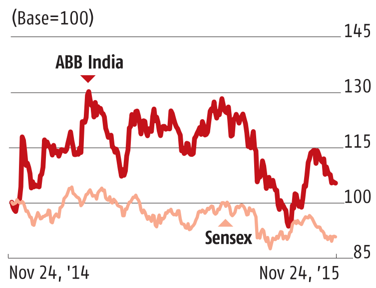
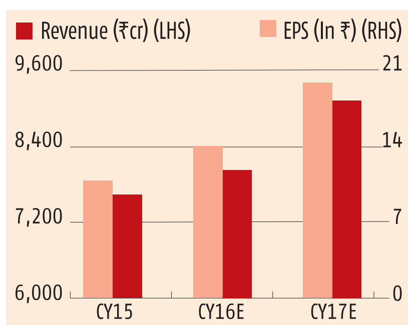
HIGH-GROWTH STOCKS

ABB INDIA

Market price (₹)	1,163.3
Returns 1-year (%)	4.2
M-cap (₹ cr)	24,650
Debt-equity ratio (x)	0.2
PE CY17E	58.6

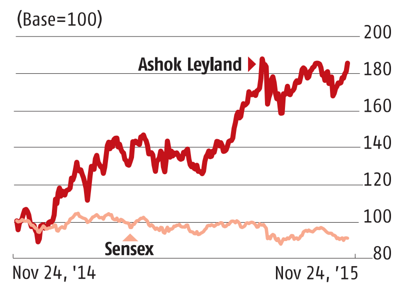


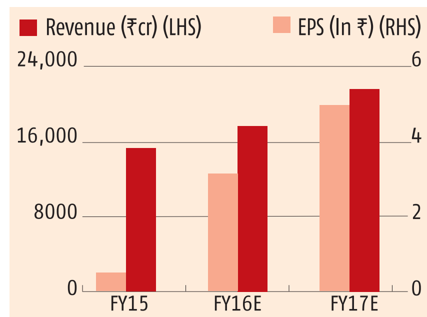


- With a strong portfolio across power transmission and distribution (T&D), and industrial equipment segments, the firm is well placed to benefit from revival in the economy
- Order intake at ₹2,290 crore, up 61 per cent year-on-year in the September quarter, provides confidence
- Orders driven by the solar and T&D segments, where huge investments are planned; annual market size for solar is ₹20,000 crore
- The principal reasons for underperformance (losses in the rural electrification business) have been addressed

ASHOK LEYLAND

Market price (₹)	94.8
Returns 1-year (%)	83.1
M-cap (₹ cr)	26,965
Debt-equity ratio(x)	2.8
PE FY17E	19.1

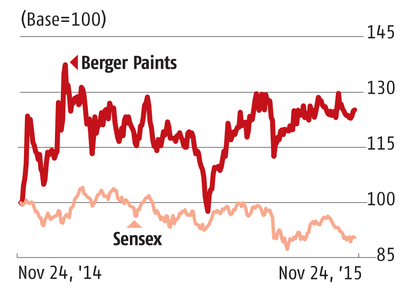


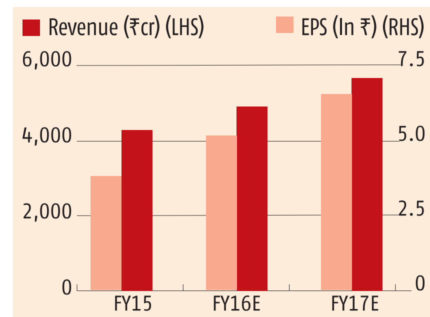


- Q2 volumes rose 47 per cent on replacement demand and pre-buying
- Lower input costs, improved product mix lead to better margins
- M&HCV market share to improve further by 430 basis points to 31.5 per cent in FY16
- New launches (heavy trucks) and stronger distribution will enhance portfolio
- Debt-equity ratio (excluding finance arm) at 0.7 times to fall further on lower working capital and asset sale

BERGER PAINTS

Market price (₹)	221.3
Returns 1-year (%)	24.4
M-cap (₹ cr)	15,347
Debt-equity ratio (x)	0.5
PE FY17E	33.9

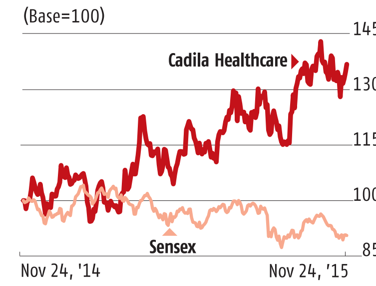


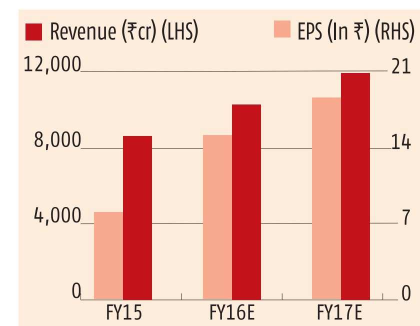


- Berger has been increasing its market share in domestic decorative paints, cementing its number two position
- Capacity additions and premiumisation of products will drive volumes and margins
- Organised market for paints is expanding, led by customer preferences, and is a big positive for players like Berger
- Improving earnings growth could aid longer-term stock performance

CADILA HEALTHCARE

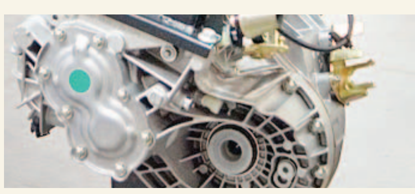
Market price (₹)	412.9
Returns 1-year (%)	33.1
M-cap (₹ cr)	42,265
Debt-equity ratio (x)	0.7
PE FY17E	22.4



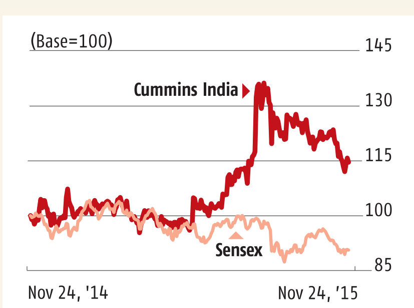


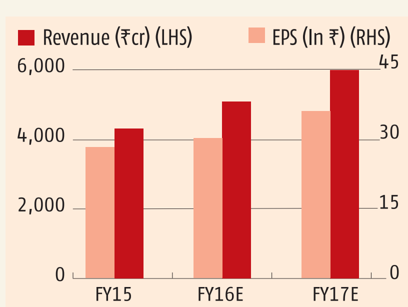
- Strong top line growth and margin gains helped Cadila outperform peers in recent years
- Increase in prices and authorised generics launches in the US have led to higher growth in the past few quarters
- The US is expected to account for over half of its incremental sales
- Resolution of USFDA issues at its Moraiya plant will be a key trigger, as a large chunk of ANDAs are filed from here
- Bio-similars, inhalers, transdermals and vaccines will be the

CUMMINS INDIA



Market price (₹)	1,006.8
Returns 1-year (%)	15.0
M-cap (₹ cr)	27,907
Debt-equity ratio (x)	–
PE FY17E	27.9

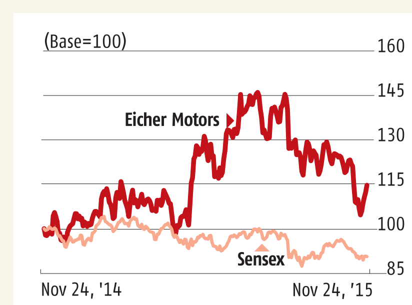


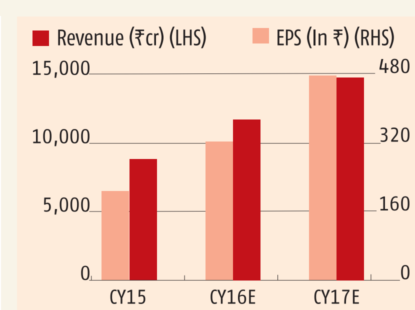


- Cummins has been reporting a mixed show, with strong domestic growth but lower export growth
- Led by favourable product mix, it has, however, sustained operating margins at 16.8 per cent, up 30 basis points in Q2
- Exports could see up to five per cent growth in FY16, but analysts see strong potential
- Analysts remain bullish due to the strong link between the company's growth with GDP growth, export potential and stricter emission norms

EICHER MOTORS

Market price (₹)	16,649.3
Returns 1-year (%)	13.9
M-cap (₹ cr)	45,210
Debt-equity ratio (x)	–
PE CY17E	35.1

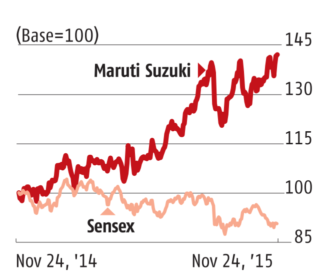




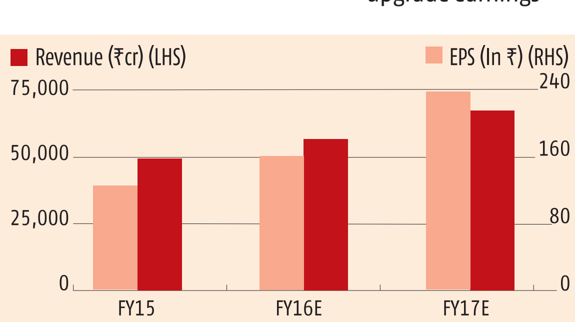
- Strong show, led by Royal Enfield (RE), with volume growth of 55 per cent and 28 per cent margins in Q2
- Margins expanded on operating leverage and lower commodity costs, and should hold firm
- While waiting periods for RE have come down, growth for motorcycles continues to be strong
- On a high base, volume growth is pegged at 35 per cent, led by bigger network and portfolio
- M&HCVs to gain traction, as customer preference tilts towards Pro series trucks

MARUTI SUZUKI

Market price (₹)	4,640.5
Returns 1-year (%)	38.7
M-cap (₹ cr)	1,40,179
Debt-equity ratio (x)	0.1
PE FY17E	21.4

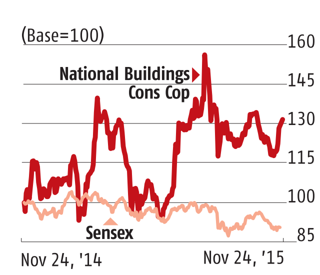


- Outperformed peers in FY16, with volume growth of 14 per cent vs industry's mere nine per cent
- Market share has risen 240 bps year-on-year to 47 per cent in FY16
- Market share to rise further on new launches, broader product portfolio and wider reach
- Volume growth, margin gains and pay commission boost have led analysts to upgrade earnings

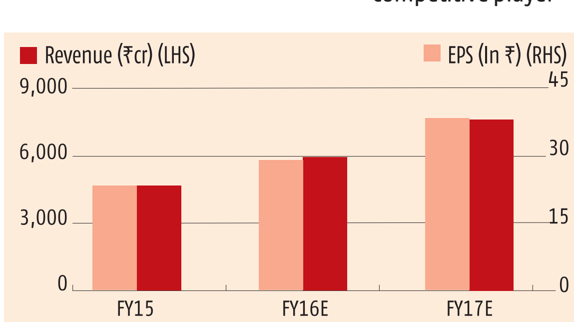


NBCC

Market price (₹)	995.5
Returns 1-year (%)	31.3
M-cap (₹ cr)	11,945
Debt-equity ratio (x)	–
PE FY17E	26.2

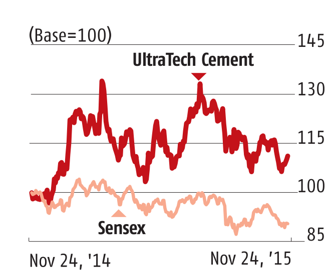


- NBCC to gain from huge opportunities in the construction space
- Strong order book of ₹30,000 crore is 5.8 times past 12 months' revenues
- Given the Smart Cities initiative, Angel Broking's analysts estimate order book to double by FY18
- Though NBCC gets large orders on nomination basis and has a negative working capital, it remains a competitive player

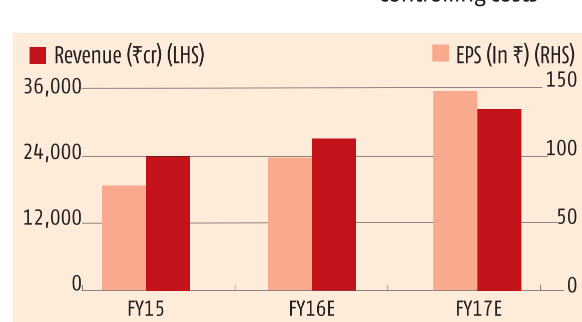


ULTRATECH CEMENT

Market price (₹)	2,777.7
Returns 1-year (%)	10.3
M-cap (₹ cr)	76,225
Debt-equity ratio (x)	0.5
PE FY17E	19.0

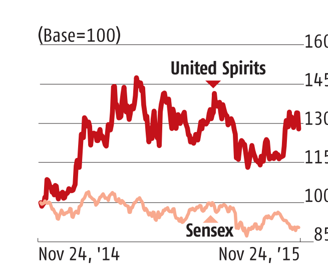


- UltraTech remains best placed to benefit from a revival in cement demand
- It has added new capacities across regions to drive volume growth unlike its peers, which are witnessing capacity constraints
- In spite of weak demand and prices in the recent quarters, has shown relatively strong operating performance by controlling costs

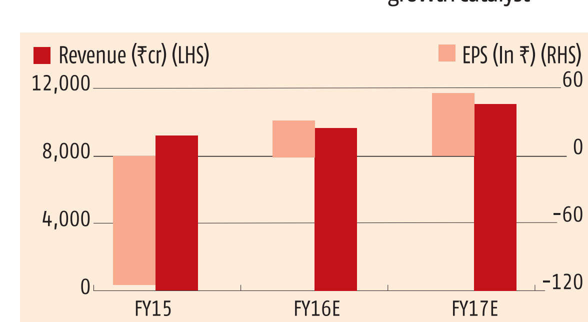


UNITED SPIRITS

Market price (₹)	3,371.2
Returns 1-year (%)	25.9
M-cap (₹ cr)	48,994
Debt-equity ratio (x)	3.6
PE FY17E	61.1



- Premiumisation of products, soft input costs and cost-cutting will drive future profitability
- Analysts expect ebitda margin to expand 400 bps a year for both FY16 and FY17
- Continued focus on reducing its debt of ₹4,000 crore will reduce interest costs and aid profitability
- Increased revenue pie of Diageo's high-value brands will be a key growth catalyst



Data source: Bloomberg; E: Estimated; stock price and market capitalisation as on November 24; Debt-equity ratio for FY15

*Compiled by **BS Research Bureau***