RESULT UPDATE

CAPITAL FIRST

Momentum sustained

India Equity Research| Banking and Financial Services

Capital First (CAFL) clocked decent Q1FY18 performance—PAT at INR603mn jumped ~33% YoY driven by sustained momentum on the revenue front (up >45% YoY). This was on account of: (i) margin expansion, given benefit of capital raising & shift in loan mix; and (ii) robust AUM spurt (up >24% YoY) due to sustained traction in the retail book (up >30% YoY). On asset quality front, while GNPAs rose following transition to 90dpd recognition norms, they were broadly stable on like-to-like basis—GNPAs (on 90dpd) stood at 1.72% versus 1.65% in FY17. Consequently, provision coverage dropped to ~40% (~68% in FY17); while adequate at this juncture, we believe this will have to be shored up. Notwithstanding this, we anticipate optimal product strategy anchored by stringent risk mitigants to fuel a smart J-shaped surge in return ratios—RoA of 2% and RoE of 16-18% by FY19E. Maintain 'BUY'.

Retail momentum sustains

CAFL's retail book sustained robust traction—at INR199bn, retail AUM jumped >30% YoY, taking its proportion to ~93% (~86% in FY16). The surge was driven by robust spurt in consumer durables (up ~57% YoY) and business loan (up ~60% YoY) segments, in line with the company's strategy to shift towards higher-yielding products. Despite the uncertain environment, CAFL's strong growth momentum reinforces our conviction that it will post 25-27% AUM CAGR over FY17-19E on expanding footprint and untapped credit demand.

Optical rise in GNPAs due to transition, stable otherwise

CAFL transitioned to 90dpd NPA recognition norms during Q1FY18 - consequently, GNPAs rose QoQ. However, on like-to-like basis, asset quality was broadly steady with GNPAs (on 90dpd) at 1.72% versus 1.65% in FY17. The company's strong asset quality position vindicates its sound under-writing skills & collection efficiency given robust business analytics, cutting-edge technology and competent score cards. However, following limited P&L impact due to adequate provisioning, provision coverage dropped to ~40% (~68% in FY17) - we believe that this will be increased over a period of time.

Outlook and valuations: In right direction; maintain 'BUY'

Strong AUM CAGR, operating leverage benefits and higher cross-sell are expected to drive earnings going ahead—>40% CAGR over FY17-19E. Although valuation at 2.7x FY19E P/ABV appears expensive considering historical RoE, given sustainable growth phase and sharp RoE recovery, we expect the stock to re-rate further on consistent earnings delivery. We maintain **'BUY/SO'** with target price of INR927.

Financials (Standalone) (INR mn)

Year to March	Q1FY18	Q1FY17	*Growth %*	Q4FY17	*Growth %*	FY17	FY18E	FY19E
Net revenue	5,004	3,383	*47.9*	4,628	*8.1*	15,989	20,181	25,457
Net profit	603	452	*33.4*	692	*(12.9)*	2,169	3,400	4,535
Dil. EPS (INR)	5.8	4.7	*24.4*	6.7	*(13.0)*	22.3	34.9	46.6
Adj. BV (INR)						226.4	248.3	285.1
Price/ Adj book (x)						3.4	3.1	2.7
Price/ Earnings (x)						35.1	22.4	16.8

EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Medium
Sector Relative to Market	Overweight

MARKET DATA *(R: CAPF.BO, B: CAFL IN)*

CMP	: INR 781
Target Price	: INR 927
52-week range (INR)	: 815 / 465
Share in issue (mn)	: 97.7
M cap (INR bn/USD mn)	: 76 / 1,198
Avg. Daily Vol.BSE/NSE('000)	: 524.4

SHARE HOLDING PATTERN (%)

	Current	Q4FY17	Q3FY17
Promoters *	36.0	61.1	61.1
MF's, FI's & BK's	10.9	6.2	5.8
FII's	25.7	8.4	6.5
Others	27.4	24.3	26.6

** Promoters pledged shares (% of share in issue) : NIL*

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Banks and Financial Services Index
1 month	17.0	5.9	7.9
3 months	2.9	8.2	11.9
12 months	7.1	16.9	32.7

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Table 1: Key takeaways from Q1FY18 earnings

(INR mn)	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)	Comments
Net revenues	5,004	3,383	*47.9*	4,628	*8.1*	*Strong revenue momentum, driven by NIMs expansion and robust AUM traction*
Expenses	4,086	2,686	*52.1*	3,570	*14.5*	
Profit before tax	918	696	*31.8*	1,058	*(13.2)*	
Tax expense	315	245	*28.9*	366	*(13.8)*	
Profit after tax	603	452	*33.4*	692	*(12.9)*	*Healthy earnings on back of sustained revenue traction*
EPS (INR)	5.8	4.7	*24.4*	6.7	*(13.0)*	
Key Metrics						
AUM	214,097	172,125	*24.4*	198,241	*8.0*	*Robust AUM momentum, on back of continued traction in retail book*
Retail	198,808	152,411	*30.4*	183,528	*8.3*	*Consumer durables (up ~57% YoY) and business loan (up ~60% YoY) segments drive retail traction*
Wholesale	15,289	19,714	*(22.4)*	14,713	*3.9*	*Rationalisation of the wholesale book on track*
GNPA (%)	1.7	1.7		1.7		*Despite transition to 90dpd norms, asset quality was stable on a like-to-like basis*
NNPA (%)	1.0	1.1		1.0		
NIM (calculated, %)	9.7	8.0		9.5		*NIMs expand on shift in loan mix and benefit of capital raising*
CAR (%)	19.1	18.7		20.3		

Source: Company, Edelweiss research

** Note: Prior period NPAs have been restated on 90dpd basis*

Table 2: Retail focus sustains

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
Retail	84.5	85.8	85.6	90.1	90.6	92.6	92.9
Wholesale	15.5	14.2	14.4	9.9	9.4	7.4	7.1

Source: Company

Table 3: Retail growth driven by consumer durables and business loans

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
Secured MSME & home loans	72.7	60.5	56.3	54.6	51.7	49.9	48.5
Unsecured MSME	9.5	14.9	15.7	18.2	18.4	19.1	18.6
Two wheeler	8.4	10.2	10.5	10.3	11.0	11.0	10.8
Consumer loans	7.3	11.5	13.6	12.4	13.5	14.0	15.8
Others (incl. gold loans)	2.1	2.9	3.8	4.6	5.3	6.0	6.3

Source: Company

Table 4: Asset quality stable on like-to-like basis (90dpd)

(%)	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
GNPLs	1.7	1.7	1.5	1.6	1.7	1.7
NNPLs	1.2	1.1	1.0	1.0	1.0	1.0

Source: Company

** Note: Prior period NPAs have been restated on 90dpd basis*

Table 5: Borrowings composition

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
Bank Borrowing	85.3	75.1	67.5	68.5	57.1	58.4	56.1
NCD	6.8	15.6	16.5	19.0	24.3	27.8	34.0
CP	-	0.7	7.8	4.8	10.6	6.0	3.2
Sub Debt	5.6	6.6	6.1	5.7	5.9	5.8	5.0
Perpetual Debt	2.3	2.1	2.2	2.0	2.0	2.0	1.7

Source: Company

Financial snapshot (INR mn)

Year to March	Q1FY18	Q1FY17	% change	Q4FY17	% change	FY17	FY18E	FY19E
Net revenues	5,004	3,383	*47.9*	4,628	*8.1*	15,989	20,181	25,457
Expenses	4,086	2,686	*52.1*	3,570	*14.5*	8,258	9,874	11,526
Profit before tax	918	696	*31.8*	1,058	*(13.2)*	3,323	5,112	6,820
Provision for taxes	315	245	*28.9*	366	*(13.8)*	1,154	1,713	2,285
PAT	603	452	*33.4*	692	*(12.9)*	2,169	3,400	4,535
Diluted EPS (INR)	5.8	4.7	*24.4*	6.7	*(13.0)*	22.3	34.9	46.6
Ratios								
Tax rate (%)	34.3	35.1		34.6		34.7	33.5	33.5
Bal. sheet data								
AUM	214,097	172,125	*24.4*	198,241	*8.0*	198,241	253,815	311,304
Asset quality								
Gross NPA	1.7	1.7		1.7		1.7	1.6	1.9
Net NPA	1.0	1.1		1.0		1.0	0.7	0.7
Valuation metrics								
B/V per share (INR)						229.6	258.4	296.7
Adj book value / share						226.4	248.3	285.1
Price/ Book (x)						3.4	3.0	2.6
Price/ Adj. book (x)						3.4	3.1	2.7
Price/ Earnings						35.1	22.4	16.8

** Note: Prior period NPAs have been restated on 90dpd basis*

Company Description

Mr. Vaidyanathan, with financial backing from Warburg Pincus', bought out majority shareholders of an existing NBFC which was primarily into wholesale financing and the brand Capital First was born. Post that, Mr. Vaidyanathan changed the key constituents of the company: (a) majority and minority shareholding was changed through buyout and open offer to public; (b) fresh INR1bn capital was infused; (c) Board of Directors was reconstituted; and (d) business was changed from wholesale to retail lending.

CAFL's retail lending business has clocked a commendable growth from AUM of INR35bn in FY12 to INR199bn currently. Within the retail book as well, the company has built a granular book with incremental focus on high-growth high-yield segments such as consumer durable, 2-wheeler loans, etc.

Investment Theme

CAFL's earnings are poised to post >40% CAGR over FY17-19E riding on healthy AUM CAGR, prudent product shift strategy, operating leverage benefits, and higher cross-sell opportunities. Though valuation of 2.7x FY19E P/ABV appears expensive considering historical RoE, given the sustainable growth phase and sharp RoE recovery, we expect it to re-rate further as earnings and visibility improve.

Key Risks

CAFL has built the retail book only over the past 5-6 years registering >40% CAGR over FY12-16. Ergo, the fact remains that the book is yet to face an economic down cycle.

Adverse regulatory changes such as increase in risk weights, securitization norms, capital adequacy requirement etc., can impact CAFL's growth and profitability.

Financial Statements

Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.5	4.0	4.5
Repo rate (exit rate)	6.8	6.3	5.8	5.8
USD/INR (Avg)	65.0	67.5	66.0	66.0
Sector				
Credit growth	9.3	9.0	12.0	14.0
Bank's base rate (%)	9.5	9.0	9.0	9.0
Wholesale borr. cost (%)	8.5	8.5	8.5	8.5
G-sec yield	7.5	6.5	6.5	6.5
Company				
Op. metric assump. (%)				
Yield on advances	15.2	17.6	17.4	17.2
Cost of funds	8.7	8.7	8.2	8.1
Spread	6.5	8.9	9.2	9.1
Employee cost growth	30.5	32.8	42.1	27.6
Other opex growth	34.5	84.0	10.7	11.4
Dividend payout	14.0	11.5	15.0	15.0
Tax rate (%)	34.2	34.7	33.5	33.5
Balance sheet assumption (%)				
Loan growth	38.3	17.8	28.0	22.6
Gross NPLs	1.0	1.0	1.6	1.9
Net NPLs	0.6	0.3	0.7	0.7
Provision coverage	45.5	68.4	55.0	65.0

Income statement (INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Interest income	16,570	24,276	29,641	36,420
Interest expended	8,759	11,279	13,116	16,005
Net interest income	7,811	12,997	16,525	20,416
- Fee & forex income	1,908	2,992	3,655	5,041
Net revenues	9,719	15,989	20,181	25,457
Operating expense	4,986	8,258	9,874	11,526
- Employee exp	1,755	2,332	3,314	4,227
- Depn /amortisation	100	166	184	194
- Other opex	3,131	5,759	6,376	7,105
Preprovision profit	4,733	7,732	10,306	13,931
Provisions	2,347	4,409	5,194	7,111
Profit Before Tax	2,386	3,323	5,112	6,820
Less: Provision for Tax	817	1,154	1,713	2,285
Profit After Tax	1,569	2,169	3,400	4,535
Reported Profit	1,569	2,169	3,400	4,535
Shares o /s (mn)	91	97	97	97
Basic EPS (INR)	17.2	22.3	34.9	46.6
Diluted shares o/s (mn)	91	97	97	97
Adj. Diluted EPS (INR)	17.2	22.3	34.9	46.6
Dividend per share (DPS)	2.4	2.6	5.2	7.0
Dividend Payout Ratio(%)	14.0	11.5	15.0	15.0

Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	51.2	64.5	26.2	26.1
NII growth	52.3	66.4	27.1	23.5
Opex growth	32.2	65.6	19.6	16.7
PPP growth	78.1	63.3	33.3	35.2
Provisions growth	124.8	87.8	17.8	36.9
Adjusted Profit	40.1	38.2	56.8	33.4

Operating ratios

Year to March	FY16	FY17	FY18E	FY19E
Yield on advances	15.2	17.6	17.4	17.2
Cost of funds	8.7	8.7	8.2	8.1
Net interest margins	6.7	8.8	9.1	9.1
Spread	6.5	8.9	9.2	9.1
Cost-income	51.3	51.6	48.9	45.3
Tax rate	34.2	34.7	33.5	33.5

Balance sheet (INR mn)

As on 31st March	FY16	FY17	FY18E	FY19E
Share capital	912	974	974	974
Reserves & Surplus	15,685	21,398	24,197	27,931
Shareholders' funds	16,597	22,372	25,171	28,906
Short term borrowings	44,930	54,705	68,756	84,823
Long term borrowings	70,942	86,377	108,563	133,933
Total Borrowings	115,872	141,081	177,319	218,756
Long Term Liabilities	1,702	1,143	1,463	1,795
Def. Tax Liability (net)	(544)	(691)	(606)	(491)
Sources of funds	**133,627**	**163,905**	**203,348**	**248,965**
Gross Block	684	884	1,284	1,484
Net Block	194	430	573	577
Intangible Assets	98	217	289	291
Total Fixed Assets	292	646	862	868
Non current investments	2,223	2,878	2,968	2,968
Cash and Equivalents	10,665	15,525	14,094	17,860
Sundry Debtors	267	615	677	745
Loans & Advances	126,333	148,989	190,757	233,963
Current assets (ex cash)	267	615	677	745
Trade payable	1,222	1,751	2,189	2,736
Other Current Liab	4,932	2,997	3,821	4,702
Total Current Liab	6,154	4,748	6,009	7,438
Net Curr Assets-ex cash	(5,887)	(4,133)	(5,333)	(6,694)
Uses of funds	**133,627**	**163,905**	**203,348**	**248,965**
BVPS (INR)	181.9	229.6	258.4	296.7
EA growth	35.8	21.4	24.0	22.5
Provision coverage	45.5	68.4	55.0	65.0
Gross NPA ratio	1.0	1.0	1.6	1.9
Net NPA ratio	0.6	0.3	0.7	0.7
Capital adequacy	19.5	20.3	18.0	16.8
- Tier 1	14.7	16.0	14.1	13.2

RoE decomposition (%)

Year to March	FY16	FY17	FY18E	FY19E
Net int. income/assets	6.7	8.8	9.1	9.1
Other income/Assets	1.6	2.0	2.0	2.3
Net revenues/assets	8.4	10.8	11.1	11.4
Operating expense/assets	4.3	5.6	5.4	5.2
Provisions/assets	2.0	3.0	2.9	3.2
Taxes/assets	0.7	0.8	0.9	1.0
Total costs/assets	7.0	9.3	9.2	9.4
ROA	1.4	1.5	1.9	2.0
Equity/assets	13.8	13.2	13.1	12.1
ROAE (%)	9.8	11.1	14.3	16.8

Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E
Adj. Diluted EPS (INR)	17.2	22.3	34.9	46.6
Y-o-Y growth (%)	*33.8*	*29.4*	*56.8*	*33.4*
BV per share (INR)	181.9	229.6	258.4	296.7
Adj. BV per share (INR)	176.6	226.4	248.3	285.1
Diluted P/E (x)	45.4	35.1	22.4	16.8
P/B (x)	4.3	3.4	3.0	2.6
Price/Adj. BV (x)	4.4	3.4	3.1	2.7
Dividend Yield (%)	0.3	0.3	0.7	0.9

Peer comparison valuation

	Market cap	Diluted P/E (X)		P/B (X)		ROAE (%)	
Name	(USD mn)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Capital First	1,198	22.4	16.8	3.0	2.6	14.3	16.8
Dewan Housing Finance	2,269	12.9	11.2	1.7	1.5	13.8	14.5
HDFC	44,189	22.1	18.9	4.4	3.6	19.9	20.9
Indiabulls Housing Finance	7,969	14.8	12.2	3.8	3.4	27.3	29.3
LIC Housing Finance	5,494	16.9	15.2	2.7	2.4	18.8	18.4
Mahindra & Mahindra Financial Services	3,572	35.0	21.9	3.3	3.0	9.8	14.4
Manappuram General Finance	1,404	10.7	9.3	2.5	2.2	24.9	24.9
Muthoot Finance	2,914	13.4	11.9	2.5	2.1	19.7	19.4
Power Finance Corp	5,067	4.7	4.6	0.8	0.7	17.8	16.1
Reliance Capital	2,898	14.8	11.9	1.1	1.0	7.5	8.7
Repco Home Finance	747	22.0	18.2	3.6	3.0	17.5	18.0
Rural Electrification Corporation	5,341	5.8	5.3	0.9	0.8	16.6	15.9
Shriram City Union Finance	2,409	18.3	13.0	2.7	2.3	15.6	19.0
Shriram Transport Finance	3,628	13.4	8.7	1.8	1.5	14.5	19.2
Median	-	13.4	11.5	2.1	1.8	17.1	18.2
AVERAGE	-	13.0	10.2	2.0	1.7	17.0	18.3

Source: Edelweiss research

Additional Data

Directors Data

V. Vaidyanathan	Executive Chairman	Apul Nayyar	Executive Director
Nihal Desai	Executive Director	Vishal Mahadevia	Non-Executive Director
Narendra Ostawal	Non-Executive Director	NC Singhal	Independent Director
Hemang Raja	Independent Director	M S Sundara Rajan	Independent Director
Brinda Jagirdar	Independent Director	Dinesh Kanabar	Independent Director

Auditors - S.R. Batliboi & Co. LLP

**as per last annual report*

Holding - Top 10

	Perc. Holding		Perc. Holding
GIC Private Limited	8.97	Caladium Investment	4.89
Birla Sun Life Asset Management	4.19	Vaidyanathan V	3.63
Morgan Stanley (France)	2.91	HDFC Asset Management	2.60
HDFC Life Insurance	2.27	Goldman Sachs Group	2.21
Government Pension Fund - Global	2.09	Jupiter Investment Management Group	1.62

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
17 May 2017	Hdfc Standard Life Insurance Co Ltd	Buy	500000	724.90
17 May 2017	Shanti Entrepreneurs	Buy	200476	730.38
17 May 2017	Tntbc As The Trustee Of Nomura India Stock Mother Fund	Buy	700000	727.10
17 May 2017	Hdfc Mutual Fund Mid - Cap Opportunities Fund	Buy	1522608	726.52
17 May 2017	Morgan Stanley France Sas	Buy	3125600	734.18
17 May 2017	Morgan Stanley (France) S.A.S	Buy	840000	727.10
17 May 2017	Natwest Bank Plc As Trustee Of The Jupiter India Fund	Buy	610008	730.06
17 May 2017	Government Of Singapore Invt Corpn Pte Ltd A/C C Account	Buy	8701476	725.00
17 May 2017	Cloverdell Investment Ltd	Sell	24300000	727.35
28 Mar 2017	Jv & Associates Llp	Sell	3208080	699.00
28 Mar 2017	V Vaidyanathan	Buy	3208080	699.00
16 Mar 2017	Norges Bank On Account Of The Government Pension Fund Global	Buy	650157	688.55
16 Mar 2017	Jv & Associates Llp	Sell	1565715	688.55

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Allahabad Bank	HOLD	SU	M	Axis Bank	BUY	SO	M
Bajaj Finserv	HOLD	SP	L	Bank of Baroda	BUY	SP	M
Bharat Financial Inclusion	BUY	SO	M	Capital First	BUY	SO	M
DCB Bank	HOLD	SU	M	Dewan Housing Finance	BUY	SO	M
Equitas Holdings Ltd.	BUY	SO	M	Federal Bank	BUY	SP	L
HDFC	HOLD	SP	L	HDFC Bank	BUY	SO	L
ICICI Bank	BUY	SO	L	IDFC Bank	HOLD	SP	L
Indiabulls Housing Finance	BUY	SO	M	IndusInd Bank	BUY	SP	L
Karnataka Bank	BUY	SP	M	Kotak Mahindra Bank	HOLD	SP	M
L&T FINANCE HOLDINGS LTD	BUY	SO	M	LIC Housing Finance	BUY	SP	M
Magma Fincorp	BUY	SP	M	Mahindra & Mahindra Financial Services	HOLD	SU	M
Manappuram General Finance	BUY	SO	H	Max Financial Services	BUY	SO	L
Multi Commodity Exchange of India	BUY	SP	M	Muthoot Finance	BUY	SO	M
Oriental Bank Of Commerce	HOLD	SP	L	Power Finance Corp	BUY	SO	M
Punjab National Bank	BUY	SP	M	Reliance Capital	BUY	SP	M
Repco Home Finance	BUY	SO	M	Rural Electrification Corporation	BUY	SO	M
Shriram City Union Finance	BUY	SO	M	Shriram Transport Finance	BUY	SO	L
South Indian Bank	BUY	SP	M	State Bank of India	BUY	SP	L
Union Bank Of India	HOLD	SP	M	Yes Bank	BUY	SO	M

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Coverage group(s) of stocks by primary analyst(s): Banking and Financial Services

Allahabad Bank, Axis Bank, Bharat Financial Inclusion, Bajaj Finserv, Bank of Baroda, Capital First, DCB Bank, Dewan Housing Finance, Equitas Holdings Ltd., Federal Bank, HDFC, HDFC Bank, ICICI Bank, IDFC Bank, Indiabulls Housing Finance, IndusInd Bank, Karnataka Bank, Kotak Mahindra Bank, LIC Housing Finance, L&T FINANCE HOLDINGS LTD, Max Financial Services, Multi Commodity Exchange of India, Manappuram General Finance, Magma Fincorp, Mahindra & Mahindra Financial Services, Muthoot Finance, Oriental Bank Of Commerce, Punjab National Bank, Power Finance Corp, Reliance Capital, Rural Electrification Corporation, Repco Home Finance, State Bank of India, Shriram City Union Finance, Shriram Transport Finance, South Indian Bank, Union Bank Of India, Yes Bank

Recent Research

Date	Company	Title	Price (INR)	Recos
02-Aug-17	**Shriram City Union Finance**	Stable quarter amid lingering merger overhang; *Result Update*	2,326	Buy
02-Aug-17	**Punjab National Bank**	The same old story; *Result Update*	159	Buy
01-Aug-17	**Banking**	Savings rate de-regulation: A giant move by SBI; *Sector Update*		

Distribution of Ratings / Market Cap

Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240

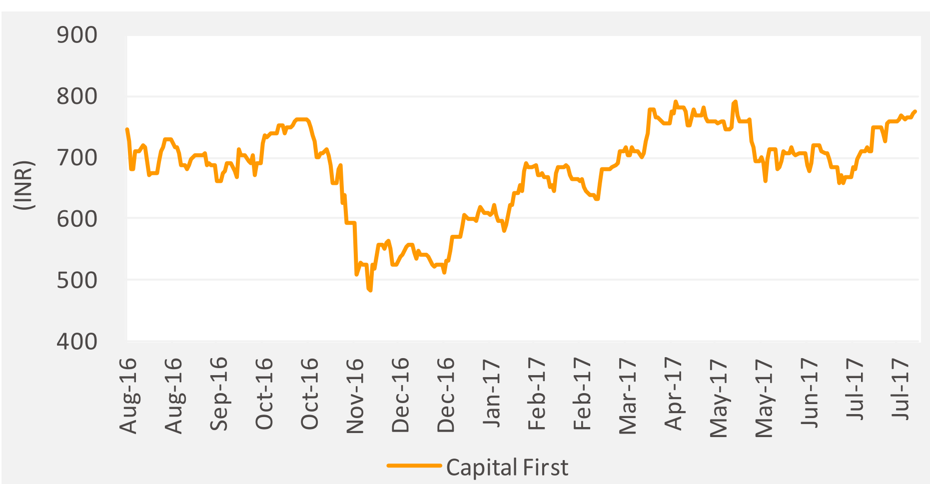
* 1stocks under review

	> 50bn	Between 10bn and 50 bn	< 10bn
Market Cap (INR)	156	62	11

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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