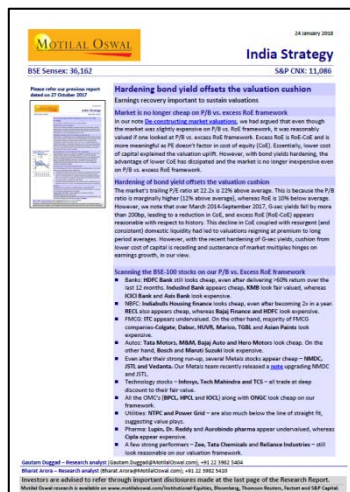
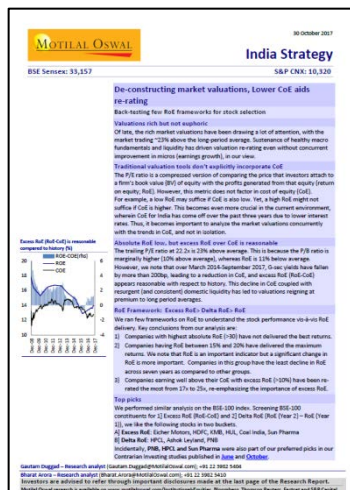


Please refer our previous report dated on 24 January 2018



Please refer our previous report dated on 27 October 2017



Volatility returns, but earnings story improving

Highlighting our preferred ideas in this correction

Volatility returns after a relatively smooth CY17

The Indian equities markets have witnessed a severe correction, with the Nifty Mid-cap100 index declining ~10% and the benchmark Nifty sliding ~5% over the past month. The sharp volatility – the VIX index up 27% since 31st January 2018 – over the past few weeks can be ascribed to unsupportive global developments as well as domestic policy events (especially the Union Budget). What's more disappointing is that the gloom comes after a smooth upward ride in CY17, when the markets did not once witness a drawdown of even 5%.

Bond yields hardening; valuation multiples moderating

Hardening of bond yields globally is one of the key factors driving the market correction. Bond yields in India have hardened from 6.3% in July 2017 to 7.6% now. We had pointed out [in our recent note](#) that post the rise in bond yields, the markets (especially midcaps) were looking expensive on our P/B versus excess RoE framework and needing earnings support in the absence of cushion from lower cost of capital. Midcaps are trading at a premium of 40% to large-caps – an all-time high. The recent correction, however, has moderated this premium. We highlight the narrowing gap between earnings and bond yields in both developed markets (the US) and India, and the necessity of earnings pick-up to maintain current valuations.

Earnings growth expected to recover after a long pause

After a period of flat earnings over FY14-17, we see semblance of a recovery, with earnings growth estimated at 22% for 2HFY18 and 25% for FY19. The 3QFY18 earnings season has been healthy so far, with EBITDA and profit growth largely in line with our estimates. More importantly, even the quality of earnings has improved, with the upgrade/downgrade ratio appearing stable and nearly 75% of companies meeting/exceeding our EBITDA estimates. More importantly, the earnings estimates for FY18 have been stable, unlike the case in FY15/16/17, providing confidence in the anticipated growth recovery in subsequent years. Also, the high frequency data are suggesting a gradual pickup. Our proprietary Economic Activity Index was up 8.4% YoY in December 2017, and is indicating a pick-up in GDP growth to 6.5-6.7% in 3QFY18.

Domestic flows resilient so far; could they be at risk?

The defining attribute of the last three years has been consistent and rising inflows to domestic mutual funds, with rising contribution of systematic investment plans (SIPs). **DII MF inflows in equities stood at USD11.2b, USD7.1b and USD18.4b for CY15, CY16 and CY17, amounting to 3.4x, 2.5x and 2.4x of FII inflows for the respective years.** Financialization of savings, triggered by demonetization, has supported this trend, in our view. The question to ask at this stage is whether these inflows will continue, given the volatility and the reintroduction of long-term capital gains tax. We believe equities still offer better post-tax returns than any other asset class, and expect this structural trend to remain in place, albeit with changing momentum.

Stocks to Buy in the correction – prefer a mix of growth and value plays

The sharp correction in mid-caps makes stock-picking a bit less challenging, as valuation premiums have moderated from the recent highs. While we do not rule out further correction, we believe, given our earnings recovery thesis for FY19, this correction offers a good opportunity to accumulate quality ideas where valuations had turned expensive. We favor a mix of growth and value plays benefitting from the key themes of (a) Consumption Recovery – both urban and rural, (b) Financialization of Savings, and (iii) structural trends like Formalization of Economy post GST implementation. On value side, we suggest names that are relatively unpopular but where underlying dynamics are turning favorable, and also those where valuations are at a significant discount to sector.

We highlight 10 stocks from our universe, where we believe (a) growth visibility is healthy and outlook is strong and (b) there has been at least 15% correction from 52-week highs, and our target upside offers a healthy return potential.

Our preferred ideas are: **HAVELLS, EMAMI, JSPL, IGL, RBL, EXIDE, Oberoi Realty, REPCO, MCX and TEAMLEASE.**

Among the large-caps we like **HDFC, ICICI Bank, Larsen & Turbo, M&M, Motherson Sumi, Titan, HPCL and NMDC.**

Exhibit 1: Ten Mid-cap ideas to buy in this correction

Company	MCap (USD M)	CMP (INR)	TP (INR)	Upside (%)	52 wk High	Corr. From 52 wk (%)	EPS (INR)			EPS CAGR (%)		PE (x)			ROE (%)
							FY18E	FY19E	FY20E	FY17-FY20	FY18E	FY19E	FY20E	FY18E	
Havells India	4.9	521	640	23	593	-12.1	11.4	13.9	17.2	21.7	45.7	37.5	30.2	19.4	
Emami	4.0	1115	1505	35	1428	-21.9	24.0	31.3	37.3	12.0	46.5	35.6	29.9	29.0	
JSPL	3.6	266	361	36	294	-9.6	-11.5	7.3	11.9	-182.8	-23.1	36.7	22.4	-3.6	
Indraprastha Gas	3.2	290	416	43	344	-15.6	9.4	11.1	12.5	12.5	30.8	26.2	23.2	20.8	
RBL Bank	2.8	484	680	40	600	-19.3	15.8	22.7	30.3	36.5	30.6	21.3	16.0	12.2	
Exide Inds.	2.7	210	268	28	250	-15.8	8.0	10.2	11.6	12.7	26.2	20.6	18.1	12.6	
Oberoi Realty	2.5	477	608	27	562	-15.1	13.6	48.2	46.5	61.0	35.0	9.9	10.3	7.8	
Repco Home Fin	0.6	592	800	35	923	-35.8	36.0	41.9	50.0	19.7	16.5	14.1	11.8	18.1	
MCX	0.6	740	1100	49	1258	-41.2	20.8	29.4	34.9	12.0	35.5	25.2	21.2	7.9	
Team Lease Serv.	0.6	2212	2700	22	2537	-12.8	43.3	59.6	88.1	31.4	51.1	37.1	25.1	17.7	

Source: Bloomberg, MOSL

Exhibit 2: Preferred Large cap ideas

Company	MCap (USD M)	CMP (INR)	TP (INR)	Upside (%)	52 wk High	Corr. From 52 wk (%)	EPS (INR)			EPS CAGR (%)		PE (x)			ROE (%)
							FY18E	FY19E	FY20E	FY17-FY20	FY18E	FY19E	FY20E	FY18E	
HDFC	43.7	1812	2260	25	1982	-8.6	43.0	49.0	57.0	12.7	42.1	37.0	31.8	17.6	
ICICI Bank	33.2	335	405	21	366	-8.5	12.5	16.5	21.0	11.2	26.8	20.3	15.9	8.1	
Larsen & Toubro	29.0	1347	1650	22	1470	-8.3	49.0	58.1	69.3	17.9	27.5	23.2	19.4	13.0	
Mahindra & Mahindra	14.0	754	881	17	803	-6.1	37.6	44.3	48.8	21.2	20.0	17.0	15.5	14.1	
Motherson Sumi	11.6	364	458	26	395	-7.8	10.0	14.4	18.3	33.5	36.4	25.3	19.9	23.4	
Titan Company	10.8	801	990	24	938	-14.6	12.5	15.9	19.8	29.8	63.9	50.3	40.5	23.4	
HPCL	9.4	401	576	44	493	-18.8	35.5	42.7	45.3	3.6	11.3	9.4	8.8	24.5	
NMDC	6.4	134	215	61	163	-17.8	14.3	14.0	14.7	13.8	9.3	9.5	9.1	19.1	

Exhibit 3: Stocks trading at significant premium to their long term average

Company	Mcap INR B	Current P/E (x)	10 YR PE (x) Avg (x)	Prem / Dsc PE (x) Avg (x)	EPS Growth YoY (%)			EPS CAGR FY17-19E (%)
					FY17	FY18E	FY19E	
Bajaj Fin.	952	27.5	14.1	95.1	43.6	42.3	35.4	38.8
Shree Cement	589	38.9	22.5	72.9	5.4	10.0	3.0	6.5
Britannia Inds.	543	43.1	28.8	49.5	7.3	14.7	26.4	20.4
Pidilite Inds.	444	42.1	27.6	52.6	6.7	5.7	17.8	11.6
Piramal Enterp.	440	22.5	12.4	81.4	38.4	14.5	40.0	26.6
Biocon	351	55.0	22.3	146.4	31.8	-25.3	43.1	3.4
TVS Motor Co.	309	26.8	15.7	71.0	14.1	18.5	80.5	46.3
Indraprastha Gas	203	25.4	11.1	129.3	46.9	14.4	15.2	14.8
GRUH Finance	190	44.6	22.9	94.9	21.5	22.1	18.8	20.5
KNR Constructions	43	21.0	8.4	149.7	4.3	11.5	9.0	10.2

Source: Bloomberg, MOSL

Exhibit 4: Stocks trading at significant discount to their long term average

Company	Mcap INR B	Current P/E (x)	10 YR PE (x) Avg (x)	Prem / Dsc PE (x) Avg (x)	EPS Growth YoY (%)			EPS CAGR FY17-19E (%)
					FY17	FY18E	FY19E	
O N G C	2,382	8.1	11.0	-26.7	20.8	16.7	21.8	19.3
Coal India	1,804	11.1	14.8	-24.8	-34.0	23.7	45.0	33.9
NTPC	1,363	11.3	14.7	-23.4	1.8	7.5	15.1	11.2
Tata Motors	1,272	6.8	9.9	-31.7	-48.4	41.1	107.1	70.9
Power Grid Corpn	1,020	9.7	13.9	-30.1	25.1	20.7	20.9	20.8
NMDC	405	9.1	14.3	-36.5	11.7	43.7	-2.0	18.7
Dr Reddy's Labs	357	19.1	26.2	-27.1	-45.1	-5.1	64.2	24.9
Repco Home Fin	37	14.5	20.3	-28.6	21.4	23.5	16.5	20.0

Source: Bloomberg, MOSL

Exhibit 5: Stocks with the highest EPS growth(FY17-19) in MOSL Universe

Company	MCap (USD M)	CMP (INR)	TP (INR)	Upside (%)	EPS (INR)			EPS CAGR (%)		PE (x)		ROE (%)
					FY18E	FY19E	FY20E	FY17-FY20	FY18E	FY19E	FY20E	
Oberoi Realty	2.5	477	608	27	13.6	48.2	46.5	61.0	35.0	9.9	10.3	7.8
Rain Industries	1.9	383	492	28	25.5	38.9	43.0	64.7	15.0	9.9	8.9	25.2
Qess Corp	2.2	965	1300	35	22.1	32.7	41.6	61.6	43.6	29.5	23.2	21.7
Hindalco	8.5	246	344	40	19.5	27.0	27.9	48.2	12.6	9.1	8.8	14.0
Tata Motors	20.0	375	515	37	28.0	57.9	58.5	43.5	13.4	6.5	6.4	14.7
Vedanta	18.2	314	416	33	23.8	42.7	44.5	43.3	13.2	7.3	7.0	14.1
Delta Corp	1.3	335	382	14	5.9	8.3	11.2	54.0	56.6	40.3	30.1	12.6
M & M Financial	4.2	449	575	28	13.9	19.2	23.0	48.0	32.4	23.3	19.5	10.9
Escorts	1.7	907	714	-21	36.6	45.6	54.9	41.9	24.8	19.9	16.5	17.2
Avenue Supermarts	10.9	1166	920	-21	12.6	17.2	23.0	44.2	92.9	67.6	50.7	19.0

Source: Bloomberg, MOSL

Exhibit 6: Stocks with the highest delta RoE(FY17-19) in MOSL Universe

Company	MCap (USD M)	CMP (INR)	TP (INR)	Upside (%)	RoE (%)			EPS CAGR (%)		PE (x)		Delta RoE, %
					FY17	FY18E	FY19E	FY17-FY20	FY18E	FY19E	FY20E	
Hind. Unilever	44.2	1332	1585	19	66.5	76.5	91.4	17.5	17.4	14.6	12.4	24.9
Coal India	28.8	300	356	19	37.8	44.6	60.8	20.4	6.7	4.9	4.5	23.0
P&G Hygiene	4.6	9284	9303	0	39.3	61.2	61.8	15.7	151.8	150.2	152.7	22.5
Jubilant Foodworks	2.0	2004	2185	9	8.7	22.5	29.8	68.8	89.0	67.3	48.0	21.1
Prism Cement	1.0	134	130	-3	1.4	13.7	21.3	151.8	9.8	6.3	5.8	19.9
Rain Industries	1.9	383	492	28	10.9	25.2	29.7	32.6	15.2	12.9	15.1	18.8
Hindustan Zinc	19.0	288	354	23	24.4	30.8	42.7	10.0	9.4	6.7	8.9	18.4
Oberoi Realty	2.5	477	608	27	6.8	7.8	24.2	41.8	61.0	19.8	24.5	17.3
GSK Pharma	3.2	2452	2500	2	14.5	23.9	30.5	32.8	102.6	80.3	72.2	16.0
Tata Motors	20.0	375	515	37	9.8	14.7	24.3	26.0	25.5	15.4	19.1	14.4

Source: Bloomberg, MOSL

Volatility makes a comeback after a calm CY17

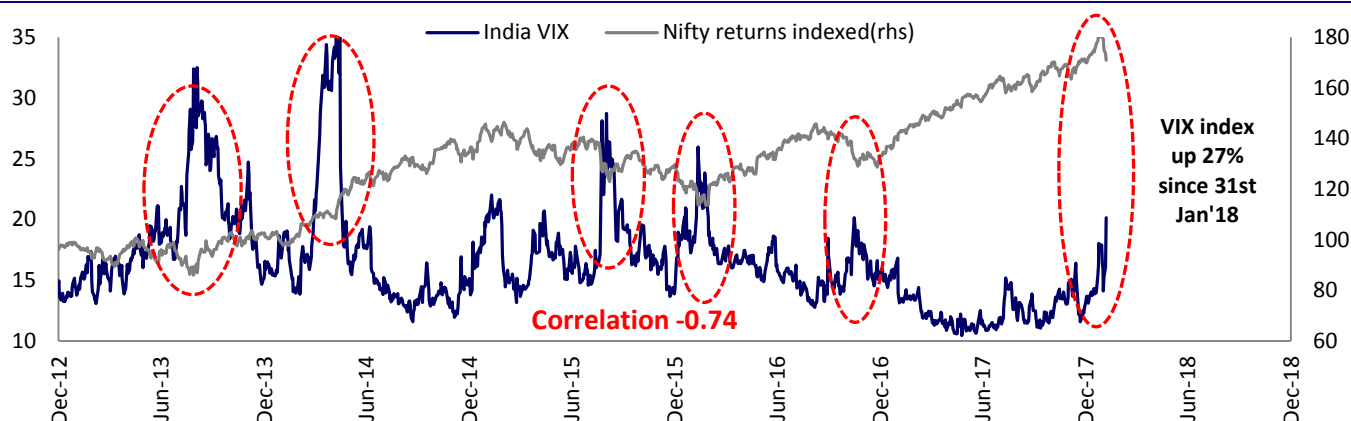
Mid-cap valuation premium to large-cap was all-time high

The journey of the Indian equity markets in CY17 was an ideal one – consistent upmove without volatility. The Nifty returned 29% in CY17 without a single drawdown of even 5%. What makes this more noteworthy is that this happened in a year characterized by significant and disruptive reforms like GST, Insolvency and Bankruptcy Court resolution for NPAs, and RERA.

However, CY18 has begun on a volatile note. A combination of global developments and local policy elements brought volatility back to the center stage. While the Nifty has corrected by ~5%, the CNX Mid-cap index is down 11% from its highs. As shown in Exhibit 5, India VIX has gone up 27% since 31st Jan'18. VIX is a key measure of market expectations of near-term volatility conveyed by the Nifty index option prices.

Nifty and India VIX are strongly correlated with a negative correlation of 0.74. As VIX index increases, market corrects. In Exhibit 7, we have indicated such instances in past where sharp surge in VIX was accompanied by an underlying correction. The strong negative correlation also suggests the same.

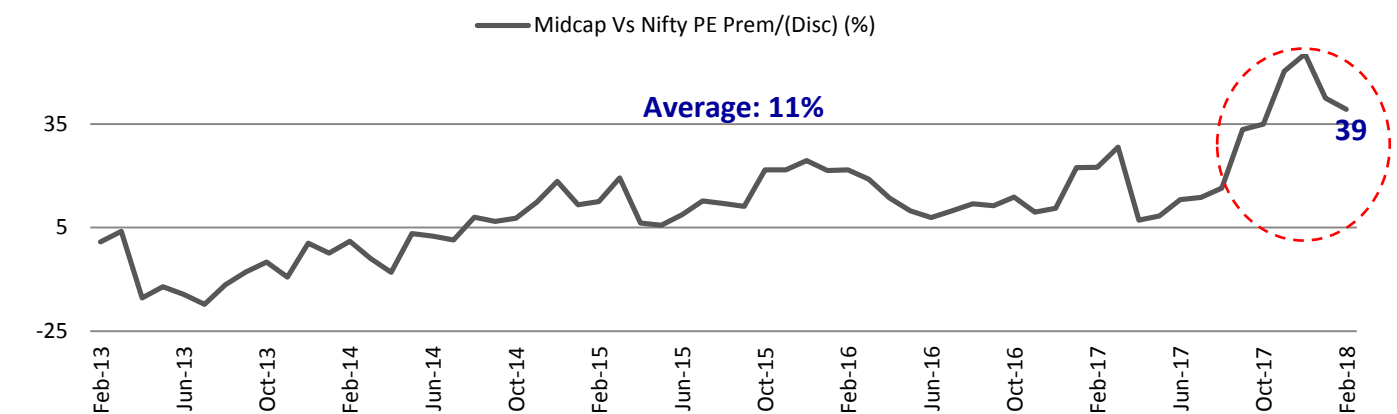
Exhibit 7: Volatility has increased significantly after a steady CY17; strongly correlated with market correction



Source: MOSL, Bloomberg

The sharp surge in mid-caps over the last three years meant that they had started trading at a premium (over a period, this premium kept expanding led by consistent inflows in domestic institutions). In fact, mid-caps are trading at a premium of 40% v/s large-caps, an all-time high. In our monthly strategy notes ([Bulls & Bears](#)), we have been consistently highlighting this aspect of the mid-cap rally.

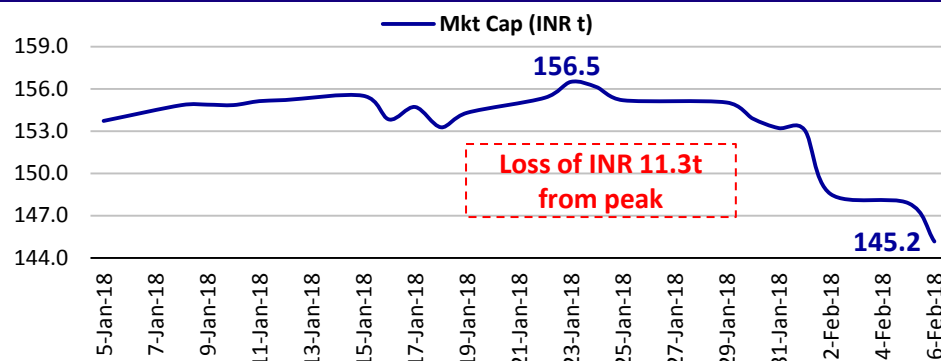
The recent correction has moderated this premium – albeit still remains high – and offers a little more breathing space, in our view.

Exhibit 8: Midcap premium over Nifty had reached all-time high in January'18*

*Midcap premium has been calculated using Nifty and Nifty Midcap100 index

Source: MOSL, Bloomberg

From the peak of 23-Jan-18, almost INR11.3t of wealth has been eroded from the market.

Exhibit 9: Market cap has eroded by INR 11.3 trillion in this correction

Source: MOSL, Bloomberg

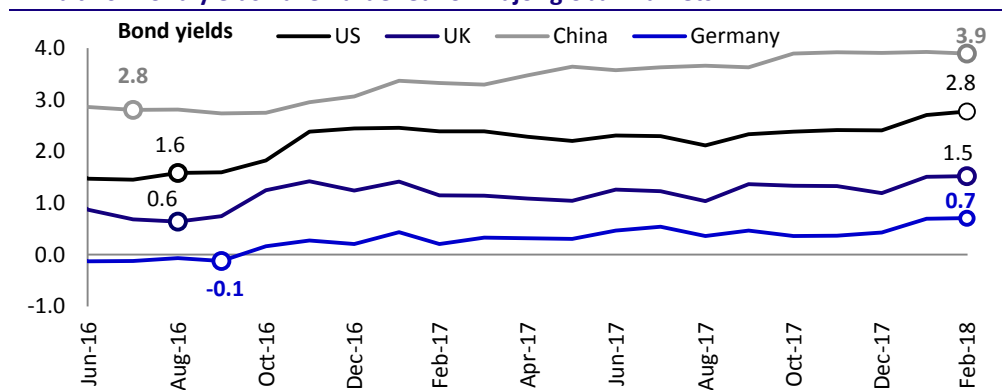
Relative attractiveness of equities v/s bonds fading

Cushion from lower cost of capital diminishing; Earnings growth holds the key

Valuations in India saw significant uplift from lower cost of capital over CY15-17 – a point elaborately discussed in our notes (1 and 2). Valuations got re-rated even in the absence of earnings growth during that period – essentially same earnings got discounted at lower rates. However, the cushion from that falling cost of capital is not available anymore. G-sec yields in India have gone up from 6.5% to 7.5% in less than nine months. Rising crude oil price and consequent pick-up in inflation, coupled with minor slippage on fiscal deficit, drove the yields higher, in our view. In those notes, we had highlighted that, rising cost of capital meant market valuations were rich on our P/B v/s excess RoE framework in Jan'18.

However, India is not alone in this. Bond yields have hardened across the board, as shown in Exhibit 7. Improving growth prospects and a potential surge in inflation are driving expectations of higher interest rates in the US, resulting in hardening of yields. This is one of the key factors driving a correction in the global markets.

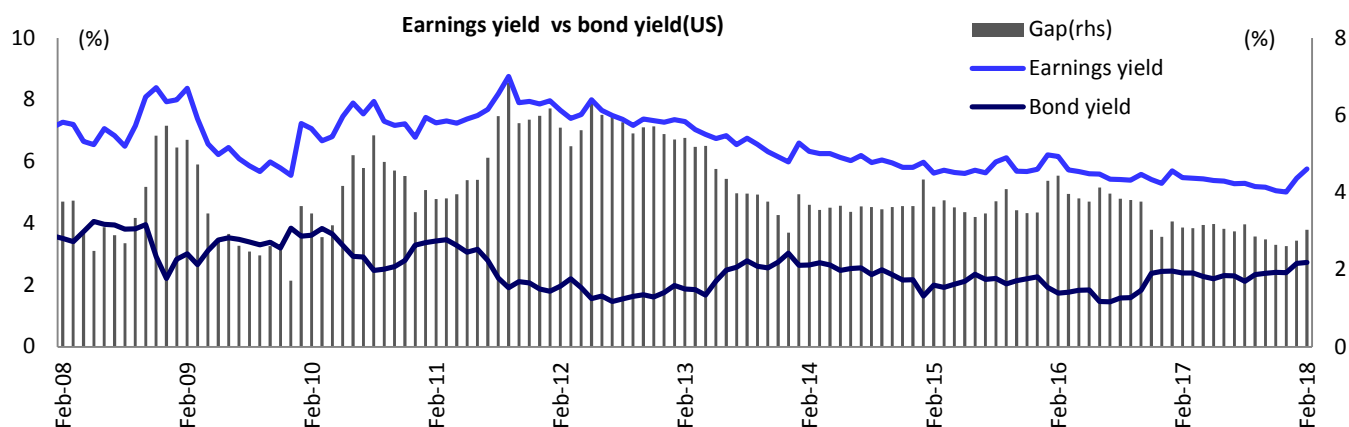
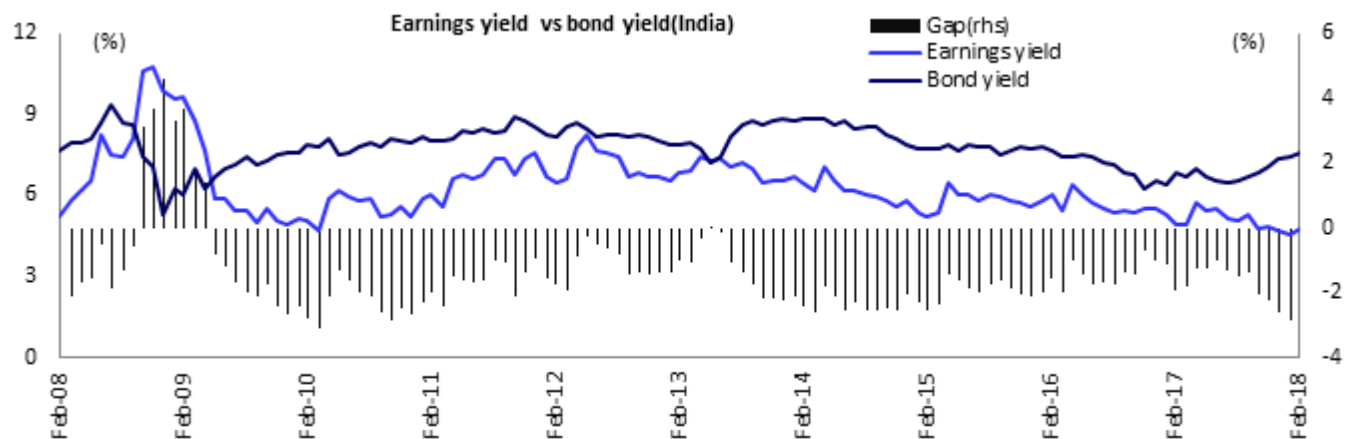
Exhibit 10: Bond yields have hardened for major global markets



Source: MOSL, Bloomberg

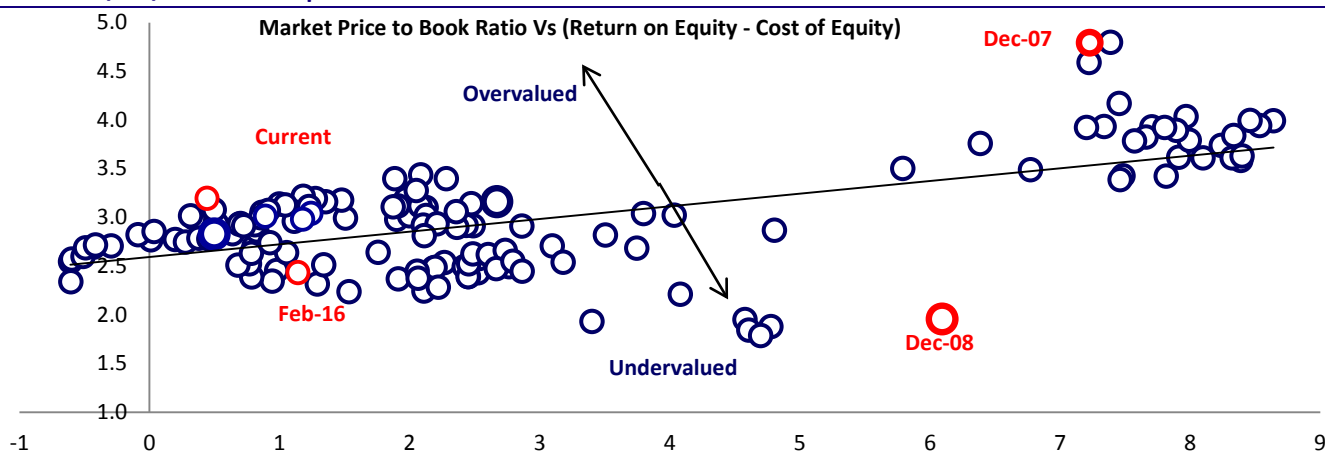
The increase in yields and the recent correction in markets prompt us to look at attractiveness of equities v/s bonds. We look at the earnings and bond yields gap in the US and Indian markets – as shown in Exhibit 8, in the US, this gap has reduced over the last two years, as P/E multiples expanded and markets rallied. The earnings-bond yield gap is close to 3pp – lower v/s 2015-2016, but still healthy and positive.

Similarly, as shown in Exhibit 9, in India, with a rise in bond yields over the past nine months, the yield gap between equities and bond has reduced (i.e. with rising P/E multiple, earnings yields declined while bond yields rose), making equities incrementally less attractive v/s bonds and triggering a correction. However, with earnings recovery in sight, we expect the earnings yield to improve going forward, even as bond yields remain elevated. Interestingly, in the last 10 years, the only period when the earnings and bond yield gap was positive in India was during the correction fuelled by of the GFC (Dec'08-Mar'09).

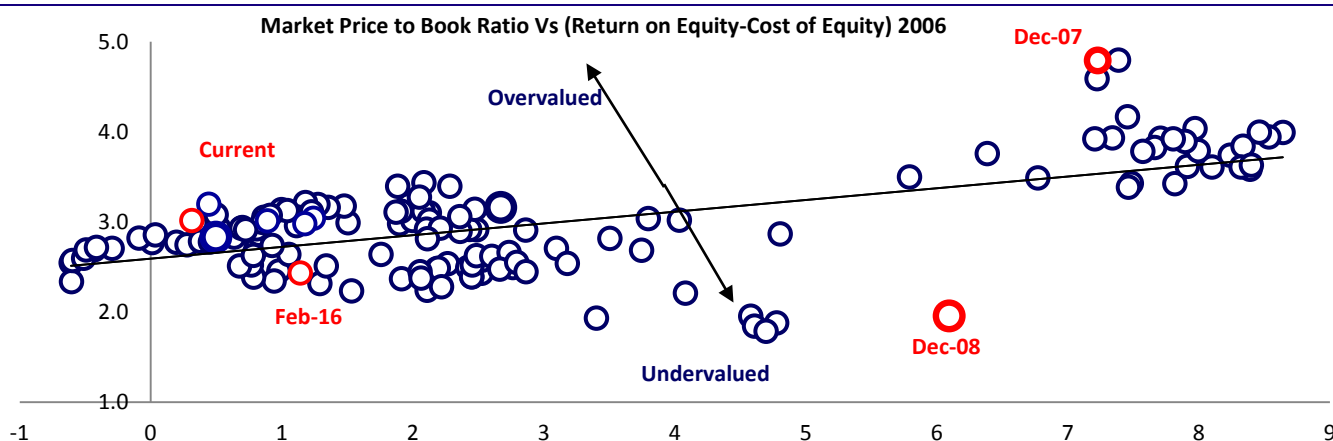
Exhibit 11: US equities still attractive to bonds, but yield gap has reduced over the last 2 years**Exhibit 12: Indian equities look unattractive compared to bonds looking at the recent past**

Source: MOSL, Bloomberg

In our view, the story is shifting from P/E expansion led by low cost of capital to earnings recovery now. Exhibit 10 and 11 reinforce the point we are making – valuations on our P/B v/s excess RoE framework were looking rich in Jan'18, and post the recent correction, have come off a bit. Going forward, we expect earnings to drive markets, as the room for P/E expansion seems limited in a rising cost of capital environment.

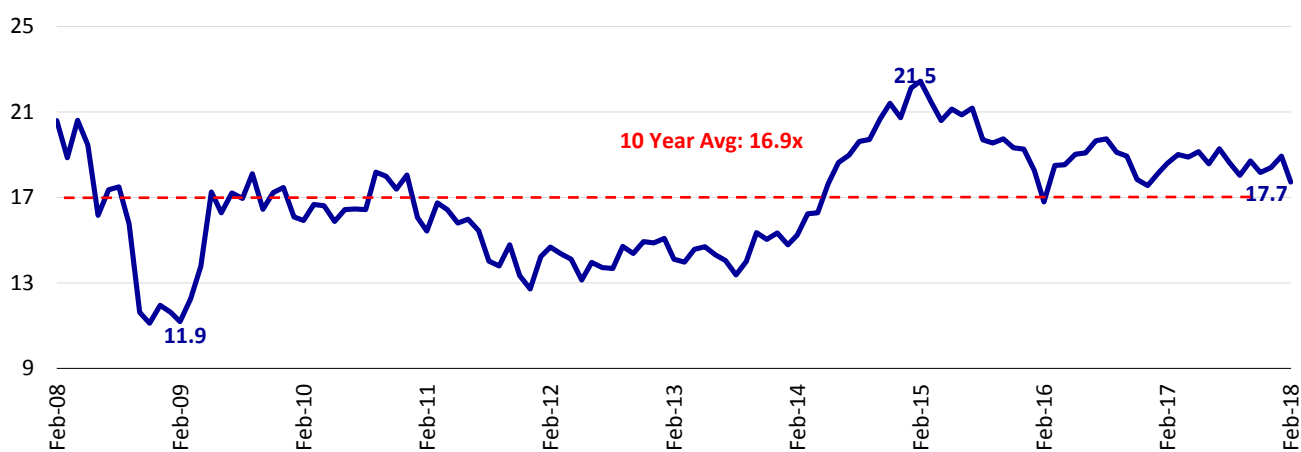
Exhibit 13: P/B v/s excess RoE plot for Jan'18

Source: MOSL, Bloomberg

Exhibit 14: P/B v/s excess RoE plot now

Source: MOSL, Bloomberg

While the mid-cap index is still trading at a rich premium to large-cap, the Nifty valuations are far more reasonable. After the recent correction, the Nifty is now trading at 17.7x one-year forward earnings, at a 5% premium to its LTA (16.9x). We are building in an earnings recovery in FY19 and discuss the same in detail in the next section.

Exhibit 15: Nifty is trading at a 5% premium to its long-period average

Source: MOSL, Bloomberg

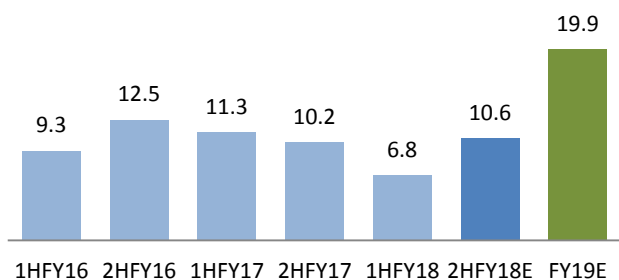
Earnings turning the corner after a long pause

3QFY18 reporting season in line so far; Building in FY19 recovery

After being flat for FY14-17, we see semblance of an earnings recovery, with 2HFY18 and FY19 earnings growth estimated at 21% and 25%, respectively. To that extent, the 3QFY18 earnings season has been healthy so far, with EBITDA and PAT growth largely meeting our estimates for the Nifty and our broader Motilal Oswal universe of stocks.

Exhibit 16: Nifty EBITDA expected to post strong recovery

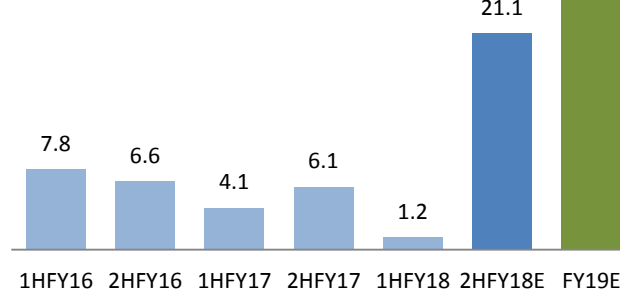
EBITDA growth YoY (%)



Source: MOSL

Exhibit 17: Nifty PAT growth also expected to rebound

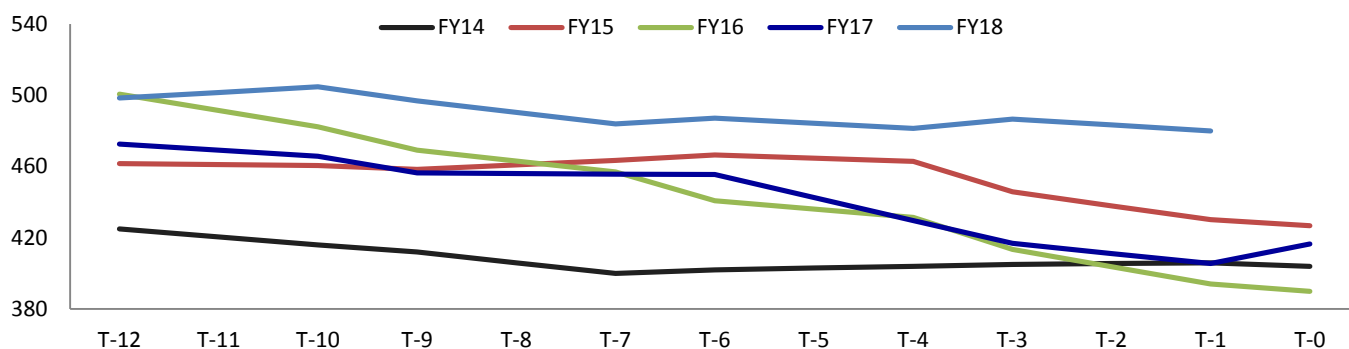
PAT growth YoY (%)



Source: MOSL

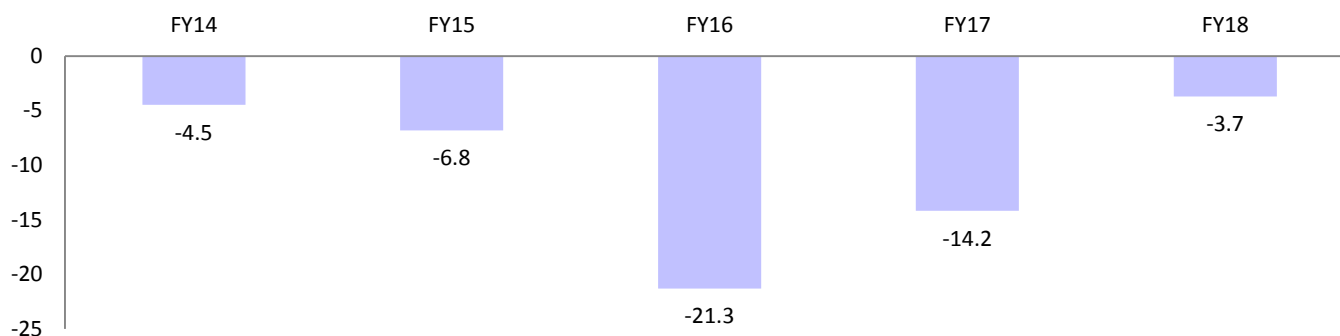
We highlight the stability of earnings estimates for FY18. Unlike FY15, FY16 and FY17 (when earnings underwent sharp downgrades), we note EPS estimates are relatively stable for FY18, despite the GST impact in 1HFY18.

Exhibit 18: Earnings estimates are more stable for FY18; significantly lesser earnings cuts compared to FY15/16/17



Source: MOSL, Bloomberg

Exhibit 19: Earnings cut in FY18 till date is far lower compared to FY15/16/17



Source: MOSL, Bloomberg

More importantly, the quality of earnings is also on the mend, with internals like the surprise/miss ratio and the upgrade/downgrade ratio appearing stable.

Exhibit 17 and 18 demonstrate the improving quality of earnings – surprise/miss ratio as well as upgrade/downgrade ratio have improved sequentially.

Exhibit 20: Surprise/miss ratio is stable

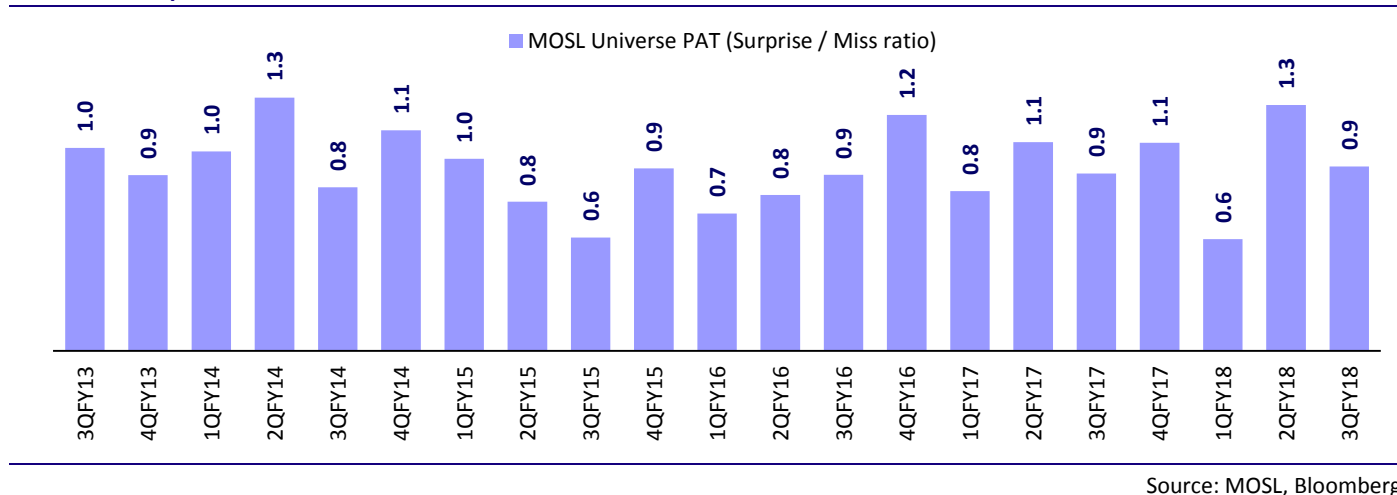
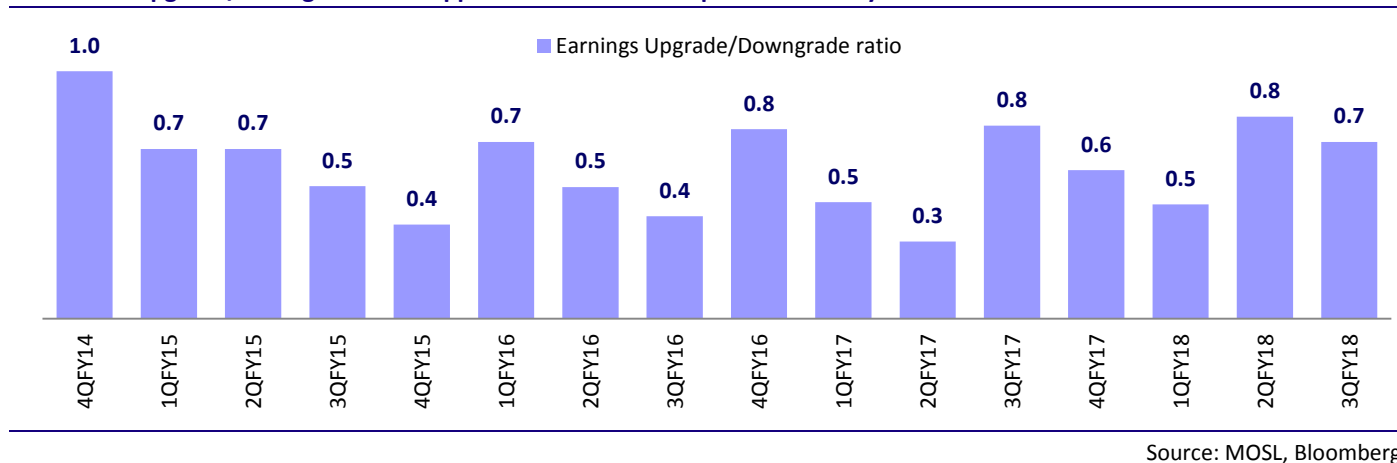
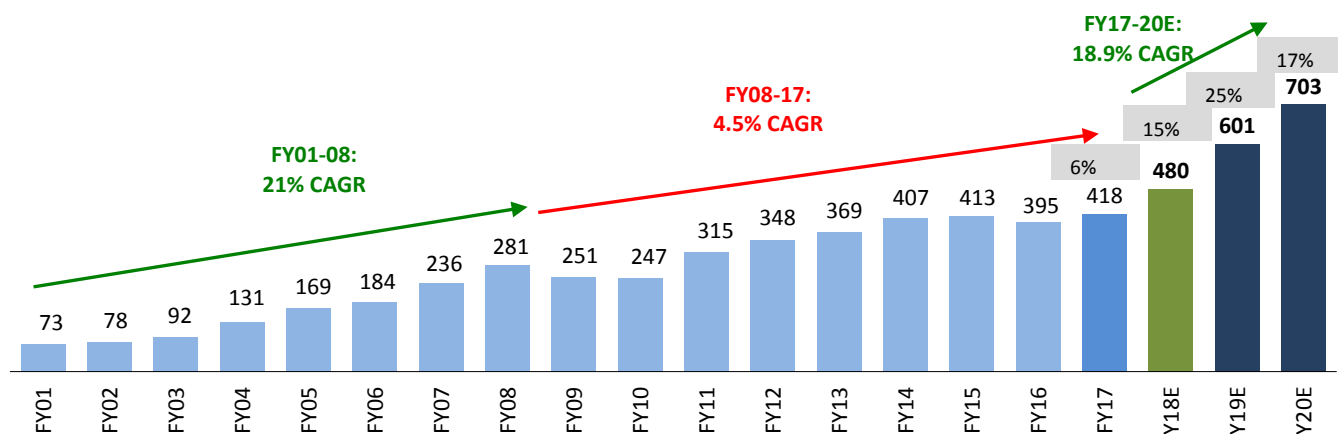


Exhibit 21: Upgrade/downgrade ratio appears reasonable compared to history

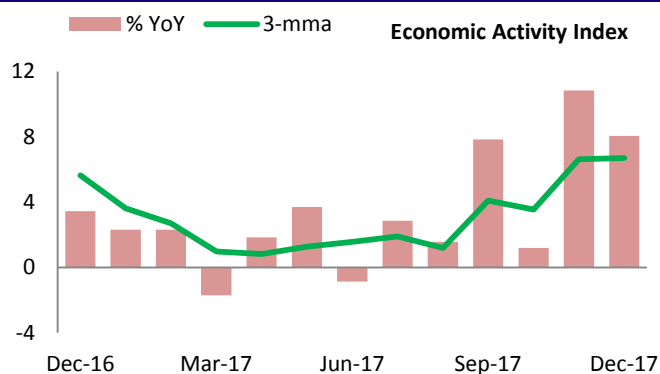


Going forward, we expect FY19 earnings to benefit from an underlying consumption recovery, a low base of FY18 (GST impacted 1HFY18 earnings) and impending resolution of NPAs via Insolvency and NCLT mechanism. To that extent, the gradual pick-up in high-frequency indicators (credit growth, PMI data, etc.) appears encouraging. Our proprietary EAI (Economic Activity Index) is also showing a pick-up, with EAI Dec'17 growth coming in at 8.4% YoY. Our EAI is indicating GDP growth of 6.5%-6.7% in 3QFY18.

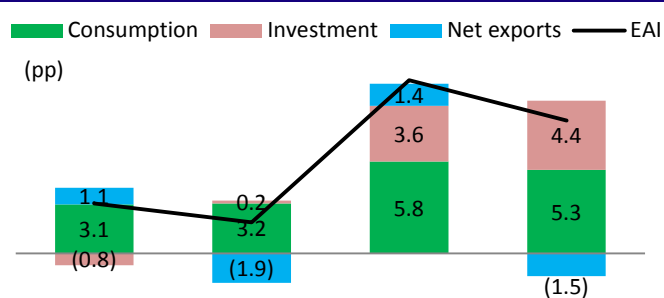
Exhibit 22: Earnings growth expected to recover in FY19 after staying flat for FY14-17

Source: MOSL, Bloomberg

The macros are showing an initial signs of pick-up as reflected in our proprietary MOSL Economic Activity Index.

Exhibit 23: MOSL Economic Activity picked up significantly

Source: MOSL

Exhibit 24: Investments finally picking up...

Source: MOSL

The narrative of the market has shifted from 'Strong macro, Weak micro' over FY14-17 to 'Strong micro, Moderating macro' over FY18-20. Rising crude oil prices, coupled with higher-than-budgeted fiscal deficit, impacted inflation and bond yields, taking some sheen off the strong macros. As discussed in the earlier section, this impacted the cost of capital, triggering a correction. Hardening bond yields are expected to continue posing a risk and could result in a P/E multiple de-rating. However, the micro (i.e. earnings) picture is turning around. We expect the markets to be driven by earnings growth going forward – unlike in the past three years, when low cost of capital aided multiple expansion. This warrants a change in the strategic stance toward growth plays, as lack of growth can exacerbate multiple de-rating, in our view. In the subsequent sections, we highlight our preferred ideas (both mid and large-caps) from our universe.

Can domestic liquidity remain intact?

Domestic liquidity has been sticky in recent corrections

- The defining attribute of the last three years has been consistent and rising inflows in domestic mutual funds, with rising contribution of SIPs. **DII MF inflows in equities stood at USD11.2b, USD7.1b and USD18.4b for CY15, CY16 and CY17, amounting to 3.4x, 2.5x and 2.4x of FII inflows for the respective years.** The surge in domestic liquidity, coupled with the falling cost of capital, supported market valuations in the absence of earnings growth, in our view.
- Financialization of savings, triggered by demonetization, has aided this trend. The question to ask at this stage is whether these inflows will continue, given the volatility and changes in taxation for long-term capital gains. We believe that, from an Indian investor's viewpoint, equities still offer better post-tax returns v/s other asset classes, and thus, expect this structural trend to remain in place, albeit with changing momentum.
- A look at the some of the recent corrections and fund-flows data suggests that domestic fund flow has remained sticky and resilient, even with FII outflows in three of the recent corrections.

Exhibit 25: Fund flows have been sticky, especially on domestic side, during the recent corrections

Start date	End date	Nifty			Midcap			FII flows	DII flows
		Peak	Trough	Corr. (%)	Peak	Trough	Corr. (%)	(USD B)	(USD B)
28-Nov-14	17-Dec-14	8,588	8,030	-6.5	12,389	11,778	-4.9	0.70	0.22
29-Jan-15	07-May-15	8,952	8,057	-10.0	13,179	12,319	-6.5	4.94	2.44
22-Jul-15	24-Aug-15	8,634	7,809	-9.6	13,664	12,543	-8.2	-1.60	1.70
19-Oct-15	29-Feb-16	8,275	6,987	-15.6	13,440	11,559	-14.0	-3.76	5.65
01-Nov-16	24-Nov-16	8,626	7,966	-7.7	15,934	14,310	-10.2	-2.20	2.19

Source: MOSL, Bloomberg

Exhibit 26: FII flows in equities (USD b)

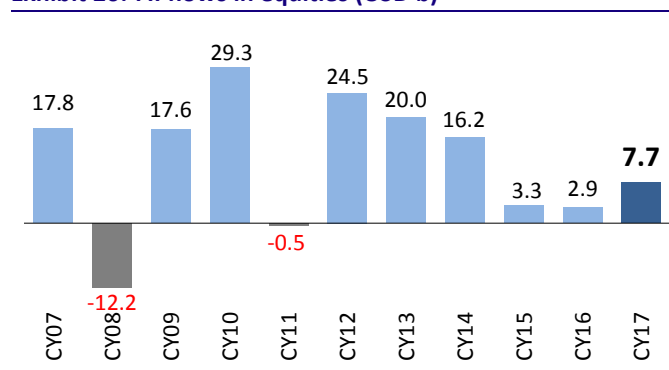


Exhibit 27: Domestic MF flows in equities (USD b)

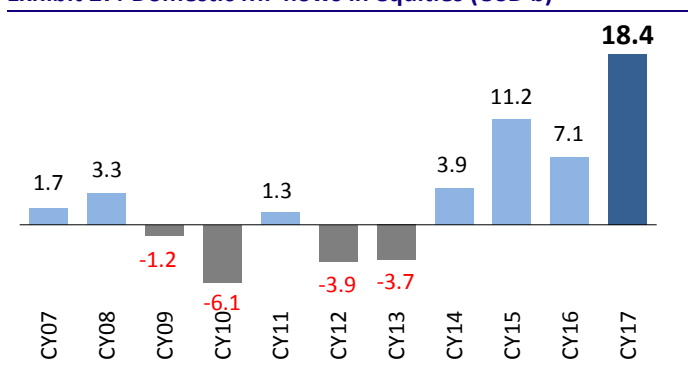
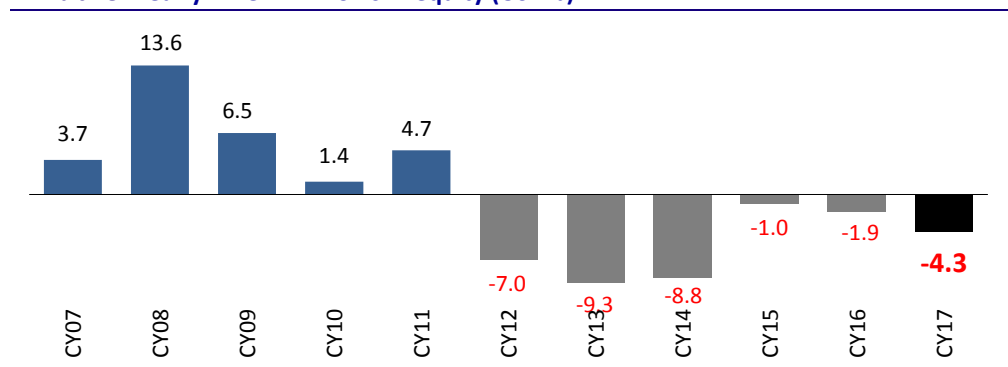


Exhibit 28: Yearly DII ex-MF flows in equity (USD b)



Source: MOSL

Stocks to BUY in the correction

Prefer a mix of growth and value plays

The sharp correction in mid-caps makes stock-picking a bit less challenging, as valuation premiums have moderated from the recent highs. While we do not rule out further correction, we believe that (based on our earnings recovery thesis for FY19), this correction offers a good opportunity to accumulate quality ideas where valuations have turned expensive. We recommend mix of growth and value plays benefitting from the key themes of (a) Consumption Recovery – both urban and rural, (b) Financialisation of Savings and (c) Structural trends like Formalisation of Economy post GST implementation.

We highlight 10 stocks from our universe, where we believe (a) growth visibility is healthy and outlook is strong, and (b) there has been at least 15% correction from 52-week highs and our target upside offers healthy return potential.

Our preferred ideas are: **HAVELLS, EMAMI, JSPL, IGL, RBL, EXIDE, Oberoi Realty, REPCO, MCX and TEAMLEASE.**

Among the large-caps we like **HDFC, ICICI Bank, Larsen & Turbo, M&M, Motherson Sumi, Titan, HPCL and NMDC.**

Exhibit 29: Ten preferred ideas to buy in this correction

Name	Market Cap (USD M)	CMP (INR)	TP (INR)	Upside (%)	52 wk High	Corr. From 52 wk (%)	EPS (INR)			EPS CAGR (%)		PE (x)			ROE (%)
							FY18E	FY19E	FY20E	FY17-FY20	FY18E	FY19E	FY20E	FY18E	
Havells India	4.9	521	640	23	593	-12.1	11.4	13.9	17.2	21.7	45.7	37.5	30.2	19.4	
Emami	4.0	1115	1505	35	1428	-21.9	24.0	31.3	37.3	12.0	46.5	35.6	29.9	29.0	
JSPL	3.6	266	361	36	294	-9.6	-11.5	7.3	11.9	NA	-23.1	36.7	22.4	-3.6	
Indraprastha Gas	3.2	290	416	43	344	-15.6	9.4	11.1	12.5	12.5	30.8	26.2	23.2	20.8	
RBL Bank	2.8	484	680	40	600	-19.3	15.8	22.7	30.3	36.5	30.6	21.3	16.0	12.2	
Exide Inds.	2.7	210	268	28	250	-15.8	8.0	10.2	11.6	12.7	26.2	20.6	18.1	12.6	
Oberoi Realty	2.5	477	608	27	562	-15.1	13.6	48.2	46.5	61.0	35.0	9.9	10.3	7.8	
Repco Home Fin	0.6	592	800	35	923	-35.8	36.0	41.9	50.0	19.7	16.5	14.1	11.8	18.1	
MCX	0.6	740	1100	49	1258	-41.2	20.8	29.4	34.9	12.0	35.5	25.2	21.2	7.9	
Team Lease Serv.	0.6	2212	2700	22	2537	-12.8	43.3	59.6	88.1	31.4	51.1	37.1	25.1	17.7	

Source: Bloomberg, MOSL

Exhibit 30: Large cap stocks where we see value

Name	Market Cap (USD M)	CMP (INR)	TP (INR)	Upside (%)	52 wk High	Corr. From 52 wk (%)	EPS (INR)			EPS CAGR (%)		PE (x)			ROE (%)
							FY18E	FY19E	FY20E	FY17-FY20	FY18E	FY19E	FY20E	FY18E	
HDFC	43.7	1812	2260	25	1982	-8.6	43.0	49.0	57.0	12.7	42.1	37.0	31.8	17.6	
ICICI Bank	33.2	335	405	21	366	-8.5	12.5	16.5	21.0	11.2	26.8	20.3	15.9	8.1	
Larsen & Toubro	29.0	1347	1650	22	1470	-8.3	49.0	58.1	69.3	17.9	27.5	23.2	19.4	13.0	
Mahindra & Mahindra	14.0	754	881	17	803	-6.1	37.6	44.3	48.8	21.2	20.0	17.0	15.5	14.1	
Motherson Sumi	11.6	364	458	26	395	-7.8	10.0	14.4	18.3	33.5	36.4	25.3	19.9	23.4	
Titan Company	10.8	801	990	24	938	-14.6	12.5	15.9	19.8	29.8	63.9	50.3	40.5	23.4	
HPCL	9.4	401	576	44	493	-18.8	35.5	42.7	45.3	3.6	11.3	9.4	8.8	24.5	
NMDC	6.4	134	215	61	163	-17.8	14.3	14.0	14.7	13.8	9.3	9.5	9.1	19.1	

Appendix

Exhibit 31: Performance of key indices

		Current Price Level	High 52WK	Corr. from 52W (%)	1 Yr Chg (%)	3 Yr CAGR (%)
BSE SENSEX INDEX	SENSEX INDEX	34,196	36,444	-6.2	21.1	5.8
Nifty 50	NIFTY INDEX	10,498	11,172	-6.0	20.1	6.4
BSE100	BSE100 Index	10,855	11,595	-6.4	20.1	7.3
BSE200	BSE200 Index	4,570	4,894	-6.6	20.6	8.4
BSE500	BSE500 Index	14,542	15,661	-7.1	21.6	9.1
CNX500	CNX500 Index	9,191	9,895	-7.1	21.4	9.1
CNX MIDCAP	CNXMIDCAP Index	19,402	21,841	-11.2	21.0	14.7

Source: MOSL

Exhibit 32: Price performance synopsis of MOSL Universe

	CMP	TP	52 wk	Corr. From	1 Yr	3 Yr	PE (x)		
Name	(INR)	(INR)	High	52W (%)	Chg (%)	CAGR (%)	FY18E	FY19E	FY20E
ABB	1,598	1,230	1,744	-8.4	32.3	7.6	84.0	56.5	46.9
ACC	1,692	1,795	1,869	-9.5	13.3	3.9	34.8	25.0	21.0
Aditya Birla Cap	168	231	264	-36.3			45.3	30.9	21.7
Ajanta Pharma	1,400	1,840	1,870	-25.1	-20.4	11.9	25.9	21.3	17.2
Alembic Pharma	548	555	709	-22.7	-0.5	9.2	22.9	21.7	18.2
Alkem Lab	2,177	2,500	2,468	-11.8	19.2		32.0	24.3	20.0
Allcargo Logistics	193	242	229	-15.8	11.1	7.1	17.7	14.5	12.6
Amara Raja Batt.	810	984	955	-15.1	-7.4	-2.9	28.2	23.7	19.7
Ambuja Cements	262	275	291	-10.2	9.4	1.8	42.7	34.0	26.7
Arvind	402	402	478	-15.8	6.3	12.5	35.5	28.6	21.4
Ashok Leyland	134	158	137	-1.8	40.5	30.1	27.3	21.6	17.4
Ashoka Buildcon	234	290	269	-13.0	19.1	20.2	44.3	24.6	12.3
Asian Paints	1,124	1,270	1,261	-10.9	12.7	12.1	52.1	43.8	36.5
AU Small Finance	603	705	739	-18.4			56.8	39.5	28.0
Aurobindo Pharma	602	900	809	-25.6	-13.8	2.8	13.5	12.0	10.9
Avenue Supermarts	1,166	920	1,289	-9.5			92.9	67.6	50.7
Axis Bank	569	710	628	-9.4	16.6	0.3	38.7	18.3	12.7
Bajaj Auto	3,152	4,031	3,473	-9.2	13.1	12.3	21.0	18.1	15.6
Bajaj Finance	1,658	2,330	1,989	-16.6	57.9	60.3	36.4	26.9	20.0
Bank of Baroda	156	217	207	-24.4	-16.5	-3.9	8.7	6.9	5.3
Bank of India	143	175	217	-34.1	7.6	-16.7	-120.6	29.0	13.9
Bata India	712	578	833	-14.6	40.3	1.4	44.7	37.0	31.7
Bharat Electronics	157	210	193	-18.6	10.4	14.9	22.1	19.8	18.6
Bharat Forge	761	859	764	-0.4	57.2	12.9	39.3	28.9	22.1
BHEL	95	78	122	-21.6	-8.3	-18.5	32.5	40.6	27.6
BPCL	478	632	550	-13.0	-0.2	25.2	11.7	9.3	8.8
Bharti Airtel	430	680	565	-24.0	21.7	5.3	123.4	110.0	59.6
Bharti Infratel	350	380	482	-27.4	12.9	-2.6	25.1	21.5	19.6
Biocon	615	600	658	-6.6	68.9	64.8	80.7	56.4	31.0
Birla Corporation	1,012	1,435	1,290	-21.6	35.8	29.4	31.4	17.8	16.4
Blue Star	725	780	845	-14.2	33.2	29.5	43.7	29.5	23.2
Bosch	19,596	21,951	25,245	-22.4	-14.6	-5.3	42.7	32.9	26.8
Britannia	4,627	6,098	4,964	-6.8	43.4	35.1	54.7	43.3	34.6
BSE	833	950	1,178	-29.3	-18.5		19.9	18.3	16.9
Cadila Health	405	555	558	-27.5	8.7	11.4	23.2	17.1	15.3
Canara Bank	323	415	463	-30.3	7.2	-7.2	25.7	8.7	4.6
Capital First	690	960	902	-23.5	2.1	21.8	20.2	15.5	12.1
Castrol India	195	242	227	-14.1	-7.2	-6.7	27.9	29.6	28.4
CEAT	1,533	1,899	2,030	-24.5	32.3	26.7	24.3	18.1	13.7
CESC	992	1,360	1,189	-16.6	23.0	13.2	11.1	9.7	9.0
CG Power & Indl.	88	90	99	-10.7	23.1	17.1	61.3	38.9	29.5

	CMP	TP	52 wk	Corr. From	1 Yr	3 Yr	PE (x)		
Name	(INR)	(INR)	High	52W (%)	Chg (%)	CAGR (%)	FY18E	FY19E	FY20E
Chola. Inv & Fin.	1,311	1,520	1,371	-4.4	28.2	33.6	21.2	17.9	14.7
Cipla	614	600	663	-7.4	1.8	-2.2	28.4	22.7	18.6
Coal India	300	356	332	-9.6	-6.7	-6.2	16.3	11.2	9.7
Colgate	1,101	1,365	1,176	-6.3	24.4	5.5	45.9	39.0	32.5
Concor	1,343	1,469	1,500	-10.5	30.4	7.2	32.1	26.2	23.1
Coromandel International	546	523	588	-7.2	60.3	26.3	22.6	18.8	18.0
CG Consumer Elect.	242	305	295	-17.8	26.3		47.2	37.5	31.6
Cummins India	840	1,040	1,096	-23.3	-7.3	-2.3	36.2	26.9	22.7
Cyient	624	675	685	-8.9	34.9	5.3	17.2	15.4	13.6
D B Corp	329	420	395	-16.8	-13.7	-4.6	17.5	14.3	11.9
Dabur	339	415	368	-7.8	27.6	7.6	44.8	37.6	32.3
Dalmia Bharat	2,795	3,517	3,349	-16.5	45.4	83.6	51.1	34.4	25.4
DCB Bank	168	188	213	-21.0	25.0	13.8	22.9	18.7	15.4
Delta Corp	335	382	401	-16.5	162.2	52.1	56.6	40.3	30.1
Den Networks	113	90	150	-24.8	32.7	0.3	-39.0	1,584.3	28.1
Dewan Housing	513	720	678	-24.3	73.4	29.3	13.7	10.8	8.6
Dish TV	74	101	111	-33.5	-16.6	-2.0	-144.2	46.0	21.9
Divis Labs	1,029	1,100	1,142	-9.9	39.2	8.7	31.3	23.4	19.5
Dr Reddy's Labs	2,179	2,575	3,070	-29.0	-27.9	-10.6	31.6	19.2	15.0
Eicher Motors	28,117	34,764	33,484	-16.0	17.8	21.7	33.9	26.7	21.1
Emami	1,115	1,505	1,428	-21.9	-0.1	7.5	46.5	35.6	29.9
Endurance Tech.	1,186	1,554	1,397	-15.1	88.3		43.0	30.8	22.9
Ent.Network	696	820	1,008	-31.0	-13.6	8.2	84.2	42.5	24.2
Equitas Holdings	143	205	188	-24.1	-23.3		154.0	21.5	14.0
Escorts	907	714	922	-1.6	132.1	94.9	24.8	19.9	16.5
Eveready Inds.	382	458	465	-17.8	52.2	25.1	32.5	22.8	18.4
Exide Inds.	210	268	250	-15.8	0.5	4.4	26.2	20.6	18.1
Federal Bank	95	149	128	-25.9	13.7	10.7	17.3	14.6	11.5
Fortis Health	126	185	231	-45.4	-32.9	3.5	67.0	25.7	15.0
GAIL	462	371	518	-10.8	27.1	13.6	17.7	14.8	14.1
Gateway Distriparks	219	282	292	-25.1	-17.5	-17.9	24.8	11.9	10.3
GE T&D India	414	440	473	-12.4	33.9	-5.4	44.0	36.8	29.6
GSK Consumer	6,216	5,785	6,799	-8.6	22.8	3.1	38.7	34.1	30.1
GSK Pharma	2,452	2,500	2,770	-11.5	-10.1	-9.4	49.9	44.6	40.1
Glenmark Pharma	578	650	968	-40.3	-39.8	-7.8	15.2	13.5	11.4
Godrej Consumer	1,019	1,065	1,125	-9.4	30.3	22.0	48.7	42.3	37.1
Granules India	119	200	157	-24.5	-9.2	14.0	17.3	13.2	9.1
Grasim Industries	1,110	1,286	1,300	-14.6	36.4	20.4	13.5	9.5	8.3
GRUH Finance	510	540	714	-28.5	42.0	25.9	51.4	43.2	35.0
Gujarat Gas	851	1,014	974	-12.6	38.8		41.3	25.9	20.1
Gujarat State Petronet	207	183	236	-12.0	24.8	21.1	16.6	16.0	14.8
Havells India	521	640	593	-12.1	18.0	28.7	45.7	37.5	30.2
HCL Technologies	945	950	1,042	-9.3	16.9	-1.1	15.3	14.7	13.7
HDFC Bank	1,880	2,350	2,014	-6.7	43.9	21.2	28.1	23.3	18.6
HDFC Stand. Life	441	485	494	-10.8			93.5	82.1	65.5
Hero MotoCorp	3,585	3,986	4,200	-14.6	11.2	8.9	19.4	17.9	16.9
Hexaware Tech.	337	340	395	-14.5	70.5	13.5	20.3	18.3	16.2
Hindalco	246	344	284	-13.5	29.9	18.6	12.6	9.1	8.8
Hindustan Media	242	305	298	-18.8	-12.2	2.2	9.4	8.4	7.5
HPCL	401	576	493	-18.8	5.0	45.6	11.3	9.4	8.8
Hind. Unilever	1,332	1,585	1,411	-5.6	56.0	13.7	57.7	47.8	40.5
Hindustan Zinc	288	354	331	-12.8	-9.3	19.2	13.4	8.6	9.0
HDFC	1,812	2,260	1,982	-8.6	29.4	12.3	42.1	37.0	31.8
HT Media	97	117	119	-18.5	16.4	-10.2	8.2	8.0	7.6
ICICI Bank	335	405	366	-8.5	28.7	3.7	26.8	20.3	15.9
Idea Cellular	86	110	124	-30.8	-21.8	-18.0	-7.2	-6.6	-7.3

	CMP	TP	52 wk	Corr. From	1 Yr	3 Yr	PE (x)		
Name	(INR)	(INR)	High	52W (%)	Chg (%)	CAGR (%)	FY18E	FY19E	FY20E
IDFC Bank	53	65	70	-24.3	-15.5		17.7	16.5	13.6
India Cements	161	188	226	-28.6	-1.7	16.7	27.6	15.3	13.3
Indiabulls Housing	1,314	1,630	1,439	-8.7	57.3	30.9	14.4	12.5	10.2
Indian Bank	340	438	428	-20.5	13.9	24.3	9.9	8.9	8.1
IOC	386	533	463	-16.6	-2.6	33.1	9.6	9.7	9.3
Indo Count Inds.	106	128	210	-49.5	-41.7	6.5	13.2	9.9	8.6
Indraprastha Gas	290	416	344	-15.6	42.9	46.8	30.8	26.2	23.2
IndusInd Bank	1,670	2,076	1,818	-8.2	26.5	25.5	27.3	21.2	16.5
Info Edge	1,232	1,550	1,458	-15.5	46.9	15.2	52.8	46.9	36.9
Infosys	1,135	1,250	1,220	-7.0	21.2	0.6	17.6	16.1	14.4
Interglobe Aviation	1,255	1,307	1,346	-6.8	47.8		19.6	16.4	11.4
IPCA Labs.	595	550	656	-9.2	13.9	-1.1	27.8	20.4	15.9
IRB Infra	223	250	272	-18.0	-4.4	-4.9	8.8	9.1	10.5
ITC	274	278	353	-22.5	-0.4	3.2	30.6	26.9	23.9
Jagran Prakashan	169	215	209	-18.8	-9.3	8.8	17.1	13.5	11.1
J&K Bank	71	100	96	-26.0	-0.6	-19.4	8.2	5.8	4.2
JSPL	266	361	294	-9.6	190.1	23.3	-23.1	36.7	22.4
J K Cements	1,039	1,343	1,195	-13.1	24.1	14.1	23.4	18.4	13.5
JK Lakshmi Cem.	418	470	535	-21.9	7.6	3.4	44.6	22.6	16.7
JSW Energy	83	61	98	-15.3	32.1	-6.9	19.3	22.8	20.6
JSW Steel	305	339	314	-3.0	60.8	46.9	14.7	12.7	12.8
Jubilant Foodworks	2,004	2,185	2,330	-14.0	102.0	10.7	66.1	51.0	38.8
Jubilant Life	968	1,110	1,039	-6.8	37.7	81.7	20.2	15.5	13.4
Jyothy Labs	354	380	441	-19.8	1.0	6.0	43.6	33.0	26.6
Kaveri Seed	474	738	708	-33.1	1.2	-18.5	13.9	11.5	9.8
K E C International	356	385	395	-9.9	125.6	62.0	22.2	19.0	14.8
KNR Constructions	307	325	349	-12.1	64.9	60.1	23.0	21.1	19.2
Kotak Mahindra Bank	1,050	1,220	1,133	-7.3	36.8	18.4	32.1	25.3	19.4
KPIT Tech.	221	219	227	-2.8	65.8	1.3	18.3	16.6	12.8
L&T Fin.Holdings	163	240	214	-23.6	50.8	34.9	21.9	14.9	12.1
L&T Infotech	1,375	1,400	1,418	-3.0	100.0		20.9	18.4	16.0
Larsen & Toubro	1,347	1,650	1,470	-8.3	34.5	6.3	27.5	23.2	19.4
Laurus Labs	508	631	634	-19.9	-7.9		26.7	17.5	14.2
LIC Housing Fin	515	608	794	-35.1	-7.2	4.4	13.4	11.6	9.8
Lupin	814	940	1,520	-46.4	-45.3	-19.6	25.9	20.3	15.1
Mahanagar Gas	979	1,219	1,345	-27.2	6.1		18.0	18.2	18.0
M & M Financial	449	575	524	-14.3	49.8	21.3	32.4	23.3	19.5
Mahindra & Mahindra	754	881	803	-6.1	17.9	9.5	20.0	17.0	15.5
Mahindra CIE	216	297	270	-20.0	11.4	-0.7	24.1	18.1	14.6
MRPL	118	114	146	-19.2	5.8	29.9	9.4	10.2	9.7
Manpasand Beverages	407	467	512	-20.6	16.0		45.2	30.7	22.7
Marico	300	355	348	-13.7	10.2	19.4	48.3	38.9	32.4
Maruti Suzuki	9,027	10,972	10,000	-9.7	45.7	37.1	32.8	24.4	19.2
MAS Financial	602	750	701	-14.2			32.3	24.9	20.1
Mindtree	732	725	784	-6.6	62.7	2.6	22.4	17.9	15.3
Monsanto India	2,497	3,293	2,980	-16.2	8.7	-9.7	23.8	19.7	16.7
Motherson Sumi	364	458	395	-7.8	59.1	24.1	36.4	25.3	19.9
Mphasis	872	800	918	-5.0	54.3	35.5	19.9	17.3	16.0
MCX	740	1,100	1,258	-41.2	-34.5	-4.5	35.5	25.2	21.2
Music Broadcast	358	469	458	-21.8			43.6	26.4	20.1
Muthoot Finance	432	515	526	-17.8	29.5	26.6	10.1	10.3	9.0
Nalco	72	81	98	-26.4	0.3	13.4	15.5	13.7	13.4
Navneet Education	138	194	194	-28.7	3.4	8.9	18.2	14.2	12.1
Nestle	6,991	8,173	8,001	-12.6	13.3	0.6	54.4	47.6	39.4
NHPC	29	37	35	-16.8	-6.5	12.8	12.0	9.2	7.8
NIIT Tech.	828	800	927	-10.7	93.3	33.9	18.6	15.9	13.7

	CMP	TP	52 wk	Corr. From	1 Yr	3 Yr	PE (x)		
Name	(INR)	(INR)	High	52W (%)	Chg (%)	CAGR (%)	FY18E	FY19E	FY20E
NMDC	134	215	163	-17.8	-8.1	-1.7	9.3	9.5	9.1
NTPC	164	210	188	-12.9	-4.8	5.3	12.7	11.1	10.1
Oberoi Realty	477	608	562	-15.1	43.3	20.4	35.0	9.9	10.3
ONGC	189	234	213	-11.4	-3.0	-6.9	9.8	8.1	8.3
Oil India	364	420	389	-6.5	7.9	-4.0	12.2	8.9	8.6
Orient Cement	157	179	184	-14.5	14.8	-5.8	47.8	28.7	15.2
Page Industries	20,644	28,650	25,779	-19.9	42.7	21.1	69.6	50.0	37.9
Parag Milk Foods	291	314	319	-8.9	3.3		32.5	23.5	17.3
PC Jeweller	382	685	601	-36.4	97.1	46.1	24.8	19.6	15.3
Persistent Systems	794	900	821	-3.2	31.3	-1.7	18.4	15.0	13.1
Petronet LNG	249	312	275	-9.7	32.3	39.4	16.5	14.9	12.2
P I Industries	820	988	1,035	-20.8	-8.3	18.4	28.0	23.2	19.9
Pidilite Inds.	885	1,050	972	-9.0	32.0	18.2	50.1	42.5	36.8
Piramal Enterprises	2,707	3,500	3,065	-11.7	54.4	48.3	32.6	23.3	18.3
PNB Housing	1,231	1,750	1,715	-28.2	16.7		24.0	17.8	13.3
Power Grid Corp.	194	282	226	-14.5	-3.8	10.6	11.5	9.5	9.1
Prabhat Dairy	193	-	258	-25.4	42.8		55.4	30.1	19.8
Prime Focus	103	148	135	-23.9	21.9	31.1	31.9	16.7	11.2
Prism Cement	134	130	159	-15.9	31.1	13.7	48.7	26.9	20.2
P&G Hygiene	9,284	9,303	9,900	-6.2	32.5	13.9	65.3	54.2	46.2
Punjab National Bank	159	215	232	-31.2	6.3	-2.2	28.1	18.8	10.2
PVR	1,414	1,760	1,660	-14.8	10.2	27.1	63.9	37.9	27.5
Qess Corp	965	1,300	1,199	-19.5	42.3		43.6	29.5	23.2
Rain Industries	383	492	476	-19.4	391.2	116.0	15.0	9.9	8.9
Ramco Cements	727	847	840	-13.4	7.6	28.7	29.9	23.8	18.7
RBL Bank	484	680	600	-19.3	23.0		30.6	21.3	16.0
Reliance Inds.	904	1,069	990	-8.7	76.2	25.7	15.0	13.4	11.8
Repco Home Fin	592	800	923	-35.8	-20.0	-2.0	16.5	14.1	11.8
Sadbhav Engineering	405	445	439	-7.8	46.8	11.0	28.6	27.6	23.7
Sagar Cements	981	-	1,161	-15.5	29.9	43.8	39.0	19.4	13.9
Sanghi Inds.	123	157	144	-14.8	95.7	24.8	21.2	13.8	10.2
Sanofi India	4,745	5,000	5,130	-7.5	14.4	12.1	33.9	30.1	26.3
S H Kelkar	283	343	333	-14.9	-9.5		35.8	27.2	23.1
Shilpa Medicare	519	797	749	-30.7	-27.8	5.9	28.7	17.4	13.7
Shree Cement	16,983	22,424	20,560	-17.4	7.0	15.5	40.2	39.0	23.5
Shriram City Union	1,975	2,500	2,648	-25.4	-0.9	-1.5	17.3	14.1	11.8
Shriram Transport Fin.	1,335	1,750	1,543	-13.5	39.5	5.5	17.0	12.7	10.6
Siemens	1,227	1,285	1,470	-16.5	0.6	3.5	62.1	40.4	35.5
Siti Networks	20	27	41	-51.5	-48.8	-15.4	-22.3	158.3	30.9
Solar Inds.	1,049	1,160	1,232	-14.8	45.4	19.3	40.0	33.5	26.7
South Indian Bank	28	38	35	-20.3	31.6	5.0	14.4	7.3	5.6
SRF	1,846	2,040	2,045	-9.7	5.0	24.9	22.3	17.9	13.6
State Bank	301	415	352	-14.2	8.7	1.3	26.3	15.4	8.6
SAIL	86	75	101	-15.1	29.1	5.4	-63.1	19.1	13.2
Strides Shasun	714	1,074	1,220	-41.5	-40.4	-6.2	19.6	11.4	9.2
Sun Pharma	583	610	728	-19.9	-11.9	-14.4	40.2	26.4	21.2
Sun TV	1,006	1,155	1,097	-8.3	42.5	38.1	35.8	28.2	24.0
Tata Comm	620	780	782	-20.8	-18.4	16.2	142.5	38.8	20.6
TCS	2,966	2,700	3,255	-8.9	31.1	4.8	22.7	20.1	18.4
Tata Elxsi	995	1,236	1,123	-11.4	33.1	37.7	27.0	22.8	19.3
Tata Motors	375	515	518	-27.7	-26.9	-12.2	13.4	6.5	6.4
Tata Power	85	73	102	-16.4	4.4	1.2	11.5	10.3	10.0
Tata Steel	671	858	747	-10.2	51.3	24.5	10.7	7.9	10.0
Team Lease Serv.	2,212	2,700	2,537	-12.8	143.1		51.1	37.1	25.1
Tech Mahindra	608	700	631	-3.6	28.2	-5.3	15.5	14.9	12.7
Thermax	1,198	1,250	1,375	-12.9	36.6	2.7	42.0	34.6	30.7

	CMP	TP	52 wk	Corr. From	1 Yr	3 Yr	PE (x)		
Name	(INR)	(INR)	High	52W (%)	Chg (%)	CAGR (%)	FY18E	FY19E	FY20E
Titan Company	801	990	938	-14.6	88.3	24.4	63.9	50.3	40.5
Torrent Pharma	1,372	1,400	1,572	-12.7	8.2	8.4	27.6	22.4	17.5
Trident	74	114	110	-32.6	3.1	47.1	10.3	8.0	6.4
TTK Prestige	6,977	5,281	8,911	-21.7	22.7	28.8	50.6	39.6	34.3
TVS Motor	666	741	795	-16.3	67.5	31.5	47.8	26.5	19.6
Ultratech Cement	4,159	5,131	4,594	-9.5	11.9	11.4	46.7	30.5	23.3
Union Bank	125	145	205	-38.9	-24.9	-13.0	-3.1	21.1	8.2
United Breweries	1,058	1,380	1,243	-14.9	32.2	3.5	75.2	60.7	46.3
United Spirits	3,154	3,515	4,003	-21.2	39.5	-2.2	96.0	55.4	40.1
Va Tech Wabag	572	745	749	-23.6	16.7	-8.9	16.6	15.4	13.6
Vedanta	314	416	356	-11.8	24.4	14.2	13.2	7.3	7.0
V-Guard Inds	218	167	251	-13.0	42.4	48.2	48.7	36.7	32.7
Voltas	600	580	675	-11.2	79.3	31.3	33.2	29.6	26.0
Wipro	290	300	335	-13.5	25.9	-3.3	16.1	15.7	13.7
Yes Bank	335	410	383	-12.6	18.7	27.4	18.4	14.0	10.9
Zee Entertainment	584	705	619	-5.8	13.9	17.4	42.7	33.2	27.8
Zensar Tech	939	1,100	1,000	-6.1	2.8	14.1	17.3	14.7	11.0

Source: MOSL

Exhibit 33: Valuation synopsis of MOSL Universe

Sector / Company	Current	10 YR PE (x)	Prem / Dsc PE (x)	Current	10yr PB (x)	Prem/Disc PB (x)	EPS Gr. YoY (%)			EPS CAGR FY17-19E (%)
	P/E (x)	Avg (x)	Avg (x)	P/B (x)	Avg (x)	Avg (x)	FY17	FY18E	FY19E	
Automobiles	17.5	14.7	18.7	3.8	3.1	22.8	-8.7	20.5	45.3	32.3
Amara Raja Batt.	22.6	16.5	37.0	3.8	3.5	7.9	-2.7	2.6	18.9	10.5
Ashok Leyland	20.8	16.5	25.7	4.8	2.7	77.2	8.0	7.8	26.7	16.9
Bajaj Auto	18.2	14.8	23.3	4.4	5.2	-16.1	-1.7	6.5	15.8	11.1
Bharat Forge	27.2	28.6	-4.7	5.8	3.9	48.5	-7.2	48.1	35.9	41.9
Bosch	33.4	30.1	11.1	5.6	5.1	10.0	-1.8	-3.0	29.6	12.2
CEAT	18.2	9.0	102.3	2.1	1.1	91.6	-16.9	-32.3	34.1	-4.8
Eicher Motors	26.2	20.2	29.9	8.1	5.3	54.2	25.2	33.6	30.1	31.8
Endurance Tech.	30.6	28.9	5.9	6.6	5.8	14.3	9.9	17.5	39.6	28.0
Exide Inds.	20.3	20.3	-0.3	2.9	3.2	-9.4	10.6	-1.3	27.5	12.2
Hero MotoCorp	17.8	16.4	8.7	5.4	7.0	-23.5	6.9	9.4	8.2	8.8
Mahindra CIE	17.6	34.8	-49.6	1.9	3.3	-41.2	28.5	94.3	33.0	60.8
Mahindra & Mahindra	17.2	15.4	11.9	2.9	3.0	-3.6	4.1	37.5	17.6	27.2
Maruti Suzuki	24.8	17.3	43.4	5.7	3.0	92.2	36.6	10.8	34.2	22.0
Motherson Sumi	25.3	21.2	19.2	6.4	4.7	36.7	18.2	30.0	43.9	36.8
Tata Motors	6.8	9.9	-31.7	1.4	2.2	-34.6	-48.4	41.1	107.1	70.9
TVS Motor	26.8	15.7	71.0	8.2	3.5	133.7	14.1	18.5	80.5	46.3
Banks-Private	21.5	16.5	30.2	2.9	2.2	30.2	-2.5	16.3	35.2	25.4
Axis Bank	19.0	15.8	20.1	1.9	2.0	-3.3	-55.5	-4.4	111.4	42.1
DCB Bank	18.5	16.4	12.8	1.8	1.5	22.0	2.3	5.3	22.2	13.4
Federal Bank	14.5	11.2	29.7	1.4	1.1	20.0	74.1	13.3	19.1	16.2
HDFC Bank	23.9	20.2	18.2	3.7	3.3	11.9	16.7	18.0	20.3	19.1
ICICI Bank	20.5	16.7	22.6	2.3	2.1	9.4	0.6	-18.3	32.0	3.8
IndusInd Bank	21.6	16.1	34.3	3.7	2.4	53.0	18.2	27.0	29.2	28.1
J & K Bank	5.8	7.0	-17.1	0.6	0.9	-26.8	PL	LP	41.6	LP
Kotak Mah. Bank	25.3	22.3	13.6	3.6	2.8	26.9	42.3	22.0	26.9	24.4
South Ind.Bank	7.4	6.9	6.3	0.9	0.9	3.7	0.9	-22.6	97.1	23.5
Yes Bank	14.5	11.4	26.6	2.6	2.1	24.5	20.8	24.8	31.2	27.9
Banks-PSU	13.7	11.5	18.9	0.8	0.9	-15.5	LP	180.1	134.1	156.1
Bank of Baroda	6.9	7.4	-6.8	0.9	1.0	-18.5	LP	199.6	26.2	94.5
Bank of India	NA	7.6	NA	0.6	0.9	-31.5	Loss	Loss	LP	LP
Canara Bank	9.0	8.4	7.3	0.6	0.8	-15.9	LP	-33.0	196.8	41.0
Indian Bank	8.6	6.1	42.3	0.9	0.8	19.1	97.6	17.6	11.4	14.4
Punjab Natl.Bank	19.4	10.5	84.7	0.9	1.0	-12.4	LP	-8.8	49.5	16.8
St Bk of India	15.4	14.3	8.2	1.1	1.2	-12.2	-98.1	3751.8	70.8	711.1
Union Bank (I)	60.6	8.1	645.3	0.5	0.8	-36.1	-58.9	PL	LP	-14.3
NBFC	23.8	18.0	32.7	3.4	2.9	17.5	17.0	26.5	22.8	24.6
Bajaj Fin.	27.5	14.1	95.1	5.0	2.3	118.3	43.6	42.3	35.4	38.8
Capital First	15.1	22.3	-32.1	2.2	1.7	29.6	34.2	38.9	30.2	34.5
Cholaman.Inv.&Fn	17.8	14.5	22.8	3.3	1.9	76.8	26.3	34.5	18.7	26.3
Dewan Hsg. Fin.	10.9	7.3	49.6	1.6	1.1	44.6	18.5	26.5	26.8	26.6
GRUH Finance	44.6	22.9	94.9	13.1	6.7	95.8	21.5	22.1	18.8	20.5
H D F C	36.9	27.1	35.9	4.3	4.6	-5.9	11.7	8.0	14.0	10.9
Indiabulls Hous.	12.5	9.2	35.4	3.6	2.4	49.9	23.2	32.8	15.4	23.8
LIC Housing Fin.	11.5	10.7	7.0	1.8	1.9	-5.9	16.3	0.6	15.2	7.6
L&T Fin.Holdings	15.0	16.2	-7.8	2.7	2.0	37.1	33.7	42.2	47.1	44.6
M & M Fin. Serv.	23.7	16.6	42.5	2.8	2.2	29.9	-40.5	95.8	38.7	64.8
Muthoot Finance	9.3	8.2	14.3	1.7	1.5	13.1	45.6	44.4	-1.4	19.3
PNB Housing	19.0	22.8	-16.9	3.0	3.3	-8.1	22.6	62.4	34.4	47.8
Repco Home Fin	14.5	20.3	-28.6	2.4	3.2	-25.9	21.4	23.5	16.5	20.0
Shri.City Union.	13.8	13.6	1.7	2.0	2.0	-3.6	5.0	35.4	22.6	28.8
Shriram Trans.	13.3	12.6	5.6	2.1	2.1	3.5	6.7	42.1	33.1	37.5
Capital Goods	30.2	26.3	15.0	3.4	3.6	-6.7	51.8	16.6	19.7	18.1

Sector / Company	Current	10 YR PE (x)	Prem / Dsc PE (x)	Current	10yr PB (x)	Prem/Disc PB (x)	EPS Gr. YoY (%)			EPS CAGR FY17-19E (%)
	P/E (x)	Avg (x)	Avg (x)	P/B (x)	Avg (x)	Avg (x)	FY17	FY18E	FY19E	
A B B	58.6	63.3	-7.4	8.3	6.9	21.8	25.0	-3.4	48.7	19.8
Bharat Electron	18.9	15.8	19.7	3.4	2.6	30.4	27.2	12.6	12.0	12.3
B H E L	38.4	20.9	83.5	1.0	2.8	-63.7	LP	119.0	-19.9	32.4
Blue Star	29.5	24.5	20.6	7.9	7.9	0.5	-0.7	37.0	42.0	39.5
CG Power & Indu.	38.0	13.9	172.6	1.2	1.1	6.0	-2.3	-64.9	57.4	-25.7
Cummins India	26.6	23.8	11.8	5.2	5.6	-5.9	-2.6	-12.4	34.6	8.6
GE T&D India	34.0	62.7	-45.7	7.2	7.2	0.3	325.3	64.4	19.4	40.1
Havells India	37.0	25.0	48.1	7.6	5.4	41.9	17.1	19.4	21.6	20.5
K E C Intl.	18.8	15.4	22.1	3.9	2.2	80.5	106.1	35.5	16.6	25.7
Larsen & Toubro	23.6	23.3	1.4	3.2	3.3	-3.1	43.0	15.7	18.8	17.2
Siemens	42.4	47.3	-10.2	5.3	6.3	-15.4	5.2	10.9	53.8	30.6
Solar Inds.	33.0	19.3	70.9	6.5	3.8	70.7	14.0	27.3	19.5	23.3
Thermax	34.0	25.5	33.7	4.3	4.2	2.1	23.0	-8.0	21.6	5.8
Va Tech Wabag	14.7	20.5	-28.4	2.3	2.7	-14.8	83.9	15.2	8.0	11.5
Voltas	30.1	20.4	47.6	4.6	3.3	41.6	30.1	13.4	12.0	12.7
Cement	24.6	18.9	30.2	2.9	2.2	32.2	14.3	13.4	39.0	25.5
ACC	24.5	24.2	1.0	3.2	2.9	11.0	-4.0	34.5	39.5	37.0
Ambuja Cem.	33.7	25.4	32.6	2.4	2.6	-8.2	-10.6	25.5	25.3	25.4
Birla Corpn.	18.4	12.7	45.2	2.1	1.1	78.9	27.9	12.8	76.1	40.9
Dalmia Bhar.	33.2	21.7	53.2	3.9	1.4	185.6	81.2	56.8	37.6	46.9
Grasim Inds	9.3	8.6	9.2	1.2	1.0	21.3	28.3	20.8	42.5	31.2
India Cements	14.8	20.5	-27.8	0.8	0.8	10.1	31.3	3.9	80.4	36.9
J K Cements	19.1	17.3	10.1	3.1	1.5	109.8	329.9	31.8	27.3	29.5
JK Lakshmi Cem.	22.7	15.9	42.4	2.8	1.6	76.9	LP	34.7	97.2	63.0
Orient Cement	27.1	28.3	-4.2	2.6	2.7	-2.8	PL	LP	66.8	LP
Prism Cement	25.5	67.9	-62.4	4.9	3.0	61.8	-53.4	905.1	81.3	326.9
The Ramco Cement	24.4	16.1	52.0	3.6	2.2	67.3	24.0	-10.8	25.3	5.7
Sanghi Inds.	13.0	13.2	-1.6	1.7	0.9	91.5	-15.7	102.0	53.5	76.1
Shree Cement	38.9	22.5	72.9	5.8	3.8	50.0	5.4	10.0	3.0	6.5
UltraTech Cem.	31.0	22.9	35.0	3.9	2.9	34.3	11.2	-7.4	53.0	19.1
Consumer	39.3	30.6	28.2	11.3	9.6	18.5	7.3	8.4	18.6	13.4
Asian Paints	43.9	33.1	32.8	12.2	10.3	19.3	8.7	2.7	18.8	10.4
Britannia Inds.	43.1	28.8	49.5	13.7	11.1	23.3	7.3	14.7	26.4	20.4
Colgate-Palm.	39.4	32.2	22.2	21.0	24.6	-14.6	-5.7	12.9	17.9	15.4
Dabur India	38.0	29.4	29.1	9.6	9.0	5.7	1.9	4.5	19.2	11.6
Emami	36.2	27.6	31.3	11.2	9.5	17.5	4.5	-9.6	30.5	8.7
Godrej Consumer	42.5	29.1	45.9	9.0	6.4	39.7	12.4	10.6	15.1	12.8
GlaxoSmith C H L	35.0	27.6	26.8	7.1	7.4	-3.1	-4.5	3.0	13.4	8.1
Hind. Unilever	48.3	33.7	43.5	43.5	28.7	51.4	1.9	17.6	20.7	19.1
ITC	27.2	25.4	6.8	6.2	7.1	-12.5	9.4	6.6	13.7	10.1
Jyothy Lab.	33.8	32.0	5.6	6.0	3.5	70.9	175.7	-27.7	32.0	-2.3
Marico	39.4	29.8	31.8	13.9	9.3	49.0	12.1	-1.2	24.3	10.8
Nestle India	48.2	40.2	20.1	18.5	23.6	-21.6	3.2	4.0	14.2	9.0
P & G Hygiene	53.4	35.8	49.0	30.3	13.6	122.1	2.3	6.9	20.5	13.5
Page Industries	49.2	33.6	46.5	21.7	15.2	42.6	15.0	24.3	39.3	31.5
Pidilite Inds.	42.1	27.6	52.6	9.9	6.9	44.4	6.7	5.7	17.8	11.6
United Breweries	65.7	69.9	-5.9	9.9	8.2	20.5	-23.0	62.0	23.9	41.7
United Spirits	57.0	90.8	-37.2	12.5	10.2	22.7	87.1	22.9	73.4	46.0
Healthcare	21.5	22.8	-5.8	3.2	3.9	-18.0	11.3	-15.0	33.5	6.5
Alembic Pharma	20.6	16.3	26.6	3.8	4.5	-15.6	-43.2	10.8	5.9	8.3
Ajanta Pharma	19.9	12.7	56.6	4.7	3.8	23.1	21.9	-5.8	21.9	7.2
Aurobindo Pharma	12.0	12.4	-3.4	2.4	2.6	-7.9	13.5	13.5	12.8	13.2
Biocon	55.0	22.3	146.4	6.3	2.7	132.8	31.8	-25.3	43.1	3.4
Cadila Health.	17.4	20.0	-12.6	4.1	4.9	-15.9	-7.9	23.0	35.8	29.3

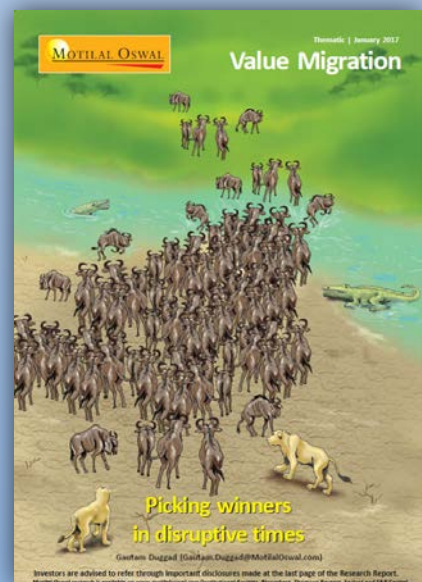
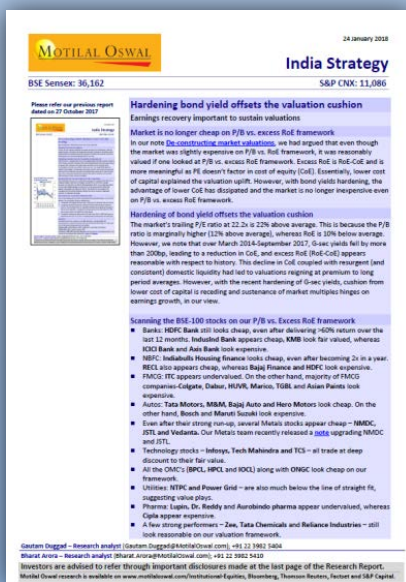
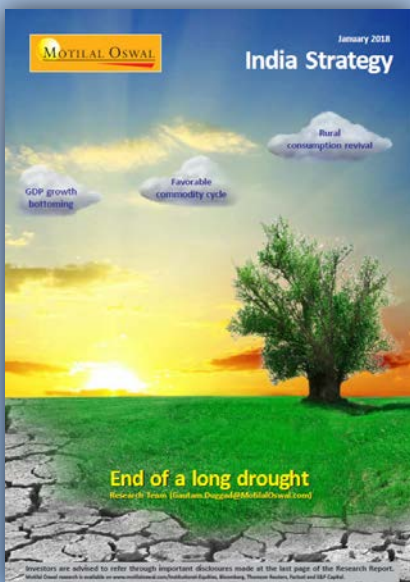
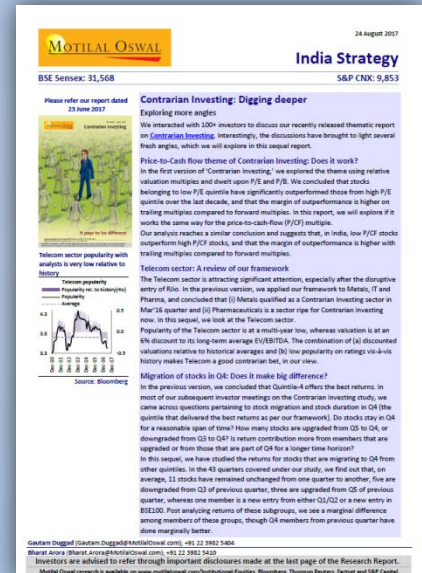
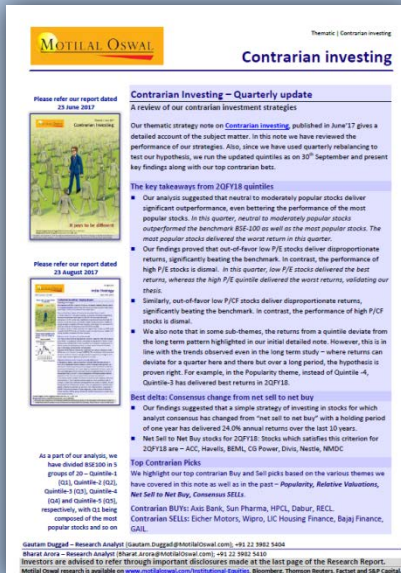
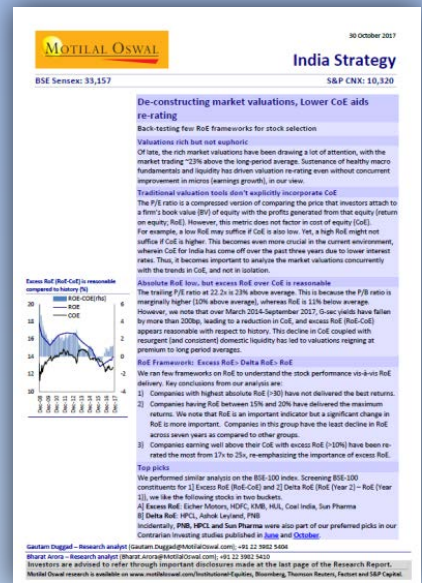
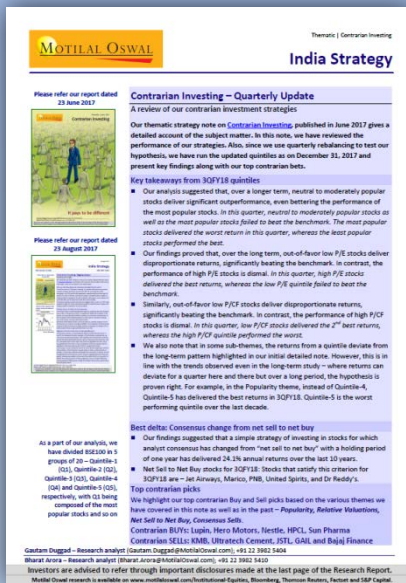
Sector / Company	Current	10 YR PE (x)	Prem / Dsc PE (x)	Current	10yr PB (x)	Prem/Disc PB (x)	EPS Gr. YoY (%)			EPS CAGR FY17-19E (%)
	P/E (x)	Avg (x)	Avg (x)	P/B (x)	Avg (x)	Avg (x)	FY17	FY18E	FY19E	
Cipla	21.2	25.8	-17.9	2.9	3.4	-17.0	-15.5	42.3	19.5	30.4
Divi's Lab.	23.3	21.3	9.4	4.6	5.0	-7.1	-5.8	-17.7	33.9	4.9
Dr Reddy's Labs	19.1	26.2	-27.1	2.4	3.8	-36.9	-45.1	-5.1	64.2	24.9
Fortis Health.	24.6	42.3	-41.9	0.9	1.6	-44.9	LP	-81.8	160.8	-31.1
Glenmark Pharma.	13.5	28.0	-51.8	2.5	4.4	-43.9	58.0	-3.4	12.9	4.4
Granules India	13.1	10.8	21.4	1.9	1.5	24.3	32.3	-5.4	31.1	11.4
Glaxosmit Pharma	45.0	43.3	4.0	13.5	10.2	31.6	-22.2	42.9	11.9	26.4
Ipca Labs.	21.8	24.1	-9.4	2.4	3.0	-19.1	52.8	10.9	47.0	27.7
Jubilant Life	15.0	13.1	15.1	2.9	1.6	77.8	46.9	29.5	30.9	30.2
Laurus Labs	17.9	23.7	-24.7	3.0	3.4	-13.9	43.0	7.0	52.7	27.9
Lupin	20.3	22.1	-8.1	2.3	4.5	-48.7	12.4	-44.4	27.7	-15.7
Sanofi India	30.5	26.6	14.3	5.4	4.3	24.8	24.9	8.5	12.4	10.4
Shilpa Medicare	17.9	19.4	-8.1	3.3	2.7	20.5	6.2	29.3	65.1	46.1
Strides Shasun	11.1	51.6	-78.5	1.7	3.3	-48.7	77.6	12.6	71.9	39.1
Sun Pharma.Inds.	25.7	27.8	-7.5	3.2	4.8	-34.0	33.6	-44.5	52.0	-8.1
Torrent Pharma.	22.1	15.9	38.6	4.1	3.9	4.4	-7.7	-9.9	23.6	5.5
Infrastructure	15.9	13.6	17.4	1.9	1.8	8.5	15.9	25.7	8.6	16.8
Ashoka Buildcon	23.3	20.2	15.1	1.9	1.5	28.1	Loss	LP	79.9	LP
IRB Infra	9.5	12.5	-24.0	1.2	1.9	-37.9	11.8	12.5	1.4	6.8
KNR Constructions	21.0	8.4	149.7	3.4	1.2	175.0	4.3	11.5	9.0	10.2
Sadbhav Engineering	27.2	24.8	9.5	3.3	2.8	17.2	42.3	29.3	3.5	15.7
Media	27.5	23.0	19.3	5.2	4.0	28.6	24.6	9.5	29.6	19.1
D B Corp	14.2	18.6	-23.8	2.7	4.2	-34.7	28.3	-7.6	22.0	6.2
Ent.Network	43.3	35.0	23.8	3.4	3.0	13.6	-49.5	-27.7	98.0	19.7
H T Media	7.7	18.5	-58.5	0.8	1.6	-52.2	-1.8	59.3	2.6	27.9
Hindustan Media	8.2	10.8	-23.8	1.1	1.8	-36.3	6.0	0.2	11.3	5.6
Jagran Prakashan	13.3	15.7	-15.5	2.3	3.5	-35.0	8.8	-6.9	26.4	8.5
Prime Focus	17.3	30.5	-43.5	3.7	3.1	19.6	LP	164.0	90.5	124.3
PVR	36.8	42.5	-13.4	5.1	3.0	71.5	-3.8	7.8	68.7	34.8
Sun TV Network	26.7	20.0	33.3	7.7	5.1	51.1	14.1	13.0	27.0	19.8
Zee Entertainmen	33.2	26.1	27.3	6.1	5.2	18.4	52.5	2.1	28.7	14.7
Metals	10.0	12.0	-16.6	1.6	1.5	11.2	68.8	67.2	55.9	61.5
Hindalco Inds.	9.3	9.7	-4.6	1.4	1.4	-1.1	-28.5	127.9	38.6	77.7
Hind.Zinc	8.7	8.5	2.8	3.3	2.0	60.5	-0.6	9.6	54.6	30.2
Jindal Steel	NA	14.9	NA	0.8	1.9	-58.1	Loss	Loss	LP	LP
JSW Steel	11.9	13.3	-10.3	2.1	1.3	65.4	LP	39.8	15.9	27.3
Natl. Aluminium	13.5	17.6	-23.0	1.2	1.4	-11.9	0.8	24.8	13.1	18.8
NMDC	9.1	14.3	-36.5	1.5	3.6	-58.4	11.7	43.7	-2.0	18.7
Rain Industries	8.8	3.2	171.1	2.3	0.7	216.2	1.2	165.2	52.3	101.0
S A I L	NA	13.7	NA	0.9	1.1	-18.5	Loss	Loss	LP	LP
Tata Steel	8.0	14.0	-43.0	1.5	2.0	-23.2	394.2	65.0	36.0	49.8
Vedanta	7.8	9.1	-14.0	1.7	2.1	-22.6	40.6	57.4	79.4	68.0
Oil & Gas	11.7	11.4	2.4	1.6	1.6	4.2	29.2	7.8	13.0	10.4
B P C L	9.3	10.3	-9.7	2.2	1.5	42.5	17.5	-15.3	25.0	2.9
GAIL (India)	14.7	14.0	5.3	1.7	1.9	-7.4	71.4	15.8	19.3	17.5
Guj.St.Petronet	14.9	11.8	26.5	2.0	1.8	7.8	11.4	41.4	4.2	21.4
H P C L	9.0	8.5	6.0	2.1	1.1	82.4	66.6	-12.8	20.2	2.4
I O C L	10.1	9.9	2.0	1.5	1.2	29.9	101.4	-3.9	-1.5	-2.7
Indraprastha Gas	25.4	11.1	129.3	5.0	2.3	114.4	46.9	14.4	15.2	14.8
Mahanagar Gas	17.5	16.8	4.1	4.1	4.2	-1.3	26.5	23.6	-1.1	10.6
M R P L	9.8	10.2	-3.7	1.5	1.7	-10.2	95.1	-15.0	-7.7	-11.5
Oil India	8.7	10.3	-15.0	0.9	1.3	-34.4	7.2	-11.7	37.7	10.3
O N G C	8.1	11.0	-26.7	1.0	1.6	-36.1	20.8	16.7	21.8	19.3
Petronet LNG	14.7	10.7	37.1	3.2	2.1	52.3	102.7	32.3	11.3	21.3

Sector / Company	Current	10 YR PE (x)	Prem / Dsc PE (x)	Current	10yr PB (x)	Prem/Disc PB (x)	EPS Gr. YoY (%)			EPS CAGR FY17-19E (%)
	P/E (x)	Avg (x)	Avg (x)	P/B (x)	Avg (x)	Avg (x)	FY17	FY18E	FY19E	
Reliance Inds.	13.3	13.0	2.5	1.7	1.6	6.3	0.5	19.6	11.8	15.6
Retail	41.9	26.2	60.3	9.2	6.6	39.1	10.3	48.6	27.2	37.5
Jubilant Food.	51.3	65.8	-22.0	15.0	12.5	20.0	-28.0	186.2	29.6	92.6
PC Jeweller	20.4	13.3	53.8	3.5	2.1	64.9	5.7	44.4	26.6	35.2
Titan Company	49.9	31.3	59.5	12.3	8.8	40.2	18.5	38.8	27.0	32.8
Technology	18.3	15.8	15.5	4.2	4.1	3.1	8.4	3.7	4.5	4.1
Cyient	15.0	11.4	31.1	2.7	1.9	40.8	-0.2	18.1	12.1	15.1
HCL Technologies	14.9	13.2	13.1	3.4	3.1	12.3	49.2	3.1	3.8	3.5
Hexaware Tech.	22.6	12.3	84.1	4.7	2.7	72.8	5.8	20.1	-1.1	9.0
Infosys	15.8	16.8	-6.1	3.5	4.0	-12.9	6.4	2.6	9.7	6.1
KPIT Tech.	15.6	9.9	57.3	2.0	1.8	9.8	-15.3	0.8	10.5	5.5
Mindtree	18.0	13.8	30.5	4.0	2.9	39.0	-30.6	31.5	24.6	28.0
Mphasis	16.9	11.2	51.3	3.0	2.0	47.1	12.9	12.9	14.8	13.9
NIIT Tech.	16.1	8.8	84.3	2.7	1.5	82.7	-16.9	17.4	16.9	17.2
Persistent Sys	15.0	13.2	13.8	3.0	2.3	26.8	1.4	14.4	22.8	18.5
Tata Elxsi	22.5	18.4	22.3	6.9	5.2	32.8	13.2	30.8	18.4	24.4
TCS	20.5	17.5	17.6	6.3	5.8	8.8	8.3	-2.1	12.8	5.1
Tech Mahindra	14.9	12.2	21.8	2.7	2.8	-1.9	-11.9	26.8	4.5	15.1
Wipro	16.0	14.7	8.9	2.5	2.9	-15.6	-6.3	6.0	3.2	4.6
Zensar Tech.	14.5	7.8	85.4	2.2	1.6	38.0	-23.7	4.0	18.3	10.9
Telecom	NA	27.1	NA	2.4	2.5	-1.8	-42.0	PL	Loss	PL
Bharti Airtel	113.4	41.6	172.3	2.5	2.6	-3.8	-9.5	-68.7	12.2	-40.7
Bharti Infra.	21.5	24.7	-12.8	4.4	3.6	22.4	25.3	-6.1	16.5	4.6
Idea Cellular	NA	28.4	NA	1.8	2.1	-13.6	PL	Loss	Loss	Loss
Tata Comm	40.1	55.3	-27.5	9.2	7.0	32.9	192.1	-56.4	267.3	26.6
Utilities	10.6	14.2	-25.6	1.3	1.6	-18.3	9.4	9.5	17.4	13.4
CESC	9.8	17.4	-43.6	1.0	0.9	12.2	14.7	71.7	14.7	40.3
Coal India	11.1	14.8	-24.8	6.6	5.9	11.6	-34.0	23.7	45.0	33.9
JSW Energy	22.6	15.7	43.6	1.3	1.6	-23.9	-51.5	11.4	-15.4	-2.9
NHPC	9.2	11.7	-21.1	1.0	0.9	1.4	25.6	-19.3	30.3	2.5
NTPC	11.3	14.7	-23.4	1.2	1.7	-29.3	1.8	7.5	15.1	11.2
Power Grid Corpn	9.7	13.9	-30.1	1.6	1.9	-17.8	25.1	20.7	20.9	20.8
Tata Power Co.	10.1	20.2	-50.1	1.5	2.1	-29.6	35.6	-0.5	12.2	5.7
Others							NA	NA	NA	NA
Allcargo Logist.	14.1	12.6	12.1	2.1	1.7	18.1	-1.2	10.7	22.0	16.2
BSE	18.3	22.5	-19.0	1.4	1.8	-24.7	68.4	2.0	8.7	5.3
Container Corpn.	26.0	17.9	45.0	3.2	2.4	35.4	-2.6	10.3	22.3	16.1
Gateway Distr.	12.1	17.7	-31.8	2.0	1.9	4.8	-40.2	29.6	109.2	64.7
Arvind Ltd	27.6	15.0	84.1	2.5	1.5	63.6	1.2	-8.4	23.8	6.5
Bata India	36.0	27.1	32.7	5.3	5.2	1.7	6.8	17.8	21.0	19.4
Castrol India	27.3	24.2	12.8	24.9	22.0	13.1	5.8	-3.5	0.3	-1.6
Coromandel Inter	19.0	13.3	42.8	4.1	2.7	50.3	36.0	45.1	20.4	32.2
Delta Corp	40.0	36.5	9.7	4.9	2.3	111.6	125.5	93.7	40.7	65.1
Escorts	19.9	11.1	79.7	3.2	1.0	233.0	70.5	90.4	24.3	53.9
Eveready Inds.	23.2	14.8	56.3	6.6	2.6	155.1	35.5	-8.7	42.5	14.0
Indo Count Inds.	9.1	7.0	29.4	1.5	1.5	-1.0	-10.7	-38.2	32.9	-9.3
Info Edg.(India)	46.4	38.6	20.2	6.2	5.1	20.7	38.2	49.0	12.5	29.5
Kaveri Seed Co.	11.3	13.2	-14.7	2.9	3.2	-9.8	-21.4	78.9	20.2	46.7
Multi Comm. Exc.	24.5	35.5	-31.0	2.6	3.9	-33.6	6.2	-16.0	41.1	8.9
Monsanto India	19.8	24.5	-19.0	6.4	5.6	13.4	43.3	21.9	20.6	21.2
Navneet Education	14.3	14.9	-3.9	3.6	3.2	10.3	61.9	3.6	28.4	15.3
Oberoi Realty	10.1	20.7	-51.1	2.1	1.9	13.2	-13.1	22.3	253.5	107.9
Piramal Enterp.	22.5	12.4	81.4	2.1	1.4	45.6	38.4	14.5	40.0	26.6
P I Inds.	23.6	13.1	80.0	5.0	3.4	43.6	46.4	-12.2	20.6	2.9

Sector / Company	Current	10 YR PE (x)	Prem / Dsc PE (x)	Current	10yr PB (x)	Prem/Disc PB (x)	EPS Gr. YoY (%)			EPS CAGR FY17-19E
	P/E (x)	Avg (x)	Avg (x)	P/B (x)	Avg (x)	Avg (x)	FY17	FY18E	FY19E	(%)
Quess Corp	29.5	33.9	-13.0	4.3	4.4	-3.5	40.4	124.2	47.7	82.0
SRF	16.8	8.8	92.0	2.5	1.3	91.5	12.8	-10.7	36.7	10.5
TTK Prestige	39.1	27.2	43.5	7.6	5.8	29.6	30.1	4.4	27.8	15.5
Team Lease Serv.	35.8	27.7	29.1	6.5	4.8	36.7	167.6	11.6	37.5	23.9
Trident	7.6	8.7	-11.9	1.0	1.0	4.5	39.3	8.4	28.1	17.9
V-Guard Inds.	36.5	18.7	95.5	9.4	4.3	120.0	34.8	25.3	32.9	29.1

Source: MOSL

THEMATIC/STRATEGY RESEARCH GALLERY



NOTES

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

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

Disclosures:

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

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

Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudge violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice. The matter is closed and MOSL had to pay Rs. 2 lakhs towards penalty for misplacement of original POA of client.

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