star rated ACs would operate only on inverter technology.
- Valuation and risks:** We prefer Blue Star (Neutral, TP: INR880, 35x FY20E UCP segment EPS, which we value at INR720; INR160 for the remaining business) over Voltas (Neutral, TP: INR660, 35x FY20E UCP segment EPS, which we value at INR530; INR130 for the remaining business). While Voltas is the market leader in the room AC segment, its share and margins are under threat from players like Daikin, Blue Star, Lloyd Electric and Panasonic. Moreover, we see increasing risks from: a) industry convergence to inverters, where Voltas has a relatively weak share, b) margin pressure due to rising commodity prices and inability to raise prices in inverters, and c) excise benefits going away from March 2018.



BSE SENSEX  
34,395

S&P CNX  
10,549

**CMP: INR9,016 TP: INR8,870(-2%)**

**Neutral**



### Stock Info

Bloomberg	NEST IN
Equity Shares (m)	96.4
52-Week Range (INR)	9035 / 6262
1, 6, 12 Rel. Per (%)	14/19/26
M.Cap. (INR b)	869.3
M.Cap. (USD b)	13.0
Avg Val ( INRm)/Vol m	373.0
Free float (%)	37.2

### Financials Snapshot (INR b) – CY ending

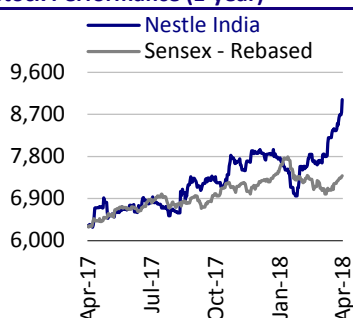
Y/E Dec	2017	2018E	2019E
Net Sales	99.5	112.8	128.6
EBITDA	21.6	24.8	28.6
PAT	13.5	15.8	18.7
EPS (INR)	140.0	163.8	193.5
Gr. (%)	13.2	17.0	18.1
BV/Sh (INR)	354.8	373.6	374.2
RoE (%)	40.3	45.0	51.8
RoCE (%)	41.7	46.1	52.6
P/E (x)	64.4	55.0	46.6
P/BV (x)	25.4	24.1	24.1

### Shareholding pattern (%)

As On	Dec-17	Sep-17	Dec-16
Promoter	62.8	62.8	62.8
DII	8.2	8.0	6.8
FII	11.8	12.0	13.3
Others	17.2	17.3	17.2

FII Includes depository receipts

### Stock Performance (1-year)



## Non-Maggi yet to taste success of new launches

**A few silver linings emerge in 4QCY17; Valuations fair**

We pored over Nestle's (NEST) CY17 annual report to come up with some interesting takeaways:

- Volume growth in the non-Maggi portfolio was lackluster in the year, despite a spate of new launches.
- A&P to sales is on a downtrend and remains well below that of food and other FMCG peers.
- Pace of new launches is coming off from previous high levels.
- Blended realization growth has trended down for two consecutively years (as against NEST's overt focus on margins in the prior years), which, in our view, is good for volume growth.
- We believe the moderate dividend payout trend is limiting RoCE expansion, despite improving balance sheet efficiency.

### Volume grow more than 10%, but off a very low base

Overall volume growth of 10.7% in CY17 appears impressive, but we note that this has come off a very low base – in 1HCY16, the noodles category was in a recovery phase, while Maggi was yet to gain a foothold after a huge market share debacle (the product was re-launched only in November 2015 and distribution expansion happened only gradually over the subsequent 3-4 quarters). In CY17, Maggi volumes grew by 19% YoY, but non-Maggi volumes increased only by 3.2% YoY despite a spate of new launches. Another important point to note here is that the prepared dishes (Maggi) category forms only 27% of sales, but as high as 52% of total tonnage. Thus, high overall volume growth in CY17 can mostly be attributed to the low Maggi base – an advantage that NEST might not enjoy going forward.

### Sales recovery seen, but again off a low base

In CY17, sales growth was 9.7% (would have been 250-300bp higher adjusted for GST accounting changes), EBITDA growth was 10% and PAT growth was 13% – these numbers have come in unimpressive, despite a weak base of the preceding two years. The three-year CAGR (starting from the pre-Maggi-crisis levels of CY14) is even more muted at 0.5% on sales, 1.8% on EBITDA and 2.7% on PAT. Disappointingly, in several categories, volumes and sales were well below levels seen 5-10 years ago.

### Two of the three growth levers may not be relevant

In the last analyst meet in August 2017, management had stated the three levers driving its sales growth (then around 9.3% – almost entirely volume-led): (1) new launches, (2) a low base of Maggi and (3) residual growth coming from the rest of the portfolio. After witnessing good response initially, several new products appear to have lost momentum, and the pace of new launches too has come down.

Advertising support may have been lacking in both CY16 and CY17. A&P spend was up only 1% in CY17 after just 8% increase in CY16 (at a time when the company was reporting an unprecedented increase in the number of new launches). In fact, A&P to sales declined 30bp and 40bp in CY17 and CY16, respectively. The favourable base for Maggi is largely behind now, and the market share, too, appears to have plateaued.

#### **Muted realization growth has to be seen positively, in our view**

One bright spot was that weighted-average realization growth (which had been inordinately high in the preceding years) was at a multi-year low in CY16 and flattish in CY17. Now, this may be a function of low material costs, but that has not dissuaded the company from taking price increases in the past, even at the cost of volumes. This means that the overt emphasis on profitability is a thing of the past.

#### **Balance sheet efficiencies remarkable, but not translating to RoCE growth due to sub-optimal dividend payout**

While adjusted PAT grew at only 2.7% CAGR and EBITDA at only 1.8% CAGR in the three years ending CY17, cash generation was strong due to improvements in net working capital days and fixed asset turns. Net cash & cash equivalents increased sharply over the last four years from INR3.6b to INR34.4b (such increases dilute RoEs and RoCEs). Over CY13-17, RoE declined from 56% to 40%, while RoCE was range-bound at 38-42%. Despite large cash generation via balance sheet efficiency, we note that dividend payout has been low (at 40%-61%) over the past seven years, diluting both RoE and RoCE. Given that underutilized capacity capex is unlikely to be significant over the next few years, the absence of a high payout is puzzling, in our view.

#### **Valuation and view**

There is no material change to our forecasts. Good results in 4QCY17 and expectations of an earnings revival have meant that the stock has rallied by 35% since August 2017 after languishing for three years prior to that. With expected sales CAGR of 14%, EBITDA CAGR of 15% and PAT CAGR of 17%, valuations appear expensive at ~47x CY19E and 40x CY20E EPS. Maintain Neutral with a revised target price of INR 8,870 (targeting 44x March'20 EPS – at a 10% discount to three-year average multiple).



# Gruh Finance

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
34,395	10,549
Bloomberg	GRHF IN
Equity Shares (m)	365.7
M.Cap.(INR b)/(USD b)	236.6/3.5
52-Week Range (INR)	714 / 368
1, 6, 12 Rel. Per (%)	14/21/58
12M Avg Val (INR M)	182.0
Free float (%)	42.1

## Financials & Valuation (INR b)

Y/E March	2018	2019E	2020E
NII	6.5	7.5	8.9
PPP	6.4	7.0	8.3
PAT	3.6	4.2	5.1
EPS (INR)	9.9	11.6	13.9
EPS Gr. (%)	21.9	16.6	20.4
BV/Sh. (INR)	33.8	40.8	49.1
ABV/Sh. (INR)	34.0	40.8	49.2
RoA (%)	2.4	2.4	2.4
RoE (%)	32.6	31.0	31.0
Payout (%)	34.0	34.0	34.0

Valuations			
P/E (x)	65.2	56.0	46.5
P/BV (x)	19.1	15.9	13.2
Div. Yield (%)	0.5	0.6	0.7

**CMP: INR646**

**TP: INR600 (-7%)**

**Neutral**

## Steady quarter; margins and opex surprise positively

- GRUH Finance (GRHF) reported strong 4QFY18 results, with continued high-teens loan growth, an improvement in margins and lower-than-expected operating expenses. However, higher tax expenses drove in-line PAT.
- Disbursements were up 20% YoY to INR15.1b for the quarter and up 28% YoY for the full year. Disbursement growth in the quarter was driven by home loans (+24% YoY) and developer loans (+33% YoY).
- Loan growth came in at 18% YoY/5% QoQ. The loan book stands at INR156b. Growth in the LAP book continues to decline (+13% YoY), while the NRP loan book continues to de-grow (-9% YoY).
- Calculated margins came in at 6.08% (+33bp YoY), led by lower cost of funds (-45bp YoY to 7.41%). We believe cost of funds has bottomed out and should tick up from here. We have factored in 15bp spread compression in FY19.
- The C/I ratio surprised us positively (down 300bp YoY to 10.1%). Opex declined 3.4% YoY and 7.1% QoQ to INR233m. (20% below est. of INR289m).
- Asset quality was stable, with the GNPL ratio at 45bp v/s 31bp in 4QFY17.

**Valuation and view:** GRHF has performed impressively, with 23% loan book CAGR and 20% PAT CAGR over the last decade. At the same time, it has not compromised on underwriting standards, which reflects in the GNPL ratio of 0.5%. However, loan growth has slowed down meaningfully from the run-rate of ~25% two years ago. In addition, the future trajectory of spreads/margins is uncertain, if GSec yields remain elevated. We marginally cut our FY19/20E estimates by 2%/4% to account for some spread compression. Maintain **Neutral** with a target price of INR600 (12x FY20E BVPS).

## Quarterly performance

Y/E MARCH	(INR Million)									
	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Operating Income	3,463	3,674	3,810	4,161	3,981	4,141	4,285	4,843	14,871	16,891
<b>Total income</b>	<b>3,463</b>	<b>3,674</b>	<b>3,810</b>	<b>4,161</b>	<b>3,981</b>	<b>4,141</b>	<b>4,285</b>	<b>4,843</b>	<b>14,874</b>	<b>16,891</b>
Y-o-Y Growth (%)	16.7	17.8	17.8	12.3	15.0	12.7	12.5	16.4	16.6	13.6
Interest expenses	2,241	2,351	2,297	2,307	2,365	2,415	2,512	2,533	9,196	9,825
<b>Net Income</b>	<b>1,222</b>	<b>1,323</b>	<b>1,513</b>	<b>1,854</b>	<b>1,617</b>	<b>1,726</b>	<b>1,773</b>	<b>2,310</b>	<b>5,678</b>	<b>7,066</b>
Operating Expenses	201	273	219	241	254	303	251	233	935	1,041
<b>Operating Profit</b>	<b>1,021</b>	<b>1,050</b>	<b>1,294</b>	<b>1,613</b>	<b>1,362</b>	<b>1,422</b>	<b>1,522</b>	<b>2,077</b>	<b>4,742</b>	<b>6,025</b>
Y-o-Y Growth (%)	17.5	20.1	29.8	23.3	33.4	35.5	17.7	28.7	23.6	27.0
Provisions and Cont.	125	91	327	14	279	228	242	14	322	763
<b>Profit before Tax</b>	<b>896</b>	<b>958</b>	<b>967</b>	<b>1,600</b>	<b>1,083</b>	<b>1,194</b>	<b>1,281</b>	<b>2,063</b>	<b>4,420</b>	<b>5,262</b>
Tax Provisions	294	339	326	495	361	417	459	758	1,454	1,994
<b>Net Profit</b>	<b>601</b>	<b>619</b>	<b>640</b>	<b>1,104</b>	<b>722</b>	<b>777</b>	<b>821</b>	<b>1,305</b>	<b>2,967</b>	<b>3,268</b>
Y-o-Y Growth (%)	19.6	19.9	19.2	25.8	20.0	25.5	28.3	18.2	21.8	10.2
Int Exp/ Int Earned (%)	64.7	64.0	60.3	55.4	59.4	58.3	58.6	52.3	61.8	58.2
Cost to Income Ratio (%)	16.5	20.7	14.5	13.0	15.7	17.6	14.1	10.1	16.5	14.7
Tax Rate (%)	32.8	35.4	33.8	31.0	33.3	34.9	35.9	36.8	32.9	37.9

E: MOSL Estimates



### IMD expects normal rainfall in 2018

#### Forecast needs to be taken with a pinch of salt

- The Indian Meteorological Department (IMD) released its first forecast for the 2018 southwest monsoon (June-September) rainfall. It expects monsoon rainfall at 97% of the long period average (LPA). The agency has assigned 54% probability of a normal to above normal southwest monsoon rainfall.
- IMD's April forecasts for southwest monsoon rainfall are not very reliable. They have deviated from the actual rainfall significantly in four out of the last five years.
- With rising tensions about farmers' distress, general elections in 2019 and the fact that winter monsoon (January-February) rainfall in 2018 was the worst (only ~38% of normal rainfall) in at least 26 years, 2018 southwest monsoon holds special significance.

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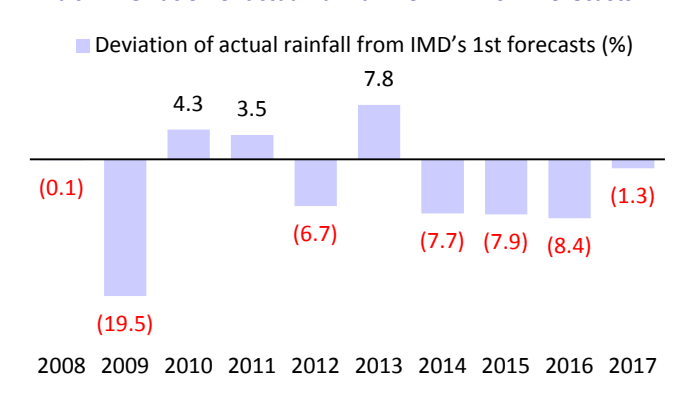
- **IMD expects normal monsoon in 2018...:** The Indian Meteorological Department (IMD) released its first forecast for the 2018 southwest monsoon (June-September) rainfall. It expects monsoon rainfall at 97% of the long period average (LPA) with a model error of +/-5%. Earlier this month, Skymet, a private weather forecasting agency, had predicted southwest monsoon rainfall at 100% (with an error margin of +/-5%).
- **...with low probability of a deficient rainfall:** IMD has assigned 54% probability to a normal to above normal rainfall (*Exhibit 1*). It believes that there is only 14% probability of a deficient rainfall. As per IMD, the moderate La Nina conditions (associated with good rainfall) developed in the equatorial Pacific during 2017 started moderating in early 2018 and have weakened further.
- **IMD's April forecasts not reliable:** Importantly though, the IMD's April forecasts for rainfall are not very reliable. The actual rainfall has deviated significantly from the forecasts in four out of the last five years (*Exhibit 2*) and the deviation has been a downward revision during the three years, 2014 to 2016. Further, spatial distribution of rainfall is also as important, which will be released in early-June by IMD. With rising tensions about farmers' distress, general elections in 2019 and the fact that winter monsoon (January-February) rainfall in 2018 was the worst (only ~38% of normal rainfall) in at least 26 years, 2018 southwest monsoon holds special significance.

**Exhibit 1: IMD's forecast normal SW monsoon in 2018**

Category	Rainfall Range (% of LPA)	Forecast Probability (%)
Deficient	< 90	14
Below Normal	90 - 96	30
Normal	96 -104	42
Above Normal	104 -110	12
Excess	> 110	2

Source: IMD, MOSL

**Exhibit 2: Deviation of actual rainfall from IMD's 1<sup>st</sup> forecasts**



Source: IMD, MOSL

**ACC**

Bloomberg	ACC IN
Equity Shares (m)	188.0
M. Cap. (INR b)/(USD b)	291 / 4
52-Week Range (INR)	1869 / 1450
1,6,12 Rel Perf. (%)	-3 / -12 / -5

**Financial Snapshot (INR Billion)**

Y/E Dec	2016	2017	2018E	2019E
Sales	108	129	144	162
EBITDA	13	15	18	21
NP	7	9	12	14
Adj. EPS (INR)	36	47	64	74
EPS Gr. (%)	-4	31	35	16
BV/Sh (INR)	461	479	507	497
RoE (%)	8	10	13	15
RoCE (%)	8	10	13	14
Payout (%)	88	62	57	114

**Valuations**

P/E (x)	43	33	24	21
P/BV (x)	3	3	3	3
EV/EBITDA (x)	21	17	14	11
EV/Ton (x)	121	117	110	107

**CMP: INR1,551 TP: INR1,710 (10%) Neutral**

- We expect dispatches to grow 7% YoY to 7.06mt in 1QCY18, led by capacity ramp-up of eastern units. Average realizations are expected to decline by ~1% QoQ to INR4,452/ton due to pricing drop in underlying markets.
- Revenues are expected to increase ~12% YoY to INR34.6b. EBITDA margin is expected to be 9.7%, flat QoQ (-1.3pp YoY).
- EBITDA/ton is estimated at INR476 (-INR42 YoY, flat QoQ) due to 6% YoY increase in cost partially offset by 4% YoY increase in realization. PAT is likely to increase marginally by 1.5% YoY to INR2.1b.
- The stock trades at a P/E of 24x (CY18E) and 21x (CY19E), EV/EBITDA of 14x (CY18E) and 11x (CY19E), and EV/ton of USD110 (CY18E) and USD107 (CY19E). Maintain Neutral.

**Key issues to watch out for**

- Cement pricing recovery.
- Volume growth and demand revival.
- Ramp-up of new plant in the East.

**Quarterly Performance (Standalone)**

(INR Million)

Y/E December	CY17				CY18				CY17	CY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Cement Sales (m ton)	6.60	6.74	5.96	6.92	7.06	7.08	6.32	7.34	26.22	27.79
YoY Change (%)	3.8	10.1	17.6	27.0	7.0	5.0	6.0	6.0	14.0	6.0
Cement Realization	4,265	4,509	4,645	4,477	4,452	4,652	4,802	4,852	4,488	4,688
YoY Change (%)	3.8	7.2	6.3	2.8	4.4	3.2	3.4	8.4	6.4	4.5
QoQ Change (%)	-2.0	5.7	3.0	-3.6	-0.6	4.5	3.2	1.0		
<b>Net Sales</b>	<b>30,997</b>	<b>33,125</b>	<b>30,545</b>	<b>34,171</b>	<b>34,575</b>	<b>35,927</b>	<b>33,483</b>	<b>39,907</b>	<b>129,310</b>	<b>143,892</b>
YoY Change (%)	7.9	16.9	23.6	29.7	11.5	8.5	9.6	16.8	20.1	11.3
Total Expenditure	27,579	28,175	27,015	30,857	31,216	31,640	28,481	34,873	114,097	126,211
<b>EBITDA</b>	<b>3,418</b>	<b>4,951</b>	<b>3,530</b>	<b>3,314</b>	<b>3,359</b>	<b>4,287</b>	<b>5,001</b>	<b>5,033</b>	<b>15,213</b>	<b>17,681</b>
Margins (%)	11.0	14.9	11.6	9.7	9.7	11.9	14.9	12.6	11.8	12.3
Depreciation	1,650	1,621	1,551	1,579	1,550	1,637	1,637	1,722	6,401	6,546
Interest	252	225	213	334	250	250	250	250	1,023	1,000
Other Income	1,101	1,663	858	1,231	1,300	1,574	1,574	1,847	4,853	6,295
<b>PBT before EO Item</b>	<b>2,617</b>	<b>4,768</b>	<b>2,624</b>	<b>2,633</b>	<b>2,859</b>	<b>3,974</b>	<b>4,688</b>	<b>4,907</b>	<b>12,642</b>	<b>16,429</b>
EO Income/(Expense)	0	0	0	342	0	0	0	0	342	0
<b>PBT after EO Item</b>	<b>2,617</b>	<b>4,768</b>	<b>2,624</b>	<b>2,975</b>	<b>2,859</b>	<b>3,974</b>	<b>4,688</b>	<b>4,907</b>	<b>12,984</b>	<b>16,429</b>
Tax	502	1,550	847	930	715	1,196	1,266	1,259	3,829	4,436
Rate (%)	19.2	32.5	32.3	31.3	25.0	30.1	27.0	25.7	29.5	27.0
<b>Reported PAT</b>	<b>2,115</b>	<b>3,218</b>	<b>1,777</b>	<b>2,045</b>	<b>2,144</b>	<b>2,778</b>	<b>3,423</b>	<b>3,648</b>	<b>9,155</b>	<b>11,993</b>
<b>Adjusted PAT</b>	<b>2,115</b>	<b>3,218</b>	<b>1,777</b>	<b>1,810</b>	<b>2,144</b>	<b>2,778</b>	<b>3,423</b>	<b>3,648</b>	<b>8,913</b>	<b>11,993</b>
Margins (%)	6.8	9.7	5.8	5.3	6.2	7.7	10.2	9.1	6.9	8.3
YoY Change (%)	-9.9	32.7	111.3	46.8	1.4	-13.7	92.6	101.6	29.2	34.5

E: MOSL Estimates



# MindTree

Bloomberg	MTCL IN
Equity Shares (m)	167.7
M. Cap. (INR b)/(USD b)	134 / 2
52-Week Range (INR)	873 / 433
1,6,12 Rel Perf. (%)	1 / 62 / 65

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	52.4	54.4	62.6	70.0
EBITDA	7.2	7.3	9.4	11.0
PAT	4.2	5.3	6.9	8.0
EPS (INR)	24.9	33.4	41.7	48.8
EPS Gr. (%)	-30.6	34.2	24.8	17.0
BV/Sh. (INR)	153.0	159.2	182.8	209.9
RoE (%)	16.8	20.3	24.4	24.9
RoCE (%)	20.1	20.7	26.3	27.7
Payout (%)	40.2	38.9	36.0	36.9

### Valuation

P/E (x)	32.2	24.0	19.2	16.4
P/BV (x)	5.2	5.0	4.4	3.8
EV/EBITDA (x)	17.3	16.6	12.7	10.6
Div Yld (%)	1.2	1.6	1.9	2.2

**CMP: INR801 TP: INR725 (-10%) Buy**

- MTCL has been seeing a recovery in its organic growth trajectory.
- With this trend continuing, we expect revenue growth of 4% QoQ in 4QFY18 on a constant currency basis. Because of cross-currency tailwinds of 30bp, we expect USD revenue growth of 4.3%.
- With organic momentum returning, and margin levers of utilization, offshoring and pricing improvement remaining intact, we expect EBITDA margin expansion of 80bp QoQ to 15.9%.
- Our PAT estimate for the quarter is INR1.7b, which implies 17.7% QoQ growth. The increase is led by improved operating performance and higher other income.
- The stock trades at 19.2x FY19E and 16.4x FY20E earnings. Buy.

### Key issues to watch for

- Update on the health of top clients, and outlook for next year.
- Margin trajectory, going forward, given improvement in organic growth and in acquired entities.
- Deal wins during the quarter and growth in Digital.

### Quarterly Performance

Y/E March	FY17				FY18E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY17	FY18E
Revenue (USD m)	199	193	192	196	200	206	214	223	780	844
QoQ (%)	2.1	-3.0	-0.4	1.8	2.3	3.0	3.9	4.3	9.0	8.2
Revenue (INR m)	13,276	12,954	12,953	13,181	12,895	13,316	13,777	14,385	52,364	54,373
YoY (%)	35.8	10.8	6.7	-0.2	-2.9	2.8	6.4	9.1	11.7	3.8
GPM (%)	37.0	34.2	34.1	34.0	34.9	32.4	35.1	36.0	34.8	34.6
SGA (%)	22.3	21.7	20.7	19.8	23.8	20.8	20.0	20.1	21.1	21.1
EBITDA	1,951	1,621	1,740	1,869	1,435	1,541	2,074	2,293	7,181	7,343
EBITDA Margin (%)	14.7	12.5	13.4	14.2	11.1	11.6	15.1	15.9	13.7	13.5
EBIT Margin (%)	10.8	8.6	9.5	10.3	7.3	8.0	11.7	12.7	9.8	10.0
Other income	198	170	144	-95	368	598	59	368	417	1,393
ETR (%)	24.2	26.0	25.2	22.8	28.6	24.9	15.2	24.0	24.6	22.9
PAT	1,235	948	1,031	972	931	1,247	1,415	1,665	4,186	5,258
QoQ (%)	-7.1	-23.2	8.8	-5.7	-4.2	34.0	13.5	17.7		
YoY (%)	-3.7	-40.1	-31.7	-26.9	-24.6	31.5	37.2	71.3	-30.6	25.6
EPS (INR)	7.4	5.6	6.1	5.8	7.2	7.4	8.6	10.1	24.9	33.4
Headcount	16,110	16,219	16,099	16,470	16,561	16,910	17,200	17,795	16,470	17,795
Util incl. trainees (%)	71.4	71.4	71.3	70.9	73.2	73.2	72.8	74.0	71.3	73.3
Attrition (%)	16.5	16.4	16.1	15.1	14.0	13.0	12.6			
Offshore rev. (%)	40.5	40.8	39.8	39.5	42.0	42.4	42.1	42.3	40.2	42.2
Fixed Price (%)	48.7	50.6	52.5	52.8	52.9	55.5	56.4			

E: MOSL Estimates

**1. SBI : Sufficient cash in the system; Rajnish Kumar, Chairman**

- Currency in circulation after demonetisation is Rs 18.2 lakh crore in March 2018. Pre-demonetisation level was Rs 17.9-17.8 lakh crore. So it means that the currency in circulation in the country is absolutely sufficient.
- But certain states like Madhya Pradesh (MP), Telangana, Andhra, even Punjab where because of the procurement season, the demand of the cash, there is a crunch. However there is a balancing act and bank adjusting to the same. RBI is also on constant touch.
- No answer as to why cash withdrawals have seen a sudden spike. Appeal to the public is that there should not be any panic situation.
- Bank's availability of ATMs from different geographies varies from 84-88 percent. About 55 percent ATMs have been calibrated for 200 rupee note.

[→ Read More](#)**2. MUTHOOT CAPITAL : Confident of maintaining disbursement trend in the future; Vinod Panicker, CFO**

- March quarter was fantastic with the total disbursement at Rs 594 crore versus Rs 423 crore last year. Gross spreads at 18%.
- Have been reducing non-performing asset (NPA) on quarter-on-quarter basis and last quarter is normally the best quarter.
- Slippage in the quarter was about 7000 accounts but recoveries similarly at 7000 live accounts.
- Out of total loan book of INR 2238 crores, around INR 2000 crores is two-wheeler financing. On disbursement front, confident of maintaining the trend as company goes along. In the near future, do not need any additional capital.

[→ Read More](#)**3. DISH TV : cuts in content cost will be a key synergy from Videocon D2H merger; Jawahar Goel, CMD**

- Reduction in content cost will be a key synergy from merger with Videocon d2h.
- Videocon promoters were to get around 28 percent of the combined entity. Company had an arrangement to buy 10 percent. Have already done 5 percent and have announced an open offer. Waiting for the approval from the Sebi.
- Funding will be done by holding companies.
- Stick to the guidance of synergy benefits of INR 760 crores in FY20.
- Company debt is around Rs 1,200-1,300 crore and Videocon is also coming with a debt of around Rs 1,800 crore.

[→ Read More](#)**4. SHARDA CROPCHEM : Will take 2-3 quarters to see change of raw material prices on balance sheet; RV Bubna, Chairman & MD**

- Will take 2-3 quarters to see change of raw material prices on balance sheet.
- Prices of raw material have started coming down and the sentiment has also changed considerably.
- Raw material supply situation has improved and availability is becoming easier now. Regarding environmental rules in China market, productions have started getting to normalcy. They have made some corrections to take care of environmental issues and the authorities have loosened little bit of tightness or control. Raw material prices for the active ingredients have come down.
- Goods are available within a time frame of 2-3 weeks versus 4-6 weeks earlier.

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### 1. Why Indian industry needs science-based social innovation and entrepreneurship

- India is the world's third largest start-up ecosystem. The good news is that it is not limited to large metros. About 20% of existing start-ups have been born in Tier II and III cities. Most start-up founders are technologically aware, socially conscious, and entrepreneurially confident. Even more inspiring is that they are not just about getting rich quickly. A number of start-up teams are driven by a mission to create impact in complex areas like health, agriculture, water, education, energy or even rural livelihoods. Behind this growing surge are aspiring individuals. Not surprisingly, 18 states today have start-up policies. This is a transformation bred over the last 150 years, in which both government and private philanthropy have played critical roles. In the late nineteenth century, Jamsetji Tata defied the government of the day to conceptualize and persevere with the idea of an institute of advanced scientific education and research.

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### 2. India's grand illusion of a 'Reset' with China

- The power corridors in New Delhi are abuzz with the prospects of a "reset" of India-China ties. It started with a missive from foreign secretary Vijay Gokhale on 22 February discouraging government functionaries from attending events organized by the Tibetan government in exile. A number of high-level visits have since taken place. Chinese foreign minister Wang Yi came to India in early March and Indian national security adviser Ajit Doval visited China last week. And there have been reports suggesting that India did not intervene in the Maldives despite grave provocation from the Abdulla Yameen government in deference to Chinese sensitivities. The idea is to get a leadership-level bilateral summit ahead of the Shanghai Cooperation Organisation (SCO) meet in June. There is now a possibility that Prime Minister Narendra Modi will visit China later this month.

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### 3. How to avoid relapsing into a new dose of protectionism

- US President Donald Trump's import duty increases, with threats of further increases to come, have sparked fears of a global trade war. Trade experts in the US have stated that the administration's action is bad for the US, and could be damaging for the world. Those looking for a silver lining say that if the threats get China to lower its barriers in some areas, and the US responds by reversing its own protectionist actions, we could end up with a net liberalization of world trade, albeit through bilateral threats rather than multilateral negotiations. However, this depends on China being willing to concede and that is far from certain. We will have to wait and see how it plays out.
- Meanwhile, there is a more immediate danger. Trump's respectabilization of protection will tempt many to argue that if the US can protect its manufacturing industry and create jobs by raising duties, should we not follow suit, since we want the same thing for our country? Some influential industry leaders have already advanced this argument and there have been reports in the press about a Bombay Club 2.0.

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#### 4. Improving India's mobile phone service

- India has notoriously bad cellular connectivity, especially in terms of quality—call drops, for instance. Sure, prices are about the lowest in the world, and the overall footprint is reasonable, but even urban areas, especially Delhi, have worse than average quality. A simple “solution” would be to build more cell towers. This is technologically easy, but (1) it's expensive; and (2) zoning would remain a challenge—getting permissions to put up cell towers. Instead, why not offload much of the traffic to “femtocells”—tiny, licence-free (and sometimes individual-user) “cell towers” installed by end consumers? Contrary to popular belief, we suffer poor connectivity not because existing towers are too far away (their reach is many kilometres)—but usually because they are overloaded. In a (say) kilometre radius, one may have hundreds of people whose signal is strong enough to connect, but the spectrum cannot handle that many simultaneous users owing to congestion.

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### International

#### 5. Donald Trump's a lonely trade warrior but he's not alone

- Threatening tariffs on imports from China, President Donald Trump has provoked swift vows of retaliation from Beijing, shaken financial markets, and generated great uncertainty and confusion. Long before China started to run huge trade surpluses against the US, he ranted against American trade partners. Other countries, he claimed in 1999, “can't believe how easy it is to deal with the US. We are known as a bunch of saps.” Elevated to the White House, Trump has turned into a reckless trade warrior. His recent tweets on Syria and Russia confirm that he thinks too lightly of even real wars. But it is too easy to blame the present outbreak of beggar-thy-partner protectionism on a volatile American president. For one, sentiment against free trade has been strong in the US since the 1990s—the heyday of globalization. All major candidates in the presidential election of 2016 railed against the Trans-Pacific Partnership trade pact. Trump may seem wholly unreasonable today in threatening to tear up the North American Free Trade Agreement. But it's worth remembering that both Barack Obama and Hillary Clinton denounced NAFTA in 2008 and threatened to withdraw the US if Mexico and Canada refused to renegotiate the treaty.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
<b>Automobiles</b>																
Amara Raja	Buy	820	1000	22	28.3	34.0	40.0	0.9	20.3	17.6	29.0	24.1	4.7	4.0	17.3	18.0
Ashok Ley.	Buy	149	179	20	5.4	7.2	9.2	28.8	33.1	27.1	27.4	20.6	6.2	5.2	24.3	27.6
Bajaj Auto	Buy	2863	3550	24	147.9	167.8	197.2	4.8	13.5	17.5	19.4	17.1	4.4	4.0	23.9	24.6
Bharat Forge	Buy	737	869	18	20.0	26.4	34.8	52.8	32.1	31.7	36.9	27.9	7.1	6.0	20.9	23.3
Bosch	Neutral	19415	19096	-2	459.1	582.9	694.4	-3.0	27.0	19.1	42.3	33.3	6.2	5.5	15.2	17.5
CEAT	Buy	1623	1787	10	61.1	84.7	111.7	-34.6	38.6	31.9	26.6	19.2	2.5	2.2	9.8	12.4
Eicher Mot.	Buy	31040	34529	11	814.4	1,045.3	1,337.1	32.1	28.4	27.9	38.1	29.7	12.3	9.2	36.3	35.5
Endurance Tech.	Buy	1332	1531	15	27.9	38.2	51.0	18.8	37.0	33.5	47.8	34.9	9.1	7.6	20.8	23.8
Escorts	Sell	978	826	-16	39.1	49.5	59.0	103.5	26.5	19.3	25.0	19.8	4.0	3.4	18.3	18.7
Exide Ind	Buy	242	286	18	8.0	9.9	12.1	-1.3	23.3	22.6	30.2	24.5	3.8	3.4	12.6	14.0
Hero Moto	Neutral	3770	3922	4	186.1	202.0	221.3	10.0	8.5	9.6	20.3	18.7	6.5	5.6	34.1	32.2
M&M	Buy	810	889	10	39.7	46.9	51.2	45.1	18.0	9.3	20.4	17.3	3.3	3.0	14.6	14.8
Mahindra CIE	Buy	216	272	26	9.6	12.1	15.1	107.8	26.3	24.8	22.5	17.8	2.2	2.0	10.4	11.6
Maruti Suzuki	Buy	9158	10685	17	275.1	349.0	457.0	10.6	26.9	30.9	33.3	26.2	6.7	5.8	19.7	21.8
Motherson Sumi	Buy	343	437	27	8.1	12.5	17.5	5.0	54.7	39.6	42.5	27.5	7.7	6.4	19.2	25.4
Tata Motors	Buy	337	528	57	25.5	56.6	58.7	28.8	121.8	3.7	13.2	5.9	1.6	1.3	13.5	24.0
TVS Motor	Neutral	674	710	5	14.1	22.4	32.4	20.4	58.8	44.1	47.7	30.0	11.0	8.5	25.3	32.0
<b>Aggregate</b>								<b>18.7</b>	<b>45.1</b>	<b>17.1</b>	<b>26.0</b>	<b>17.9</b>	<b>4.6</b>	<b>3.9</b>	<b>17.7</b>	<b>21.6</b>
<b>Banks - Private</b>																
Axis Bank	Buy	533	650	22	12.8	24.7	44.0	-17.0	93.7	78.2	41.8	21.6	2.0	1.9	5.1	9.0
DCB Bank	Neutral	203	175	-14	8.0	9.7	11.5	13.8	22.4	17.9	25.4	20.8	2.4	2.2	10.9	11.1
Equitas Hold.	Buy	152	185	22	1.1	7.0	10.7	-79.9	526.1	51.2	134.9	21.5	2.3	2.1	1.7	10.0
Federal Bank	Buy	99	124	25	5.6	6.8	8.5	15.3	22.0	25.9	17.9	14.6	1.6	1.4	9.6	10.2
HDFC Bank	Buy	1947	2400	23	66.8	81.8	102.3	17.7	22.5	25.0	29.2	23.8	4.1	3.6	16.2	16.2
ICICI Bank	Buy	292	370	27	11.1	18.1	25.5	-27.2	63.0	40.8	26.2	16.1	1.9	1.7	7.2	11.1
IDFC Bank	Neutral	49	65	32	3.0	3.2	3.8	0.3	7.2	19.2	16.3	15.2	1.1	1.0	6.8	6.9
IndusInd	Buy	1868	2250	20	60.4	78.0	100.2	25.7	29.0	28.4	30.9	23.9	4.7	4.0	16.6	18.4
J&K Bank	Buy	60	100	66	8.8	10.0	14.4	LP	13.5	43.6	6.8	6.0	0.6	0.6	9.1	9.9
Kotak Mah. Bk	Buy	1165	1302	12	32.7	41.5	54.1	21.9	26.8	30.5	35.6	28.1	4.7	4.0	11.3	13.5
RBL Bank	Buy	513	628	23	15.4	21.8	29.3	29.3	41.5	34.7	33.3	23.6	3.3	3.0	11.9	13.2
South Indian	Buy	27	38	42	1.9	4.1	5.3	-22.9	115.7	28.9	13.9	6.4	1.0	0.9	6.9	13.7
Yes Bank	Buy	308	382	24	18.2	23.4	30.2	25.0	28.4	28.9	16.9	13.2	2.7	2.3	17.4	19.1
<b>Aggregate</b>								<b>12.4</b>	<b>38.3</b>	<b>35.1</b>	<b>29.1</b>	<b>21.0</b>	<b>3.0</b>	<b>2.7</b>	<b>10.5</b>	<b>13.0</b>
<b>Banks - PSU</b>																
BOB	Buy	148	185	25	3.4	8.9	15.7	-43.1	161.5	75.6	43.4	16.6	0.9	0.9	2.0	5.0
BOI	Neutral	110	112	2	-18.8	6.3	12.1	Loss	LP	91.8	NM	17.4	0.6	0.6	-7.7	3.0
Canara	Neutral	275	280	2	-2.4	21.9	61.3	PL	LP	179.6	NM	12.5	0.6	0.6	-0.4	4.1
Indian Bk	Buy	319	371	16	30.3	41.6	47.7	3.7	37.2	14.5	10.5	7.7	1.0	0.9	9.7	12.3
PNB	Buy	98	160	63	-5.7	0.0	14.3	PL	LP	42,272	NM	2,897	0.6	0.6	-3.0	0.0
SBI	Buy	248	362	46	2.9	18.7	34.0	861.1	553.8	81.6	86.8	13.3	1.0	0.9	-0.3	5.7
Union Bk	Neutral	98	104	7	-38.8	7.6	17.1	PL	LP	125.6	NM	12.9	0.5	0.4	-16.0	3.4
<b>Aggregate</b>								<b>PL</b>	<b>LP</b>	<b>101.3</b>	<b>0.0</b>	<b>14.4</b>	<b>0.8</b>	<b>0.8</b>	<b>-0.8</b>	<b>5.5</b>
<b>NBFCs</b>																
Aditya Birla Cap	Buy	158	225	42	3.7	5.3	7.6	NA	45.2	42.4	43.0	29.6	4.2	3.2	12.6	12.4
Bajaj Fin.	Buy	1934	2330	20	44.8	61.7	82.8	39.8	37.8	34.2	43.2	31.4	6.8	5.7	19.8	19.9
Capital First	Buy	652	960	47	34.2	44.6	56.8	38.9	30.2	27.5	19.1	14.6	2.5	2.1	13.7	15.6
Cholaman.Inv.&F n	Buy	1584	1750	10	61.3	71.7	86.2	33.3	17.0	20.2	25.8	22.1	4.8	4.0	20.2	19.8
Dewan Hsg.	Buy	590	720	22	37.3	48.0	60.5	25.9	28.7	26.0	15.8	12.3	2.1	1.8	14.0	15.9
GRUH Fin.	Neutral	646	550	-15	9.9	11.6	14.4	21.3	17.7	23.8	65.5	55.6	19.5	16.1	32.7	31.7
HDFC	Buy	1890	2225	18	42.7	49.0	57.3	7.3	14.7	16.9	44.2	38.5	5.1	4.4	18.3	17.5
HDFC Stand. Life	Buy	491	485	-1	4.6	5.2	6.6	2.2	14.2	25.8	107.6	94.2	3.3	2.7	21.7	21.1
Indiabulls Hsg	Buy	1358	1630	20	90.9	104.6	127.4	32.6	15.0	21.8	14.9	13.0	4.2	3.7	29.8	30.3
L&T Fin Holdings	Buy	174	240	38	6.6	9.2	11.8	26.0	39.1	29.0	26.4	19.0	2.8	2.5	13.1	14.0



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
LIC Hsg Fin	Neutral	561	608	8	38.9	44.3	52.6	1.8	13.8	18.7	14.4	12.7	2.2	2.0	16.6	16.5
MAS Financial	Buy	602	750	25	18.6	24.2	30.0	24.0	29.6	24.1	32.3	24.9	4.5	4.0	20.2	17.0
M&M Fin.	Buy	507	575	13	13.9	19.2	23.0	95.8	38.7	19.4	36.5	26.3	3.4	3.2	10.9	12.5
Muthoot Fin	Neutral	440	475	8	44.0	44.7	49.8	48.9	1.6	11.4	10.0	9.8	2.2	1.9	24.5	20.9
PNB Housing	Buy	1342	1750	30	50.9	67.5	88.1	61.0	32.7	30.4	26.4	19.9	3.6	3.2	14.6	17.0
Repco Home	Buy	618	740	20	32.9	39.0	46.0	13.0	18.5	18.1	18.8	15.9	2.9	2.5	16.7	16.9
Shriram City Union	Buy	2197	2550	16	115.2	138.7	167.3	36.6	20.4	20.6	19.1	15.8	2.6	2.2	14.2	15.1
Shriram Trans.	Buy	1565	1925	23	77.5	110.6	134.5	39.8	42.7	21.7	20.2	14.2	2.8	2.4	14.7	18.3
<b>Aggregate</b>								<b>27.7</b>	<b>23.0</b>	<b>23.0</b>	<b>31.7</b>	<b>25.8</b>	<b>4.6</b>	<b>4.0</b>	<b>14.6</b>	<b>15.4</b>
<b>Capital Goods</b>																
ABB	Sell	1263	1240	-2	19.8	30.1	35.0	12.1	52.0	16.2	63.7	41.9	7.4	6.5	11.6	15.4
Bharat Elec.	Buy	139	196	41	6.5	7.3	7.8	3.7	11.4	7.6	21.3	19.1	3.5	3.2	16.6	16.7
BHEL	Sell	88	80	-9	3.2	3.6	4.3	135.9	14.2	19.4	27.8	24.4	1.0	1.0	3.6	4.0
Blue Star	Neutral	781	880	13	16.6	24.6	31.2	36.0	48.2	26.9	47.1	31.8	9.3	8.7	20.4	28.3
CG Cons. Elec.	Buy	224	305	36	5.1	6.5	7.7	8.9	27.1	18.4	44.0	34.6	19.2	15.7	50.2	49.9
CG Power & Indu.	Neutral	83	90	9	1.1	1.9	3.0	-72.2	63.3	58.8	72.5	44.4	1.2	1.2	1.7	2.7
Cummins	Buy	725	1040	43	23.0	31.0	36.8	-13.2	34.7	18.6	31.5	23.4	5.0	4.7	16.5	20.7
Engineers India	Buy	157	200	27	6.3	6.9	8.2	48.1	9.2	19.8	24.9	22.8	3.6	3.3	13.9	14.1
GE T&D	Neutral	374	430	15	10.3	11.3	12.9	79.8	9.7	14.2	36.3	33.1	7.9	6.9	23.5	22.3
Havells	Buy	550	630	14	11.1	13.7	17.0	16.5	22.8	24.1	49.4	40.2	9.4	8.3	18.9	20.5
K E C Intl	Neutral	428	385	-10	16.2	18.9	24.3	36.6	16.7	28.3	26.4	22.6	5.7	4.8	21.7	21.1
L&T	Buy	1360	1670	23	48.8	57.2	68.6	15.5	17.2	19.8	27.9	23.8	3.5	3.2	13.0	13.9
Siemens	Neutral	1078	1285	19	19.8	30.4	34.6	10.9	53.8	13.8	54.6	35.5	5.0	4.6	9.1	12.9
Solar Ind	Neutral	1061	1100	4	24.4	29.6	36.7	18.4	21.5	23.7	43.5	35.8	8.0	6.8	20.0	20.6
Thermax	Buy	1143	1350	18	28.0	35.1	43.5	3.1	25.3	23.9	40.7	32.5	4.7	4.2	11.9	13.6
Va Tech Wab.	Buy	510	700	37	33.3	35.2	38.6	76.4	5.7	9.8	15.3	14.5	2.5	2.2	17.1	16.0
Voltas	Neutral	639	660	3	18.0	21.3	24.3	16.4	18.4	13.9	35.5	30.0	5.6	5.0	16.9	17.6
<b>Aggregate</b>								<b>17.1</b>	<b>20.6</b>	<b>18.5</b>	<b>32.1</b>	<b>26.6</b>	<b>3.5</b>	<b>3.3</b>	<b>11.0</b>	<b>12.2</b>
<b>Cement</b>																
Ambuja Cem.	Neutral	244	264	8	6.0	8.1	12.7	29.5	34.2	56.8	40.5	30.2	2.4	2.3	6.1	7.8
ACC	Neutral	1585	1710	8	47.4	63.8	72.9	31.3	34.5	14.2	33.4	24.8	3.3	3.1	10.1	12.9
Birla Corp.	Buy	757	1004	33	7.4	42.3	50.5	-74.0	470.3	19.2	102.0	17.9	1.8	1.7	1.7	9.6
Dalmia Bharat	Buy	2840	3350	18	52.0	72.3	102.1	34.0	39.1	41.3	54.7	39.3	4.7	4.2	8.9	11.3
Grasim Inds.	Neutral	1095	1187	8	47.6	97.9	111.8	-29.8	105.6	14.2	23.0	11.2	1.5	1.4	6.9	12.9
India Cem	Neutral	152	148	-3	2.9	6.6	9.4	-48.5	129.3	41.8	52.5	22.9	0.9	0.9	1.7	3.9
JK Lakshmi Ce	Buy	421	470	12	5.7	15.1	21.2	-17.7	163.8	40.5	73.4	27.8	3.4	3.1	4.8	11.7
Ramco Cem	Buy	830	967	17	24.0	29.7	37.8	-11.9	23.4	27.6	34.6	28.0	4.7	4.1	14.3	15.6
Orient Cem	Buy	141	179	27	1.3	3.6	8.3	LP	163.6	133.3	104.5	39.7	2.9	2.7	2.8	7.1
Prism Cem	Buy	119	159	34	2.4	4.9	6.5	769.4	105.1	32.7	50.0	24.4	5.7	4.7	11.9	21.2
Sagar Cements	Not Rated	925	-		25.2	50.6	70.6	LP	101.0	39.7	36.8	18.3	2.3	2.1	6.5	12.0
Sanghi Inds.	Buy	116	157	36	4.6	8.5	11.3	59.3	86.0	32.5	25.3	13.6	2.0	1.7	9.7	15.6
Shree Cem	Buy	16945	19116	13	365.7	473.5	679.2	-4.9	29.5	43.5	46.3	35.8	6.7	5.7	15.4	17.3
Ultratech	Buy	3919	4799	22	77.5	123.7	165.0	-19.3	59.5	33.4	50.5	31.7	4.2	3.8	8.5	12.5
<b>Aggregate</b>								<b>-9.6</b>	<b>63.0</b>	<b>30.1</b>	<b>42.2</b>	<b>25.9</b>	<b>3.3</b>	<b>3.0</b>	<b>7.8</b>	<b>11.5</b>
<b>Consumer</b>																
Asian Paints	Neutral	1175	1250	6	21.5	25.4	30.5	2.1	18.2	20.2	54.7	46.3	14.5	12.9	26.8	29.4
Britannia	Buy	5349	6180	16	84.2	105.1	131.5	14.3	24.8	25.1	63.5	50.9	19.7	16.9	33.9	35.8
Colgate	Buy	1100	1420	29	24.0	28.3	33.8	12.9	17.9	19.7	45.9	38.9	22.3	20.9	49.9	55.5
Dabur	Buy	343	430	25	7.6	9.0	10.5	4.5	19.2	16.2	45.3	38.0	10.7	9.6	25.4	26.7
Emami	Buy	1134	1475	30	25.0	31.0	36.9	-5.7	23.8	19.1	45.3	36.6	12.7	11.2	30.1	32.6
Future Consumer	Buy	60	76	28	-0.1	0.3	1.1	Loss	LP	276.5	NM	197.9	10.0	9.5	-1.8	4.9
Godrej Cons.	Neutral	1076	1140	6	21.3	24.4	27.8	12.7	14.4	14.1	50.5	44.2	10.8	9.4	24.0	22.8
GSK Cons.	Neutral	5895	6230	6	161.0	183.8	215.7	3.1	14.1	17.4	36.6	32.1	7.3	6.6	20.7	21.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
HUL	Buy	1446	1530	6	24.0	28.3	33.3	22.1	17.9	17.8	60.3	51.2	46.2	45.4	78.2	89.6
ITC	Neutral	268	275	3	9.0	10.2	11.4	6.6	13.7	12.4	29.9	26.3	6.5	6.0	22.8	23.8
Jyothy Lab	Neutral	368	405	10	8.5	10.9	13.6	-24.8	29.3	24.0	43.6	33.7	6.3	6.2	14.3	18.5
Marico	Neutral	320	350	9	6.4	7.5	9.0	1.7	18.0	18.8	50.1	42.4	15.6	14.8	33.1	35.8
Nestle	Neutral	9016	8275	-8	140.0	159.1	192.3	13.2	13.6	20.8	64.4	56.7	27.1	25.3	43.4	46.2
Page Inds	Buy	24798	27490	11	297.1	415.7	549.8	24.5	39.9	32.2	83.5	59.6	33.3	26.6	39.9	44.6
Pidilite Ind.	Buy	1038	1115	7	17.6	20.6	23.7	5.4	17.0	14.9	58.9	50.4	13.3	11.5	24.2	24.5
P&G Hygiene	Neutral	9799	9672	-1	142.1	171.3	200.8	6.9	20.5	17.3	69.0	57.2	38.7	32.4	61.2	61.8
Prabhat Dairy	Not Rated	177	-		3.5	6.4	9.7	-2.0	83.8	52.1	51.0	27.7	2.4	2.3	4.9	8.5
United Brew	Buy	1076	1450	35	14.1	17.4	22.9	62.0	23.9	31.2	76.4	61.7	10.7	9.3	14.9	16.2
United Spirits	Neutral	3487	3510	1	32.6	56.9	78.5	22.1	74.3	38.1	106.8	61.3	18.4	13.7	17.2	22.3
<b>Aggregate</b>								<b>9.9</b>	<b>17.9</b>	<b>17.5</b>	<b>47.3</b>	<b>40.1</b>	<b>12.7</b>	<b>11.5</b>	<b>26.9</b>	<b>28.8</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	506	555	10	24.8	25.6	30.5	15.0	3.1	19.1	20.4	19.8	4.2	3.6	22.5	19.8
Alkem Lab	Buy	1747	2500	43	65.4	89.5	110.6	-12.4	36.9	23.6	26.7	19.5	4.1	3.5	16.4	19.5
Ajanta Pharma	Buy	1376	1840	34	54.0	65.8	81.4	-5.8	21.9	23.6	25.5	20.9	6.2	4.9	27.0	26.2
Aurobindo	Buy	620	820	32	43.8	48.7	53.6	11.4	11.2	10.1	14.2	12.7	3.1	2.5	24.2	21.7
Biocon	Neutral	626	600	-4	7.6	10.9	19.8	-25.3	43.1	81.5	82.2	57.4	7.3	6.7	8.9	11.6
Cadila	Buy	388	555	43	16.0	20.1	23.3	12.7	25.5	15.9	24.3	19.3	4.9	4.0	21.6	22.8
Cipla	Neutral	580	600	3	21.6	26.2	32.0	35.7	21.3	22.3	26.9	22.2	3.3	2.9	12.4	13.3
Divis Lab	Neutral	1180	1100	-7	32.9	44.0	52.7	-17.7	33.9	19.7	35.9	26.8	5.7	5.1	16.0	20.0
Dr Reddy's	Neutral	2103	2575	22	67.1	114.1	146.1	-7.6	70.0	28.0	31.3	18.4	2.7	2.4	9.0	13.9
Fortis Health	Buy	145	185	28	1.5	2.8	7.3	-85.8	87.8	164.5	98.4	52.4	1.2	1.1	1.2	2.2
Glenmark	Neutral	574	550	-4	30.6	32.9	41.1	-22.2	7.7	24.7	18.8	17.4	3.1	2.7	16.4	15.3
Granules	Buy	109	175	61	6.3	7.9	11.0	-12.4	25.2	38.7	17.2	13.7	2.0	1.8	13.2	13.9
GSK Pharma	Neutral	2380	2500	5	38.3	42.6	48.5	11.5	11.2	13.7	62.1	55.8	12.2	15.2	19.7	27.2
IPCA Labs	Buy	719	750	4	21.4	29.2	37.3	33.2	36.6	27.7	33.6	24.6	3.4	3.0	10.5	13.0
Jubilant Life	Buy	813	1110	37	47.8	62.6	72.5	29.5	30.9	15.8	17.0	13.0	3.1	2.5	19.7	21.4
Laurus Labs	Buy	502	613	22	19.0	29.1	35.7	7.0	52.7	22.8	26.4	17.3	3.5	2.9	14.1	18.3
Lupin	Buy	804	940	17	31.0	40.2	54.1	-45.2	29.5	34.6	25.9	20.0	2.5	2.3	10.1	12.1
Sanofi India	Buy	5082	5600	10	141.7	161.8	186.9	9.8	14.2	15.5	35.9	31.4	5.8	5.3	16.1	16.8
Shilpa Medicare	Buy	478	686	43	13.3	24.3	30.6	-5.0	82.4	25.9	35.9	19.7	3.8	3.1	11.0	17.4
Strides Shasun	Buy	651	989	52	14.1	40.8	55.7	-56.2	188.8	36.7	46.1	16.0	2.1	1.8	4.6	12.1
Sun Pharma	Buy	513	675	32	13.2	21.5	27.7	-49.6	63.3	28.8	38.9	23.8	3.3	3.0	8.5	13.2
Torrent Pharma	Neutral	1337	1400	5	48.0	61.3	78.5	-12.9	27.6	28.0	27.8	21.8	4.6	4.1	17.6	19.9
<b>Aggregate</b>								<b>-19.3</b>	<b>34.4</b>	<b>25.5</b>	<b>29.3</b>	<b>21.8</b>	<b>3.6</b>	<b>3.2</b>	<b>12.3</b>	<b>14.7</b>
<b>Infrastructure</b>																
Ashoka Buildcon	Buy	264	290	10	2.1	7.0	8.3	LP	238.0	18.1	127.7	37.8	2.7	2.5	2.2	6.9
IRB Infra	Neutral	258	240	-7	25.4	24.6	21.3	24.8	-3.0	-13.6	10.2	10.5	1.5	1.3	15.5	13.4
KNR Constructions	Buy	315	375	19	16.9	14.0	18.2	41.2	-17.3	30.2	18.7	22.6	4.0	3.4	23.6	16.2
Sadbhav Engineering	Buy	397	460	16	13.9	16.0	17.4	27.1	14.9	8.6	28.5	24.8	3.6	3.2	13.5	13.7
<b>Aggregate</b>											<b>18.0</b>	<b>17.3</b>	<b>2.3</b>	<b>2.1</b>	<b>12.9</b>	<b>12.0</b>
<b>Logistics</b>																
Allcargo Logistics	Buy	150	198	32	8.2	11.4	13.2	-16.5	38.6	16.3	18.3	13.2	1.9	1.7	10.8	13.7
Concor	Neutral	1366	1386	1	44.2	51.2	58.2	16.3	15.9	13.5	30.9	26.7	3.5	3.3	11.8	12.8
Gateway Distriparks	Buy	177	231	31	6.2	10.6	12.9	-8.3	69.8	21.8	28.3	16.7	1.8	1.7	6.6	10.7
<b>Aggregate</b>								<b>8.5</b>	<b>22.0</b>	<b>14.6</b>	<b>28.1</b>	<b>23.1</b>	<b>3.1</b>	<b>2.8</b>	<b>10.9</b>	<b>12.3</b>
<b>Media</b>																
Dish TV	Buy	79	101	28	-0.3	1.6	3.4	PL	LP	109.9	NM	49.4	18.9	13.7	-7.8	32.1
D B Corp	Buy	316	420	33	18.3	23.0	27.6	-10.4	25.8	20.1	17.3	13.8	3.2	2.7	19.6	21.0
Den Net.	Neutral	104	90	-13	-2.9	0.1	4.0	Loss	LP	5,545	NM	1,459.0	2.3	2.3	-6.3	0.2
Ent.Network	Buy	694	820	18	7.2	15.3	28.7	-37.2	113.8	86.9	96.8	45.3	3.7	3.5	3.9	7.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Hathway Cable	Buy	40	47	16	-0.2	0.8	2.0	Loss	LP	161.9	NM	53.2	2.9	2.7	-1.2	5.2
Hind. Media	Buy	218	305	40	25.9	28.8	32.4	0.2	11.3	12.6	8.4	7.6	1.2	1.0	15.1	14.6
HT Media	Neutral	87	98	12	11.8	12.1	12.7	59.3	2.6	4.9	7.4	7.2	0.8	0.7	11.5	10.6
Jagran Prak.	Buy	156	215	38	10.1	13.1	16.0	-5.3	30.5	21.5	15.5	11.9	2.5	2.2	14.9	18.5
Music Broadcast	Buy	386	469	21	8.3	13.5	17.8	29.9	62.3	31.4	46.3	28.5	3.7	3.3	8.3	12.2
PVR	Buy	1332	1760	32	22.1	37.3	51.5	7.8	68.7	37.9	60.2	35.7	5.9	5.1	10.2	15.3
Prime Focus	Buy	90	130	44	2.5	5.8	7.9	100.6	137.5	36.4	36.8	15.5	3.8	2.4	11.6	18.9
Siti Net.	Neutral	16	27	67	-0.9	0.1	0.6	Loss	LP	411.6	NM	127.9	3.1	3.0	-15.8	2.4
Sun TV	Buy	881	1225	39	27.7	35.8	42.5	11.6	29.1	18.7	31.8	24.6	8.0	7.2	26.1	30.9
Zee Ent.	Buy	576	705	22	13.0	17.6	21.0	-2.9	35.4	19.3	44.3	32.7	7.2	6.1	17.4	20.2
<b>Aggregate</b>								<b>9.9</b>	<b>46.6</b>	<b>28.2</b>	<b>38.3</b>	<b>26.1</b>	<b>5.3</b>	<b>4.6</b>	<b>13.7</b>	<b>17.5</b>
<b>Metals</b>																
Hindalco	Buy	240	340	42	19.2	25.9	26.9	123.8	35.1	3.8	12.5	9.3	1.6	1.4	13.8	16.2
Hind. Zinc	Neutral	318	342	8	21.2	27.9	30.3	7.5	31.7	8.9	15.0	11.4	3.8	3.1	26.9	29.8
JSPL	Buy	252	362	44	-12.7	7.7	12.2	Loss	LP	58.8	NM	32.7	0.8	0.8	-4.0	2.4
JSW Steel	Buy	309	334	8	21.5	24.0	23.7	45.3	11.5	-1.0	14.4	12.9	2.7	2.3	20.9	19.4
Nalco	Neutral	78	84	8	-0.2	5.1	5.3	PL	LP	2.6	NM	15.2	1.5	1.5	-0.3	9.8
NMDC	Buy	124	215	73	13.6	14.0	14.7	37.0	2.9	4.7	9.1	8.9	1.6	1.5	18.2	17.2
SAIL	Sell	77	71	-8	-0.9	4.3	6.5	Loss	LP	50.2	NM	17.9	0.9	0.8	-1.0	4.8
Rain Industries	Buy	344	480	40	25.6	40.6	44.6	165.9	58.6	9.8	13.4	8.5	2.9	2.2	24.7	29.8
Vedanta	Buy	290	346	19	22.8	33.4	38.9	50.7	46.4	16.4	12.7	8.7	1.8	1.6	14.1	19.8
Tata Steel	Neutral	596	778	31	58.2	69.4	61.4	53.4	19.1	-11.5	10.2	8.6	1.5	1.3	16.0	16.2
<b>Aggregate</b>								<b>64.7</b>	<b>42.3</b>	<b>7.4</b>	<b>15.0</b>	<b>10.5</b>	<b>1.7</b>	<b>1.5</b>	<b>11.5</b>	<b>14.6</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Buy	282	303	7	6.3	9.5	12.3	74.2	52.1	28.5	45.0	29.6	12.3	9.3	30.7	35.9
BPCL	Buy	410	554	35	40.0	41.2	46.5	-17.3	2.9	13.0	10.3	10.0	2.3	2.0	24.1	21.6
GAIL	Sell	325	285	-12	21.0	22.9	24.6	23.9	8.8	7.7	15.5	14.2	1.8	1.6	11.9	12.0
Gujarat Gas	Buy	859	1066	24	21.6	34.7	44.3	34.3	61.1	27.5	39.9	24.7	6.3	5.2	16.8	23.0
Gujarat St. Pet.	Neutral	186	191	3	12.7	13.3	13.9	43.8	4.9	4.5	14.7	14.0	2.1	1.9	15.0	14.0
HPCL	Buy	330	536	62	39.5	32.5	37.8	-2.9	-17.8	16.5	8.3	10.2	2.2	2.0	28.2	20.6
IOC	Buy	167	261	56	20.7	17.6	21.7	-1.2	-15.0	23.1	8.1	9.5	1.4	1.3	18.5	14.4
IGL	Buy	293	416	42	9.4	11.1	12.5	6.9	17.7	13.2	31.1	26.5	6.0	5.1	20.7	20.8
Mahanagar Gas	Buy	895	1228	37	55.9	53.9	54.6	27.0	-3.6	1.2	16.0	16.6	4.3	3.9	28.0	24.4
MRPL	Neutral	109	119	9	11.7	11.4	12.4	-20.7	-2.5	8.3	9.3	9.6	1.6	1.5	18.9	16.1
Oil India	Buy	218	260	19	18.3	27.2	28.1	-18.3	48.1	3.3	11.9	8.0	0.9	0.8	7.4	10.5
ONGC	Buy	181	222	23	16.8	21.8	23.5	2.3	29.6	8.2	10.8	8.3	1.0	1.0	9.6	12.0
PLNG	Buy	243	317	30	14.0	16.0	18.8	23.0	14.3	17.9	17.4	15.2	3.8	3.2	23.7	22.9
Reliance Ind.	Buy	944	1134	20	61.1	67.7	78.0	20.9	10.9	15.2	15.4	13.9	1.9	1.7	13.0	12.8
<b>Aggregate</b>								<b>5.5</b>	<b>8.3</b>	<b>13.7</b>	<b>12.3</b>	<b>11.4</b>	<b>1.6</b>	<b>1.5</b>	<b>13.2</b>	<b>13.0</b>
<b>Retail</b>																
Jubilant Food	Neutral	2516	2185	-13	30.3	39.3	51.6	186.2	29.6	31.3	82.9	64.0	18.7	19.1	22.5	29.8
PC Jeweller	Buy	306	520	70	15.4	19.5	24.9	44.4	26.6	27.6	19.8	15.6	3.1	2.7	16.9	18.4
Titan Co.	Buy	998	1090	9	12.5	15.9	19.8	38.8	27.0	24.1	79.7	62.7	16.9	15.7	23.4	25.9
<b>Aggregate</b>								<b>48.6</b>	<b>27.2</b>	<b>26.0</b>	<b>60.1</b>	<b>47.3</b>	<b>11.6</b>	<b>10.5</b>	<b>19.2</b>	<b>22.2</b>
<b>Technology</b>																
Cyient	Buy	652	675	3	37.0	38.1	42.9	20.9	3.0	12.4	17.6	17.1	3.1	2.9	17.8	16.7
HCL Tech.	Neutral	1011	950	-6	63.4	66.3	71.6	6.0	4.5	8.1	15.9	15.3	3.9	3.6	25.7	24.4
Hexaware	Neutral	414	340	-18	16.6	18.7	21.0	21.2	12.7	12.5	24.9	22.1	6.3	5.4	26.9	26.1
Infosys	Buy	1125	1330	18	64.8	70.1	77.7	3.1	8.3	10.8	17.4	16.0	3.9	3.5	24.1	22.9
KPIT Tech	Neutral	228	250	10	12.5	13.5	17.5	5.1	7.8	29.2	18.2	16.8	2.5	2.2	14.9	14.0
L&T Infotech	Buy	1386	1400	1	66.3	73.3	86.3	19.5	10.5	17.9	20.9	18.9	6.0	4.8	32.4	28.4
Mindtree	Buy	883	725	-18	33.4	41.7	48.8	34.2	24.8	17.0	26.4	21.2	5.6	4.8	20.3	24.4
Mphasis	Neutral	896	800	-11	44.0	50.8	54.9	13.0	15.6	8.0	20.4	17.6	3.5	3.2	15.3	18.8
NIIT Tech	Neutral	934	800	-14	44.8	53.1	61.6	17.9	18.5	15.9	20.8	17.6	3.3	3.0	16.2	17.8
Persistent Sys	Buy	686	900	31	40.0	50.3	60.2	6.1	25.9	19.6	17.2	13.6	2.7	2.6	16.5	20.0





Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Tata Elxsi	Buy	1071	1236	15	36.8	43.6	51.5	30.8	18.4	18.2	29.1	24.6	9.4	7.5	36.0	33.8
TCS	Neutral	3166	2700	-15	131.8	147.1	161.3	-1.2	11.6	9.6	24.0	21.5	7.6	6.6	30.7	32.8
Tech Mah	Buy	668	700	5	39.8	42.3	49.3	28.8	6.4	16.4	16.8	15.8	3.4	2.9	20.9	20.1
Wipro	Neutral	286	300	5	17.9	18.8	21.1	5.9	5.0	12.4	15.9	15.2	2.8	2.4	17.2	17.0
Zensar Tech	Buy	1007	1100	9	51.9	63.1	82.6	-0.3	21.6	30.9	19.4	16.0	2.8	2.4	15.0	16.2
<b>Aggregate</b>								<b>5.2</b>	<b>4.6</b>	<b>10.3</b>	<b>19.8</b>	<b>18.9</b>	<b>4.9</b>	<b>4.4</b>	<b>25.0</b>	<b>23.3</b>
<b>Telecom</b>																
Bharti Airtel	Buy	381	581	52	3.6	1.8	5.5	-67.5	-49.3	200.6	105.5	208.2	2.2	2.2	2.1	1.1
Bharti Infratel	Neutral	334	380	14	13.8	15.3	16.8	-6.9	10.4	10.0	24.1	21.9	4.2	4.3	16.9	19.3
Idea Cellular	Buy	71	91	27	-10.9	-12.9	-10.5	Loss	Loss	Loss	NM	NM	1.2	1.5	-18.4	-23.4
Tata Comm	Buy	623	750	20	2.2	11.0	22.8	-77.4	388.0	108.3	277.2	56.8	12.8	10.4	4.3	20.2
<b>Aggregate</b>								<b>PL</b>	<b>Loss</b>	<b>LP</b>	<b>-386.4</b>	<b>-148</b>	<b>2.3</b>	<b>2.4</b>	<b>-0.6</b>	<b>-1.7</b>
<b>Utilites</b>																
Coal India	Buy	288	397	38	17.8	26.4	30.8	19.2	48.4	16.5	16.2	10.9	7.7	7.2	47.4	65.8
CESC	Buy	1040	1391	34	86.5	95.2	103.1	66.8	10.0	8.4	12.0	10.9	1.2	1.1	10.4	10.4
JSW Energy	Sell	83	53	-36	3.8	3.6	4.0	-0.9	-5.6	10.5	22.0	23.2	1.3	1.3	5.9	5.5
NHPC	Buy	27	36	31	2.4	3.0	3.2	-17.2	22.2	7.0	11.2	9.2	1.0	0.9	8.6	10.3
NTPC	Buy	177	214	21	13.0	15.2	16.6	5.0	16.9	9.3	13.6	11.7	1.4	1.3	10.6	11.6
Power Grid	Buy	205	287	40	16.9	20.7	21.9	21.3	22.1	6.0	12.1	9.9	1.9	1.6	16.6	17.7
Tata Power	Sell	87	74	-15	4.9	7.3	7.9	-5.8	49.0	8.6	18.0	12.1	1.9	1.6	10.8	14.5
<b>Aggregate</b>								<b>12.1</b>	<b>27.9</b>	<b>11.0</b>	<b>13.7</b>	<b>10.7</b>	<b>2.0</b>	<b>1.9</b>	<b>14.8</b>	<b>17.5</b>
<b>Others</b>																
Arvind	Neutral	419	402	-4	11.3	14.1	18.8	-8.4	23.8	34.1	36.9	29.8	2.9	2.7	8.0	9.4
Avenue Supermarts	Sell	1507	920	-39	12.6	17.2	23.0	63.6	37.4	33.4	120.0	87.4	21.4	18.3	19.0	22.6
BSE	Buy	828	1070	29	42.6	47.6	52.9	4.0	11.6	11.2	19.4	17.4	1.7	1.3	8.7	7.7
Castrol India	Buy	211	247	17	7.0	6.8	7.1	2.9	-2.8	4.0	30.1	31.0	20.4	19.2	69.1	63.8
Coromandel Intl	Buy	533	523	-2	24.1	29.0	30.3	45.1	20.4	4.5	22.1	18.4	4.6	4.0	22.5	23.4
Delta Corp	Buy	278	332	19	5.7	7.4	10.4	87.7	29.8	39.7	48.5	37.4	4.7	4.3	12.2	11.9
Interglobe	Neutral	1487	1400	-6	64.7	75.0	100.0	49.6	15.9	33.4	23.0	19.8	8.5	7.9	47.3	41.3
Indo Count	Neutral	96	104	8	7.4	9.8	11.5	-43.2	32.5	17.8	13.0	9.8	1.9	1.5	15.7	17.2
Info Edge	Buy	1233	1550	26	23.4	26.3	33.4	49.0	12.5	27.1	52.8	46.9	6.9	6.3	13.7	14.0
Kaveri Seed	Buy	541	664	23	34.2	40.6	47.4	79.5	18.5	17.0	15.8	13.3	3.9	3.4	23.4	27.1
Manpasand	Buy	421	467	11	8.8	13.9	18.7	38.2	58.4	34.6	48.0	30.3	3.9	3.6	7.2	12.3
MCX	Buy	766	1050	37	21.3	32.0	36.9	-14.3	50.5	15.4	36.0	23.9	3.0	2.8	8.1	12.0
Navneet Education	Buy	149	194	30	7.7	9.8	11.5	4.7	27.4	17.6	19.5	15.3	4.4	3.8	24.2	26.9
Oberoi Realty	Buy	513	612	19	12.5	49.8	46.5	11.7	300.0	-6.7	41.2	10.3	2.9	2.3	7.2	25.0
Qess Corp	Buy	1057	1300	23	22.8	34.1	43.1	130.7	49.6	26.6	46.4	31.0	5.9	4.7	22.3	21.7
PI Inds.	Buy	852	1061	24	29.9	38.1	44.2	-10.5	27.3	16.2	28.5	22.4	6.0	5.0	23.0	24.3
Piramal Enterp.	Buy	2602	3500	35	83.1	116.4	147.9	14.5	40.0	27.1	31.3	22.4	2.4	2.1	8.9	10.2
SRF	Buy	2153	2351	9	77.4	105.0	138.3	-9.9	35.6	31.7	27.8	20.5	3.6	3.1	13.3	16.3
S H Kelkar	Buy	250	318	27	7.9	9.7	12.2	9.1	22.4	26.6	31.6	25.8	4.1	3.7	13.4	14.9
Tata Chemicals	Buy	738	940	27	33.7	44.0	50.3	0.0	30.5	14.3	21.9	16.8	2.0	1.9	11.3	11.5
Team Lease Serv.	Buy	2186	2700	23	43.3	59.6	88.1	11.6	37.5	47.9	50.5	36.7	8.2	6.7	17.7	20.1
Trident	Buy	72	114	58	5.7	10.3	12.8	-14.2	81.3	24.3	12.7	7.0	1.2	1.1	10.1	16.5
TTK Prestige	Neutral	6445	5281	-18	137.8	176.1	203.2	4.4	27.8	15.4	46.8	36.6	8.0	7.1	18.0	20.7
UPL	Buy	758	945	25	43.0	47.2	55.6	8.9	9.7	17.9	17.6	16.1	4.2	3.5	26.3	23.6
V-Guard	Neutral	236	167	-29	4.5	6.0	6.7	25.3	32.9	12.1	52.7	39.7	12.9	10.3	26.9	28.8



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-0.2	4.8	-4.2
Ashok Ley.	-1.2	1.3	80.1
Bajaj Auto	0.8	-1.7	0.4
Bharat Forge	-0.1	0.0	39.1
Bosch	-0.6	8.2	-15.1
CEAT	0.8	3.3	11.8
Eicher Mot.	-0.8	10.7	18.9
Endurance Tech.	1.7	9.9	62.5
Escorts	0.4	17.7	77.9
Exide Ind	-0.6	13.4	5.0
Hero Moto	-0.7	6.3	16.7
M&M	1.0	9.2	27.6
Mahindra CIE	0.8	-3.3	-4.2
Maruti Suzuki	-0.8	5.4	49.6
Motherson Sumi	-0.3	11.6	38.3
Tata Motors	-0.6	-0.9	-25.1
TVS Motor	-0.2	6.7	42.9
<b>Banks - Private</b>			
Axis Bank	-1.8	1.7	6.0
DCB Bank	6.4	24.3	16.9
Equitas Hold.	-1.2	7.4	-8.4
Federal Bank	0.8	6.5	7.4
HDFC Bank	0.5	4.8	35.6
ICICI Bank	1.5	-2.1	13.9
IDFC Bank	0.2	-2.1	-17.3
IndusInd	0.1	8.2	30.1
J&K Bank	2.0	1.8	-23.7
Kotak Mah. Bk	-0.4	9.8	31.2
RBL Bank	0.5	9.4	-5.1
South Indian	6.0	6.4	18.7
Yes Bank	-0.8	-1.6	-4.4
<b>Banks - PSU</b>			
BOB	-1.2	2.9	-15.9
BOI	-0.2	5.8	-25.1
Canara	-2.4	2.5	-11.5
Indian Bk	0.0	4.2	23.1
PNB	-1.1	-0.9	-38.2
SBI	-0.4	-1.7	-14.3
Union Bk	-0.5	-2.5	-36.6
<b>NBFCs</b>			
Aditya Birla Cap	-0.8	6.8	
Bajaj Fin.	-0.4	14.4	53.4
Capital First	0.2	0.6	-16.3
Cholaman.Inv.&Fn	0.6	8.3	51.1
Dewan Hsg.	3.1	15.6	47.8
GRUH Fin.	1.4	18.1	74.8
HDFC	1.0	5.5	27.9
HDFC Stand. Life	-0.7	10.8	
Indiabulls Hsg	-1.0	12.4	39.2
L&T Fin.Holdings	2.6	8.5	41.4
LIC Hsg Fin	0.2	9.1	-11.8
M&M Fin.	0.0	16.8	50.4
Muthoot Fin	-1.0	11.0	11.7

Company	1 Day (%)	1M (%)	12M (%)
MAS Financial Serv.	-0.3	5.3	
PNB Housing	1.1	21.8	6.8
Repco Home	-0.6	9.1	-16.8
Shriram City Union	-1.2	1.2	-2.2
Shriram Trans.	0.2	8.2	45.4
<b>Capital Goods</b>			
ABB	0.3	-5.8	-13.0
Bharat Elec.	0.0	-6.9	-10.7
BHEL	-0.7	2.0	-23.6
Blue Star	-1.2	-0.4	13.7
CG Cons. Elec.	-0.5	-1.2	6.2
CG Power & Inds Sol.	2.4	3.8	3.9
Cummins	0.0	-5.6	-24.5
Engineers India	-0.6	-2.2	-2.4
GE T&D	0.3	-2.7	7.5
Havells	0.7	6.4	12.9
K E C Intl	1.2	10.7	100.8
L&T	-0.5	7.3	21.4
Siemens	-0.1	-2.3	-16.6
Solar Ind	-0.7	5.7	28.5
Thermax	2.7	-1.9	15.1
Va Tech Wab.	0.8	1.6	-22.3
Voltas	-1.3	1.7	56.6
<b>Cement</b>			
Ambuja Cem.	1.3	3.8	-1.1
ACC	0.8	1.2	5.7
Birla Corp.	-1.9	-1.6	0.8
Dalmia Bharat	-2.4	0.0	36.7
Grasim Inds.	0.2	0.1	22.3
India Cem	0.5	3.3	-7.0
JK Lakshmi Ce	-0.2	-0.4	-7.5
Ramco Cem	-0.7	12.0	25.3
Orient Cem	-2.2	-1.6	-5.7
Prism Cem	0.4	2.9	17.0
Sagar Cements	0.4	2.7	20.8
Sanghi Inds.	-0.5	-6.5	62.7
Shree Cem	0.0	3.2	-4.0
Ultratech	-0.1	-2.8	-1.9
<b>Consumer</b>			
Asian Paints	-0.2	4.4	11.0
Britannia	0.7	10.0	58.4
Colgate	0.0	5.4	9.6
Dabur	0.0	6.8	17.5
Emami	1.4	11.1	10.7
Future Consumer	-0.8	0.8	80.9
Godrej Cons.	-0.3	1.8	28.5
GSK Cons.	-1.5	-9.8	13.5
HUL	1.8	11.3	58.3
ITC	1.2	2.7	-4.0
Jyothy Lab	-0.2	2.4	-7.8
Marico	0.1	6.3	6.3
Nestle	3.1	17.2	42.7
Page Inds	-2.0	20.8	78.9
Pidilite Ind.	0.1	13.4	45.9



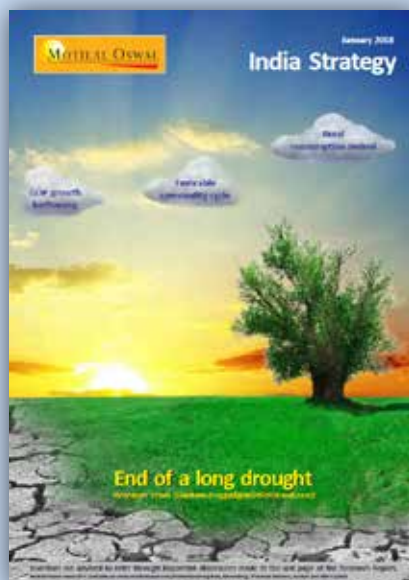
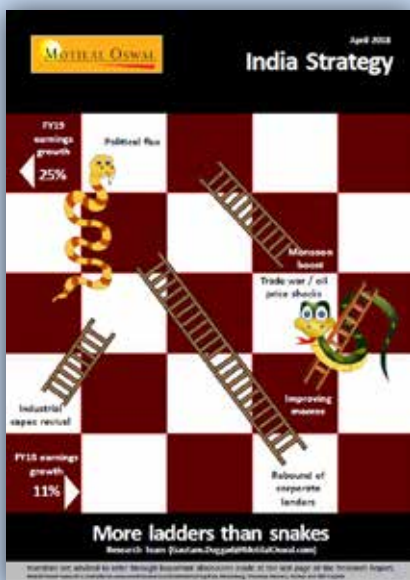
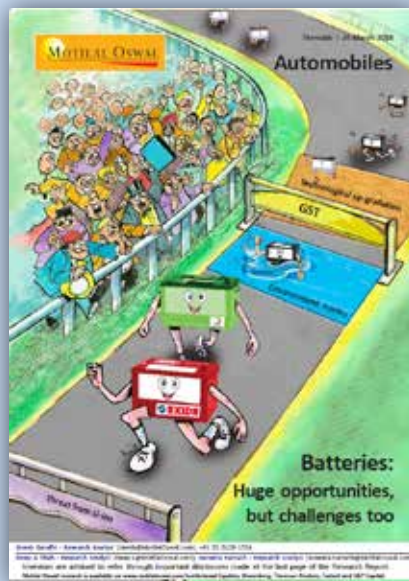
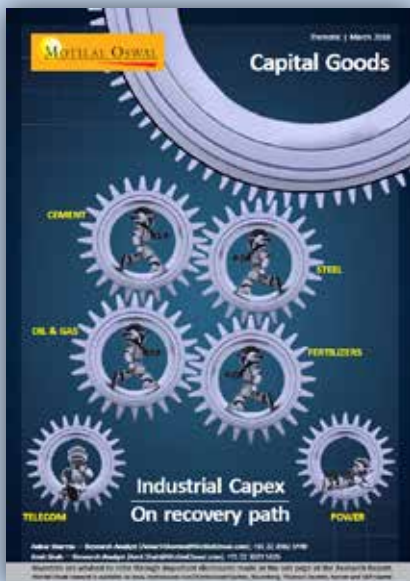
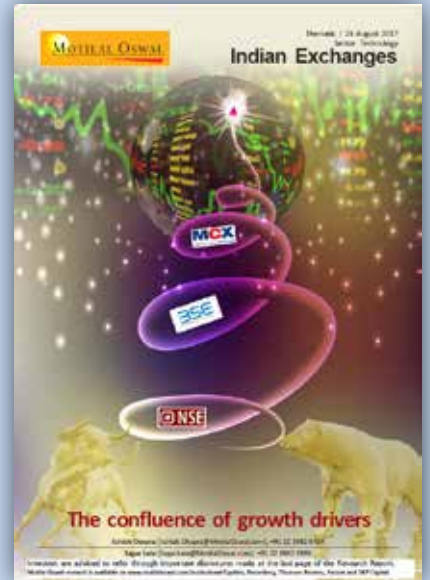
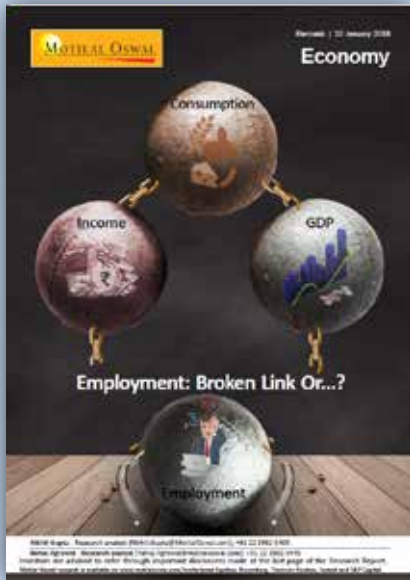
Company	1 Day (%)	1M (%)	12M (%)
P&G Hygiene	0.1	3.8	32.9
Prabhat Dairy	2.0	6.9	45.6
United Brew	2.8	6.8	43.3
United Spirits	-0.5	11.6	80.9
<b>Healthcare</b>			
Alembic Phar	0.3	-6.0	-17.0
Alkem Lab	-0.9	-18.9	-18.5
Ajanta Pharma	-0.5	-2.0	-21.7
Aurobindo	-0.6	8.2	-5.0
Biocon	-0.4	6.8	69.2
Cadila	-0.7	2.2	-14.1
Cipla	-0.6	3.7	0.6
Divis Lab	0.8	8.5	84.3
Dr Reddy's	0.1	-1.6	-20.9
Fortis Health	-3.0	-7.3	-28.8
Glenmark	-0.2	4.9	-35.3
Granules	0.6	-1.0	-21.1
GSK Pharma	0.9	6.3	-11.0
IPCA Labs	1.0	7.5	17.7
Jubilant Life	0.5	-4.7	-1.8
Lupin	1.4	5.5	-43.3
Laurus Labs	0.5	-4.5	-2.2
Sanofi India	0.2	-0.6	9.0
Shilpa Medicare	0.6	5.0	-33.1
Strides Shasun	-0.3	-3.0	-39.4
Sun Pharma	-1.3	1.9	-24.2
Torrent Pharma	-0.5	5.3	-8.5
<b>Infrastructure</b>			
Ashoka Buildcon	0.0	16.9	25.4
IRB Infra.Devl.	-2.4	17.1	7.6
KNR Construct.	1.0	7.4	57.3
Sadbhav Engg.	0.4	3.6	21.5
<b>Logistics</b>			
Allcargo Logistics	-0.2	-5.1	-11.8
Concor	3.1	12.9	15.5
Gateway Distriparks	0.5	-8.8	-36.9
<b>Media</b>			
Dish TV	-1.7	14.6	-21.0
D B Corp	0.7	-1.7	-18.0
Den Net.	-1.6	12.5	14.7
Ent.Network	1.1	-3.7	-16.9
Hathway Cab.	1.6	18.3	7.0
Hind. Media	-0.1	-4.5	-25.4
HT Media	3.6	-0.5	3.1
Jagran Prak.	-6.6	-4.3	-20.8
Music Broadcast	0.4	5.9	10.8
PVR	0.0	2.9	-15.8
Prime Focus	0.3	-2.7	-15.3
Siti Net.	1.3	5.6	-57.2
Sun TV	-1.0	-2.6	11.6
Zee Ent.	-0.5	0.9	10.5
<b>Metals</b>			
Hindalco	0.4	8.2	32.2
Hind. Zinc	0.6	0.8	14.2

Company	1 Day (%)	1M (%)	12M (%)
JSPL	-1.0	11.3	107.7
JSW Steel	0.0	6.4	58.9
Nalco	1.6	18.0	8.1
NMDC	0.0	-1.2	-2.7
Rain Industries	-3.2	-11.0	227.0
SAIL	-0.4	6.3	25.9
Vedanta	-0.3	-6.5	22.6
Tata Steel	0.6	-0.8	36.8
<b>Oil &amp; Gas</b>			
Aegis Logistics	-0.2	10.8	49.8
BPCL	0.4	-8.3	-15.2
GAIL	0.1	-1.6	10.3
Gujarat Gas	1.3	2.5	2.4
Gujarat St. Pet.	-1.0	-3.4	7.0
HPCL	-0.4	-9.6	-11.4
IOC	1.3	-9.5	-21.2
IGL	-1.1	-1.3	37.8
Mahanagar Gas	-2.1	-11.5	-8.6
MRPL	0.2	-6.5	-7.5
Oil India	-0.1	-3.0	-1.7
ONGC	-0.4	1.9	-1.3
PLNG	1.9	3.4	10.5
Reliance Ind.	0.7	4.8	35.7
<b>Retail</b>			
Jubilant Food	1.3	19.4	154.6
PC Jeweller	1.5	-17.6	45.2
Titan Co.	1.5	13.9	107.2
<b>Technology</b>			
Cyient	0.4	3.3	35.3
HCL Tech.	1.0	4.4	24.5
Hexaware	-0.6	11.8	100.9
Infosys	-0.7	-4.1	21.6
KPIT Tech	-0.5	-0.2	76.8
L&T Infotech	-0.5	4.6	95.5
Mindtree	1.8	8.6	102.3
Mphasis	0.5	2.5	62.7
NIIT Tech	2.6	0.8	116.4
Persistent Sys	0.1	-16.0	20.7
Tata Elxsi	0.0	5.5	40.0
TCS	-0.6	12.0	36.4
Tech Mah	-0.2	5.3	58.4
Wipro	-1.5	-3.5	16.1
Zensar Tech	-0.9	11.1	11.6
<b>Telecom</b>			
Bharti Airtel	1.1	-8.8	11.8
Bharti Infratel	-1.9	-0.5	-3.2
Idea Cellular	0.2	-12.0	-16.7
Tata Comm	0.4	-0.2	-12.0
<b>Utilities</b>			
Coal India	0.9	3.2	0.6
CESC	0.0	8.7	23.7
JSW Energy	3.6	7.1	31.6
NHPC Ltd	-0.2	3.4	-12.7
NTPC	2.0	7.1	11.3
Power Grid	2.9	6.6	1.6
Tata Power	-0.3	9.3	4.2



Company	1 Day (%)	1M (%)	12M (%)
<b>Others</b>			
Arvind	-1.7	6.6	5.2
Avenue Super.	1.7	10.1	94.6
BSE	0.0	6.2	-18.2
Castrol India	3.3	2.8	-1.5
Coromandel Intl	-0.1	1.5	58.0
Delta Corp	1.4	-9.7	61.2
Interglobe	2.2	17.9	36.2
Indo Count	1.2	4.0	-50.1
Info Edge	1.1	-4.6	48.4
Kaveri Seed	-0.7	13.6	-0.9
Manpasand	1.7	10.5	17.8
MCX	-0.4	-5.1	-35.3
Navneet Educat.	-0.5	0.6	-9.1
Oberoi Realty	-0.3	0.1	38.0
PI Inds.	-1.3	3.4	3.4
Piramal Enterp.	0.0	4.3	15.3
Qess Corp	0.9	2.6	38.9
SRF	0.9	15.1	26.3
S H Kelkar	0.3	-1.3	-21.6
Tata Chemicals	0.3	8.4	17.6
Team Lease Serv.	0.8	6.9	111.1
Trident	-1.2	7.3	-12.9
UPL	-0.7	5.2	3.1
V-Guard	0.3	1.5	33.0

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# REPORT GALLERY

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**Tata Chemicals**



**Flight of rebirth**

Report Author: Research Analyst, Chemicals (rajesh@motilal.com), 481 21 4339 1348  
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Market Data source is available at www.motilal.com/indianmarketdata/sectors/Chemicals/ChemicalsSector.html

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Market Research: Research Analyst (Pratik.Pandey@motilal.com), 481 21 4339 4333  
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**Aegis Logistics**



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**UPL**



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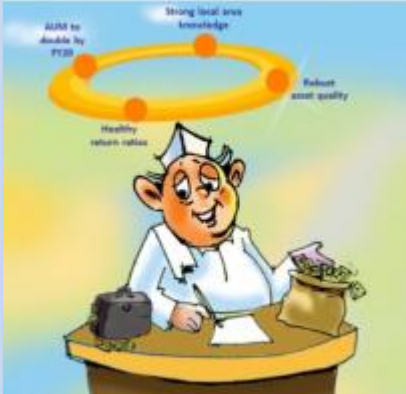


**Angling for growth**

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**MAS Financial Services**



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**First Among Equals**

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**Motherson Sumi**



**Magical times ahead!**

Market Research: Research Analyst (Pratik.Pandey@motilal.com), 481 21 4339 4333  
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Sector: Real Estate

**Oberoi Realty**



**Island of prosperity**

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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

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