

Dec 2017

Q2FY18 CONCALL SUMMARY PART - I



Summary of management concall attended by our Analysts post Q2FY18 earnings

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Company

Allcargo Logistics Ltd.

INDUSTRY

Construction & Engineering

10th Nov 2017

Management Participants**ED & COO**

Mr. Prakash Tulsiani

CFO

Mr. Jatin Choskshi

Our Analyst in the Call

Sandip Jabuani

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- ◆ Operation on Kolkata CFS will commence in next 3-4 week.
- ◆ Lease period for CWC CFS in Mundra will end in December 2018 and company decided not to renew it.
- ◆ This move will help to bring cost down and improve profitability.
- ◆ Project logistic business growing well and has order book of Rs.160 Cr which will execute over next 2 years.
- ◆ Witnessing lot of traction in project logistic business from private and public company.
- ◆ EBIT on P&E segment was down mainly on account of provision of Bad debts.
- ◆ Planning to go PAN India in project logistic business via organic or inorganic route.
- ◆ Top line of ACCI (JV) for the H1FY18 is 198 Cr.
- ◆ 400-500 Cr of capex requirement for Jhajjar logistic park over next 2 to 3 years.
- ◆ Planning to set up new facility at Hyderabad in next 2-3 years.
- ◆ Company has participated in Direct Port Delivery transportation tender at JNPT port.

Company

Apollo Tyres Ltd.

INDUSTRY

Auto Components

2nd Nov 2017

Management Participants**CFO**

Mr. Gaurav Kumar

Our Analyst in the Call

Naveen Kumar Dubey

Naveen.dubey@narnolia.com**Q2FY18 EARNING CONFERENCE CALL**

- The management expects demand to be driven by strong OEM sales and imposition of anti dumping duty.
- ◆ Cost pressure from commodity front has released because of stabilization of rubber prices.
 - ◆ EBITDA margin may remain under pressure in FY18 due to Hungary plant start up cost. However margins will be improving from FY19 onwards.
 - ◆ Capex guidance of Rs. 2400 crores for FY18 and Rs.2100 crores for FY19.
 - ◆ Import of Chinese tyres have reduced to 70000 units per month from 150000 units per month post demonetisation and imposition of anti dumping duty.
 - ◆ Share of truck bus radial (TBR) tyre is over 50%. Industry share ranges between 45-50%.

Company	Ashoka Buildcon Ltd.
INDUSTRY	Construction & Engineering

13th Nov 2017

Management Participants

CFO

Mr. Paresh C Mehta

MD

Mr. Satish Parakh

Chairman

Mr. Ashok katariya

Our Analyst in the Call

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Q2FY18 EARNING CONFERENCE CALL

- ◆Achieved Financial closure of Anandpuram HAM project and expect to start work in next 15 days. Execution in Q2FY18 was impacted due to agitation by land owner on Eastern Peripheral Expressway, GST implementation.
- ◆Work on Eastern Peripheral was stopped for 50 days during the quarter due to agitation by land owner. Now issue is resolved and only 0.5 km land is not available for construction. From September work is progressing in full pace.
- ◆Revenue loss of Rs.200 Cr around in Q2FY18 due to agitation and GST implementation.
- ◆T&D execution was affected in Bihar due to flood. T&D segment will grow @ 10%.
- ◆Continue to target 20-25% revenue growth in FY18 and not see any challenges.
- ◆Maharashtra is coming out with 13000 Cr of HAM projects and bidding will open in Q3FY18 and Q4FY18. H2FY18 will be robust in revenue growth and order inflow.
- ◆Execution in Jharkhand – Chaas will start in Nov 2017. Expect to win 3000-4000 Cr of new orders in FY18.
- ◆Annuity will start from next Quarter (Q4FY18) on Chennai ORR project. Annuity on K-SHIP will come in Q3FY18.
- ◆Maintain EBITDA M in range of 13.5-15%.
- ◆Lower execution on Ludhiana HAM project due to monsoon.
- ◆Trade receivable has increased due to internal billing on HAM/BOT projects. It will be normalize going ahead.



ASHOK LEYLAND

Ashok Leyland Ltd

Company	Ashok Leyland Ltd.
INDUSTRY	Automobiles

9th Nov 2017

Management Participants

CHAIRMAN

Mr. Dheeraj G. Hinduja

MD

Mr. Vinod K. Dasari

Finance & CFO

Mr. Gopal Mahadevan

Our Analyst in the Call

Naveen Kumar Dubey

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Q2FY18 EARNING CONFERENCE CALL

- ◆The management expects growth in the range of 5-10% for 2HFY18 and going ahead the company will grow at same rate as industry.
- ◆The company has taken price rise of 1% in some models in November 2017.
- ◆The company has sold 85-90% of the left BS-III inventory to Bangladesh and Sri Lanka, where the demand for BS-III vehicles are strong. However this region does not have good margin.
- ◆Average discounts for the quarter is around Rs.350000 per vehicle.
- ◆Defense revenue for the quarter was Rs.200 crores.
- ◆Electric vehicles could be new growth opportunity for the company and the management expects significant orders to come in next 18-24 months.
- ◆Spare parts revenue was around Rs.300 crores in 2QFY18.
- ◆Earlier Pant nagar plant has enjoyed excise benefit of 13% but due to implementation of GST that benefit has reduced to 8.1%. The excise benefit will expire on 31st March 2020.
- ◆Debt to equity ratio stands at 0.3:1.
- ◆Capex guidance in the range of Rs.500-600 crore for FY18 onwards.
- ◆The company has robust plans to launch 6-7 new products in the LCV segment in next 12 months.

Company	Aurobindo Pharma Ltd.
INDUSTRY	Pharmaceuticals

10th Nov 2017

Q2FY18 EARNING CONFERENCE CALL

Management Participants

MD

Mr. N. Govindarajan

CFO

Mr. Sudhir Singhi

IR

Ms. Deepika Gupta

Our Analyst in the Call

Ritika Jalan

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- ♦The company expects traction in its US business to be driven by injectables which is expected to significantly accelerate from US\$46mn run-rate per quarter to US\$65mnUS\$70mn run-rate per quarter.
- ♦The ARV business will start delivering from April FY19, as the company commences supply against a 2 year US\$80mn tender.
- ♦Price erosion will continue and will be about 10%-12% YoY.
- ♦Net debt to fall to USD475m by the end of FY18 from USD616m at the end of 1HFY18.
- ♦R&D expenditure to be ~4.5% of sales in FY18.
- ♦Tax rate for FY18 would be in the range of 25-26% on account of realisation of SEZ investment benefits.
- ♦The management has guided capex of USD120m-130m for FY18.
- ♦Depreciation run-rate will be ~Rs 130Cr per quarter, after the addition of the new Vizag unit and Unit 16.



Axis Bank Ltd

Company	Axis Bank Ltd.
INDUSTRY	Commercial Banks

17th Oct 2017

Q2FY18 EARNING CONFERENCE CALL

Management Participants

DEPUTY MD

Mr. V. Srinivasan

SENIOR VICE PRESIDENT

Mr. Suresh Warriar

Our Analyst in the Call

Deepak Kumar

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- ♦RBI reclassified 9 accounts as a divergence to NPA with the total exposure of Rs 4867 Cr for AXIS Bank for FY17 during its annual audit. System wide exposure in these accounts is Rs 40000 Cr. Total provisions of Rs 1618 Cr were made against these accounts.
- ♦Management highlighted that these 9 accounts were classified as standard assets across most of the consortium banks with only 6% of the exposure were NPA. These 9 accounts were from the sector- 1 steel a/c, 3 power sector a/c, 1 from IT/ITES and remaining 4 were from sugar, material etc.
- ♦Management expects large recoveries from IT/ITES account soon, post a business sale transaction, for which a binding agreement is already in place.
- ♦Slippages were Rs 8936 Cr during the quarter. Watchlist slippages were Rs 2430 Cr.
- ♦Bank has Rs 7040 Cr exposure to IBC accounts under both the list referred by RBI. Bank has made 55% of provisions to the total pool amount under this list. Incremental provisions of Rs 505 Cr were made during the quarter for these accounts.
- ♦BBB and below rated pool stands at Rs 15800 Cr with breakup of Power 33%, infrastructure 11%, iron and steel 11%, road 8%, mining 5%.
- ♦Power NPA stood at Rs 3300 Cr and the provisions held against these stood at 45%.
- ♦Outstanding SR book is Rs 3000 Cr. PCR is expected to be maintained at 60-65% range.
- ♦Management expects divergence related credit cost of 40 bps in FY18. Thus taking total credit cost guidance of 220-260 bps.

Company	Bajaj Auto Ltd.
INDUSTRY	Automobiles

18th Oct 2017

Management Participants

CHAIRMAN

Mr. Rahul Bajaj

MD & CEO

Mr. Rajeev Bajaj

DIRECTOR

Mr. Sanjiv Bajaj

Our Analyst in the Call

Naveen Kumar Dubey

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Q2FY18 EARNING CONFERENCE CALL

◆Management expects 20% YoY volume growth in 2HFY18 in the domestic market and 25% market share by the end of FY18.

◆Exports volume guidance of 1.7 mn units in FY18. Exports to grow at 15% CAGR for next couple of years.

◆Nigeria has shown improvement in 1HFY18 and expectation of 80000 motorcycle sales in Q3FY18. Turkey is for higher end motorcycles and other markets are more of mid segment motorcycles.

◆Spare parts business to grow at 12-15% YoY for next 2-3 years.

◆Tax rate will be in the range of 29-30% in 2HFY18 as Pantnagar tax benefit expired in FY17.

◆Margin guidance of over 20% in FY18 and FY19. Capex guidance of Rs.250-300 crore in FY18.

◆Avengers sustainable monthly run rate to be around 12000-15000 units.

◆Dominar- currently monthly volumes are 2500 units in India and 7000 units per month by March 2018 including exports.

◆3Ws-: Management expects 100000 units of incremental sales in next 6 months.

◆Major trigger for Domestic 3Ws would be- a) Permits in Delhi-10000 permits, b) Discontinuation of permits in Maharashtra and c) Conversion of 2 strokes to 4 strokes 3 wheelers in Bangalore.

◆Dealer inventory 4 to 4.5 weeks

◆KTM to sale 50000 bikes in Indian market in FY18.

◆The management expects higher treasury income in 4QFY18.

Company	Bajaj Corp Ltd
INDUSTRY	Household & Personal products

13th Oct 2017

Management Participants

MD

Mr. Sumit Malhotra

CFO

Mr. V C Nagroi

Our Analyst in the Call

Rajeev Anand

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Q2FY18 EARNING CONFERENCE CALL

◆Volume of Light hair oil industry have slowed down a bit to 2.6% while Bajaj Almond Oil has grown to 4.8% YoY in this quarter.

◆The company has estimated GST refund of Rs 6.4 cr for July-Sep.17 as it has plants in HP, Uttarakhand and North East (tax free zones). If we consider this margin would have been 32%. Share of wholesaler to overall sales has shrunk to 40% from 60% after implementation of GST in Q2FY18.

◆The company has taken MRP cut in 300 and 500 ml pack to pass GST rate benefit to the consumers.

◆The company has launched Brahmi Ayurvedic Amla oil in this quarter and planning to launch at least one differentiated product every quarter. Next product will be launched in Nov. and Dec. in this year.

◆International business went down by 15.4% YoY in Q2FY18 due to decline in MENA business by 35% YoY.

Company Bajaj Finance Ltd.

INDUSTRY Diversified Financial Services

16th Oct 2017

Management Participants

CEO & MD

Mr. Rajeev Jain

CFO

Mr. Rajesh Viswanathan

COO

Mr. Pankaj Thadani

Our Analyst in the Call

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Q2FY18 EARNING CONFERENCE CALL

- ◆Festive season-related demand for Semi urban and rural remains good.
- ◆Mgt didn't expect any demand improvement in 2W and 3W business for next 2 to 3 quarters.
- ◆Impact of GST – Cautious on SME loans. Restocking in the quarter drove growth.
- ◆Cautious on LAP portfolio – expects at least 2-3 more quarters before growth picks up.
- ◆8-10% of mortgage book should be assigned; In the long term 15-20% should be assigned; Across mortgage business.
- ◆Competition faced in cities which are in top 15 to 50 categories is from HDFC Bank, HDB Financial Services and SBI.
- ◆Opex to grow as BFL 2.0 gets implemented. This strategy will include new product rollout and channel expansion.
- ◆LAP slippages at 30 to 40bp, largely due to attrition from large-ticket items. The company does not want to focus on this large ticket segment and would like to further granularize the loan book.
- ◆90% of non-interest income is recurring/core in nature and should grow in line with AUM growth. NPA is on 90 dpd basis.
- ◆Decrease in LAP portfolio for intense competition, CD & 2w to be equally split by FY19.



Balrampur Chini Mills Ltd

Company Balrampur Chini Mills Ltd

INDUSTRY Food Products

8th Nov 2017

Management Participants

MD

Mr. Vivek Saraogi

CFO

Mr. Pramod Patwari

Our Analyst in the Call

Ritika Jalan

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Q2FY18 EARNING CONFERENCE CALL

- ◆India's Sugar Production for next year is expected to be around 255 lac tonne as against 202 lac tone last year due to rebound in Maharashtra and increase in UP Production.
- ◆UP Production is expected to be 100 lac tonne versus 88 lac tone last year.
- ◆Maharashtra production is expected to be 79 lac tone versus 42 lac tone last year.
- ◆Opening Inventory of 39 lac tonne is expected to be closing inventory also.
- ◆Till date company has repaid 40 Cr and expect to repay 36 Cr till March 2018.
- ◆Cane crushing season target 9.7 Cr quintal. Cane Price at Rs315 from Rs305 earlier.
- ◆The revised price of ethanol is Rs 40.85 per litre applicable for season 17-18 for dispatches for the period December 1, 2017 to November 30, 2018. It is Rs 1.85 paisa per litre increase over the previous amount.
- ◆CAPEX for FY18E-70Cr -80Cr and thereafter Rs30-Rs40Cr.



Bharat Petroleum Corporation Ltd.

Company **Bharat Petroleum Corporation Limited**
INDUSTRY **Energy Equipment & Services**

14th Nov 2017

Management Participants

Gm Corporate Treasury

Mr. R Rajamani

DGM-Finance Pricing & Retirement Benefits

Mr. Teresa Naidu

Our Analyst in the Call

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Q2FY18 EARNING CONFERENCE CALL

- ◆All units of Kochi terminal are now commissioned and under stabilization. All units including FCCU units are expected to be fully utilized by the end of Q3FY18.
- ◆Marketing margins of Petrol is Rs.1.75/Lt. in Q2FY18 and there is no material change in marketing margins from Q1FY18 this year.
- ◆Market share in Diesel is 27.29% and petrol is 27% in Q2FY18.
- ◆Capex guidance for FY18E is Rs.7800 Cr. and FY19E is Rs.8100 Cr.
- ◆Petchem project is expected to be completed in Jan/Feb 2019.
- ◆GRM for the Q2FY18 excluding inventory gain is USD 6.5/bbl.



Biocon Ltd

Company **Biocon Ltd.**
INDUSTRY **Pharmaceuticals**

27th Oct 2017

Management Participants

Chariman & MD

Ms. Kiran Mazumdar Shaw

Head, IR

Mr. Saurabh Paliwal

Our Analyst in the Call

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Q2FY18 EARNING CONFERENCE CALL

- ◆Peg-filgrastim (USD 420 mn market) – Mylan-Biocon which was withdrawn as part of the EMA procedural requirements for reinspection will now be refilled.
- ◆Capex would remain high for the next 2-3 years (new biological facility + ~USD200mn for phase 2 expansion of Insulin facility in Bangalore).Maintenance CAPEX will be 100Cr in FY18.
- ◆Margin was affected due to the onetime expense related to Malaysian Facility and hike in the employee Cost.
- ◆Maintained USD200m of revenue guidance from Biologics in FY19E; substantial portion will come from European Market and company is on track to meet that target.
- ◆Management expects Syngene growth momentum to continue in the next H2FY18.
- ◆Trustuzuab Tentative target date extended to 3rd December.



Britannia Industries Ltd

Company	Britannia Industries Ltd.
INDUSTRY	Food Products

15th Nov 2017

Management Participants

CFO

Mr. Amlan Datta Majumdar

Investor Relations

Mr. B K Guha

Head Supply Chain

Mr. Vinay Singh Kushwaha

Our Analyst in the Call

Rajeev Anand

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Q2FY18 EARNING CONFERENCE CALL

- ◆ Company plans for Rs 250 cr of cost saving in FY18 in which 40% is already achieved.
- ◆ Management plans to make Britannia a complete food company with the launch of product in every Food categories.
- ◆ Company plans to enter one geography every year.
- ◆ Guwahati plant (Assam) will be ready within the 6 months.
- ◆ Raw material prices have almost stabilized barring sugar. Sugar price has seen inflation of 7% in this quarter. Milk prices have started showing declining trend in last few months.
- ◆ The company will not take price hike in the near future considering benign input prices.
- ◆ International business grew positively in spite of pressure on account of headwinds related to Middle East and Africa in this quarter.
- ◆ Employee expense contains Rs 17 cr which is one off related to employee's pension.
- ◆ Kerala: Distributors related problem in Kerala is almost normalized (95% back to normal) and rest will be normalizing in coming quarter.
- ◆ The company improved its market share in weak states by 117 bps.
- ◆ Rural growth for Britannia remained strong with double digits.



Cadila Healthcare Ltd

Company	Cadila Healthcare Ltd.
INDUSTRY	Pharmaceuticals

14th Nov 2017

Management Participants

Chairman & MD

Mr. Pankaj Patel

CFO

Mr. Nitin Parekh

Our Analyst in the Call

Ritika Jalan

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Q2FY18 EARNING CONFERENCE CALL

- ◆ Price Erosion in US Business Will continue at 10%-12% in FY18 and 8%-10% in FY19.
- ◆ Effective tax rate guidance stands at 20%-25% and 20%-22% for FY18 and FY19 respectively.
- ◆ The Company further expects to launch gPrevacid ODT (GI), gMetoprolol XL (CVS), Transdermal Exelon and Tamiflu (oral Suspension) tablet in the US in FY18.
- ◆ CAPEX Guidance of RS1000-Rs1200Cr per annum with commissioning of the new injectable facility and phase 2 for Sikkim formulation plant coupled with M&A excluding Sentylnl.
- ◆ The Company expect launch of 15 products by end of FY18. Target to file 35-40 ANDA in FY18.
- ◆ Debt repayment of around Rs 700Cr-Rs 500Cr by FY18.
- ◆ R&D to remain at ~7.0 8% in the coming years as it continues to invest in clinical trials of NCE molecules, biosimilar products in regulated markets and transdermal patches in US.

Company	CAN FIN HOMES LTD.
INDUSTRY	Diversified Financial Services

24th Oct 2017

Management Participants

MD & CEO

MR. S.K. Hota

CFO

MR. Atanu Bagchi

Our Analyst in the Call

Sweta Padhi

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Q2FY18 EARNING CONFERENCE CALL

- ◆ Affordable segment HIG and MIG-1 will be the key area.
- ◆ States where RERA is implemented quickly have seen good growth.
- ◆ Salaried segment is postponing buying decision due to RERA.
- ◆ Management has still not revised 17000cr growth for full year FY18 competition from banks on rates.
- ◆ 3QFY18 and 4QFY18 may show good numbers due to implementation of RERA and festive season. Growth in self employed is more than salaried in H1FY18 and further it will be guided by Salaried segment.
- ◆ Its core segment is first time home buyers and average age in 40 years, c/I further scope of improvement from new units. Cautious on opening centres.
- ◆ Karnataka, Tamil Nadu and Andhra and Telangana consist of 75% of the portfolio.
- ◆ Yield on housing is 10 and non housing 10.5-13%.
- ◆ Tamilnadu has affected loan book.



Company	CEAT Ltd
INDUSTRY	Auto Components

15th Nov 2017

Management Participants

MD

Mr. Anant Goenka

CFO

MR. Subba Rao

Our Analyst in the Call

Naveen Kumar Dubey

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Q2FY18 EARNING CONFERENCE CALL

- ◆ Volume growth in Passenger vehicle segment to pick up from Q2 onwards due to lower base in 3QFY17.
- ◆ The company faced challenging time on the exports front as there were issues like rupee appreciation, import barriers in Indonesia and political unrest in some other markets.
- ◆ Management expects raw material price to remain stable for rest of the year.
- ◆ The management does not anticipate any further price hike due to high competitive intensity in the industry.
- ◆ The company has started production of Off the road tyres in its Ambernath facility and testing for these tyres is in process in Europe. Once the testing will complete the company will launch these tyres in Indian market also. OTR tyres have margin of over 20%.
- ◆ Debt to Equity ratio stands at 0.4:1.
- ◆ Capacity utilization for new facilities at Nagpur and Halol stand at 60% and 75% respectively.
- ◆ CEAT has market share of 28-30% on the 2W replacement market and targets to achieve 35% in next couple of years. Market share in the passenger car segment is around 12% and this segment may face some capacity constraints in near future looking at the demand scenario.
- ◆ Capex in FY18 to be Rs.500-600 crores largely towards new capacity expansion.
- ◆ Tax rate will be in the range of 32-33% for FY18.
- ◆ TBR and TBB mix is 33:67. The company has some capacity constraints on the TBR side.

Company	Century Plyboards (India) Ltd
INDUSTRY	Paper & Forest Products

1st Nov 2017

Management Participants

Chairman

Mr. Mr.Sajjan Bhajanka

MD AND CEO

Mr. Sanjay Agarwal

CFO

Mr. Arun Kumar Julasaria

Our Analyst in the Call

Pramila Lakra

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Q2FY18 EARNING CONFERENCE CALL

◆During October 2017, Centuryply received the consignment from Laos from the existing capacity. No more raw material of veneer will come from Laos in India. Now Laos factory is turned to plywood factory.

◆Expects plywood GST to reduced to 18% from 28% in next few quarters.

◆MDF (Medium Density Fibreboard) realization is 23500 CBM in 2QFY18. Mgmt is little bullish on MDF division. Demand for Particle board and MDF will grow substantially in FY18 and FY19. In Q3FY18, numbers will be start coming from MDF division.

◆Overall EBITDA will be higher in FY18 and FY19 because the raw material of particle board and MDF is very low.

◆In 3QFY18 it will achieve 75% capacity utilization and in 4QFY18 will achieve 85%-90% capacity. Growth for plywood will be subdued.

◆If GST in MDF will be reduced to 18% and plywood become GST then in 1-3 months Centuryply margin will grow.

◆MDF turnover will be 150-200crores and revenue target is 400crores in FY18. EBITDA margin on MDF will be 25-30% in FY18.

◆Found a very good alternative of Laos plant that is Solomon Island. Price of timber will be lower than that of Laos price. This will increase the production.

◆Action Tesa is another competitor of MDF other than Greenply.

◆New MDF plant in Punjab will face no raw material issues in FY18. It may go for new Bio power plant in coming year.



Company	CIPLA Ltd.
INDUSTRY	Pharmaceuticals

7th Nov 2017

Management Participants

MD & Global CEO

Mr. Subhanu Saxena

GLOBAL CFO

Mr. Rajesh Garg

HEAD, IR

Mr. Anant Atal

Our Analyst in the Call

Pramila Lakra

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Q2FY18 EARNING CONFERENCE CALL

◆Filed 5 products in Q2FY18 and expecting with a target to file 20- 25 ANDAs in the FY18.

◆Strategic partnership with Serum Institute of India and launched Onco BCG.

◆Diabetes franchise gaining momentum with traction in brands Prominad and Vysov.

◆Approval received for Sevelamer from the Invagen pipeline.

◆Ramp-up expected in the US launch trajectory in 3QFY18 and upcoming quarters with a good mix of differentiated product launches.

◆South Africa business delivered its highest quarterly sales in history of Rs.1.06 billion.

◆Cipla grew ahead at 11.3% in the private market.

◆Launched 8 New products in H1 FY18.

◆Mgmt is expecting similar no.s in other expenses, Excise duty will get knocked off and Sales will be increased QoQ.

◆Global access business grew 7%.

◆Emerging markets territories is deepening respiratory franchise. H2FY18 and FY19 will be a good year.

◆In the coming quarters EBITDA will grow by 100 basis points every quarter.

◆From 3QFY18 amortisation will back to 1QFY18.



CITY UNION BANK LTD.

Company	City Union Bank Ltd.
INDUSTRY	Commercial Banks

7th Nov 2017

Management Participants

MD & CEO

Dr.N. Kamakodi

CFO & CS

Mr. V Ramesh

Our Analyst in the Call

Anu Gupta

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Q2FY18 EARNING CONFERENCE CALL

- ◆Mgt expects credit growth of about 15-18% over March18.
- ◆1 A/c related to food processing sector turned into NPA in Q2FY18 amounted to Rs.74 cr.For this 43 cr provisions has been provided.
- ◆Overall slippages over FY17-18 is expected to be in the range of 1.75-2% of the closing advances.
- ◆8 branch opened in the 1st half of this FY18.Bulk of branches to be opened in Q4FY18.
- ◆Sale to ARC has not been done during this Quarter.
- ◆Sustainable C/I in the range of 38-40% is expected.
- ◆PCR to be at around 60% by March19.
- ◆PSLC amounted to 12 cr in this quarter.It is the part of other income of 33 cr.Mgt expects to sell 1 cr next year.
- ◆Technical write off amounted to Rs 450 cr in Q2FY18.
- ◆60% provision in Security Receipts over period of next 6 Quarter is expected.

CYIENT

CYIENT LTD

Company	Cyient Ltd
INDUSTRY	Software & Services

12th Oct 2017

Management Participants

Ex Chairman

Mr. BVR Mohan Reddy

CEO

Mr. Krishna Bodanapu

CFO

Mr. Ajay Agarwal

Our analyst in the call

Niharika Ojha

niharika@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

- ◆Tailwinds for EBITDA margin are [1]Utilization has improved, [2]offshoring is favouring,[3] hiring of onsite job.
- ◆In the Services business, the order book saw a decline QoQ and YoY. However, the management is positive since deals are dominated by 2HFY18, where the company has strong order backlogs from several top customers get recorded.
- ◆The growth in the services business was driven by communications,transportation,Medical Technology and Healthcare business units.
- ◆Growth in the US was lower in 2Q, as UTC saw some rebalancing, Industrials remained soft and a large project in Utilities & Geospatial got pushed out to the next quarter.
- ◆The quarter saw several developments including, [1] Acquisition of B&FDesign [2] Divestment of 49% stake in IASI to Pratt & Whitney, [3] Licensingwith Elpis to resell their platform to clients.
- Outlook for the year FY18**
- ◆For DLM (Rangsons) the growth guidance stands at 20% for the year FY18.
- ◆Margins are expected to expand by 50bp led by operational efficiency improvements. DLM is expected to break-even in terms of profitability.
- ◆CYL had guided for double-digit growth in the Services business similar to what was achieved in FY17.
- ◆Outlook for FY18 is strong backed by a strong pipeline and order backlog.



Dabur India Ltd.

Company	Dabur India Ltd.
INDUSTRY	Household & Personal products

31st Oct 2017

Management Participants

VP (Finance) & Company Secretary

Mr. Ashok K. Jain

CEO

Mr. Sunil Duggal

CFO

Mr. Lalit Malik

Our Analyst in the Call

Rajeev Anand

rajeev.anand@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

◆The quarter saw a good recovery in domestic volumes as the market and trade stabilized post the GST implementation. Company's present growth was led by distribution initiatives and new product initiatives.

◆Management expects at least strong single digit growth in its Ethical business in the quarters ahead. For CSD, company expects decline to continue but the quantum will slow down.

◆Management sees strong growth coming in honey. Dabur Honey witnessed a strong come back with 8.6% growth in Q2FY18. Honey growth for Q2FY18 was actually 13% if take CSD out.

◆Dabur Red is 60-65% of the company's oral care portfolio. Meswak is now Rs.100 cr brand.

◆Anmol is now Rs.100 cr plus brand. The company has strong plan for coconut oil going ahead. Namaste is expected to do better in third and fourth quarters of FY18.

◆International business: Going forward, expect impact of currency devaluation to reduce as currencies will become comparable to last year. MENA business to perform well in Q3 and Q4 of FY18.

◆Toothpaste segment: improvement of market share is around 90 bps in terms of value.

◆Juices and Nectar category's market share improved by 200 bps YoY to 55%.

◆The company plans for the aggressive launch towards the end of this current year.

◆Dabur's near-term view is to rebuild top line and a longer-term view which is to get the margins to much higher levels. It will take two or three quarters to rebuild the top line.



DB Corp Ltd.

Company	DB Corp Ltd.
INDUSTRY	Media

1st Nov 2017

Management Participants

Group CFO

Mr. P G Mishra

Deputy MD

Mr. Pawan Agarwal

Our Analyst in the Call

Rajeev Anand

rajeev.anand@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

◆Other expense went up in this quarter due to the addition of new copies in Bihar & other markets (By Rs 7 cr) and cost related to readership scheme (by Rs 6 cr for 15 cr Jeeto Offer). The company added around 3.87 cr copies in this quarter on which half of this came from new market expansion.

◆Automobile, FMCG and Lifestyle have done better in this quarter while real estate and education remained laggards in terms of advertising growth.

◆Real estate was down by 30% YoY in Q2FY18 and it is still in bad shape due to uncertainty related to RERA.

◆Digital business: Due to higher digital inventory supply, yield has gone down. It will take few more quarters to stabilize but management is seeing an early sign of improvement.

◆Newsprint cost: company envisages 2-3% newsprint cost inflation in next 2 quarters. After Q4FY18, more clarity will emerge as the company will sign a new contract. IRS (Indian Readership survey): may be out in Jan 18.

◆Presently DBCORP is present in the 11 districts of Bihar with ~3.5 lacs copies and it plans to cover all 38 districts till Jan 18 to make total copies count to 7.5 lacs.

◆Estimated Capex: 70-80 cr for FY18.

◆Government Advertising has grown by high single digits in Bihar in Q2FY18.

Company	DCB Bank Ltd.
INDUSTRY	Commercial Banks

17th Oct 2017**Management Participants****MD & CEO**

Mr. Murali Natarajan

CFO

Mr. Bharat Sampat

Head Marketing & PR

Mr. Gaurav Mehta

Our Analyst in the Call

Deepak Kumar

deepak.kumar@narnolia.com**Q2FY18 EARNING CONFERENCE CALL**

- ♦Bank is targeting RoE of 14% in FY19.
- ♦Management guided for C/I ratio of 55% in FY19.
- ♦Targeting loan growth in the range of 20-25% with no change in loan mix going forward.
- ♦Management expects NIM in the range of 370-375 Bps.
- ♦Management aims to grow CASA deposits by 20%.
- ♦LAP was impacted by reduction in ticket size, redefining of risk parameters and balance transfer by HFCs.
- ♦Seen some impact on asset quality from GST, RERA, Demon, floods and farm loan waivers.
- ♦Bank will open 10-12 branches per year over the next 2 years.
- ♦Bank is gaining market share from PSU Banks and lending to corporate rated A and above A.
- ♦Competition has intensified from HFCs, NBFCs, PSU banks for retail loans.



Company	DCM Shriram Ltd.
INDUSTRY	Diversified

2nd August 2017**Management Participants****Chairman & MD**

Mr. Ajay Shriram

Joint MD

Mr. Ajit Shriram

Our Analyst in the Call

Ritika Jalan

ritika.jalan@narnolia.com**Q2FY18 EARNING CONFERENCE CALL**

- ♦The company expects to sustain / improve on the ~90% capacity utilization achieved by the end of Q2FY18 at Bharuch.
- ♦New projects: 146TPA capacity at Bharuch to come on stream by Q1FY20 and 84TPA capacity at Kota to come on stream by Q3FY20.
- ♦Projects underway - expansion at Kota and at Bharuch (Aluminum Chloride) are progressing as per plan.
- ♦Domestic prices will follow global price trends.
- ♦Company continues to work on improving cost efficiencies to mitigate the impact of rising input costs and maintain reasonable margins on a sustained basis.

Company	Deep Industries Ltd.
INDUSTRY	Energy Equipment & Services

14th Nov 2017

Management Participants

CMD

Mr. Paras Savla

CFO

Mr. Rohan Shah

Our Analyst in the Call

Aditya Gupta

aditya.gupta@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

- ◆ Management expects drilling activities in E&P blocks to be started in this quarter and the revenue will start coming from 2020.
- ◆ Order book as on 30 sep 2017 stand at Rs. 650 Cr. This does not exclude the amount of order cancelled by the ONGC which summed around Rs.140 Cr.
- ◆ Order book contains ~50% of gas dehydration contacts, 24% gas compression and 24% rigs contracts.
- ◆ Dispute with ONGC regarding order cancellation is pending with Hyderabad high court.
- ◆ Management expects some bidding are yet to be finalized in this quarter. These bids are pending from the last 2 quarters.
- ◆ Management expects revenue in FY18E to be around Rs.300-315 Cr.
- ◆ Utilization rate of the rigs segment has improved to 85% in Q2FY18.
- ◆ Management is now focusing attention towards developments of E&p segment as gas dehydration segment is facing some headwinds in procuring contracts. Some bids are pending to be finalized.



Dewan Housing Finance Corporation Ltd.

Company	Dewan Housing Finance Corporation Ltd.
INDUSTRY	Diversified Financial Services

17th Oct 2017

Management Participants

CEO

Mr. Harshil Mehta

Mr. Anoop Pabby

CFO

Mr. Santosh Sharma

Our Analyst in the Call

Sweta Padhi

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Q2FY18 EARNING CONFERENCE CALL

- ◆ Around two-thirds of DHFL's home loan customers qualify as per the income parameters set under the said PMAY,LAP proportion can increase to 20% undertaking substantial opportunity ahead.
- ◆ Average ticket size on an incremental basis on home loans continue to be at INR 17 lakh.
- ◆ Incremental Yield on Lap is between 11.5 % to 11.7 % ,Incremental yield on Home loan is between 9.35 to 9.45 and Portfolio Yield is between 10.15 to 10.2, Affordable housing segment to grow at the rate of 28%.
- ◆ Disbursement breakup- Home loans disbursement of INR 5307 crores, loan against property was INR 2475 crores, project finance was about INR 1,613 crores, and SME, is about INR 554 crores for the quarter.

Company	Dhanuka Agritech Ltd.
INDUSTRY	Agrochemicals

13th Nov 2017

Management Participants

Chairman & MD

Mr. Ram Gopal Agarwal

Joint MD

Mr. Mahendra Kumar Dhanuka

Our Analyst in the Call

Ritika Jalan

ritika.jalan@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

◆ Management has revised its FY18 revenue growth guidance to ~10% from 15% earlier.

◆ EBITDA margins are expected to be in the similar range of FY17. (EBITDA-19.3%)

◆ The company has launched 6 new products in H1FY18 and plans to launch 1-2 more in H2. Out of the six products one product is 9(3) products named 'Foster'. This is an in-licensed molecule from Japan based OAT agri.

◆ Prices of most RM have increase and the management believes there should not be further price increases beyond March'18 onwards. Currently Imported raw materials constitute 25% to total raw material consumption while the remaining is sourced from domestic manufacturers.

◆ The Company expects FY18 tax rate of around 29.5-30.0% and for FY19 it estimates full tax rate of 33-34%.



DILIP BUILDCON LIMITED
INFRASTRUCTURE & BEYOND

Dilip Buildcon Ltd

Company	Dilip Buildcon Ltd
INDUSTRY	Construction & Engineering

14th Nov 2017

Management Participants

Ex Director & CEO

Mr. Devendra Jain

CFO

Mr. Vaibhav Rawat

Head – Strategy & Planning

Mr. Rohan Suryavanshi

Our Analyst in the Call

Sandip Jabuani

sandip.jabuani@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

◆ Booked Rs.28 Cr as early completion bonus during the Q2FY18.

◆ Strong bidding pipeline of Rs.50000 Cr. 80% will be EPC and 20% HAM.

◆ Expect to win new orders of Rs.8000-10000 Cr in rest of the FY18.

◆ Revised revenue guidance to Rs.7000 Cr for FY18.

◆ Capex for H1FY18 was 150 Cr and 50 Cr for H2FY18.

◆ Rs.80 Cr of recovery during the quarter from private players and expect to recover another Rs.50 Cr by March 2017.

◆ Debt at the end of the September is Rs.2800 Cr and management expects to bring down it to Rs.2200 Cr by the year end.

◆ DBL will raise approx. Rs.1600 Cr through NCDs and CPs.

◆ 4 HAM projects in Maharashtra has achieved financial closure and one project out these four has received appointment date.

◆ Evaluating opportunity in Railways for earthwork, bridges and ROB.

Company	Dishman Carbogen Amcis Ltd.
INDUSTRY	Pharmaceuticals

10th Nov 2017

Management Participants

CMD

Mr. Janmejy R Vyas

MD & CFO

Mr. Arpit Vyas

General Manager

Mr. Denish Shah

Our Analyst in the Call

Ritika Jalan

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Q2FY18 EARNING CONFERENCE CALL

◆Revenue guidance Management expects revenue growth in H2FY18 would be better due to rise in CRAMs and in commercial supplies.

◆FY18, revenue growth will be 5% YoY as per the management. Company generated US\$3mn of revenue from the supply of key materials for the recently-launched oncology novel product, and as per the management guidance it will register US\$10mn-US\$15mn from this contract in FY18.

◆EBITDA Margin Management expects 27%-28% EBITDA margin going forward.

◆USFDA Inspection Dishman expects the USFDA inspection of China facility by the end of this financial year and this should expand the available commercial scale manufacturing capacity of the company.

◆Tax Tax rate of 30% in FY18.

◆Pre-clinical trial 12-15 molecules are in early phase-III, 8 to 10 molecules are in late Phase 3 Stage. The Company is going through six to eight validation campaigns of Phase 3 molecules and the commercials will be pushed to 2HFY18 for sale of these molecules.

Dr.Reddy's



Dr Reddys Laboratories Ltd

Company	Dr Reddys Laboratories Ltd.
INDUSTRY	Pharmaceuticals

31st Oct 17

Management Participants

President, CFO and Global Head of IT&BPE

Mr. Saumen Chakraborty

VP Finance

Mr. MV Narasimhan

Chairman

Mr. Satish Reddy

Our Analyst in the Call

Pramila Lakra

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Q2FY18 EARNING CONFERENCE CALL

◆R&D expenses is 480 crore in 2QFY18.

◆Tax rate was 25% in 2QFY18.

◆Expectation of 16 launches in the next 18 months.

◆R&D expenses will be similar as FY17 in FY18.

◆Duvavda facility will require re inspection and will be completed in december 2017.

◆Material cost will impact PSAI in FY18.

◆Litigation side will be fairly optimistic in FY18.

◆Employee cost will be optimistic in FY18.

◆Receivable is higher (YOY) because of consolidation from russia and majorly from North America.

◆Emerging market is increasing due to launches and will remain optimistic in FY18.

◆In 3QFY18 and 4QFY18 quality issues will be resolved.

◆Current receivable days is beyond 110 days.

◆At the end of FY18, 6 more approval and launches is expected.



Eicher Motors Ltd

Company	Eicher Motors Ltd.
INDUSTRY	Automobiles

14th Nov 2017

Management Participants

MD & CEO

Mr. Siddhartha Lal

CFO

Mr.Lalit Malik

Chairman

Mr. S Sandilya

Our Analyst in the Call

Naveen Kumar Dubey

Naveen.dubey@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

- ♦Strong order book for classic 350 models in metro cities. Bookings are growing at double digit in these regions. However, the waiting period has reduced to 1.5-2 months.
- ♦The company recently launched 2 new bikes in the European market in 650cc category.(Interceptor 650 and Continental 650 cc).
- ♦There would be some commodity cost pressure going ahead.
- ♦Contribution from new plant(Valam Vadagal) is around 10% of total volumes.
- ♦ Company is focusing on Asian and Latin American markets.
- ♦The company has not taken any price hike since August 2016 except price increase due to BS-IV.
- ♦VECV: The company has 15.8% market share in Bus segment.
- ♦In mid of september the company took price hike of 1%. Though there is heavy discounting in the industry.



EID Parry (India) Ltd

Company	EID Parry (India) Ltd.
INDUSTRY	Food Products

9th Nov 2017

Management Participants

MD

Mr. V. Ramesh

Sr. VP & CFO

Mr.V. Suri

Our Analyst in the Call

Pramila Lakra

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Q2FY18 EARNING CONFERENCE CALL

- ♦Mangement expects 13-14% decline in cane crushed, average recovery of sugar will be 10% and sugar price expected to be Rs.37-37.5 in FY18.
- ♦All Cogeneration plants have signed Power Purchase Agreement for next 1 year.
- ♦Management expects Nutraceuticals to grow at 20% CAGR in FY18 due to USFDA approval of Spirulina in European markets and a new algae (Chlorella) is introduced by the company which is selling good.
- ♦CAPEX for FY18 is 60 crore which will be invested in Karnataka and Andhra Pradesh for debottlenecking to crush more cane.
- ♦Till FY20 Coromandel's EBITDA will grow at 16%, PAT will grow at 29% p.a and ROE will expand to 25%.
- ♦Cane crushed in 2QFY18 is 500 metric tonne which is less than last year i.e 900 metric tone.
- ♦Sugar recovery is lower in 2QFY18 due to drought in Tamil Nadu.
- ♦Bio Pesticides sales is lower than last year i.e 33 million.



Emami Ltd

Company	Emami Ltd.
INDUSTRY	Household & Personal products

26th Oct 2017

Management Participants

CHAIRMAN

Mr. R S Agarwal

DIRECTOR

Mr. Mohan Goenka

MD

Mr. Sushil K Goenka

Our Analyst in the Call

Rajeev Anand

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Q2FY18 EARNING CONFERENCE CALL

- ◆Revenue from Kesh king declined by 16% during the quarter due to its over dependence on wholesale channels.
- ◆Management sees early signs of recovery.
- ◆Rural recovery: recovery is not all around. Recovery in North is better than South.
- ◆Management expects complete wholesale recovery by March, 2018.
- ◆Management expects 16-17% revenue and 13-14% volume growth for remaining 2 quarters of FY18.
- ◆Company's pricing growth for this quarter remained 4%.
- ◆Management expects international business to grow at the rate of 16-17% for remaining 2 quarters of FY18.
- ◆Modern Trade which contributes 5-5.5% of the total revenue grew by 40% YoY in this quarter.
- ◆Expected Capex: FY18: Rs 150cr; FY19: Rs100cr.
- ◆Company plans to become debt free by March 18.



Equitas Holdings Ltd

Company	Equitas holdings Ltd.
INDUSTRY	Diversified Financial Services

30th Oct 2017

Management Participants

Chairman & MD

P N Vasudevan

CFO

Ms Srimathy Raghunathan

Our Analyst in the Call

Anu Gupta

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Q2FY18 EARNING CONFERENCE CALL

- ◆15% loan growth is expected for FY18. GNPA is expected to be down in Q3FY18.
- ◆60% of opex attribute to employee cost.
- ◆ROA before bank-3% after bank-1.5%.
- ◆Cost is expected to be significant going further.
- ◆Non-MFI book GNPA going up due to stress in vehicle portfolio.
- ◆Distribution and Collection Efficiency (C.E) under microfinance:-
>>T.N-68%, C.E-99.5% ; Maharashtra-14%, C.E-72.5% ; Karnataka-72.3%
- ◆PSLC income came down in Q2FY18 due to the banks own requirement.
- ◆60% of disbursement done with customers of equitas bank. The bank does not give direct disbursement to other customer.
- ◆MFI delinquent customers-2.2 lakh. Microfinance book is expected to decline further.
- ◆MFI provision amounts to 140 cr out of which 76 cr were done in Q2FY18 and rest 46 cr in subsequent quarters will be done.
- ◆New product contributes 12-13% of the total business.



Escorts Ltd

Company	Escorts Ltd.
INDUSTRY	Automobiles

31st Oct 2017

Management Participants

CEO-ESCORTS AGRI MACHINERY

Mr. Ravi Menon

CEO-ESCORTS CONSTRUCTION EQUIPMENT

Mr. Ajay Mandahr

CEO-RAILWAY PRODUCT DIVISION

Ms. Dipankar Ghosh

Our Analyst in the Call

Naveen Kumar Dubey

Naveen.dubey@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

♦Rs.26 crore one time impact on tractor revenues due to GST implementation(inventory clearing). There is a 7% GST implication, which is on the tractor earlier, it was 5%(VAT) and now is 12%(GST).

♦12-14% growth in domestic tractor industry in FY18. In H1FY18 growth was over 20% and for the rest of the year growth would be 5-6%.

♦Market share in domestic tractor industry stands at 10.7%.

♦8.3% market share in 50HP plus segment.

♦Roughly 20% volume is coming from the new product category in this year and margins are slightly better almost 10% to 15% higher than the earlier portfolio.

♦The management expects 1-1.5% increase in raw material prices in 2HFY18. Price increase was Rs.7000 per tractor and was taken in mid July.

♦Margin in the current fiscal may be approx 12% and long term margin for tractor segment is 13-15%. In next 12-18 months there is no VRS (Voluntary Retirement Scheme).

♦Overall tax rate to be in the range of 31-32%. Farmtrac and Powertrac ratio is 48:52.

♦Exports somewhere 2000 units in FY18. This number may go up to 3000-3500 units in FY19. Long term exports target is 8000-10000 units in 4-5 years. Inventory level is 4-5 weeks at dealer level.

♦Construction Equipment: 13-15% growth in construction equipment industry and better growth in FY19 on the back of execution of projects. Long term margin for construction segment is 7-8%.

♦Railways: Order book for this division stood at approximately Rs.175 Crores as of end of September 2017, which will get executed in the next seven to eight months. Management expects strong growth momentum to continue going ahead.

♦Rs.280-290 crore of topline is expected in FY18. Railways growth to continue the same way for next 2-3 quarters. Margins in the band of 14-16% will be maintained.



Federal Bank Ltd

Company	Federal Bank Ltd
INDUSTRY	Commercial Banks

16th Oct 2017

Management Participants

Chairman & MD

MR. Shyam Srinivasan

ED & CFO

MR. Mr. Ashutosh Khajuria

Our Analyst in the Call

Anu Gupta

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Q2FY18 EARNING CONFERENCE CALL

♦During the quarter bank did 45% more new business origination on retail client. 97% of the deposit book is retail customer.

♦Management is operating with the strategy of heavy distribution with light branch and hence not added any branches in last two years.

♦Retail origination business in this quarter was Rs 1688 Cr against Rs 1000 in 1QFY18.

♦Management is targeting 25% loan growth. Management sees remarkable opportunity in mid-market corporate segment.

♦Federal bank has two accounts under NCLT exposure. One is investment exposure with Rs 15 Cr and 50% provided on the same. Other exposure on credit side is 100% provided.

♦Fedbank Financial Services is a wholly owned subsidiary of the bank. Now it generates Rs 150 Cr of credit per month for Federal Bank. Fedbank Financial Services is a wholly owned subsidiary of the bank. It has Rs 1300 Cr of book and made Rs 15 Cr of profit in first half of FY18. It generates business for Federal Bank and provide gold loan, LAP and construction finance.



GAIL (India) Ltd

Company	GAIL (India) Ltd.
INDUSTRY	Oil, Gas & Consumable Fuels

14th Nov 2017

Management Participants

Director (Finance)

Mr. Subir Purkayastha

ED (Marketing)

Mr. A K Manchanda

ED (F&A)

Mr. R C Gupta

Our Analyst in the Call

Aditya Gupta

aditya.gupta@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

◆Transmission volume has increased on account of higher off take from NTPC due to poor supply of the coal. This higher demand is not sustainable. Supply of coal has now stabilized in the month of November.

◆Management has guided for growth in the LPG volume.

◆PNGRB has not declared any tariff till date due to non-availability of Quorum.

◆Management expects higher PETCHEM volume in Q3FY18.

◆Gail expects total 80 cargoes of US LNG in the FY18E.

◆ Capacity utilization at PATA unit-I is 100% and unit –II at 50%.

◆Management has guided for 16 cargoes at Dabhol terminal in the remaining 5 months of FY18.

◆Project work on Kerala pipeline is on track. There was some protest in the Kerala for the construction of the pipeline but the state government is helping to sort out the issue. Management has maintained the timeline of Dec 2018 for the completion of the project.



Glenmark Pharmaceuticals Ltd

Company	Glenmark Pharmaceuticals Ltd.
INDUSTRY	Pharmaceuticals

3rd Nov 2017

Management Participants

Charirman & CEO

Mr.Glenn Mario Saldanha

VP & Head-Corporate Strategy & IR

Mr. Jason D'Souza

CFO

Mr. Rajesh Desai

Our Analyst in the Call

Ritika Jalan

ritika.jalan@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

◆As per the management it has 2 potential out-licensing candidates (GBR-830, Xolair) in its pipeline and expects to strike at least one deal in FY18E which will be fully utilized to repay debt over and above the guided debt repayment.

◆Management has lowered its EBITDA Margin Guidance to 21%-22% (earlier-23%).

◆R&D expenses are expected to remain at ~11% of Sales in FY18 and for FY19-FY20 at 12%~13%.

◆FCCBs are redeemable at 126.42% premium on maturity (June 2022) and convertible between December 2017 and June 2022 at bond holder's option with conversion price to be determined on November 30, 2017 and minimum floor price of INR860 whichever is higher. 2HFY18 will be much stronger than 1HFY18 in terms of US and EUROPE Sales.

◆Revenue Growth of 14%-15% is expected in ROW (Rest of world include Russia) is expected in FY18E.

◆One off bonus costs of Rs110Cr as well as incremental salary costs of Rs40Cr (to be recurring costs per quarter, going forward) contributed to additional employee costs in Q2FY18. Sustainable Revenue Growth in Europe region on the back of new product launches.

◆Management has guided for tax rate of ~25% in FY18 as against 24% tax in FY17.

◆No Significant improvement in the pricing environment in US in near term.

Company	Godrej Consumer Products
INDUSTRY	Household & Personal products

1st Nov 2017

Management Participants

Group Chairman

Mr. Adi Godrej

EVP Finance CS

Mr. P Ganesh

CFO & Company Secretary

Mr. V Srinivasan

Our Analyst in the Call

Rajeev Anand

rajeev.anand@narnolia.com

Q2FY18 EARNING CONFERENCE CALL

- ◆ Consumer off take has improved. International business grew by 9% YoY in spite of political turmoil in Kenya and South Africa.
- ◆ The company is planning to launch new products in coming few quarters.
- ◆ HI (Home Insecticide) growth came at 4% in this quarter on the previous year base of 18%. Coil business de grown in this quarter due to higher saliency of wholesale.
- ◆ Hair color segment: Powder business also declined in this quarter. Mgt. expects recovery owing to new launches.
- ◆ Soap: The company has gained market share in No.1 and Cinthol. Mgt. is confident of better performance in coming quarters.
- ◆ Pipeline of new launches is strong for coming few quarters.
- ◆ Management sees early sign of recovery from Indonesian business. Regain some lost market share in home insecticide.
- ◆ Management expects stronger growth from Afrian business in H2FY18.
- ◆ Rural growth for this quarter remained 1% higher than urban growth.
- ◆ Indonesian business: Promotional intensity has declined in last few months and Home Insecticide category growth has also become positive. Going forward, management sees gradual improvement.



Granules India Ltd

COMPANY	Granules India Ltd.
INDUSTRY	Pharmaceuticals

10th Nov 2017

Management Participants

Chairman & MD

Mr. C Krishna Prasad

CFO

Mr. VVS MURTHY

Our Analyst in the Call

Ritika Jalan

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Q2FY18 EARNING CONFERENCE CALL

- ◆ The Omni-Chem joint venture faced troubles in dispatches of a large pre-placed order, resulting in nil contribution to profitability of the combined entity. This is a oneoff event, timelines for realisations from this order remains uncertain.
- ◆ Company has filed 2 ANDA's in 2QFY18 and plans to file 10 ANDA's in FY18. Granules is planning to file 20-22 ANDAs over the next two years, which would take its total ANDA filings to ~35 by FY19. As per the management the Omnicem business is cyclical in nature .
- ◆ The management guided that they would get a good market share in prasugel which is a 4 player market as of now with a market size of USD 650 Mn.
- ◆ The company plans to increase its long term debt to Rs816 crores, an increase of INR 150-200 crores for a new manufacturing facility. This facility will be used for the production of metformin and paracetamol.
- ◆ Revenue from capacity expansion is expected to kick in from Q3FY18/Q4FY18 onwards. Management has guided to commission Paracetamol facility by early Dec'17.
- ◆ Granules has started construction of greenfield manufacturing facility in Vizag and it is expected to start supplies from H2FY19 for Oncology and Specialty business.
- ◆ Currently, API is running at 100% capacity and PFI at 75-80% utilization. The company had planned to increase its API capacity by ~40% and PFI capacity by >20% (expansion plan to get over in FY18), which will help fuel growth in formulation.

Company	HDFC BANK LTD
INDUSTRY	Commercial Banks

24th Oct 2017

Management Participants

MD

Mr. Aditya Puri

CFO

Mr. Shashidhar Jagdishan

DEPUTY MD

Mr. Paresh Sukthankar

Our Analyst in the Call

Deepak Kumar

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Q2FY18 EARNING CONFERENCE CALL

♦During the quarter HDFC Bank was announced as Domestically Systematically Important Bank and hence required to maintain 15 bps and 20 bps more capital above regulatory requirement on April 2018 and April 2019 respectively.

♦Bank has been catering to Government saving deposits and has been under focus.

♦Management has provided Rs 700 Cr of provisions on one term loan project on account of regulatory observances for JLF flexible restructuring. Out of Rs 700 Cr, management provided Rs 300 Cr from floating provision.

♦Endeavour is to outpace expenses growth by revenue growth so that cost to income ratio tend to decline. 2700 employee were added sequentially.

♦There is intense competition on mid-corporate and emerging corporate loan account.

♦Overseas loan is at Rs 21000 Cr.

Company	Hero Motocorp Ltd.
INDUSTRY	Automobiles

1st Nov 2017

Management Participants

Chairman

Mr. Brijmohan Lall Munjal

CMD & CEO

Mr. Pawan Munjal

Sr V P & CFO

Ms. Ravi Sud

Our Analyst in the Call

Naveen Kumar Dubey

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Q2FY18 EARNING CONFERENCE CALL

♦High single digit growth for industry in FY18.

♦Double digit growth for Hero in FY18.

♦Operating leverage benefit can boost the margins going forward.

♦There will be cost pressure in 3QFY18.

♦Advertising & Promotion expenses will be 2.3% of sales in FY18

♦Haridwar plant is currently 35.3% of total production of the company.

♦Scooter segment growth will be higher than industry.

♦Rural market is expected to post good growth in 2HFY18 backed by good monsoon.

♦Capex guidance of Rs.2500 crore to be spent on R&D (new product development) and Andhra plant.

♦Inventory level stood at 4-6 weeks.

♦Management expects benefit from LEAP program to be around 50-60 bps and additional 25-30 bps from other initiatives in FY18.

♦Exports: Management expects positive momentum to continue in major export markets in 2HFY18.

♦Tax rate is 29% for the full year.

♦New product launches in 2HFY18 which includes one premium segment motorcycle, where Hero Motocorp has minimal presence.



HINDALCO

Company	Hindalco Industries Limited
INDUSTRY	Metals/Mining/Minerals

3rd Nov 2017

Management Participants

MD

Mr. Satish Pai

Head Copper Business

Mr.J.C.Laddha

Deputy CFO

Mr.Alphonso Richard Das

IR

Mr.Abhishek Rungta

Our Analyst in the Call

Sagar Sharma

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Q2FY18 EARNING CONFERENCE CALL

◆Prepaid debt of Rs.7966 crs . Rs. 5686 crs. Of Hindalco standalone and Rs.2280 cr. of Utkal Alumina in 1HFY18.

◆ Management said it will now take a pause from prepayment of debt. Int. rate @ 8% MCLR for large loans.

◆Acquired additional coal linkage of 0.2 million tones and total coal availability went up to 15.7 million ton including captive coal against the required 16 million tones. 25% to 30% of coal is bought by the way of E-auction . Current disruption in coal availability because of monsoon.

◆Carbon related cost which is 15% of COGS such as CP coke pitch is the main concern. Because of which cost of production from 1QFY18 to 2QFY18 went up 3% and company expects it will further go up to 4% in subsequent quarter. CP coke prices have gone up because of shutdown in Chinese capacities.

◆Based on Supreme court judgment Rs.139.35 cr has been provided during quarter due to probable obligation that may arise because of Transit Fee on forest produce (in U.P and M.P) resulting from procurement of coal and bauxite which in this case has been considered as forest produce.

◆Alumina prices are accounted for on trailing basis. 1Q uses 4Q Alumina prices and 2Q uses 1Q prices.

◆50% of the volumes were hedged in 1QFY18 and 2QFY18 and would be 50% and 48% for 3QFY18 and 4QFY18 respectively. And for FY19 if prices remain at higher level company would bring the percentage of hedging down to 20%.

◆Sales 2QFY18 not comparable QoQ as well as YoY because of GST , 2QFY18 is net of GST. Company Expects 2HFY18 will gather momentum.

◆Sign of improvement in Asian, South American and North American Can market.

◆Capacity of around 3 to 3.5million tones of Aluminum to close permanently in China.

◆Even after Aluminum capacity shutdown in China the production grew by 11% to 36 million tones in China for CY17. 8% growth in Aluminum consumption in China in CY17.

◆Deficit of 2 million tones in global market and surplus of 1.5 million tones in China. Which led 0.5 million tonnes deficit in global market in CY17.

◆Refined copper demand to grow 2% in CY17 as compared to 2.8%in CY16. Moderation in demand due to cheap availability of scrap in market.

◆Alumina production impacted due to planned shutdown in monsoon season. VAP volumes down due to subdued demand. Aluminum volumes increased due to liquidation of previous quarter stock.

◆Cathode production down 10% due to operational issues. CC Rods production down due to subdued demand.

◆Company opts for both Volume and currency hedge which offset each other.

Company	Hindustan Media Ventures Ltd.
SECTOR	Consumer Discretionary
INDUSTRY	Media

16th Oct 2017

Management Participants

Chief Financial Strategist

Mr. Vinay Mittal

DIRECTOR

Mr. Ajay Relan

CFO

Mr. Ajay Jain

Our Analyst in the Call

Rajeev Anand

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Q2FY18 EARNING CONFERENCE CALL

- ♦Weak macroeconomic trends of previous quarter continued into second quarter.
- ♦Confusion related GST and RERA impacted the advertising growth.
- ♦Management expects business sentiments to improve in second half of the year.
- ♦HMTVL has maintained market share. The company has reduced its cover prices in Bihar due to heightened competitive intensity.
- ♦It has taken yield increase among National advertisers by double digit.
- ♦Management will do certain capex in Bihar and UP to make its position stronger.
- ♦Automobile, BFSI, e-commerce and luxury segment has performed better in Q2FY18.
- ♦Approved a proposal for sale of Company's entire investment (42.83%) in HT Digital Streams Limited (associate company) to HT Digital Ventures Limited (fellow subsidiary company) for a consideration of Rs 76.8 Cr.
- ♦Post the proposed sale, HT Digital Streams Limited shall cease to be an Associate of the Company.
- ♦Took decision to transfer of B2C division of IESPL which is in higher Education business by way of demerger scheme to HMTVL.
- ♦Present Net cash: Rs 868 cr.
- ♦Regarding other expenses: GST and cost rationalization related reduction in expenses will be sustainable. Marketing related expenses may go up as situation improves.



HINDPETRO

Company	Hindustan Petroleum Corporation Limited
INDUSTRY	Gas Utilities-Sub Ind

13th Nov 2017

Q2FY18 EARNING CONFERENCE CALL

◆Project work on Mundra Delhi Pipeline Phase II, Mumbai Refinery Expansion are on track and is expected to complete in 2020. Capex guidance for FY18E is Rs. 6700 Cr.

Management Participants

Chairman & MD

Mukesh Kumar Surana

Director

Urvashi Sadhwani

Our Analyst in the Call

Aditya Gupta

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◆Management has guided to maintain Debt to its current levels of Rs. 7480 Cr.

◆Revenue from Lube segment has declined by 25% in Q2 due GST impact on distribution channel but now the business is back on the track.

◆Project work on Rajasthan refinery has started. It is 26:74 joint venture between Rajasthan govt. and HPCL. Estimated capex is Rs.43500Cr. and estimated time is 5 years. Estimated capex is Rs.43500Cr. and estimated time is 5 years.

◆Due to geopolitical tension in Saudi Arabia , Iran and financial crisis in Venezuela, and inflationary pressure in US, Brent crude price is expected to range between USD 58-65/BBL. only negative being a lot of volatility could lead to inventory losses.

◆There is not much change in marketing margins due change in crude prices, because oil companies can charge a certain amount from the customers.

◆Inventory gain of Rs 792 crore in the Q2FY18 as compared to an inventory loss of Rs 550 crore Rs. 90 Cr in Q2FY18.

◆HPCL's joint venture refinery at Bathinda in Punjab has completed expansion of capacity to 11.25 million tonnes from 9 million tonnes previously. Company has added 216 ROs during the quarter; total ROs stand at 14,628.



Hindustan Unilever Limited

Hindustan Unilever Ltd

Company	Hindustan Unilever Ltd
INDUSTRY	Household & Personal products

25th Oct 2017

Q2FY18 EARNING CONFERENCE CALL

Management Participants

CEO & MD

Mr. Sanjiv Mehta

CFO, ED, Finance & IT

Mr. P. B. Balaji

Our Analyst in the Call

Rajeev Anand

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◆According to management, transition to GST impacted trade in early part of the quarter; Now there is gradual recovery.

◆Management sees input cost inflation going ahead.

◆Sales number is not comparable due to GST led accounting change. Reported turnover is lower but no impact in EBITDA while EBITDA margin remain higher.

◆Management has reiterate its commitment towards volume driven growth and moderate improvement in operating margin.

◆Oral care: oral care performance remained subdued in Q2FY18. It will take few more quarters to turnaround.

◆Presently rural and urban market are performing at par. Management sees gradual recovery in rural demand going forward.

◆Tax rate for FY18: around 30%.

◆Modern trade which accounts for 12% of company's total revenue is growing much faster. CSD which contributes 7% of HUL's revenue has normalised up to 80-85%.

◆Indulekha and Ayush, both are doing well. Indulekha has very less penetration hence it has huge scope for growth in times to come.

Company	ICICI Bank Ltd.
INDUSTRY	Commercial Banks

27th Oct 2017

Management Participants

MD & CEO

Mr. Chanda Kochhar

Ex. DIRECTOR

Mr. N. S. Kannan

CHAIRMAN

Mr. Mahendra Kumar Sharma

Our Analyst in the Call

Deepak Kumar

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Q2FY18 EARNING CONFERENCE CALL

- ♦Management maintained that slippages during FY18 will be much lower than seen in FY17.
- ♦Slippages were Rs 4674 Cr of which Rs 256 Cr came from watch list and Rs 372 Cr were from restructured assets.
- ♦Restructured accounts declined by 31% YoY.
- ♦Slippages of Rs 880 Cr are from central PSU owned Power Company. Management
- ♦ Bank has Rs 10500 Cr of exposure to second list of IBC accounts. Out of this more than 98% is already NPA carrying provisions of 30%. If referred to NCLT bank will have to make provisions till 50%.
- ♦Bank had 62% of domestic loans linked to MCLR.
- ♦Management expects NIM of more than 3% in FY18. Expects benefit of reduction in saving accounts to come in next quarter.
- ♦Management guided for higher growth in domestic loan. SME book should grow at 15% YoY and business banking should grow at 20% YoY.
- ♦Credit cost will be elevated in FY18.



ICICI Prudential Life Insurance Company Ltd.

Company	ICICI Prudential Life Insurance
SECTOR	Financials
INDUSTRY	Diversified Financial Services

24th Oct 2017

Management Participants

CFO

Satyan Jambunathan

Head of IR

Vikas Gupta

Our Analyst in the Call

Sweta Padhi

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Q2FY18 EARNING CONFERENCE CALL

- ♦Strong growth in saving in H1FY18.
- ♦New unit linked plan in saving helped in margin expansion.
- ♦61 month persistency jump from 14.5 to 56.2, due to change product regulation as
- ♦Comission and opex in saving business will remain at par with last year.



INDIABULLS HOUSING FINANCE LTD.

Company	Indiabulls Housing Finance Ltd.
INDUSTRY	Diversified Financial Services

23rd Oct 2017

Management Participants

VC & MD

Mr. Gagan Banga

CFO

Mr. Mukesh Garg

Our Analyst in the Call

Sweta Padhi

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Q2FY18 EARNING CONFERENCE CALL

- ◆ Affordable segment is growing due to subsidy and tax deduction, resulted in effective loan rate to be decrease by 30 bps.
- ◆ By 2020 home loan will rise to form 66%, Balance sheet size to be 2 trillion.
- ◆ 50 % of loan will come from Non top 10 cities, 99% of LAP comes from top 5 cities, 100% of real estate is from top 5 cities.
- ◆ Expansion into new tier 2 and tier 3, smart city home loan contribute to 10% of home loan.
- ◆ E-homeloan platform launched, digitalisation and Big data analytics to drive growth.
- ◆ CRAR to be maintained at 20%.
- ◆ Big data to be used for cross selling insurance, fee income to be greater than loan book.
- ◆ Share of salaried and selfemployed to be 70:30.
- ◆ FY18 the growth be around 30% and also a slight increase in market share.
- ◆ Yield on home loan is 9.63, 13 LAP, 16 construction.



INDIAN BANK

Company	INDIAN BANK
INDUSTRY	Commercial Banks

6th Nov 2017

Management Participants

MD & CEO

Mr. Kishor Piraji Kharat

Executive Director

M K Bhattacharya

Director

Mr. Vinod Kumar Nagar

Our Analyst in the Call

Anu Gupta

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Q2FY18 EARNING CONFERENCE CALL

- ◆ 15% loan growth is expected by March 18.
- ◆ NIM guidance for March 18 upto 3%.
- ◆ Bad debts recovery improved more than 60%.
- ◆ Recovery through ARC will be seen in 2nd half of this fiscal.
- ◆ GNPA and NNPA is expected to be less than 6% and 3% respectively by March 18. PCR to be in the range of 67-68%.
- ◆ PCR to be in the range of 67-68% by the March end.
- ◆ IBC-1st list-8 A/c -Total Amount 2700 cr out of which 1200 cr is remaining. And in 2nd list out of 813 cr remaining amount of 135 cr in the next two quarter provisioning will be done.
- ◆ Cost is reduced by 690bps and by the end management expects to bring it to 35%.
- ◆ SMA 2 book number amounted to Rs 400 cr.
- ◆ Raising of the capital depends upon the requirement of the bank and the amount of capital allocated by the Govt. to the Bank.
- ◆ Income out of PSLC-20-23 cr led to 45% hike in the fee income.
- ◆ Out of total expansion plan of 150 branches -23 branches has been already opened and remaining to be done in next half year.
- ◆ ROE is expected to be around 13-14% by March 18.
- ◆ ROA guidance for FY19 to be close to 1%.
- ◆ Outstanding standard restructured book composition-5/25-7 A/c-754 cr. SDR-5 A/c-285 cr and SAA-4 A/c -224 cr.

Narnolia Securities Ltd

Please refer to the Disclaimers at the end of this Report

Continue to Part - II.....



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