

THE OUTPERFORMERS

BRITANNIA INDS.

FMCG

CMP ₹	920.4	Sale Growth %	14.9
YTD Returns %	84.4	NP Growth %	66.6
P/E (X)	29.3	Dividend yield %	0.9



ANALYST RECOMMENDATIONS

Buy	23
Hold	5
Sell	2
₹ 983.0	

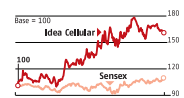
MARGIN-DRIVEN RE-RATING

- Strong margin expansion (430 bps in Q2) fuelled stock price
- Focus on rural and premium biscuits to drive further growth
- Monetisation of land assets at Chennai and Bengaluru key catalysts

IDEA CELLULAR

TELECOM

CMP ₹	166.9	Sale Growth %	15.5
YTD Returns %	60.9	NP Growth %	58.3
P/E (X)	38.0	Dividend yield %	0.2



ANALYST RECOMMENDATIONS

Buy	34
Hold	7
Sell	9
₹ 191.2	

SIGNALS GETTING STRONGER

- Top telecom stock on the back of flawless execution
- Continues to improve market share and Ebitda margins
- Key beneficiary of regulatory clarity and likely tariff hikes
- Premium valuations given better outlook justified

IPCA LABS

PHARMACEUTICALS

CMP ₹	721.0	Sale Growth %	17.1
YTD Returns %	38.9	NP Growth %	18.1
P/E (X)	29.2	Dividend yield %	0.6



ANALYST RECOMMENDATIONS

Buy	30
Hold	5
Sell	0
₹ 795.1	

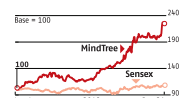
GROWING ITS BASE

- Gains from better product mix and higher efficiencies
- Rising presence in high margin chronic and lifestyle ailments
- Entering developed markets and new geographies
- More returns ahead if domestic and exports biz take off

MINDTREE

INFOTECH

CMP ₹	1,530.7	Sale Growth %	18.8
YTD Returns %	124.0	NP Growth %	52.1
P/E (X)	14.6	Dividend yield %	0.8



ANALYST RECOMMENDATIONS

Buy	26
Hold	11
Sell	6
₹ 1451.2	

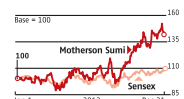
RESTRUCTURING GAINS

- Successfully restructured loss making businesses
- Company's focus on mining existing clients to drive growth
- Rising utilisation rates and weaker rupee to expand margins
- Sustained pick-up in hi-tech business to act as key catalyst

MOTHERSON SUMI

AUTO ANCLILLARIES

CMP ₹	182.6	Sale Growth %	22.7
YTD Returns %	38.5	NP Growth %	62.0
P/E (X)	32.8	Dividend yield %	0.7



ANALYST RECOMMENDATIONS

Buy	23
Hold	4
Sell	1
₹ 202.2	

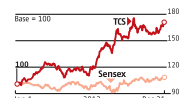
OVERSEAS GAINS

- Profit gains at European subsidiaries SMR and SMP
- Likely to beat peers due to exports and higher realisations
- Subsidiaries orderbook gives revenue visibility
- Potential to improve margins further at subsidiaries

TCS

INFOTECH

CMP ₹	2171.0	Sale Growth %	25.5
YTD Returns %	72.5	NP Growth %	25.6
P/E (X)	26.3	Dividend yield %	1.1



ANALYST RECOMMENDATIONS

Buy	50
Hold	18
Sell	3
₹ 2329.3	

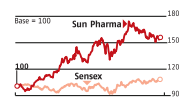
FIRING FROM ALL CYLINDERS

- Stock rewarded for outperforming its peers consistently
- Expected to lead on revenue and profit growth in CY14 as well
- Margins are expected to be stable aided by a weaker rupee
- Strong deal pipeline and robust hiring plan are key positives

SUN PHARMA

PHARMACEUTICALS

CMP ₹	567.8	Sale Growth %	38.9
YTD Returns %	54.4	NP Growth %	-24.0
P/E (X)	28.7	Dividend yield %	0.4



ANALYST RECOMMENDATIONS

Buy	38
Hold	15
Sell	2
₹ 668.4	

HEALTHY GROWTH AHEAD

- Gains from accretive acquisitions in US
- US revenues to grow 20 per cent annually due to strong, differentiated pipeline and market share gains
- Will continue to outperform domestic peers on new products, good execution capabilities, but richly valued

RELIANCE COMM

TELECOM

CMP ₹	129.8	Sale Growth %	4.0
YTD Returns %	75.9	NP Growth %	52.3
P/E (X)	22.6	Dividend yield %	0.2



ANALYST RECOMMENDATIONS

Buy	4
Hold	11
Sell	19
₹ 116.4	

DEBT CALLS

- Deleveraging plans, tie-up with Reliance Jio and tariff hike
- Company gained market share in the September quarter
- Gearing ratio of 5.5x (net debt/Ebitda) remains a drag
- Gains linked to cash flow improvement and asset sale

PAGE INDUSTRIES

GARMENTS & APPAREL

CMP ₹	5,163.9	Sale Growth %	32.4
YTD Returns %	50.4	NP Growth %	32.5
P/E (X)	43.7	Dividend yield %	1.0



ANALYST RECOMMENDATIONS

Buy	7
Hold	5
Sell	5
₹ 5259.8	

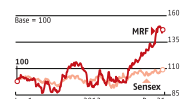
BRAND PREMIUM

- Strong operating performance, earnings upgrades fuelled rally
- Capex, e-stores to aid sales growth over the next two years
- Strong return ratios and high dividend payout key positives
- Rich valuations and rising competitive intensity limit upside

MRF

TYRES

CMP ₹	19,372.2	Sale Growth %	2.2
YTD Returns %	51.3	NP Growth %	40.2
P/E (X)	10.0	Dividend yield %	0.1



ANALYST RECOMMENDATIONS

Buy	7
Hold	2
Sell	0
₹ 18495.2	

GAINS FROM LOW INPUT COST

- Gains from fall in rubber prices - 60% of its input cost
- Bullish trend likely to sustain for at least two quarters more
- Strong finances and brand equity to aid outperformance
- Still a buy, valuations reasonable

THE UNDERPERFORMERS

ALLAHABAD BANK

BANKS

CMP ₹	95.1	Interest Income %	6.2
YTD Returns %	-44.0	NP Growth %	-34.1
P/E (X)	4.1	Dividend yield %	6.3



ANALYST RECOMMENDATIONS

Buy	9
Hold	9
Sell	7
₹ 98.1	

WEAK ASSET QUALITY A KEY OVERHANG

- Hit by impairment of assets (Gross NPA tripled in last 5 qtrs)
- Debt restructuring and weak macro to add further pressure
- Improvement in asset quality key to stock re-rating
- Loan growth at 14-15%, Higher CASA ratio (31%) to aid margins

ASHOK LEYLAND

AUTOMOBILE

CMP ₹	17.2	Sale Growth %	-18.8
YTD Returns %	-36.2	NP Growth %	-89.3
P/E (X)	0.0	Dividend yield %	3.6



ANALYST RECOMMENDATIONS

Buy	8
Hold	20
Sell	22
₹ 15.2	

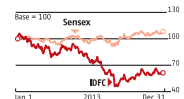
IN THE SLOW LANE

- CV sales worst hit with low volumes and high discounting
- No sign of turnaround in the first half of CY14
- Underperformance could continue due to weak CV demand, high leverage and rich valuations

IDFC

NBFC

CMP ₹	109.7	Sale Growth %	21.7
YTD Returns %	-36.0	NP Growth %	28.8
P/E (X)	8.0	Dividend yield %	2.4



ANALYST RECOMMENDATIONS

Buy	30
Hold	12
Sell	3
₹ 126.1	

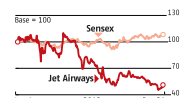
BANKING ON BANKING LICENCE

- Falling loan growth and rising NPAs and unfavourable macro
- A front-runner for new banking licence and could rally
- Company to benefit from infrastructure reforms
- Dependence on wholesale funding to hit margins

JET AIRWAYS

AIR LINES

CMP ₹	291.7	Sale Growth %	-2.3
YTD Returns %	-47.7	NP Growth %	Loss
P/E (X)	0.0	Dividend yield %	0.0



ANALYST RECOMMENDATIONS

Buy	4
Hold	2
Sell	2
₹ 406.0	

BLEEDING CONTINUES

- Worst ever quarterly loss despite fund infusion from Etihad
- The strategic alliance with Etihad is a positive factor
- A P/E-ratner for new banking licence and could rally
- Legal hurdles to the deal has created uncertainty
- Downside risk as Air Asia and Tata-SIA start operations

JINDAL STEEL

STEEL

CMP ₹	261.0	Sale Growth %	4.0
YTD Returns %	-41.7	NP Growth %	-25.3
P/E (X)	9.5	Dividend yield %	0.6



ANALYST RECOMMENDATIONS

Buy	16
Hold	9
Sell	6
₹ 272.1	

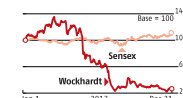
IMPROVING SENTIMENTS

- Hit by controversies over captive coal block mines
- Delays in capex and fall in steel and power realisations
- Most of the negatives already built in the price and could rally
- Recent share buy-back worth ₹1000 cr aiding confidence

WOCKHARDT

PHARMACEUTICALS

CMP ₹	452.4	Sale Growth %	9.4
YTD Returns %	-71.2	NP Growth %	43.6
P/E (X)	3.9	Dividend yield %	1.2



ANALYST RECOMMENDATIONS

Buy	9
Hold	4
Sell	2
₹ 497.3	

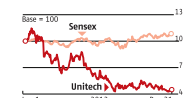
NO RELIEF PILL

- Import alerts for Waluj and Chikalthana plants key negatives
- Uncertainty on the timeline for resolution of the FDA issues
- Earnings estimates for FY14 and FY15 have been cut
- Valuations are fair but issues with FDA creates uncertainty

UNITECH

REALTY

CMP ₹	15.3	Sale Growth %	22.2
YTD Returns %	-54.5	NP Growth %	33.0
P/E (X)	13.3	Dividend yield %	0.0



ANALYST RECOMMENDATIONS

Buy	5
Hold	3
Sell	11
₹ 19.7	

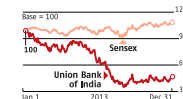
COST OVERRUNS

- Cost overruns in older projects, lower margins, overhang of 2G scam led to underperformance
- Stock to remain underperformer in the new year
- Not a ideal case for investment

UNION BANK

BANKS

CMP ₹	130.5	Interest Income %	16.8
YTD Returns %	-52.4	NP Growth %	-8.7
P/E (X)	3.7	Dividend yield %	6.2



ANALYST RECOMMENDATIONS

Buy	11
Hold	22
Sell	16
₹ 133.6	

CHALLENGES GALORE

- Fall in net interest margins over the last 8-9 quarters
- Asset quality has worsened and more to come
- Loan growth from riskier sectors realty, metals & construction
- Recent fund infusion to dilute book value by 3 per cent, tier 1 capital ratio lower at 7.5 per cent

TORRENT POWER

POWER

CMP ₹	11
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