

Market snapshot



Equities - India	Close	Chg. %	CYTD.%
Sensex	38,165	-0.6	5.8
Nifty-50	11,457	-0.6	5.5
Nifty-M 100	17,741	-0.6	-0.8
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	2,801	-1.9	11.7
Nasdaq	7,643	-2.5	15.2
FTSE 100	7,208	-2.0	7.1
DAX	11,364	-1.6	7.6
Hang Seng	11,517	-0.2	13.8
Nikkei 225	21,627	0.1	8.1
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	66	-2.4	25.0
Gold (\$/OZ)	1,314	0.1	2.4
Cu (US\$/MT)	6,315	-2.6	6.1
Almn (US\$/MT)	1,877	-1.9	0.8
Currency	Close	Chg. %	CYTD.%
USD/INR	69.0	0.2	-1.1
USD/EUR	1.1	-1.0	-1.4
USD/JPY	109.9	-0.7	0.2
YIELD (%)	Close	1MChg	CYTDchg
10 Yrs G-Sec	7.3	-0.02	0.0
10 Yrs AAA Corp	8.5	-0.03	0.0
Flows (USD b)	22-Mar	MTD	CYTD
FII	0.20	4.02	5.89
DII	-0.10	-2.05	-1.73
Volumes (INRb)	22-Mar	MTD*	CYTD*
Cash	400	405	348
F&O	8,952	10,930	9,783

Note: *Average



Today's top research idea

Automobiles: PV growth weak across segments, except for compacts

Key takeaways from the analysis of brand wise data:

- ❖ The UV1 segment grew just 5.7% following an average 3-year growth of 27%. But, its share in the overall UV segment continued to increase to 76% in FY19 YTD (74% in FY18; 58% in FY14).
- ❖ TTMT's Nexon continued to gain traction in the UV1 segment with record volumes of 5.3k units in Feb'19, taking its market share to 9% in FY19YTD (v/s 5% in FY18).
- ❖ The trend of SUV share rising in the PV pie paused in FY19, with share of total UVs at ~27.3% in FY19 YTD (v/s 27.8% in FY18).
- ❖ The compact sedan segment continued to grow (~14% growth in FY19YTD), driven by new product launches and at the expense of the mid-sized segment.
- ❖ MSIL gained 140bp market share to ~51.4% in FY19 YTD in domestic PVs, led by gains in the mini and compact segment. However, it lost share in the compact sedan, mid-sized, and UV1 segments.



Research covered

Cos/Sector	Key Highlights
Automobiles	PV growth weak across segments, except for compacts
Info Edge	Momentum continues in core
Brigade Enterprises	There's a rush for the 'Key'
Aviation	Feb'19 domestic air PAX growth subdued, lowest in 5-yrs



Piping hot news

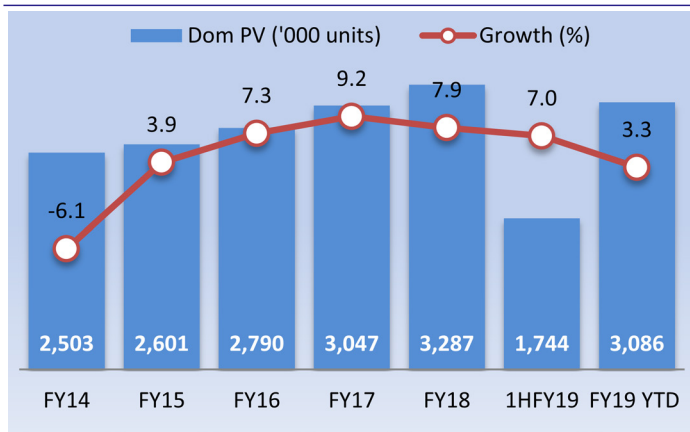
TCS \$420 million trade secrets case moves to higher court

Tata Consultancy Services' appeal against the \$420-million verdict in a trade secrets suit filed by US software firm Epic Systems has moved to a federal appeals court, after it was upheld by a lower court.



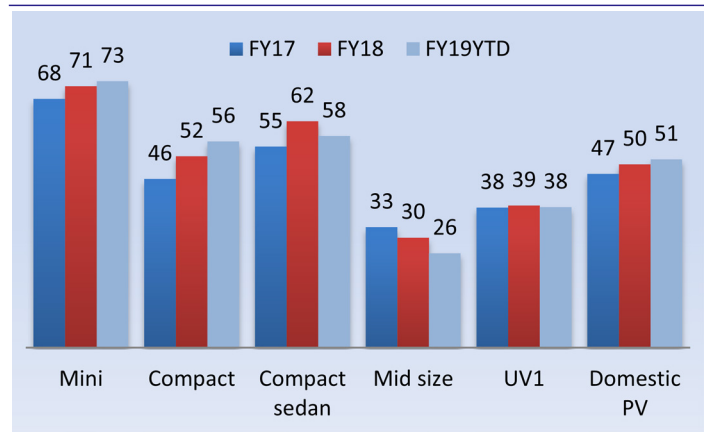
Chart of the Day: Automobiles – PV growth weak across segments, except for compacts

Domestic PV growth declined sharply in FY19



Source: SIAM, MOFSL

MSIL gained market share in mini and compact segment



Source: SIAM, MOFSL

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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

JSW to enter steel furniture business

JSW Group is entering the steel furniture business under the brand JSW Living, a venture that marks the induction of Tarini Jindal Handa into the group as the new entity's managing director...

2

India's consumer goods no longer fast-moving

India's overall fastmoving consumer goods (FMCG) market shrank in the 2018 calendar year despite branded products, especially from listed companies, seeing double-digit growth, indicating falling demand for unbranded and unorganised products. The overall FMCG market by volume declined 1% in 2018 compared with a 7.5% rise a year ago, according to data from Kantar Worldpanel, a global consumer research firm owned by communications and advertising giant WPP...

3

PharmEasy in early funding talks with SoftBank at double its valuation

Japan's SoftBank Group Corp. is in early talks to invest close to \$100 million in online medicine startup PharmEasy, three people aware of the matter said. PharmEasy is seeking a valuation of about \$400 million in the latest round of funding, more than double what it was valued in the previous...

4

Riding on 5G tech, Tech Mahindra aims to boost communications revenues

After years of slow growth in the telecommunication segment, Tech Mahindra is expecting to get back to strong growth mode in this business, primarily driven by fifth-generation (5G) cellular mobile technologies...

5

Indian hospitality sector may see many more deals in 2019

Hoteliers and analysts expect 2019 to be a bumper year for deals in India's hospitality sector following Brookfield's purchase of Hotel Leelaventure's assets, the sale of Keys Hotels to Lemon Tree and Blackstone's potential acquisition of Golden Jubilee hotels, apart from a robust performance in the fourth quarter of 2018...

6

5G trials hit DoT hurdle, may now start by year-end

India's fifth-generation (5G) mobile technology trials are expected to start by the end of 2019 or early next year, according to a recently constituted committee looking into the pilot initiative...

7

Rs 3 lakh crore private power investment at risk as discoms delay payments

As much as Rs 3 lakh crore of investment in a dozen power plants of the private sector is at risk of turning into NPA as states buying power have not been making payment for months, official data and sources said...



Automobiles

“ There are no signs of revival in demand at least till the elections. During the current year, Maruti’s growth will be below 5%. ”

Kenichi Ayukawa,
Managing Director,
MSIL

“ Auto sales are witnessing a slowdown in the pre-election phase, in addition to factors like tight liquidity conditions impacting the buying behavior. ”

N Raja,
Deputy MD,
Toyota Kirloskar
Motors

“ Our UV portfolio has grown from strength-to-strength, with a growth of 26%. We will continue to deliver the best of products and services to our customers and work towards driving volumes in the months to come. ”

Mayank Pareek,
President, Passenger
Business Unit,
Tata Motors

PV growth weak across segments, except for compacts

UV industry underperforms PV industry for the first time in many years

On analyzing the brand-wise data of the domestic PV industry, we learnt that growth in PVs was led by the compact segment, even as other segments — mini, mid-sized and UV2 — continued to remain under pressure. Key takeaways:

- The UV1 segment grew just 5.7% following an average 3-year growth of 27%. But, its share in the overall UV segment continued to increase to 76% in FY19 YTD (74% in FY18; 58% in FY14).
- Since its launch, TTMT’s Nexon continued to gain traction in the UV1 segment with record volumes of 5.3k units in Feb’19, taking its market share to 9% in FY19YTD (v/s 5% in FY18). The UV2 segment was sluggish, declining 5.3%, this, despite launch of MM’s Alturas G4 and TTMT’s Harrier, as customer preference was skewed towards UV1s.
- Continuous up-trading drove growth in the compact/premium hatchback segment for the fifth year in a row. The compact sedan segment continued to grow (~14% growth in FY19YTD), driven by new product launches (for instance — the new Amaze), and at the expense of the mid-sized segment.
- MSIL gained 140bp market share to ~51.4% in FY19 YTD in domestic PVs, led by gains in the mini and compact segment. However, it lost share in the compact sedan, mid-sized, and UV1 segments.

UV1 segment growth slows to 5.7%, impacted by weak buying sentiments

- The pace of growth in UV1 segment (compact SUV) slowed sharply to just 5.7% (v/s average growth of 27% in the last three years).
- The slower growth was led by weak buying sentiments due to increased ownership costs (fuel inflation and insurance out go), liquidity crunch, and negative farm sentiments — impacting rural demand. Consequently, the domestic PV industry grew just 3.3% in FY19 YTD (v/s 6.9% in 1HFY19).
- However, preference for compact SUV continued as its share in the UV segment increased further to 76% in FY19 YTD (v/s 74% in FY18 and 58% in FY14).
- The trend of SUV share rising in the PV pie paused in FY19, with share of total UVs at ~27.3% in FY19 YTD (v/s 27.8% in FY18).

TTMT gains the most in UV1 led by Nexon; Feb’19 volume highest at 5.3k units

- TTMT’s market share in the UV1 segment grew 380bp to 8.9%, led by healthy response to *Nexon* (TTMT’s only product in UV1).
- HMIL too gained ~180bp taking its market share to 18.1% due to the launch of the new *Creta*.
- On the other hand, segment leaders — MSIL/MM lost 40bp/90bp market share, taking its share to 38.3%/19.8% in FY19 YTD.
- In addition, Honda gained significant market share in the segment, taking its market share to 7.3% in FY18 (v/s 1.2% in FY17) due to the launch of the *WR-V*. However, it has partially lost share to 4.9% in FY19YTD.

“ We are extremely happy with the overwhelming response to the XUV300. In a highly competitive segment we have received over 13,000 bookings and in the very first month itself, we have entered into the top-3. This is in line with our objective of achieving 15-20% share in this segment, and reaffirms the fact that the XUV300 proposition has resonated well with customers. ”

Veejay Nakra,
Chief – sales and marketing,
M&M (Auto)

UV2 sales continued to be weak despite new product launch; MM gains share

- Preference for compact SUVs continued to impact UV2 sales, which declined 5.3% in FY19 YTD. Over FY13-18, volume of the UV2 segment declined by 1.9% CAGR v/s 19.1% CAGR of the UV1 segment, while the domestic PV industry volume grew by 4.3% CAGR.
- Despite new product launches such as MM’s *Alturas G4* and TTMT’s new *Harrier*, the UV2 segment witnessed a decline.
- MM’s market share in the UV2 segment increased 110bp in FY19 YTD to 44.3% (v/s 43.2% in FY18 and 42.9% in FY17).

Nexon and Tiago drive TTMT’s PV sales in FY19 YTD; other brands decline sharply

- TTMT’s PV sales grew 12.8% YoY in FY19YTD to 211.2k units, led by its compact car *Tiago* and compact SUV *Nexon*. This was despite a sharp decline in sales of older models.
- Average sale of *Nexon* increased to 4.5k units/month in FY19YTD (v/s 3.9k units/month in FY18). *Tiago*’s monthly run-rate improved to 7.8k units/month in FY19 YTD (v/s 6.6k units/month in FY18).
- Consequently, TTMT’s PV market share increased further by 40bp to 6.8% in FY19 YTD (v/s 6.4% in FY18 and 5.7% in FY17).
- However, sale of other brands such as *Zest/ Bolt/ Hexa/ Tigor* declined sharply by 40.5%/42%/39%/5% in FY19YTD.

Recent launch — XUV300 starts out with a bang (4.8k units dispatched in Feb’19)

- MM’s *XUV300* witnessed healthy initial response and has managed to receive over 13k bookings. Consequently, wholesales for Feb’19 remained healthy at 4.5k units, which resulted in UV1 market share of 26% (v/s FY19YTD share of 19.8%).
- On the other hand, *Marazzo*’s volumes gradually declined to 2.9k units in Feb’19 (v/s peak of 3.8k units in Oct’18), post launch of the new *Ertiga*.
- Healthy response to the new *Ertiga* can be gauged through its waiting period, ranging between 22-24 weeks and record high dispatches of ~8k units in Feb’19.
- On the other hand, HMIL’s new *Santro* received a mild response. The product is now available off-the-shelf with dispatches declining to 6.9k units in Feb’19 (v/s peak of 9k units in Nov’18).

MSIL gained share in the mini/compact hatch-back while losts in other segments

- MSIL’s domestic PV market share further strengthened by 140bp to 51.4% in FY19 YTD from 50% in FY18.
- Despite decline in mini segment volumes, MSIL’s share in the segment expanded 140bp to 72.7% in FY19 YTD, led by growth in *Alto*.
- Its market share in the compact segment expanded the most by 410bp to 56.3% in FY19 YTD, led by the launch of the new *Swift* and continued traction in *Baleno*.

- However, its share in the compact sedan segment contracted by 4% to 57.7% in FY19YTD (v/s 61.8% in FY18) led by competitive pressure post launch of Hyundai's new *Verna* and Toyota's *Yaris*. *Ciaz* sales declined by 22%.
- With aggressive competition in the UV1 segment, MSIL's market share contracted by 50bp to 38.3% in FY19 YTD (38.8% in FY18).

Valuation and view

- We prefer 4Ws (PVs) over 2Ws/CVs as it is the least impacted segment currently, offering a stable competitive environment.
- We expect PV volumes to grow ~7% CAGR over FY19-21E. This coupled with the continuous trend of premiumization should drive revenue CAGR of 9-10%. We estimate MSIL will gain more market share led by its strong product lifecycle.
- Our top picks in Autos are MSIL and MSS among the large caps, and EXID and ENDU among midcaps.



BSE SENSEX
38,165

S&P CNX
11,457

CMP: INR1,892

TP: INR1,820 (-4%)

Neutral

infoedge

Stock Info

Bloomberg	INFOE IN
Equity Shares (m)	104
M.Cap.(INRb)/(USDb)	231.1 / 3.4
52-Week Range (INR)	1918 / 1125
1, 6, 12 Rel. Per (%)	9/21/36
12M Avg Val (INR M)	275
Free float (%)	58.8

Financials Snapshot (INR b)

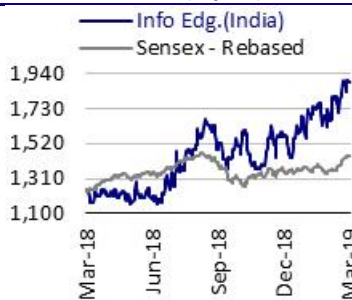
Y/E MARCH	2019E	2020E	2021E
Net Sales	10.9	12.5	14.6
EBITDA (INR b)	3.4	4.1	5.2
NP	3.1	4.1	5.0
EPS	24.4	30.9	38.2
EPS Gr (%)	64.0	26.7	23.5
BV/Share (INR)	188.7	212.6	243.8
P/E (x)	78.2	61.7	50.0
P/BV (x)	10.1	9.0	7.8
RoE (%)	14.3	15.5	16.8
RoCE (%)	14.6	16.6	17.8

Shareholding pattern (%)

As On	Dec-18	Sep-18	Dec-17
Promoter	41.2	41.4	41.5
DII	16.4	14.6	14.9
FII	31.3	33.0	32.7
Others	11.1	11.1	10.9

FII Includes depository receipts

Stock Performance (1-year)



Momentum continues in core

Liquidity issues for developers may impact 99acres over the near term

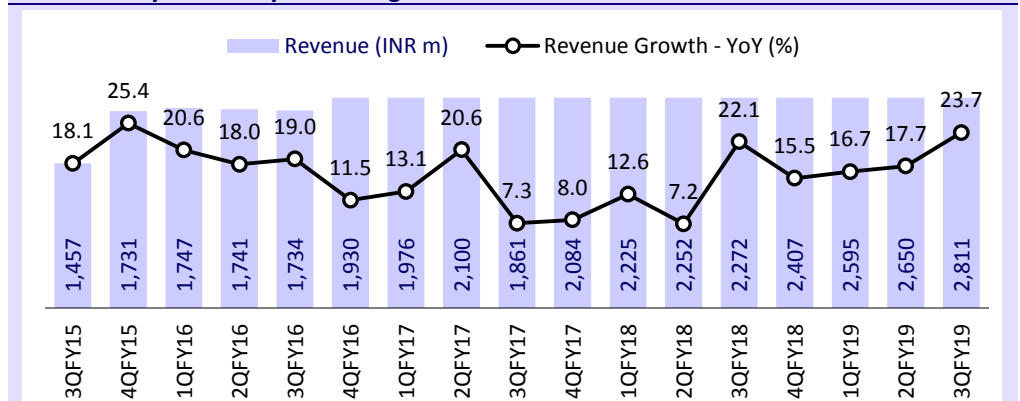
We attended Info-Edge's (INFOE) Analyst Meet, where the company discussed each of its business and answered questions regarding the same.

- **Naukri has maintained its strong growth momentum, backed by an uptick in tech (and IT services) hiring.**
- **99acres may witness a near-term impact on account of the liquidity crunch and caution ahead of the general elections. However, a gradual improvement is expected over the longer term.**
- **Zomato continues gaining market share, but this is happening at the expense of higher cash burn. The size of Zomato implies that incremental investment will be high to retain its current share, and hence, it may stay away from participating in future financing rounds too.**
- **In other businesses, Jeevansathi will continue burning cash, at least for the next 4-5 quarters, to maintain/expand market share. PolicyBazaar continues performing well, and if possible, INFOE will look at raising its share in this entity.**

Naukri doing its job well, uptick in investment cycle

- Revenues in the recruitment business have started inching up, led by accelerated hiring in IT Services, which constitutes 40.2% of total recruitment revenue.
- INFOE has been gradually kicking in investments on both the tech and advertisement fronts. However, management is confident on containing the higher cost if growth exceeds 20%.
- IIM Jobs and LinkedIn are the major competitors in the space. LinkedIn and IIM Jobs still operate in the niche segment, while Indeed has presence in the SME segment. That said, it has been continuously trying to ramp up in the white collar space by way of higher ad expense and free product offerings.

Growth led by a recovery in IT hiring

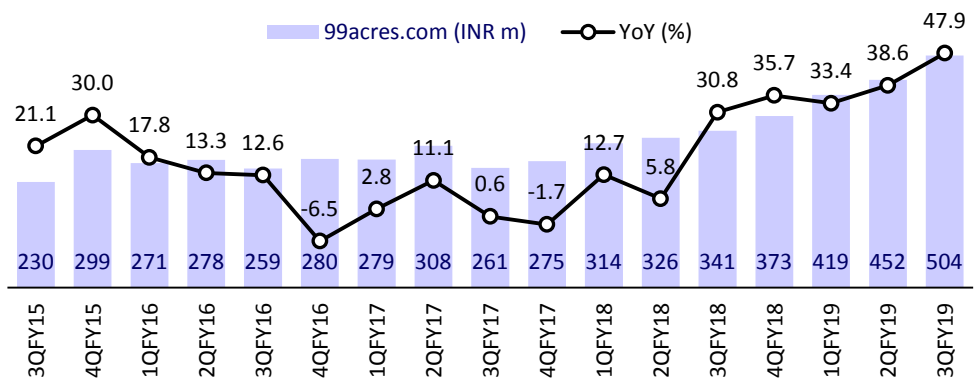


Source: Company, MOFSL

Near term weakness in 99acres

- While growth has been on an uptrend over the past few quarters led by a low base, the recent liquidity crunch and the caution ahead of the general elections will have a near-term impact on the real estate sector.
- Revenue contribution from builders stands at 45%, while the broker market is showing good traction due to high growth trajectory in the resale and rental market.
- Apart from that, there has been broad-based traction in this space. Once the market matures, 99acres has potential to become bigger than the flagship Naukri.
- While the top 9 cities contribute majority of revenue, the sales teams are now focusing more on tier II cities. Overall growth should exceed 25% YoY.
- Facebook and Google are the major competitors (apart from MagicBricks). Currently, Facebook and Google are doing more business than 99acres and MagicBricks combined.

99acres may see a near-term impact

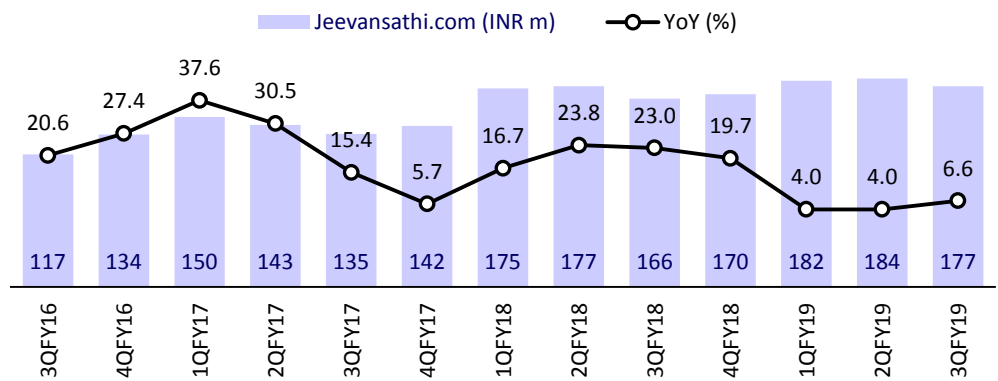


Source: Company, MOFSL

Jeevansathi – investing to match up with competitors

- INFOE is at third position in the matrimony space, with a market share of close to ~15%. Total market size of the top three players is ~INR7,000m.
- The segment has been struggling for some time now, led by aggressive ads spends by competitors. INFOE has been burring cash, with LTM operating losses at INR395m.
- INFOE do not expect to curb operating losses for at least 4-5 quarters due to higher spends to retain market share.
- While urban areas continue growing, higher incremental growth is now contributed by Tier II/III cities.

Matrimony business saw lower growth as competitors ramped up ad spends



Source: Company, MOFSL

Other Business highlights

- Zomato is now valued at >USD2.5b. It has cash in the range of USD400-500m. According to the latest disclosure, INFOE has a 26% stake in Zomato.
- While Zomato continues gaining market share, it is at the expense of higher cash burn. The size of Zomato implies that incremental investment will be high to retain its current share, and hence, it may stay away from participating in future financing rounds too.
- PolicyBazaar is doing well. The IRDA has a sectorial limit between overseas and domestic holding, and thus, incremental funding from overseas investors has been an issue.
- Meritnation has created a good IP, but has not been able to monetize it well. INFOE holds a 65% stake in the company.



Brigade Enterprises

BSE SENSEX
38,165

S&P CNX
11,457

CMP: INR248

TP: INR316 (+28%)

Buy



Stock Info

Bloomberg	BRGD IN
Equity Shares (m)	136
M.Cap.(INRb)/(USD b)	33.8 / 0.5
52-Week Range (INR)	309 / 157
1, 6, 12 Rel. Per (%)	17/22/-18
12M Avg Val (INR M)	26
Free float (%)	53.2

Financials Snapshot (INR b)

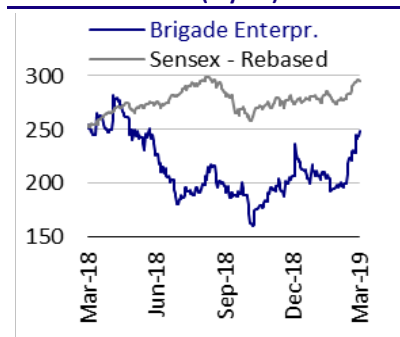
Y/E	March	FY19E	FY20E	FY21E
Sales	27.6	28.3	28.8	
EBITDA	7.3	7.7	8.3	
NP	2.3	2.2	1.9	
EPS (INR)	16.5	16.1	14.2	
EPS Growth (%)	53.1	-2.9	-11.4	
BV/Share (INR)	181.6	194.3	204.9	
P/E (x)	15.0	15.4	17.4	
P/BV (x)	1.4	1.3	1.2	
RoE (%)	9.5	8.5	7.1	
RoCE (%)	7.9	7.3	6.9	

Shareholding pattern (%)

As On	Dec-18	Sep-18	Dec-17
Promoter	46.9	46.8	46.8
DII	15.8	15.9	14.9
FII	12.6	12.6	12.9
Others	24.8	24.8	25.5

FII Includes depository receipts

Stock Performance (1-year)



There's a rush for the 'Key'

Pre-leasing on track, residential sales impressive

Buoyant commercial market bodes well for new absorption in Bangalore: We note that absorption in the Bangalore office market is being driven by three major factors – consolidation, expansion and relocation. Out of gross leasing of 15msf in CY18, net leasing is estimated at 8-9msf, which implies that many existing tenants are moving to new and better properties/locations. Around 32-33msf of new supply is likely to come on board in the city by 2021, and the current low vacancy rate of 5-6% (7-8% in East Bangalore where tech gardens are located has) indicates that this supply is likely to be absorbed well. Rental growth was estimated at 5-6% YoY for CY18, with large part of demand coming from MNC IT companies.

Expect healthy pre-leasing traction from Brigade's key assets: BRGD's management cited that two LOIs have been signed recently at Brigade Tech Gardens (BTG) for 2 lakh sq.ft. of space, with a hard option of 1.5+ lakh sq.ft. (90% probability to convert). The pipeline in BTG too appears strong at more than 1m sq.ft., which will primarily cater to A&B grade tenants. WTC Chennai also has a strong pipeline. As discussed in the last concall, management is confident to lease 5-7 lakh sq.ft. of overall space in 4QFY19 between BTG, WTC Chennai, WTC Kochi and Brigade Opus.

Enters co-working space with 'Buzzworks': In mid-Mar'19, BRGD launched Buzzworks – the company's new brand in co-working space. Co-working typically caters to (i) small startups, (ii) individuals and (iii) transition space to bigger organizations. According to industry data, 50-60% of the space is today occupied by the third aforementioned category, which is also sustainable in nature. Buzzworks will launch over 2,500 seats across seven locations and three cities in the coming months. Its geographical reach will initially include Bangalore, Kochi and GIFT City. All locations will have facilities such as internet, housing keeping, security, and rejuvenation zones. It also plans to partner with food & beverage services, gyms and salons at these locations.

Residential operational performance on a strong footing: BRGD is all set to achieve the extensive growth targets it laid out earlier this year. In 3QFY19 alone, BRGD reported robust pre-sales of 0.78m sq.ft. (+68% YoY), which is 40% of total pre-sales of 2m sq.ft. achieved in 9MFY19. Consequently, for the full-year FY19, we expect it to achieve 2.55msf, much higher than 1.57msf in FY18. The company has recently launched Brigade Utopia, where it pre-launched 2.5m sq.ft. out of development potential of 6msf and has seen good response. It is also likely to launch another affordable housing project in 1QFY20, with a ticket size of up to INR4.5m near the Bengaluru airport.

Revenue mix to skew toward leasing segment: Residential segment contributes 70-75% of pre-sales, while commercial leasing, retail and hospitality account for 25%. We expect the product profile to shift toward commercial leasing, retail and hospitality over the coming years (share to increase to 40-45%). The share of residential, on the other hand, is likely to reduce to 55-60% in the near term and 50% in the longer term. IT tenants continue dominating the buyer profile with a share of 80-85%.

Valuation and view: BRGD's commercial and residential growth prospects appear promising. We expect annuity income (excl. CAM) from office and retail to increase from INR2.7b to INR6.3b in FY22 (BRGD's share), and residential segment growth to be driven by launches in the affordable segment. We are particularly enthused with the ongoing traction in pre-leasing and residential sales. Our estimates factor in revenue potential from the SABMiller land parcel. We maintain our Buy rating on the company and raise our target price to INR316, implying an upside of 28%.

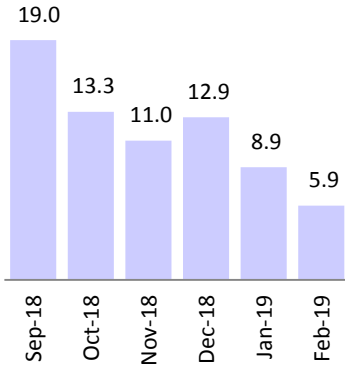
Valuation matrix

NAV Calculation	Method	Metrics	FY20		
			INR m	per share (INR)	%
Real Estate	DCF		11,574	85	17%
Leasing	DCF	DF-13%, Cap -9%	36,488	268	54%
Hospitality	EV/EBITDA	10x FY20	8,843	65	13%
Land Bank Value	Amount paid for		10,156	75	15%
Gross Asset Value			67,062	493	100%
Less: Net Debt			24,005	176	36%
Net Asset Value			43,057	316	64%
CMP				248	
Up/down				28%	

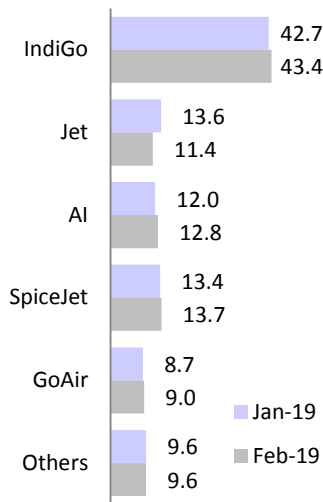


Aviation

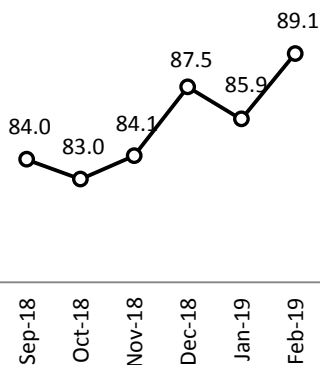
Domestic passenger growth (YoY; %)



Passenger market share (%)



Industry load factor (%)



Source: DGCA, MOFSL

Feb'19 domestic air PAX growth subdued, lowest in 5-yr

Domestic PAX growth at 5.9%, Domestic PLF at 89.1%

- Domestic air passenger (PAX) growth in India was subdued in Feb'19, growing just 5.9% YoY to 11.4m (v/s 8.9% YoY in Jan'19 and 12.4% YoY in 3QFY19). PAX growth was the lowest in the last 57 months. SpiceJet PAX grew at 17% YoY, while Jet Airways saw the worst decline of 28% YoY, among the pack.
- Domestic industry load factor improved MoM in Feb'19 at 89.1% (v/s 85.9% in Jan'19 and 84.9% in 3QFY19).
- Flight cancellations for Air India (8.2%), Air Asia (2.5%) and Jet Airways (2.3%) were higher than industry average of 1.9%.

India's domestic air PAX Feb'19 growth in single-digit

- India's domestic air PAX grew just 5.9% YoY to 11.4m in Feb'19 (v/s 8.9% YoY in Jan'19 and 12.4% in 3QFY19).
- IndiGo's PAX grew 14.9% YoY to 4.93m in Feb'19 (v/s 16.8% YoY in Jan'19 and 22.6% in 3QFY19); its market share was at 43.4% v/s 42.7% in Jan'19.
- SpiceJet's PAX grew 17.0% YoY to 1.56m in Feb'19 (v/s 15.1% YoY in Jan'19 and 7.0% in 3QFY19); its market share was at 13.7% v/s 13.4% in Jan'19.
- Air India's PAX grew 3.2% YoY to 1.45m in Feb'19 (v/s decline of 1.3% YoY in Jan'19 and 3.0% in 3QFY19); its market share was at 12.8% v/s 12.0% in Jan'19.
- GoAir's PAX grew 0.6% YoY to 1.03m in Feb'19 (v/s decline of 0.7% YoY in Jan'19 and 8.2% in 3QFY19); its market share was at 9.0% v/s 8.7% in Jan'19.
- Jet Airways' PAX declined 28.0% YoY to 1.29m in Feb'19 (v/s -10.3% YoY in Jan'19 and -5.9% in 3QFY19); its market share was at 11.4% v/s 13.6% in Jan'19.

Domestic industry's load factor at 89.1% in Feb'19

- SpiceJet's load factor stood at 94.0% in Feb'19 (v/s 90.9% in Jan'19 and 91.6% in 3QFY19).
- IndiGo's load factor stood at 88.4% in Feb'19 (v/s 86.4% in Jan'19 and 85.7% in 3QFY19).
- GoAir's load factor stood at 92.6% in Feb'19 (v/s 87.4% in Jan'19 and 86.7% in 3QFY19).
- Air India's load factor stood at 83.3% in Feb'19 (v/s 80.0% in Jan'19 and 77.8% in 3QFY19).
- Jet Airways' load factor stood at 88.7% in Feb'19 (v/s 85.9% in Jan'19 and 83.4% in 3QFY19).



1. HDFC LIFE: MAXIMUM GROWTH SEEN IN RETIREMENT PLANS; Vibha Padalkar, MD & CEO

- Have always maintained that smooth upward curve on all key matrix including growth, so a 2-2.5 times GDP growth is something that company believes should lead to a sustained increase of 20 percent plus growth in embedded value.
- Company's focus is on conserving embedded value and to grow it steadily.
- In the past 5 years, growth has been very consistently 20-20 mark; 20 percent growth in embedded value, 20 percent return on embedded value as well as 20 percent and above new business margins. So no reason to believe that company won't continue along that trajectory.
- Company is focusing significantly on the retiral space. Maximum growth is seen in plans pertaining to retirement.

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2. TECH MAHINDRA: EXPECT HEALTHY Q4 IN TERMS OF DEAL WIN NUMBERS; Manoj Bhat, CFO

- Expecting to see a healthy fourth quarter in terms of deals.
- There is an ongoing trend of consolidation in the IT sector. People are looking for enhanced opportunities and company welcomes any such moves.
- 75 percent of book is hedged for the next few quarters.

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1. NIGHT-TIME COMMERCE OFFERS INDIA A GROWTH OPPORTUNITY

- With Future Retail signed up as its master franchise, the 7-Eleven convenience store chain will open its iconic shops in many Indian cities this year. Unlike in almost all the 18 other countries where it is “always close, but never closed”, it won’t be able to operate round the clock in India. As Kishore Biyani says, “We will be open 24 hours wherever we can.” That is because India ignores and often looks down on its night-time economy. Mention the phrase and the first thing that comes to most people’s mind is not just nightlife, but the seedy side of it, involving dance bars, prostitution, drunken driving, gang fights and other crime. Police commissioners will refuse permission for retail establishments to stay open late because of “law and order” problems, some community leaders will complain of the evils that go with nocturnal activities and civic groups will protest noise, traffic and rowdiness. In most cities, after-dark economic activity starts slowing down at 10pm, though restaurants and bars in a few big cities remain open until 1.30am.

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2. TIME TO EASE CREDIT FLOWS IN EFFECTIVE WAYS

- The lukewarm response of Indian lenders in passing on the last rate cut by the Reserve Bank of India to customers has made one thing clear: monetary policy transmission just isn’t happening. Since RBI’s rate cut in early February, only a handful of banks have been lending money at lower rates of interest. That too, only marginally. In other words, the general burden that businesses and consumers bear is not coming down significantly enough to encourage the kind of investment and consumption that the central bank had hoped for. Worse still, bankers are cautioning they have very little headroom to cut lending rates in the near future, given their high cost of funds.

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3. WHAT WILL THE RUPEE DO NOW

- Now that the rupee has broken smartly above 69 to the \$, the level at which Raghuram Rajan came in as Governor (2013) and which had provided a strong support to the rupee till last August, when it fell sharply (to nearly `75 to the \$) during the last rupee ‘crisis’, where do we go from here? Will this episode parallel what happened in 2009, when, after hitting a (then) all-time low of `51.95 to the \$, the rupee strengthened by nearly 15% over the next 2+ years? Or, will it simply rally for a year as it did in 2012-13, before falling sharply again (to another all-time low)? Or will it hold above the current all-time low (of `75 to the \$) but be battered with high volatility for the next 5 years, paralleling its path from 2013 to 2018? Or, since history only repeats itself approximately, will it trace an entirely different path? There are no answers but it may be worth looking at several new forces in the game. Perhaps the most significant is the possibility that India’s share in the MSCI index may be increased—this would substantially influence debt flows into the Indian market—indeed, on March 14, there were debt inflows of \$223 million, more than double the average daily debt inflows earlier in March.

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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	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Automobiles																
Amara Raja	Buy	716	855	19	27.6	28.6	35.9	-1.5	3.7	25.5	25.0	20.0	3.7	3.2	15.6	17.1
Ashok Ley.	Buy	89	110	23	6.0	7.0	7.3	37.1	18.3	4.0	12.7	12.2	3.2	2.8	26.7	24.1
Bajaj Auto	Buy	2949	3045	3	151.3	159.2	177.1	7.3	5.2	11.3	18.5	16.6	4.0	3.6	22.8	22.8
Bharat Forge	Buy	495	568	15	18.4	23.8	27.3	40.7	28.9	15.1	20.8	18.1	4.2	3.6	21.9	21.5
Bosch	Neutral	18268	20147	10	469.8	543.9	632.3	-0.7	15.8	16.2	33.6	28.9	5.1	5.4	15.9	17.9
CEAT	Buy	1115	1370	23	64.0	64.7	82.5	-30.3	1.1	27.5	17.2	13.5	1.6	1.4	9.6	11.2
Eicher Mot.	Buy	21445	23960	12	799.6	855	1,000	27.0	7.0	16.9	25.1	21.4	6.7	5.4	29.5	27.7
Endurance Tech.	Buy	1155	1476	28	29.1	34.7	44.8	23.8	19.5	28.9	33.2	25.8	6.4	5.4	20.7	22.8
Escorts	Neutral	807	754	-7	39.5	54.6	60.5	88.0	38.3	10.7	14.8	13.3	2.7	2.3	20.0	18.8
Exide Ind	Buy	221	280	27	8.2	8.9	10.9	0.4	9.1	21.5	24.7	20.3	3.1	2.9	12.7	14.1
Hero Moto	Neutral	2605	2928	12	185.1	171.9	181.0	9.5	-7.2	5.3	15.2	14.4	4.1	3.9	28.1	27.7
M&M	Buy	679	841	24	41.0	41.5	47.5	49.8	1.2	14.2	16.3	14.3	2.4	2.1	14.5	14.1
Maruti Suzuki	Buy	6558	8131	24	266.7	244.8	291.8	7.3	-8.2	19.2	26.8	22.5	4.4	4.0	16.3	17.4
Motherson Sumi	Buy	146	204	40	5.4	5.3	7.5	6.0	-2.4	43.0	27.7	19.4	4.4	3.8	16.8	21.0
Tata Motors	Neutral	175	166	-5	22.9	-4.4	17.2	15.7	PL	LP	NM	10.2	0.9	0.8	-1.8	8.5
TVS Motor	Neutral	462	576	25	13.9	15.2	22.0	18.7	9.0	44.7	30.4	21.0	6.5	5.3	23.1	27.8
Aggregate								15.8	-21.8	40.7	25.3	18.0	3.2	2.9	12.7	16.2
Banks - Private																
AU Small Finance	Buy	563	720	28	10.2	12.9	17.1	-79.5	26	32.3	43.6	32.9	5.2	4.1	13.8	13.9
Axis Bank	Buy	757	875	16	1.1	18.5	39.6	-92.8	1,568	113.5	40.9	19.1	2.8	2.5	7.2	13.9
DCB Bank	Neutral	196	175	-11	8.0	10.2	13.2	13.8	27.6	30.1	19.3	14.9	2.0	1.8	11.6	13.4
Equitas Hold.	Buy	134	150	12	0.9	6.8	9.5	-82.3	631.5	40.6	19.8	14.1	1.8	1.7	9.7	12.4
Federal Bank	Buy	90	115	27	4.8	6.1	8.9	-1.3	29.3	44.5	14.7	10.2	1.3	1.2	9.5	12.5
HDFC Bank	Buy	2275	2500	10	67.8	79.8	95.9	19.4	17.6	20.2	28.5	23.7	4.2	3.7	16.7	16.5
ICICI Bank	Buy	392	450	15	11.1	7.7	20.2	-34.3	-30.8	163.7	51.2	19.4	2.4	2.2	4.7	11.8
IndusInd	Buy	1700	1900	12	60.2	68.8	100.2	25.2	14.3	45.6	24.7	17.0	3.9	3.1	16.5	20.2
Kotak Mah. Bk	Neutral	1334	1350	1	32.5	37.9	46.1	21.3	16.4	21.7	35.2	28.9	4.4	3.8	12.1	13.3
RBL Bank	Buy	638	650	2	15.1	20.6	28.0	27.3	36.4	35.6	30.9	22.8	3.6	3.2	12.3	14.9
South Indian	Buy	16	20	26	1.9	1.7	2.7	-25.5	-10.5	61.1	9.5	5.9	0.5	0.5	5.6	8.6
Yes Bank	Buy	253	270	7	18.4	18.5	22.6	26.3	0.4	22.4	13.7	11.2	2.0	1.7	15.5	16.7
Aggregate								-1.3	22.2	49.5	31.3	20.9	3.4	3.0	10.8	14.3
Banks - PSU																
BOB	Buy	120	140	17	-9.8	8.9	15.7	PL	LP	77.5	13.6	7.6	0.7	0.7	5.3	8.8
BOI	Neutral	99	90	-9	-43.2	-24.4	3.7	Loss	Loss	LP	NM	26.5	0.8	0.8	-15.0	2.7
Canara	Neutral	272	278	2	-63.5	17.0	42.3	PL	LP	148.5	16.0	6.4	0.6	0.6	3.5	8.2
Indian Bk	Buy	264	300	14	26.2	15.3	30.4	-10.4	-41.7	98.8	17.3	8.7	0.7	0.7	4.6	8.6
PNB	Neutral	92	80	-13	-50.3	-14.4	8.0	PL	Loss	LP	NM	11.4	0.8	0.8	-11.0	6.6
SBI	Buy	298	340	14	-5.3	6.6	30.0	PL	LP	354.4	45.1	9.9	1.2	1.1	1.8	11.5
Union Bk	Neutral	87	80	-8	-56.5	4.5	12.8	PL	LP	185.8	19.4	6.8	0.4	0.4	2.1	5.5
Aggregate								PL	LP	9,703.7	954.0	9.7	0.9	0.9	0.1	8.8
NBFCs																
Aditya Birla Cap	Buy	103	145	41	3.8	4.1	5.3	NA	10.4	27.2	24.8	19.5	2.3	2.0	10.2	11.3
Bajaj Fin.	Neutral	2837	2400	-15	43.4	68.3	89.1	35.9	57.4	30.5	41.5	31.8	8.6	7.0	22.8	24.2
Cholaman. Inv.&Fn	Buy	1347	1525	13	62.3	78.1	88.4	35.5	25.4	13.2	17.2	15.2	3.4	2.8	21.8	20.4
HDFC	Buy	1984	2300	16	42.3	44.8	51.9	6.2	5.9	16.0	44.3	38.2	4.6	4.3	15.6	15.3
HDFC Life Insur.	Buy	364	475	31	5.5	6.4	7.6	23.7	16.6	18.3	56.4	47.6	4.0	3.4	18.6	19.1
ICICI Pru Life	Buy	330	430	30	11.3	8.0	8.9	-3.8	-29.0	11.0	41.2	37.1	2.2	1.9	15.7	14.9
Indiabulls Hsg	Buy	728	900	24	90.2	95.9	110.2	31.5	6.3	14.9	7.6	6.6	1.8	1.6	25.7	26.2
L&T Fin Holdings	Buy	146	185	27	6.8	11.5	13.3	29.5	69.5	15.6	12.7	11.0	2.2	1.9	18.8	18.5
LIC Hsg Fin	Buy	528	600	14	39.4	47.7	56.1	3.0	21.1	17.7	11.1	9.4	1.6	1.4	15.6	16.1
MAS Financial	Buy	536	650	21	19.2	28.4	32.6	27.5	47.9	15.1	18.9	16.4	3.5	3.0	19.8	19.6
M&M Fin.	Buy	416	518	25	17.4	21.7	27.0	146.3	24.1	24.5	19.2	15.4	2.4	2.2	13.2	14.9
Muthoot Fin	Neutral	595	500	-16	43.0	48.9	57.1	45.6	13.8	16.8	12.2	10.4	2.6	2.2	23.2	23.0



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	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
PNB Housing	Buy	858	1100	28	49.6	66.0	78.0	56.9	33.0	18.2	13.0	11.0	2.0	1.7	16.1	16.8
Repco Home	Buy	450	480	7	32.9	38.8	44.4	13.1	17.7	14.4	11.6	10.1	1.8	1.6	17.2	16.8
Shriram City Union	Buy	1791	2000	12	100.8	144.2	158.0	19.5	43.1	9.6	12.4	11.3	1.9	1.6	16.3	15.5
Shriram Trans.	Buy	1199	1400	17	69.1	108.7	133.3	24.7	57.3	22.6	11.0	9.0	1.7	1.5	16.8	17.8
Aggregate								25.1	21.3	18.8	25.9	21.8	3.9	3.5	15.2	15.9
Capital Goods																
ABB	Sell	1341	1020	-24	10.6	12.0	17.4	-41.9	12.7	44.8	111.8	77.2	7.1	6.6	6.3	8.6
Bharat Elec.	Buy	91	110	21	5.7	7.1	7.4	-8.8	24.0	4.1	12.8	12.3	2.5	2.2	19.7	18.3
BHEL	Sell	67	47	-30	2.2	3.2	3.8	62.7	45.5	18.6	21.1	17.8	0.7	0.7	3.5	4.2
Blue Star	Neutral	673	620	-8	14.5	16.8	23.6	12.7	15.6	40.5	40.1	28.5	7.1	6.4	19.3	22.3
CG Cons. Elec.	Buy	222	270	22	5.2	6.0	7.7	14.3	16.1	28.6	37.0	28.8	14.2	11.3	42.4	43.7
Cummins	Buy	752	950	26	23.5	26.9	30.7	-11.2	14.4	13.9	27.9	24.5	4.8	4.5	18.0	19.0
Engineers India	Buy	113	145	28	6.3	6.4	7.4	14.8	1.6	17.1	17.8	15.2	3.1	2.8	16.9	18.0
GE T&D	Neutral	270	280	4	7.5	10.1	11.1	30.8	35.2	9.4	26.7	24.4	5.1	4.5	20.4	19.7
Havells	Buy	757	820	8	11.2	13.2	16.2	17.4	17.3	22.8	57.5	46.9	11.2	9.8	19.4	20.9
K E C Intl	Neutral	300	260	-13	17.9	19.7	24.7	51.1	10.2	25.2	15.2	12.1	3.2	2.6	20.9	21.5
L&T	Buy	1394	1610	15	51.7	57.8	73.4	22.4	11.8	27.0	24.1	19.0	3.2	2.5	13.9	14.7
Siemens	Neutral	1049	1125	7	19.8	25.1	30.9	10.9	27.1	23.1	41.8	33.9	4.5	4.2	11.2	12.7
Solar Ind	Neutral	1043	1125	8	24.4	28.7	37.5	18.2	17.9	30.6	36.3	27.8	7.3	6.0	21.9	23.8
Thermax	Buy	990	1240	25	20.5	26.3	36.3	-1.2	28.0	38.4	37.7	27.2	3.8	3.4	10.5	13.2
Va Tech Wab.	Neutral	334	300	-10	24.1	26.3	33.6	27.6	9.3	27.6	12.7	9.9	1.5	1.3	10.9	14.1
Voltas	Neutral	613	590	-4	17.3	15.4	17.5	11.9	-11.1	14.1	39.9	35.0	4.7	4.3	12.7	12.9
Aggregate								14.5	15.1	22.8	27.8	22.6	3.3	2.8	11.9	12.4
Cement																
Ambuja Cem.	Neutral	229	194	-15	6.1	6.3	6.8	31.6	2.3	8.5	36.6	33.7	2.2	2.1	6.1	6.3
ACC	Buy	1580	1853	17	46.9	57.3	78.4	27.7	22.1	36.9	27.6	20.2	2.8	2.5	10.8	13.3
Birla Corp.	Buy	512	590	15	18.9	25.6	48.6	-35.6	35.5	89.8	20.0	10.5	0.9	0.8	4.6	8.3
Grasim Inds.	Neutral	820	836	2	47.3	62.6	80.8	-30.2	32.4	28.9	13.1	10.2	1.2	1.1	6.0	6.1
India Cem	Neutral	99	81	-19	3.3	1.9	4.8	-42.0	-41.3	150.3	51.9	20.7	0.6	0.6	1.1	2.8
J K Cements	Buy	838	825	-2	41.0	34.3	38.7	56.2	-16.3	12.8	24.4	21.6	3.0	2.7	12.8	13.0
JK Lakshmi Ce	Buy	350	386	10	7.4	6.2	11.3	6.4	-16.4	81.8	56.5	31.1	2.7	2.5	4.9	8.4
Ramco Cem	Buy	707	680	-4	24.0	19.8	24.5	-11.9	-17.4	23.8	35.7	28.9	3.8	3.4	11.0	12.3
Orient Cem	Buy	88	82	-7	2.2	-0.4	3.0	LP	PL	LP	NM	29.3	1.8	1.7	-0.8	6.0
Prism Johnson	Buy	90	100	11	1.4	2.7	3.4	302.1	92.4	25.7	33.5	26.6	4.0	3.6	12.6	14.2
Sanghi Inds.	Buy	60	67	11	3.7	1.6	2.2	29.5	-56.0	33.9	36.9	27.6	0.9	0.9	2.5	3.3
Shree Cem	Buy	18128	21017	16	385.8	380.9	466.1	0.4	-1.3	22.4	47.6	38.9	6.5	5.7	14.3	15.6
Ultratech	Buy	3928	4368	11	85.7	77.3	105.2	-10.9	-9.8	36.1	50.8	37.3	3.9	3.2	7.9	9.5
Aggregate								1.7	8.0	31.4	29.4	22.3	2.4	2.2	8.3	10.0
Consumer																
Asian Paints	Neutral	1471	1500	2	21.1	23.9	28.4	1.9	13.3	18.5	61.4	51.8	15.5	14.7	26.2	29.1
Britannia	Buy	3096	3630	17	41.8	48.4	59.1	13.5	15.6	22.2	64.0	52.4	19.4	18.1	32.1	35.8
Colgate	Buy	1264	1540	22	25.2	27.9	32.1	18.6	10.8	15.1	45.3	39.4	21.3	21.3	48.4	54.1
Dabur	Neutral	425	455	7	7.8	8.4	9.6	7.2	8.5	13.7	50.4	44.3	11.4	10.3	24.2	24.4
Emami	Buy	397	520	31	12.1	12.6	14.3	-8.5	4.2	12.9	31.4	27.8	8.3	8.0	27.4	29.2
Future Consumer	Buy	45	56	24	-0.2	-0.1	0.8	Loss	Loss	LP	NM	60.1	7.6	6.8	-1.9	11.9
Godrej Cons.	Neutral	698	805	15	14.1	14.9	17.7	11.4	5.6	18.9	47.0	39.5	10.4	9.6	23.2	25.3
GSK Cons.	Neutral	6931	7785	12	166.5	206.1	223.9	6.6	23.8	8.6	33.6	31.0	8.1	7.2	24.5	24.7
HUL	Buy	1679	2125	27	24.5	28.8	34.3	24.7	17.5	19.1	58.4	49.0	49.2	49.9	86.1	101.2
ITC	Neutral	298	300	1	8.9	9.9	11.2	5.5	11.6	13.1	30.1	26.6	7.2	6.7	23.8	26.2
Jyothy Lab	Neutral	185	190	3	4.9	5.3	6.5	-12.4	8.7	22.2	34.5	28.3	5.5	5.2	16.5	18.9
Marico	Buy	340	470	38	6.4	7.5	8.9	2.0	16.9	18.7	45.3	38.2	15.0	13.7	35.4	37.5
Nestle	Neutral	10598	11800	11	140.0	178.6	197.3	13.2	27.5	10.5	59.4	53.7	27.8	27.4	48.5	51.4
Page Inds	Neutral	23705	25755	9	311.1	378.3	472.0	30.3	21.6	24.7	62.7	50.2	32.2	27.0	51.5	53.8
Parag Milk Foods	Buy	256	260	2	10.4	13.9	16.1	383.7	33.5	16.3	18.5	15.9	2.6	2.3	15.2	15.5



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	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Pidilite Ind.	Buy	1184	1280	8	18.9	18.2	22.4	13.2	-4.0	23.2	65.2	52.9	15.1	13.8	24.4	27.3
P&G Hygiene	Neutral	10417	9800	-6	113.9	134.4	167.0	-14.5	18.0	24.3	77.5	62.4	35.9	30.5	50.0	53.0
United Brew	Neutral	1368	1480	8	14.9	23.0	26.8	71.7	54.0	16.6	59.6	51.1	11.2	9.4	20.6	20.1
United Spirits	Buy	565	700	24	6.7	10.3	14.2	26.1	53.3	37.4	54.6	39.7	13.2	10.4	24.2	26.3
Aggregate								10.7	14.7	16.9	46.3	39.6	13.5	12.5	29.3	31.7
Healthcare																
Alembic Phar	Neutral	539	615	14	21.9	29.3	29.6	2.5	33.8	1.2	18.4	18.2	3.8	3.3	22.4	19.3
Alkem Lab	Buy	1730	2365	37	58.9	72.4	91.8	-21.1	22.9	26.8	23.9	18.9	3.7	3.2	16.6	18.4
Ajanta Pharma	Buy	1007	1390	38	53.0	43.7	51.9	-7.5	-17.5	18.7	23.0	19.4	3.8	3.2	17.5	17.9
Aurobindo	Buy	769	940	22	42.7	42.8	59.1	8.7	0.2	38.1	18.0	13.0	3.2	2.6	19.6	22.2
Biocon	Neutral	616	685	11	6.2	11.9	21.8	-39.2	91.4	83.5	51.8	28.3	6.4	5.5	13.0	20.9
Cadila	Buy	333	420	26	17.5	17.2	17.7	20.6	-2.0	3.3	19.4	18.8	3.4	3.0	18.8	17.1
Cipla	Neutral	527	520	-1	20.3	18.0	24.1	31.2	-11.6	34.2	29.3	21.8	2.7	2.5	9.4	11.3
Divis Lab	Neutral	1664	1570	-6	33.0	56.0	61.3	-17.3	69.5	9.4	29.7	27.1	6.3	5.3	22.9	21.1
Dr Reddy's	Neutral	2749	2540	-8	64.7	109.6	129.2	-10.9	69.4	17.9	25.1	21.3	3.3	2.9	13.7	14.4
Glenmark	Neutral	644	560	-13	28.5	28.2	34.7	-27.5	-0.9	22.8	22.8	18.6	3.0	2.6	13.2	14.1
Granules	Buy	113	140	24	5.6	8.9	10.4	-23.2	60.1	16.5	12.7	10.9	2.0	1.8	16.3	17.0
GSK Pharma	Neutral	1320	1330	1	19.7	24.0	29.1	14.4	22.1	21.4	55.0	45.3	10.5	9.8	19.2	21.7
IPCA Labs	Buy	928	970	5	19.0	35.3	42.5	18.1	86.1	20.3	26.3	21.9	3.8	3.3	15.4	16.1
Jubilant Life	Buy	752	1050	40	45.6	60.4	69.5	23.3	32.5	15.1	12.5	10.8	2.4	2.0	20.8	19.9
Lupin	Buy	744	1000	34	32.0	25.9	38.3	-43.5	-18.9	47.8	28.7	19.4	2.4	2.2	8.5	11.9
Sanofi India	Buy	5542	7000	26	141.7	165.5	197.3	9.8	16.7	19.2	33.5	28.1	5.7	5.2	17.2	18.5
Shilpa Medicare	Buy	363	480	32	12.8	15.2	23.4	-0.7	18.3	54.0	23.9	15.5	2.4	2.1	10.5	14.3
Strides Pharma	Buy	441	590	34	11.3	9.8	24.3	-65.1	-13.1	148.0	45.0	18.2	1.6	1.5	3.5	8.3
Sun Pharma	Buy	473	540	14	13.5	16.7	23.2	-48.5	24.2	38.8	28.3	20.4	2.8	2.5	10.3	13.1
Torrent Pharma	Neutral	1867	1660	-11	53.7	48.7	68.5	-2.6	-9.3	40.6	38.3	27.3	5.8	5.1	16.4	19.9
Aggregate								-19.3	15.3	29.3	26.6	20.6	3.5	3.1	13.1	14.9
Infrastructure																
Ashoka Buildcon	Buy	129	175	36	8.4	10.6	12.4	34.6	25.6	16.7	12.1	10.4	1.6	1.4	14.3	14.6
IRB Infra	Neutral	146	155	6	23.9	27.1	23.5	17.5	13.6	-13.4	5.4	6.2	0.7	0.7	14.8	11.5
KNR Constructions	Buy	268	260	-3	19.4	14.4	14.4	61.8	-25.4	-0.4	18.6	18.6	2.8	2.4	16.2	14.0
Sadbhav Engineering	Buy	246	265	8	12.9	13.5	13.4	17.5	5.2	-1.1	18.2	18.4	2.0	1.9	11.8	10.5
Aggregate											10.0	10.5	1.4	1.2	13.5	11.5
Logistics																
Allcargo Logistics	Buy	116	142	23	7.3	8.7	10.1	-23.1	19.3	16.2	13.4	11.5	1.3	1.2	10.3	10.7
Concor	Buy	513	614	20	17.4	19.7	23.4	44.7	13.0	18.9	26.1	21.9	3.1	2.9	12.3	13.6
Aggregate								28.4	13.9	18.5	24.2	20.5	2.8	2.6	11.5	12.6
Media																
D B Corp	Buy	189	215	14	17.6	15.6	22.4	-13.8	-11.2	43.4	12.1	8.4	1.9	1.6	14.6	20.0
Ent.Network	Buy	536	720	34	6.8	11.0	19.0	-40.5	62.0	72.9	48.7	28.2	2.7	2.5	5.8	9.3
Jagran Prak.	Buy	111	140	26	9.6	8.7	13.3	-9.5	-9.7	53.4	12.8	8.3	1.7	1.5	13.1	19.3
Music Broadcast	Buy	60	76	26	1.8	2.3	3.0	41.1	25.5	30.6	26.5	20.3	2.8	2.4	10.4	12.7
PVR	Buy	1613	1850	15	26.7	34.5	35.9	30.4	29.2	3.9	46.8	45.0	6.1	4.8	14.0	12.2
Sun TV	Buy	595	720	21	27.7	38.0	42.0	11.6	37.1	10.5	15.7	14.2	4.6	4.2	30.8	30.9
Zee Ent.	Neutral	435	475	9	12.0	16.5	19.7	-23.2	37.3	18.8	26.3	22.1	4.8	4.0	19.4	19.7
Aggregate								-5.3	19.2	19.3	20.7	17.3	3.6	3.1	17.3	18.0
Metals																
Hindalco	Buy	209	302	45	18.9	26.6	29.0	120.5	40.8	8.9	7.9	7.2	1.1	1.0	15.0	14.3
Hind. Zinc	Neutral	275	273	-1	21.1	19.5	23.1	7.2	-7.7	18.5	14.1	11.9	3.4	2.9	23.5	26.5
JSPL	Buy	166	287	73	-8.5	2.3	3.8	Loss	LP	63.1	72.2	44.3	0.5	0.5	0.7	1.2
JSW Steel	Buy	286	322	13	23.4	30.6	20.7	56.9	30.7	-32.2	9.3	13.8	2.2	2.0	24.8	15.1
Nalco	Buy	54	69	28	5.1	8.9	5.1	37.0	75.1	-42.4	6.1	10.5	1.0	1.0	16.5	9.8
NMDC	Buy	107	111	4	13.1	13.6	10.1	31.5	3.8	-26.0	7.9	10.7	1.3	1.3	17.0	11.9



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	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
SAIL	Neutral	52	52	0	0.3	6.3	6.1	LP	2,330	-3.1	8.3	8.5	0.5	0.5	6.8	6.2
Rain Industries	Buy	101	123	22	23.7	20.4	13.7	238.1	-14.0	-32.8	4.9	7.3	0.7	0.7	16.0	9.9
Vedanta	Sell	174	162	-7	20.4	13.8	21.5	34.6	-32.2	55.4	12.6	8.1	1.1	1.0	8.3	12.8
Tata Steel	Sell	518	370	-29	69.5	88.7	72.0	83.3	27.6	-18.9	5.8	7.2	0.9	1.1	17.3	14.1
Aggregate								74.2	17.3	-3.0	9.6	9.9	1.2	1.2	12.8	12.0
Oil & Gas																
Aegis Logistics	Buy	201	277	38	5.9	6.6	9.7	64.5	11.1	47.3	30.6	20.8	4.9	4.2	17.0	21.7
BPCL	Buy	380	398	5	49.8	34.8	41.6	3.0	-30.0	19.5	10.9	9.1	1.8	1.7	17.8	19.2
GAIL	Neutral	349	348	0	20.4	29.7	29.4	20.5	45.7	-1.0	11.8	11.9	1.7	1.6	15.9	14.2
Gujarat Gas	Buy	150	165	10	4.2	5.9	6.4	32.7	40.3	7.7	25.2	23.4	4.8	4.1	20.4	19.0
Gujarat St. Pet.	Buy	178	209	17	11.9	15.2	14.8	34.6	28.3	-2.4	11.7	12.0	1.7	1.5	15.8	13.6
HPCL	Neutral	268	231	-14	47.4	36.6	42.5	-12.4	-22.7	16.0	7.3	6.3	1.4	1.3	20.6	21.2
IOC	Buy	157	183	17	23.9	13.8	16.3	11.0	-42.3	18.1	11.4	9.6	1.2	1.2	11.2	12.5
IGL	Buy	303	389	28	9.4	10.9	12.7	9.2	15.7	16.7	27.8	23.8	5.2	4.5	20.0	20.1
Mahanagar Gas	Buy	966	1300	35	48.4	57.1	59.8	21.5	18.1	4.7	16.9	16.2	4.0	3.5	25.0	22.9
MRPL	Buy	73	77	5	12.8	1.4	10.6	-13.6	-89.2	674.2	53.3	6.9	1.1	1.0	2.2	15.6
Oil India	Buy	172	239	39	23.6	29.3	30.7	-1.2	24.2	4.9	5.9	5.6	0.7	0.6	11.5	11.4
ONGC	Buy	153	182	19	20.2	26.9	30.3	-9.9	33.5	12.5	5.7	5.0	0.9	0.8	16.1	16.4
PLNG	Buy	242	311	29	13.9	15.0	17.4	21.8	8.6	15.4	16.1	13.9	3.4	3.1	22.1	23.3
Reliance Ind.	Buy	1342	1426	6	60.9	65.0	74.0	20.7	6.6	13.9	20.7	18.1	2.4	2.2	12.4	12.6
Aggregate								5.5	-1.4	14.6	13.0	11.4	1.7	1.6	13.3	13.9
Retail																
Jubilant Food	Neutral	1429	1300	-9	14.9	24.8	28.1	180.4	67.1	13.1	57.5	50.8	16.0	13.6	27.9	26.7
Titan Co.	Buy	1105	1180	7	12.6	16.4	20.8	39.9	29.5	27.1	67.5	53.1	19.2	16.5	28.5	33.4
Aggregate								51.1	35.1	24.5	65.4	52.5	18.5	15.9	28.3	30.2
Technology																
Cyient	Neutral	664	720	8	38.2	39.4	48.8	24.8	3.0	23.8	16.9	13.6	2.9	2.6	17.0	18.9
HCL Tech.	Neutral	1027	1105	8	62.6	74.3	83.0	4.5	18.8	11.7	13.8	12.4	3.3	3.0	25.9	25.4
Hexaware	Neutral	338	365	8	16.6	19.3	21.5	21.2	16.5	11.3	17.5	15.7	4.2	3.8	26.5	25.5
Infosys	Buy	742	865	17	32.4	36.4	39.2	3.1	12.4	7.7	20.4	19.0	5.2	5.2	25.6	27.4
L & T Infotech	Neutral	1659	1950	18	66.3	90.9	94.4	19.6	37.0	3.9	18.3	17.6	5.7	4.6	35.6	29.0
Mindtree	Neutral	939	1000	6	34.4	47.3	52.9	38.0	37.7	11.8	19.8	17.7	4.8	4.2	25.5	25.1
Mphasis	Neutral	966	1050	9	44.0	58.4	62.7	13.2	32.6	7.4	16.5	15.4	5.3	4.4	24.3	31.6
NIIT Tech	Neutral	1326	1400	6	45.6	69.5	82.2	19.8	52.6	18.1	19.1	16.1	4.2	3.6	23.1	24.1
Persistent Sys	Buy	630	800	27	40.4	46.8	55.8	7.2	16.0	19.1	13.5	11.3	2.1	2.0	16.7	17.8
Tata Elxsi	Buy	980	1050	7	38.7	45.6	50.4	37.7	17.8	10.5	21.5	19.4	6.6	4.4	34.1	27.2
TCS	Neutral	2005	2000	0	66.0	82.8	90.5	-1.0	25.4	9.3	24.2	22.2	8.9	8.5	36.6	39.3
Tech Mah	Buy	790	940	19	42.7	49.1	55.0	33.6	15.0	11.9	16.1	14.4	3.5	3.3	22.8	23.8
Wipro	Neutral	260	282	8	13.4	15.2	17.7	7.7	13.2	16.4	17.1	14.7	2.7	2.6	17.7	17.9
Zensar Tech	Buy	230	260	13	10.6	14.0	15.5	1.3	32.8	10.6	16.4	14.9	2.7	2.4	17.9	17.2
Aggregate								5.2	14.8	8.6	20.9	19.2	5.6	5.3	26.7	27.4
Telecom																
Bharti Airtel	Buy	331	380	15	3.5	-7.6	-5.6	-68.6	PL	Loss	NM	NM	2.2	2.3	-4.7	-3.9
Bharti Infratel	Neutral	317	290	-9	13.6	14.0	13.4	-8.1	2.5	-4.4	22.7	23.7	3.6	3.7	15.5	15.3
Vodafone Idea	Buy	32	40	25	-9.6	-18.6	-18.8	Loss	Loss	Loss	NM	NM	0.5	0.6	-37.0	-31.5
Tata Comm	Buy	602	630	5	1.2	1.3	11.2	-89.0	15.9	732.3	447.2	53.7	24.9	17.0	6.5	37.6
Aggregate								PL	Loss	Loss	-15	-15.2	1.8	2.0	-12.1	-13.5
Utilities																
Coal India	Buy	232	281	21	19.2	27.4	29.0	26.3	43.0	6.0	8.5	8.0	7.0	6.4	82.5	80.4
CESC	Buy	710	800	13	62.1	75.4	80.0	54.6	21.5	6.0	9.4	8.9	1.0	1.0	11.4	11.2
JSW Energy	Neutral	65	73	12	3.0	3.8	4.6	-21.2	24.5	21.8	17.4	14.3	0.9	0.9	5.5	6.5
NHPC	Buy	25	31	26	2.4	2.2	2.6	-17.3	-9.9	20.4	11.2	9.3	0.8	0.8	7.4	8.7
NTPC	Buy	134	164	22	8.9	11.1	13.8	-10.9	25.1	24.4	12.1	9.7	1.2	1.1	10.3	12.0
Power Grid	Buy	199	232	17	16.5	18.3	20.8	16.1	10.4	13.9	10.9	9.6	1.7	1.6	16.7	17.1
Torrent Power	Buy	255	315	24	19.6	22.0	23.1	119.7	12.1	5.1	11.6	11.0	1.4	1.3	13.0	12.5



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	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Tata Power	Neutral	73	69	-5	5.3	2.5	6.6	3.5	-52.8	163.4	28.7	10.9	1.2	1.1	4.3	10.3
Aggregate								7.2	24.4	13.7	10.3	9.0	1.8	1.6	17.1	18.1
Others																
Avenue Supermarts	Sell	1502	1400	-7	12.9	15.5	21.4	68.4	19.7	38.6	97.1	70.1	16.6	13.4	18.7	21.2
Brigade Enterpr.	Buy	248	316	27	10.8	16.5	16.1	-4.0	53.1	-2.9	15.0	15.5	1.4	1.3	9.5	8.5
BSE	Buy	606	750	24	43.5	34.7	40.1	6.0	-20.2	15.6	17.5	15.1	0.9	0.9	4.9	5.6
Castrol India	Buy	160	215	34	7.0	7.2	7.2	2.9	2.4	1.0	22.4	22.2	13.6	12.4	64.8	58.5
Coromandel Intl	Buy	472	571	21	22.7	23.9	28.5	38.8	5.4	19.0	19.7	16.6	3.9	3.3	20.9	21.6
Delta Corp	Buy	242	312	29	5.8	7.0	9.0	89.4	21.2	29.0	34.5	26.8	3.7	3.3	11.0	12.9
Indian Hotels	Buy	148	189	28	0.7	2.4	3.1	LP	270.2	26.8	60.7	47.8	4.0	3.7	6.8	8.0
Interglobe	Neutral	1427	1041	-27	58.3	-5.7	54.5	35.1	PL	LP	NM	26.2	8.0	7.6	-3.2	29.8
Info Edge	Neutral	1892	1820	-4	14.9	24.4	30.9	-3.3	64.0	26.7	77.6	61.2	10.0	8.9	14.3	15.5
Kaveri Seed	Buy	458	582	27	32.0	32.9	36.9	67.8	2.7	12.2	13.9	12.4	2.8	2.5	20.6	21.2
MCX	Buy	793	900	13	21.2	23.1	30.1	-14.6	8.9	30.2	34.4	26.4	3.3	3.1	9.0	12.1
Navneet Education	Buy	108	159	47	5.5	8.3	9.8	-25.4	53.0	17.7	13.0	11.0	3.2	2.8	24.8	26.7
Oberoi Realty	Buy	516	560	9	12.6	22.2	34.5	21.2	75.9	55.6	23.2	14.9	2.4	2.1	11.5	14.8
Phoenix Mills	Buy	663	708	7	15.8	16.9	21.8	44.2	6.5	29.3	39.3	30.4	3.0	2.8	8.2	9.4
Qess Corp	Neutral	795	730	-8	21.8	17.8	32.0	115.7	-18.4	79.8	44.7	24.8	3.3	2.8	10.0	15.8
PI Inds.	Buy	1018	1023	0	26.7	28.5	35.4	-20.2	6.8	24.4	35.7	28.7	6.4	5.4	19.0	20.4
Piramal Enterp.	Buy	2599	2775	7	77.8	78.0	126.1	7.2	0.2	61.7	33.3	20.6	1.9	1.8	5.8	8.9
SRF	Buy	2459	2636	7	77.9	106.6	134.4	-11.5	36.8	26.0	23.1	18.3	3.6	3.1	16.4	18.0
S H Kelkar	Buy	158	207	31	7.1	6.4	7.6	-2.2	-10.3	19.5	24.8	20.8	2.5	2.3	10.3	11.4
Tata Chemicals	Buy	582	771	33	48.2	41.2	47.3	39.7	-14.5	14.7	14.1	12.3	1.3	1.2	9.2	9.8
Team Lease Serv.	Buy	3002	3400	13	43.0	61.0	89.9	28.0	41.8	47.3	49.2	33.4	9.2	7.2	20.6	24.2
Trident	Buy	67	94	41	5.3	8.5	9.7	-21.8	60.9	13.7	7.9	6.9	1.0	0.9	13.8	14.4
UPL	Buy	935	1035	11	43.8	45.2	47.8	4.8	3.3	5.7	20.7	19.6	4.4	3.7	23.1	20.6



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-1.5	-1.9	-8.1
Ashok Ley.	-1.6	9.2	-37.0
Bajaj Auto	0.0	4.7	3.8
Bharat Forge	-1.9	1.4	-29.3
Bosch	-0.6	0.7	5.5
CEAT	-1.6	5.0	-24.3
Eicher Mot.	0.5	4.4	-23.4
Endurance Tech.	0.5	-8.2	-3.2
Escorts	-1.6	23.1	-0.4
Exide Ind	-3.7	3.5	1.8
Hero Moto	-0.3	-3.1	-24.6
M&M	-0.2	5.0	-7.0
Maruti Suzuki	-1.8	-5.2	-24.6
Motherson Sumi	-7.1	2.2	-29.5
Tata Motors	-2.5	0.5	-48.1
TVS Motor	-2.3	-2.0	-23.7
Banks - Private			
AU Small Fin. Bank	-1.3	-1.9	-2.9
Axis Bank	0.2	7.7	46.1
DCB Bank	-1.5	13.5	20.1
Equitas Hold.	0.6	15.4	-4.9
Federal Bank	-2.3	13.8	-0.5
HDFC Bank	-1.1	8.8	21.8
ICICI Bank	-0.4	11.3	38.1
IndusInd	-0.8	16.2	-3.0
Kotak Mah. Bk	-1.2	7.5	26.9
RBL Bank	-1.1	13.1	37.8
South Indian	-1.1	16.7	-32.1
Yes Bank	0.1	13.8	-15.3
Banks - PSU			
BOB	-4.1	16.8	-11.0
BOI	-1.9	19.0	-3.4
Canara	-1.6	22.4	6.7
Indian Bk	-2.2	19.6	-8.7
PNB	-2.0	25.3	-4.9
SBI	-1.8	10.1	23.4
Union Bk	-1.8	22.1	-8.3
NBFCs			
Aditya Birla Cap	-1.9	18.0	-30.4
Bajaj Fin.	-1.2	7.4	67.4
Cholaman.Inv.&Fn	-1.8	13.4	-5.6
HDFC	-0.1	5.3	9.7
HDFC Life Insur.	-0.1	0.3	-15.0
Indiabulls Hsg	-0.7	7.0	-40.4
L&T Fin.Holdings	0.1	15.4	-6.0
LIC Hsg Fin	1.4	12.4	0.5
M&M Fin.	-0.7	4.3	-4.2
Muthoot Fin	0.2	11.4	52.6
MAS Financial Serv.	-2.5	-0.7	-4.7
ICICI Pru Life	-3.7	5.0	-12.6
PNB Housing	-0.3	-6.3	-26.0
Repco Home	-0.8	38.2	-18.4
Shriram City Union	-0.4	10.8	-14.0
Shriram Trans.	-0.8	11.8	-14.5
Capital Goods			
ABB	0.4	7.4	3.8
Bharat Elec.	-2.5	15.7	-36.5

Company	1 Day (%)	1M (%)	12M (%)
BHEL	-1.8	5.9	-17.5
Blue Star	-0.9	10.6	-11.6
CG Cons. Elec.	-1.9	6.0	-6.9
Cummins	0.9	8.2	2.6
Engineers India	-2.4	6.4	-26.4
GE T&D	-2.0	-9.7	-29.5
Havells	0.2	9.1	52.6
K E C Intl	-2.8	25.7	-23.1
L&T	1.5	9.0	7.7
Siemens	-1.0	5.9	-4.2
Solar Ind	-0.3	11.2	3.4
Thermax	1.2	2.8	-14.8
Va Tech Wab.	-6.0	17.1	-32.0
Voltas	-0.2	15.5	-0.3
Cement			
Ambuja Cem.	0.7	8.6	0.4
ACC	1.4	14.1	2.1
Birla Corp.	-2.4	11.3	-30.7
Grasim Inds.	0.2	8.1	-24.9
India Cem	-1.3	14.9	-29.3
J K Cements	-0.1	16.5	-17.3
JK Lakshmi Ce	2.8	11.9	-21.0
Ramco Cem	0.1	10.8	-3.8
Orient Cem	0.3	26.0	-36.3
Prism Johnson	0.4	26.7	-21.2
Sanghi Inds.	0.2	12.8	-47.3
Shree Cem	0.6	12.1	11.3
Ultratech	0.0	8.5	0.2
Consumer			
Asian Paints	1.1	5.2	32.8
Britannia	0.1	2.7	28.0
Colgate	-2.2	0.7	21.2
Dabur	-0.3	-2.1	33.8
Emami	0.0	0.1	-24.8
Future Consumer	-0.1	-1.7	-15.6
Godrej Cons.	-0.8	4.6	-3.3
GSK Cons.	-0.9	-4.7	8.4
HUL	-0.6	-5.0	27.9
ITC	-0.3	8.5	15.3
Jyothy Lab	-1.2	2.5	0.7
Marico	0.4	0.1	5.2
Nestle	0.6	-0.8	35.1
Page Inds	0.9	10.4	15.1
Parag Milk	-0.3	20.4	-0.5
Pidilite Ind.	1.1	10.1	30.4
P&G Hygiene	1.1	2.5	12.4
United Brew	-1.3	0.3	42.2
United Spirits	-1.1	6.0	-7.5
Healthcare			
Alembic Phar	-0.2	2.6	0.2
Alkem Lab	-1.2	-3.4	-18.2
Ajanta Pharma	-1.4	2.3	-24.9
Aurobindo	-1.0	5.4	38.1
Biocon	-1.9	-0.8	6.4
Cadila	-1.5	5.9	-11.6
Cipla	-1.2	-2.8	-2.5
Divis Lab	-0.8	6.3	55.6
Dr Reddy's	0.1	4.2	30.4



Company	1 Day (%)	1M (%)	12M (%)
Glenmark	-0.8	8.8	18.4
Granules	-2.6	19.7	7.6
GSK Pharma	0.3	-1.8	19.8
IPCA Labs	-0.7	17.1	40.3
Jubilant Life	-3.0	-0.3	-5.3
Lupin	-1.2	-4.3	-2.0
Sanofi India	-0.9	-7.3	9.0
Shilpa Medicare	-1.8	3.4	-26.5
Strides Pharma	-0.2	5.1	-33.6
Sun Pharma	-0.3	9.9	-6.9
Torrent Pharma	-0.1	5.8	49.7
Infrastructure			
Ashoka Buildcon	-0.2	4.4	-21.2
IRB Infra.Devl.	-1.4	12.8	-33.4
KNR Construct.	0.0	37.5	-8.0
Sadbhav Engg.	-2.3	42.0	-35.0
Logistics			
Allcargo Logistics	-0.3	11.1	-23.2
Concor	-0.3	7.7	8.5
Media			
D B Corp	-2.0	5.0	-37.4
Ent.Network	0.8	2.0	-22.3
Jagran Prak.	-0.3	18.6	-31.4
Music Broadcast	-1.1	8.6	-20.4
PVR	-1.0	8.2	30.8
Sun TV	-3.4	1.8	-29.9
Zee Ent.	-1.8	-3.0	-22.0
Metals			
Hindalco	1.0	6.2	-3.5
Hind. Zinc	-0.5	5.8	-12.0
JSPL	1.1	4.5	-26.0
JSW Steel	1.1	0.2	-0.1
Nalco	-3.1	10.8	-21.7
NMDC	-5.8	10.7	-11.6
Rain Industries	-1.8	-4.6	-73.6
SAIL	-2.3	5.2	-29.7
Vedanta	-0.1	2.7	-40.3
Tata Steel	0.9	3.2	-10.7
Oil & Gas			
Aegis Logistics	0.4	2.1	-19.8
BPCL	-2.4	10.1	-8.4
GAIL	-1.4	6.7	6.2
Gujarat Gas	-1.6	27.6	-10.0
Gujarat St. Pet.	-0.5	12.4	-1.1
HPCL	-2.6	16.4	-21.8
IOC	-1.2	15.1	-7.9
IGL	-0.5	6.2	3.9
Mahanagar Gas	-0.1	11.3	0.0
MRPL	-0.3	16.6	-34.2
Oil India	-1.8	-2.5	-24.2
ONGC	0.5	2.7	-14.6
PLNG	-0.1	12.0	3.4
Reliance Ind.	-2.4	8.9	47.9
Retail			
Jubilant Food	2.0	10.0	25.8
Titan Co.	0.2	6.2	24.5

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	0.0	10.0	0.8
HCL Tech.	-1.2	-3.4	10.2
Hexaware	-1.1	-5.4	-11.9
Infosys	0.5	1.2	28.1
L&T Infotech	-0.1	-3.4	23.4
Mindtree	-1.2	4.1	21.2
Mphasis	-2.1	-4.5	14.6
NIIT Tech	-0.3	3.3	42.3
Persistent Sys	-1.4	3.5	-20.2
Tata Elxsi	-0.7	8.2	-1.1
TCS	-0.5	4.1	41.7
Tech Mah	0.0	-4.3	27.4
Wipro	-0.4	-8.4	20.1
Zensar Tech	0.5	11.3	25.2
Telecom			
Bharti Airtel	-0.8	5.8	-20.3
Bharti Infratel	-2.4	0.7	-5.3
Idea Cellular	-2.7	5.6	-58.6
Tata Comm	-2.0	12.6	-4.1
Utilities			
Coal India	-2.2	7.8	-13.8
CESC	-1.7	5.5	3.5
JSW Energy	-2.8	-0.6	-11.6
NHPC Ltd	-1.8	4.2	-6.3
NTPC	3.7	15.1	-5.7
Power Grid	0.5	9.1	2.7
Tata Power	0.7	8.0	-9.4
Torrent Power	-2.0	9.4	10.2
Others			
Avenue Super.	1.4	1.1	13.9
Brigade Enterpr.	2.0	25.1	-2.6
BSE	-0.7	6.7	-17.7
Castrol India	2.5	3.9	-19.9
Coromandel Intl	0.7	7.0	-9.2
Delta Corp	-0.8	4.5	-17.4
Indian Hotels	-0.3	3.8	14.9
Interglobe	0.3	27.8	13.3
Info Edge	-0.6	14.2	51.7
Kaveri Seed	-0.6	13.4	-5.3
MCX	-2.9	17.1	6.6
Navneet Educat.	0.4	4.9	-23.3
Oberoi Realty	3.9	2.6	5.5
Phoenix Mills	-1.9	12.3	10.7
PI Inds.	2.0	12.8	24.0
Piramal Enterp.	-0.5	12.9	4.9
Qess Corp	1.5	16.4	-22.8
SRF	2.5	12.0	27.0
S H Kelkar	-3.0	7.5	-37.1
Tata Chemicals	-0.7	2.7	-12.5
Team Lease Serv.	3.3	-3.7	43.6
Trident	-1.0	8.6	6.3
UPL	0.0	13.1	30.5

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 | 30 January 2018
Economy

Consumption Income GDP

Employment: Broken Link Or...?

Employment

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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
2009: Peak of Deficit
2014: Peak of over supply
2013: Balanced Market

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 January 2019
India Strategy

New Year, New Forces

Research Team (Gautam.Duggad@MotilalOswal.com)

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MOTILAL OSWAL October 2018
India Strategy

Oil price shocks Currency weakness Liquidity tightening

Nifty-50: 11,130 to 11,739
Nifty Smallcap-100: 5,580 to 7,669
Nifty Midcap-100: 21,732 to 19,920

Correction everywhere

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MOTILAL OSWAL June 2018
India Strategy

'Recovery' ball starts rolling

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REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 24 December 2018
Sector: Real Estate
Brigade Enterprises



Tactical Shift

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MOTILAL OSWAL Initiating Coverage | 21 November 2018
Sector: Hospitality
Indian Hotels



Check-in now

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MOTILAL OSWAL Initiating Coverage | 21 June 2018
Sector: Financials
ICICI Prudential Life Insurance



Moving up the profitability curve

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MOTILAL OSWAL Initiating Coverage | 18 April 2018
Sector: Real Estate
Phoenix Mills



The Specialist

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MOTILAL OSWAL Initiating Coverage | 2 April 2018
Sector: Chemicals
Tata Chemicals



Flight of rebirth

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MOTILAL OSWAL Initiating Coverage | 22 March 2018
Sector: Consumer
Future Consumer



Company of the "Future"

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MOTILAL OSWAL Initiating Coverage | 7 March 2017
Sector: Logistics
Aegis Logistics



The Giant Kelp

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MOTILAL OSWAL Initiating Coverage | 23 February 2018
Sector: Agrochemicals
UPL



Reaping growth

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MOTILAL OSWAL Initiating Coverage | 30 January 2018
Sector: Healthcare
Laurus Labs



Angling for growth

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DIFFERENTIATED PRODUCT GALLERY

26 November 2018

MOTILAL OSWAL

Annual Report Threadbare

ARVIND FY18

Arvind Limited's (ARVIND) FY18 annual report indicated a weak operating performance with EBITDA remaining muted at INR 200.27 crore (FY17: INR 201.45) and margin declining by 13.6% to 10%, primarily on account of declining margins in the fast-fashion business (15% vs 18% in FY17) and rising revenue share of lower margin branded apparel business (16% vs 13% in FY17), increasing capex over the years has led to rising capital intensity while earnings growth has remained muted, leading to ROCE declining to 7.7% (FY18: 12.7%). Our segmental analysis reveals asset turns for 'branded apparel' improved by 1.2x (FY18: 1.2x) and declined to 1x (FY18: 1.2x) for branded apparel, cash flow generation remained weak with earnings to cash flow conversion declining to 58% (FY17: 70%) due to rise in balance with government authorities for input tax credit. Free cash flow has been negative for the last few years with the cumulative free cash flow at -INR 63.38. Borrowing rose to INR 40.30 crores with 0% at risk, although finance cost has been declining and stood at 4% (FY18: 12%).

Revenue grew, but EBITDA margin continues to shrink: Revenue grew 27% to INR 200.27 crore (FY17: INR 157.26), led by a high growth of 21% in branded apparel. A change in ownership structure led to INR 26.5% being consolidated as subsidiaries. After adjusting for this, the revenue growth stood at 11% to INR 182.72. However, EBITDA margin continued to shrink to 10% from 15% in FY18, primarily due to a rise in the share of lower margin branded apparel (16% vs 13% in FY18) and softening margins in textiles over the last two years (margin at 15% vs 18% in FY18).

Rising capital intensity pulls down return ratios: Increasing capex over the past few years has led to rising capital intensity, resulting in a decline in return ratios. While capital employed has been increasing (CAGR of 7% over FY14-18 to INR 74.56), earnings have remained muted (CAGR of INR 2.19 vs INR 36.30 in FY18), thereby pulling down the return ratios (ROCE down from 15% in FY14 to 8% in FY18). Also, declining profitability (OP margin at 3% vs 6% in FY18) has led to a decline in ROE to 8% (FY18: 15%).

Earnings to cash flow generation remains weak: Rising investment in working capital has led to earnings to cash flow conversion remaining subdued and declining to 58% (FY17: 70%). Operating cash flow declined 22% to INR 10.39 due to a significant rise in balance deposited with authorities for input tax credit. This was despite the improvement in cash conversion cycle from 105 days to 85 days.

FCF remains negative, debt rises further: High capex over the past few years has led to free cash flow (FCF) remaining negative and a rise in borrowings. In FY18, capex stood at INR 40.30 (FY17: INR 36.30), while FCF deteriorated further to -INR 27.78 (FY17: -INR 7.91) and cumulative FCF over the last five years stood at -INR 131.59. This led to debt increasing by INR 35.38 to INR 212.26 with D/E standing at 0.2. Finance cost however has been declining and stood at 4% (FY18: 12%).

STOCK INFO

ARVIND IN	
Shareholding	308
Chair (Mn)	258
Equity (Mn)	258
M.Cap (INR)(USD)	82 / 1.2
52 Week Range (IN)	476 / 288
1 Yr. % Chg. Per (%)	-61.56 -30
20M Avg Yr (INR M)	374
Free Res (%)	97.8

Shareholding pattern (%)

	Step 18	Jun-18	Sep-17
Promoters	43.0	42.8	42.8
QFI	18.7	18.6	18.4
FI	21.8	21.8	19.8
Others	18.7	18.6	18.4

Year Performance (%)

	Actual	Industry	Market
2018	100	100	100
2017	100	100	100
2016	100	100	100
2015	100	100	100
2014	100	100	100

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26 November 2018

MOTILAL OSWAL

VOICES

India Inc on Call

VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings/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:

- Key takeaways from the post results management commentary for 132 companies, with links to the full earnings call transcripts.
- Links to our Results Updates on each of the companies included.

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24 August 2018

MOTILAL OSWAL

EcoKnowledge

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 13.1%, while personal/retail loans grew at a CAGR of 14.2%. In the subsequent three years (up to FY18), while NFC growth eased to 8.6%, 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 75% 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, relevance of banks on them.

In the first two parts of our BI-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 48.3% 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 extending (number of accounts), rather than 'credit deepening' (loan amount). 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 loan 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.

In this final and Part-III of our series on Indian households, we discuss in detail the sustainability of household debt in India, which has been a key driver for banking loans in the economy. As we explained in Part I of our series, personal loans are only a portion of the total household loans in the banking system. Roughly, personal loans represent about half of the household loans. Since FY16, while total loans have grown at a CAGR of 3%, household loans have increased at a CAGR of ~15% (Exhibit 2).

Since FY16, while total loans have grown at a CAGR of 3%, household loans have increased at a CAGR of ~15%.

Exhibit 1: Household loans have grown at a much faster pace than total loans.

Year	Household Loans (INR)	Non-household Loans (INR)
FY12	30	30
FY13	35	35
FY14	40	40
FY15	45	45
FY16	50	50
FY17	55	55
FY18	60	60

Exhibit 2: Due to which the share of household loans has risen to ~48% as of December 2017?

Year	Household Loans (%)	Personal Loans (%)
FY12	42.3	42.3
FY13	47.3	47.3
FY14	48.9	48.9
FY15	44.6	44.6
FY16	42.8	42.8
FY17	42.8	42.8
FY18	48.3	48.3

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30 November 2018

MOTILAL OSWAL

The Corner Office

Interactions with the CEO

Page Industries

We met Mr. Sundeep Goyal (MD, Sr. Vakil Vakil [FOO] and Mr. Chandanbhai [FOO] of Page Industries (PAGI), Key takeaways:

Structural opportunity remains extremely strong

- Industry data suggests that 1.30m adults in India can afford jockey products (DEC A+, SEC A and part B). Considering the company's current volume and assuming five pieces per person annually, that of 1.30m people currently only 20% men and 4% women are wearing jockey products. The target market of 1.30m adults and the company's volume are growing in tandem (double-digit). Therefore, despite the pace of growth, the market remains as attractive as before. Page is adding distributors, Exclusive Brand Outlets (EBOs) and improving on design, thus attaining competitive advantages.
- Management expects margins to be consistent around 21% as plans are set to reinvest operating leverage benefits through lower pricing, which would further boost growth prospects.

What has changed for the better recently?

- Initial reaction to this year was good. Extending the date point of huge structural opportunity further, we see a high potential of converting 1.30m of children of the 1.30m adults into customers, especially through EBOs which facilitate cross-selling. EBOs should double to 1,000 in two years and sales are expected to increase from the current 18% to over 20%.
- The company is consulting a business transformation project with Deloitte encompassing design to operations, and marketing and sales. Working Capital has already reduced sharply and is likely to decline further. Auto replenishment is likely to be introduced shortly, and reduction is expected on all components of working capital.
- Last year, online sales grew 140%. However, it has grown faster this year despite no discounting and is already 13x of sales. Page is among the top-3 apparel brands in the country with 70% share in the innerwear segment.

What about near-term risks?

- Volumes should completely get back on track in a couple of quarters. Partial recovery is expected from Q3 onwards.
- Our channel checks indicate that top 500 apparel retailers who had 'bearish' (understocked) businesses are now under control. Many retailers in apparel had 4-6 weeks inventory and paying taxes on only 1-2 entities. Most retailers are from the urban or semi-urban areas (where inventory levels are higher) and are facing questions from authorities on their 5x-6x increase in revenues. The situation is now stabilizing, but has been slow over the past year. Some have stopped up due to a temporary supply chain glitch in March/April, but there were no quality issues due to a sharp increase in outsourcing.

Circle of issues where Mr. Goyal was non-committal

- Dividend: Stated dividend payout policy is 50%. With massive cash flows due to growth, outsourcing (lower incremental investment in capex) and working capital improvement, it was imperative that payout was increased. It is notable that the company gave INR 150 special dividend along with HFDY18 results, and if the

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BULLS & BEARS

INDIA VALUATION'S HANDBOOK

BEST PERFORMERS MoM (%)

ITC	18
Adani Ports	15
UltraTech	14
APL	14
HDFC	12
Reliance Power	11
HDFC Bank	11
Hera Cells	11

WORST PERFORMERS MoM (%)

East Phoenix	-13
Indiabulls Housing	-14
NTPC	-14
Yes Bank	-8
DMCC	-8
Coal India	-8
GAIL	-8
Indiabulls	-7
One World	-7

Highlights of November edition

- Nifty bounces back in Nov'18 to close at 10,877, delivering a return of 4.7% MoM
- Top performers are Private Financials, Cement, and Capital Goods
- Mid-caps underperform large-caps
- FII's buying after three months of consecutive selling

Equity AUM rises for fifth consecutive year (+9.5% in CY18)

INR1,288b Net inflows in equities down by 15% in CY18

FUND FOLIO

Indian Mutual Fund Tracker

SIP contribution up by ~29% in last one year and 2x in last two years

SIP contribution (INR b)

Month	SIP Contribution
Dec-16	100
Jan-17	110
Feb-17	120
Mar-17	130
Apr-17	140
May-17	150
Jun-17	160
Jul-17	170
Aug-17	180
Sep-17	190
Oct-17	200
Nov-17	210
Dec-17	220
Jan-18	230
Feb-18	240
Mar-18	250
Apr-18	260
May-18	270
Jun-18	280
Jul-18	290
Aug-18	300
Sep-18	310
Oct-18	320
Nov-18	330
Dec-18	340

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December 2018

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January 2019

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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 is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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