



TOP PICKS REPORT

APRIL 2017



Top Picks

Company	CMP (₹)	TP (₹)
Banking/NBFC		
Dewan Housing	385	460
Equitas Holdings	170	235
Consumption		
Asian Granito	370	390
Bajaj Electricals	348	395
Blue Star	695	760
Mirza International	89	107
Siyaram Silk Mills	1,700	1,872
Media		
Jagran Prakashan	185	225
TV Today	277	344
Real Estate/Infra/Logistics/Power		
KEI Industries	195	207
Mahindra Lifespace	404	522
Navkar Corp.	181	265
Pharma		
Alkem Lab.	2,207	2,311

Source: Angel Research;

Note: CMP as of April 5, 2017

Rising exports and buoyancy in FDI has resulted in rupee appreciating by 5% since November-16. The political stability and improving consumer sentiment is setting a stage for growth in the economy and with bright prospects, we expect further growth in FII and DII inflows indicating market sentiment going ahead.

Political stability to result in bringing new reforms: The results of recently concluded assembly elections indicate that growth politics is preferred over the populist politics. We believe that the current political environment may result in high political stability over the next seven years, giving more clarity on growth of the economy and hopes of introducing more reforms. The results strengthen government's ability to bring bigger reforms which can get passed with rising strength in the upper house. India's demographics remain extremely attractive and we believe that political stability and reforms hold the key to unlock this potential.

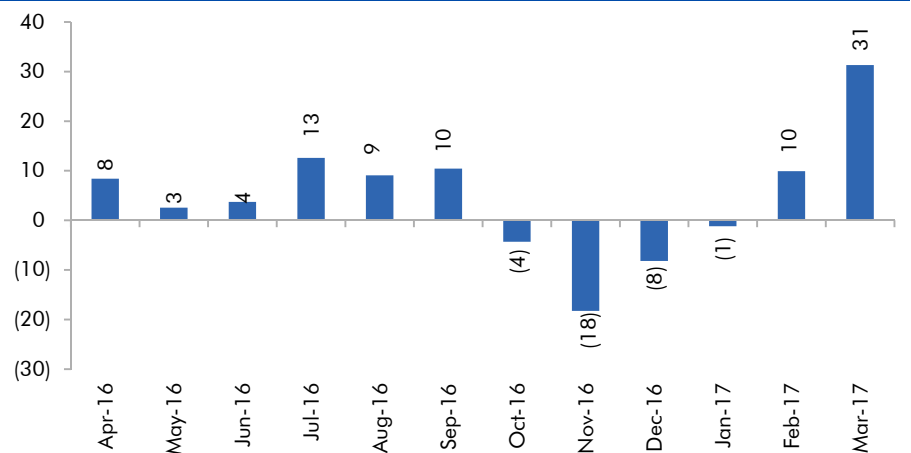
Higher Exports and FDI result in 5% rupee appreciation: Improving macros and strong demand recovery after demonetisation, has resulted in high confidence on the economy. With the hopes of faster growth and political stability, FDI inflows have remained very strong this year. India's exports sector has also seen a revival which together with the higher FDI inflows and stable crude prices has helped to reduce the current account deficit to 0.7% of GDP in 9MFY17 vs. 1.4% in FY16. Overall this has led to rupee appreciating by 5% since November-2016 indicating that health of the economy remains very strong.

Exhibit 1: Rupee appreciates by 5% since Nov-16


Source: Angel Research

FIIs returning with strong statement: The strong economic outlook and appreciating rupee has seen FIIs returning to the Indian equities. In 4QFY17, FII invested ₹40,052cr in equities vs. ₹-30,727cr in 3QFY17. The surge was mainly due to the record inflow of ₹31,326 cr received in March-2017 as FIIs have turned bullish on the Indian economy. While DIIs have been participating heavily in the last three years, the FIIs renewed confidence is likely to result in increment inflows in Indian equities, thanks to rupee appreciation; their USD returns will go up further. Overall there is strong optimism in the domestic as well as foreign investors which will result in markets going up further from the current levels.

Exhibit 2: Record FII inflows in March-17



Source: CDSL, Angel Research

With the growth prospects remaining bright, we maintain positive view of sectors like real estate (Dewan Housing, Asian Granito), BFSI (Equitas), Consumption (Bajaj Electricals, Blue Star, Mirza International). We also maintain positive stance on Alkem with strong domestic business and resolution of form 483 on its two facilities.

Top Picks

Stock Info

CMP	385
TP	460
Upside	19%
Sector	Financials
Market Cap (₹ cr)	12,042
Beta	1.6
52 Week High / Low	392 / 183

3 year-Chart

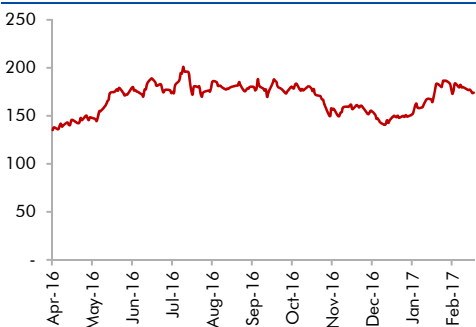


Source: Company, Angel Research

Stock Info

CMP	170
TP	235
Upside	38.0%
Sector	Financials
Market Cap (₹ cr)	5,612
Beta	0.9
52 Week High / Low	206 / 134

3 year-Chart



Source: Company, Angel Research

Dewan Housing

- **3rd largest private sector housing finance company:** We expect DHFL's AUM to grow at a CAGR of 21% over FY2016-18, as demand for housing in the middle and low income group picks up, while PAT CAGR is expected to be 23%.
- **Funds received from DHFL Pramerica Life Insurance, gives a boost to growth:** DHFL sold 50% stake held by it in DFHFL Pramerica Life Insurance Co Ltd to its wholly owned subsidiary for a consideration of Rs 2000.5 cr, which added Rs 1969 cr to its net worth and increases its CAR by 400 bps, which should fuel growth for next 2-3 years.
- **Lower cost of funds will help maintain NIM:** DHFL has replaced high cost bank loans with the NCDs raised and it will continue to reduce its dependence on banks as its source of funding. This should help it maintain its NIM of 2.9%. The recent capital received via stake sale should also aid to the NIM.
- **Outlook:** We expect the company to post a healthy loan book CAGR of 21% over FY2015-18E, which is likely to translate in earnings CAGR of 23%, over the same period. The stock currently trades at 1.4x FY2018E ABV. **We maintain Buy on the stock, with a target price of ₹460.**

Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2017E	2,050	2.9	923	29.5	189	1.2	16.3	13.0	2.0
FY2018E	2,500	2.9	1,145	36.6	281	1.2	14.8	8.9	1.4

Source: Company, Angel Research

Equitas Holdings

- **Early mover advantage in the SFB category:** Equitas was one of the ten NBFCs to get the license to start a small finance bank (SFB). As the entire book of Equitas qualifies for PSL, meeting the 75% PSL target will not be a challenge. The micro finance segment of Equitas has witnessed slowdown in the near term post demonetization, but should see a bounce back in FY18.
- **Asset quality and return ratios are likely to remain stable:** The recent quarter saw some slowdown due to demonetization, however having converted into SFB the long term outlook has improved for it. We don't expect any major deterioration in the asset quality going ahead.
- **NIM likely to remain healthy:** After conversion to SFB the company has started raising deposits at a lower cost vs borrowings leading to better cost of funds. Hence we expect the NIM to remain strong at ~11%, going ahead.
- **Outlook:** We expect the company to post a strong loan book & earnings CAGR of 38% & 37% over FY2016-18E. The stock currently trades at 2.3x FY2018E ABV. **We maintain Buy on the stock, with a target price of ₹235.**

Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2017E	9,39	11.7	224	5.8	68.2	2.8	10.9	29.3	2.5
FY2018E	1,281	11.5	315	8.2	77.6	2.8	11.5	20.7	2.3

Source: Company, Angel Research

Stock Info

CMP	370
TP	390
Upside	5%
Sector	Ceramics
Market Cap (₹ cr)	1,112
Beta	1.4
52 Week High / Low	380 / 144

3 year-Chart

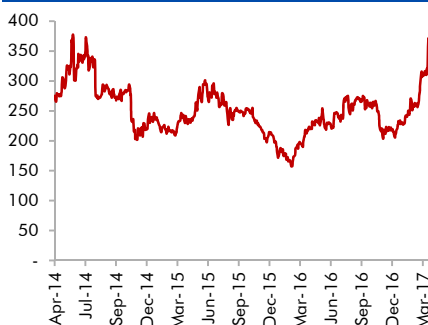


Source: Company, Angel Research

Stock Info

CMP	348
TP	395
Upside	14%
Sector	Cons. Durable
Market Cap (₹ cr)	3,525
Beta	0.9
52 Week High / Low	388 / 203

3 year-Chart



Source: Company, Angel Research

Asian Granito

- AGIL's current, vitrified sales (35%) are lower as compared to its peers like Somany Ceramics (47%) and Kajaria Ceramics (61%). Recently, AGIL has launched various products in premium segment. Going forward, we expect AGIL's profit margin to improve due to increase in focus for higher vitrified product sales, which is a high margin business.
- AGIL is continuously putting efforts to increase the B2C sales from the current level (35% in FY16). It is expected to reach up to 50% in next 2-3 years on the back of various initiatives taken by AGIL to increase direct interaction with customers like strengthening distribution network, participation in key trade exhibition, etc.
- In July FY2016, AGIL acquired Artistique Ceramic which has a better margin profile. Going forward, we expect the company to improve its operating margin from 7.5% in FY16 (excluding merger) to 12-12.5% in coming financial year. Artistique Ceramics has a contract with RAS GAS to supply quality natural gas at a discounted rate of 50% to current market rate, which would reduce the overall power & fuel cost of the company.
- We expect AGIL to report a net revenue CAGR of ~8.5% to ~₹1,169cr and net profit CAGR of ~39% to ₹48cr over FY2016-18E. **We recommend an Accumulate rating on the stock.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,060	12.2	38	12.7	9.5	29.2	2.8	11.1	1.4
FY2018E	1,169	12.5	48	15.9	10.6	23.2	2.5	9.5	1.2

Source: Company, Angel Research

Bajaj Electricals

- The company is among the top 4 players in the consumer durables space across all its product categories (leader in small appliances; number-4 in fans and lighting). It has a strong distribution reach with 4,000 distributors reaching out to 400,000 retailers.
- In the 3 years preceding FY2016, the company's E&P segment had been underperforming owing to cost overruns and delays in project executions. However, the segment has turned around in FY2016 on the profitability front and delivered a healthy EBIT margin of ~6% for the year. Currently the segment's order book stands at ₹2,480cr.
- With expectation of timely execution of new projects in the E&P segment and with the Lighting and Consumer Durables segments expected to benefit from an improvement in consumer sentiments going forward, we expect the company's top-line to grow at a CAGR of ~8% to ₹5,351cr and bottom-line to grow at a CAGR of 20% to ₹138cr over FY2016-FY2018E. **We recommend an Accumulate rating on the stock.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	4,801	5.7	105	10.4	12.4	33.4	4.1	11.3	0.7
FY2018E	5,351	6.2	138	13.7	14.5	25.4	3.7	9.8	0.7

Source: Company, Angel Research

Stock Info

CMP	695
TP	760
Upside	9%
Sector	Cons. Durable
Market Cap (₹ cr)	6,646
Beta	0.6
52 Week High / Low	723 / 390

3 year-Chart



Source: Company, Angel Research

Stock Info

CMP	89
TP	107
Upside	20%
Sector	Footwear
Market Cap (₹ cr)	1,072
Beta	1.5
52 Week High / Low	111 / 69

3 year-Chart



Source: Company, Angel Research

Blue Star

- BSL is one of the largest air-conditioning companies in India. With a mere 3% penetration level of ACs vs 25% in China, the overall outlook for the room air-conditioner (RAC) market in India is favourable.
- BSL's RAC business has been outgrowing the industry by ~10% points over the last few quarters, resulting in the company consistently increasing its market share (~7% in FY2014 to 10.5% at present). This has resulted in the Cooling Products Division (CPD)'s share in overall revenues increasing from ~23% in FY2010 to ~42% in FY2016 (expected to improve to ~47% in FY2018E). With strong brand equity and higher share in split ACs, we expect the CPD to continue to drive growth.
- Aided by increasing contribution from the CPD, we expect the overall top-line to post a revenue CAGR of ~16% over FY2016-18E and margins to improve from 5.3% in FY2015 to 7.3% in FY2018E. Moreover, the merger of Blue Star Infotech has infused cash and strengthened the balance sheet. **We recommend an Accumulate rating on the stock.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	4,283	5.9	141	14.9	20.4	46.7	9.1	28.5	1.6
FY2018E	5,077	7.3	211	22.1	26.4	31.4	7.6	20.5	1.3

Source: Company, Angel Research

Mirza International

- In the branded domestic segment, we expect the company to report a ~16% CAGR over FY2016-18E to ₹235cr. We anticipate strong growth for the company on the back of (a) the company's wide distribution reach through its 1,000+ outlets including 120 exclusive brand outlets (EBOs) in 35+ cities and the same are expected to reach 200 over the next 2-3 years and (b) strong branding (Red Tape) in the shoes segment.
- MIL's major export revenue comes from the UK (73%), followed by the US (14%) and the balance from ROW. Export constitutes ~75% of the company's total revenue. We expect the company to report healthy growth over the next 2-3 years on back of recovery in the UK market, strong growth in the US market and with it tapping newer international geographies like the Middle East countries.
- In FY2016, the company acquired Genesis Footwear which has a better margin profile than it. The deal resulted in MIL's EPS increasing by ~4% and ROE improving from 15.9% to 17.5%. Further, due to this merger, the company's capacity has increased from 5.4mn to 6.4mn units.
- We expect MIL to report a net revenue CAGR of ~7% to ~₹1,069cr and net profit CAGR of ~8% to ₹90cr over FY2016-18E. **We have a Buy rating on the stock and target price of ₹107.**

Key Financials

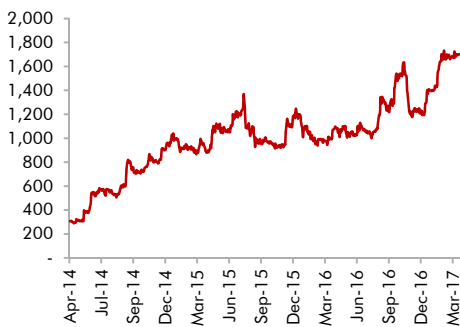
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	963	17.2	74	6.1	15.0	14.5	2.2	7.7	1.3
FY2018E	1,069	18.0	90	7.5	15.7	11.9	1.9	6.5	1.2

Source: Company, Angel Research

Stock Info

CMP	1,700
TP	1,872
Upside	10%
Sector	Textile
Market Cap (₹ cr)	1,594
Beta	0.8
52 Week High / Low	1,774/968

3 year-Chart



Source: Company, Angel Research

Stock Info

CMP	185
TP	225
Upside	22%
Sector	Media
Market Cap (₹ cr)	6,033
Beta	0.6
52 Week High / Low	213/156

3 year-Chart



Source: Company, Angel Research

Siyaram Silk Mills

- SSML has strong brands which cater to premium as well as popular mass segments of the market. Further, SSML entered the ladies' salwar kameez and ethnic wear segment. Going forward, we believe that the company would be able to leverage its brand equity and continue to post strong performance.
- The company has a nationwide network of about 1,600 dealers and business partners. It has a retail network of 160 stores and plans to add another 300-350 stores going forward. Further, the company's brands are sold across 3,00,000 multi brand outlets in the country.
- Going forward, we expect SSML to report a net sales CAGR of ~7% to ~₹1,948cr and adj.net profit CAGR of ~9% to ₹103cr over FY2016-18E on back of market leadership in blended fabrics, strong brand building, wide distribution channel, strong presence in tier II and tier III cities and emphasis on latest designs and affordable pricing points. At the current market price, SSML trades at an inexpensive valuation. **We have an Accumulate recommendation on the stock and target price of ₹1,872.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,652	11.6	87	92.4	14.7	18.4	2.7	10.1	1.2
FY2018E	1,857	11.7	103	110.1	15.2	15.4	2.3	8.8	1.0

Source: Company, Angel Research

Jagran Prakashan

- We expect JPL to register a net sales CAGR of ~12% over FY2016-18E, on back of (a) strong growth in advertising revenue due to improvement in GDP growth, and (b) improvement in circulation revenue owing to combination of increase in cover price and volume growth.
- Further the acquisition of Radio City would also boost the company's revenue going ahead. Radio City has ~20 stations across 7 states in the country and is second only to ENIL in all its operating circles, ie Delhi, Mumbai, Bengaluru, Chennai, Ahmedabad, Hyderabad, Pune and Lucknow. The company covers ~51% (~66mn people) of the total radio population.
- Raw material prices have been in a declining trend. Thus, considering lower news print costs, healthy sales, and higher margins in the radio business, we expect an adj. net profit CAGR of ~12% over FY2016-18E to ₹409cr.
- Considering Dainik Jagran's strong presence in the rapidly growing Hindi markets, we expect JPL to benefit from an eventual recovery in the Indian economy. **Hence, we maintain a Buy rating on the stock with a target price of ₹225.**

Key Financials

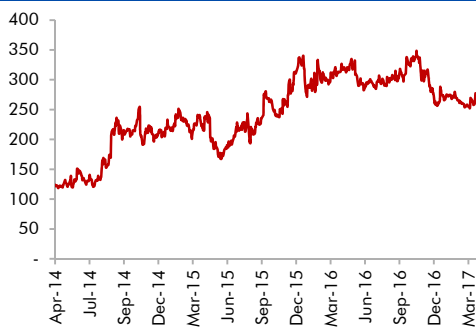
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	2,355	28.0	353	10.8	21.7	17.1	3.7	9.5	2.6
FY2018E	2,635	28.0	409	12.5	21.7	14.8	3.2	8.3	2.3

Source: Company, Angel Research

Stock Info

CMP	277
TP	344
Upside	24%
Sector	Media
Market Cap (₹ cr)	1,654
Beta	1.3
52 Week High / Low	360 / 250

3 year-Chart



Source: Company, Angel Research

Stock Info

CMP	195
TP	207
Upside	6%
Sector	Cable
Market Cap (₹ cr)	1,517
Beta	1.2
52 Week High / Low	199/ 95

3 year-Chart



Source: Company, Angel Research

TV Today Network

- TTNL enjoys a strong viewership ranking in the Hindi and English news channel categories. The company's Hindi news channel – Aaj Tak has maintained its market leadership position occupying the No.1 rank for several consecutive years in terms of viewership. Its English news channel - India Today too has been continuously gaining viewership; it has now captured the No. 2 ranking from No. 4 earlier. Its other channels like Dilli Aaj Tak and Tez are also popular among viewers.
- Out of the 7 radio stations, TTNL has sold off 4 (Jodhpur, Amritsar, Patiala and Shimla) for ₹4cr. The remaining 3 stations are in the process of getting sold off to ENIL but the sale will have to wait until concerns raised by the MIB are resolved. Going forward, we expect them to be sold off and this would prop up the company's profitability.
- We expect TTNL to report a net revenue CAGR of ~9% to ~₹743cr and net profit CAGR of ~7% to ₹108cr over FY2016-18E. **We have a Buy recommendation on the stock and target price of ₹344.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	567	26.7	92	15.4	17.4	18.0	2.7	8.9	2.5
FY2018E	645	27.0	108	18.1	15.2	15.3	2.3	7.4	2.1

Source: Company, Angel Research

KEI Industries

- Healthy order book indicates strong revenue visibility: KEI's current order book (OB) stands at ₹3,233cr (segmental break-up: ₹2,154cr in EPC, ₹667cr in Cable, ₹200cr in EHV, ₹49cr in Substation, rest in EPC L1 business). Its OB grew by ~28% in the last 3 years due to strong order inflows from State Electricity Boards, Power grid, etc.
- Strengthening distribution network and higher ad Spend to increase B2C business: KEI's consistent effort to increase its retail business from 30% of revenue in FY16 to 40-45% of revenue in the next 2-3 years on the back of strengthening distribution network (currently 926 which is expect to increase ₹1,500 by FY19) and higher ad spend (increased from ₹2cr in FY13 to ₹7cr in FY16 and expected to spend).
- Exports to continue its growth momentum: KEI's export (FY16 - 8% of revenue) is expected to reach a level of ~14-15% in next two years with higher order execution from current OB of ~₹180cr and participation in various international tenders worth ₹500cr. We expect a strong ~26% growth CAGR over FY2016-19 in exports. We expect KEI to report net revenue CAGR of ~14% to ~₹3,445cr and net profit CAGR of ~26% to ₹123cr over FY2016-19E. **Hence we have an accumulate rating on the stock.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	2,682	10.4	91	11.7	20.1	16.6	3.3	6.9	0.8
FY2018E	3,058	10.0	99	12.8	18.2	15.2	2.8	6.4	0.7

Source: Company, Angel Research

Stock Info

CMP	404
TP	522
Upside	29.2%
Sector	Real Estate
Market Cap (₹ cr)	1,657
Beta	0.8
52 Week High / Low	496 / 319

3 year-Chart



Source: Company, Angel Research

Mahindra Lifespace

- MLF has 13 projects under implementation across cities. MLF has exhibited fast completion of projects compared to others. Sales cycle in ~65% of projects is faster than execution cycle, contrary to industry trends. This fast execution and sales is optimal, as it helps MLF in revenue recognition, inventory cycle (better than Oberoi, DLF), cash flows and profitability.
- MLF as of 4QFY2016 is pursuing ~4.0mn sq. ft. of sale of the total ~15.0mn sq. ft. of saleable area. Having sold ~60% of ongoing projects, we expect MLF to launch ~2.8mn sq.ft. of saleable area in rational way during 4QFY2016-2QFY2018E, across 6 cities. Maturity at existing projects, new launches give better revenue visibility for medium-term. Further, MLF is sitting on land bank of 11.0mn sq.ft across 4 cities, which allay any concern over long-term revenue growth.
- With Real Estate Regulatory Bill closer to reality, MLF should be minimally impacted, given their strong parentage and ethically implemented processes. In the longer-term organized, professionally run, well funded players would enjoy strong trust due to their reliable and fast execution strategies. With improvement in company's fundamentals, strong earnings growth visibility and long-term growth outlook, at current valuations of 1.0x FY2017E P/BV, MLF looks attractive. **We maintain Buy on MLF with target price of ₹522.**

Key Financials

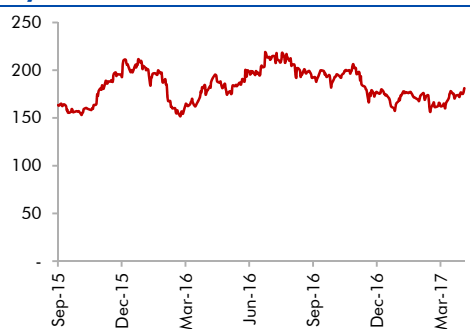
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,152	22.7	75	29.9	7.2	13.5	1.0	10.3	2.2
FY2018E	1,300	24.6	138	35.8	8.4	11.3	0.9	7.4	1.8

Source: Company, Angel Research

Stock Info

CMP	181
TP	265
Upside	46%
Sector	Logistics
Market Cap (₹ cr)	2,308
Beta	0.6
52 Week High / Low	224 / 155

3 year-Chart



Source: Company, Angel Research

Navkar

- NCL is one of the largest and one of the three CFS at JNPT with rail connectivity, helping it garner high market share at the port. NCL is in a massive expansion mode where it is increasing its capacity by 234% to 1,036,889 TEUs at JNPT and coming up with an ICD at Vapi (with Logistics Park).
- The ICD with rail link should benefit from first mover advantage in a region that has huge market potential and accounts for ~27% of volumes at JNPT. The ICD should be able to capture the EXIM volumes from the region through rail link that till now was being custom cleared at JNPT (Import) or being transported via road and consolidated at JNPT (Export). South Gujarat volumes will now head straight to the Vapi ICD; thus the company can now cater to bulk commodities and domestic traffic that it had been rejecting owing to capacity constraints at CFS.
- We expect NCL to successfully use its rail advantage and scale up its utilizations at both JNPT and Vapi ICD. **We have a Buy rating on the stock.**

Key Financials

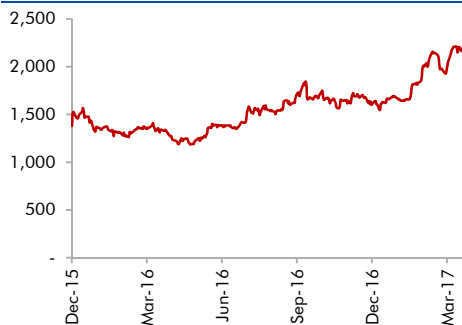
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	369	42.9	99	6.9	7.1	26.2	1.8	17.3	8.0
FY2018E	561	42.3	164	11.5	10.5	15.7	1.7	12.1	5.3

Source: Company, Angel Research

Stock Info

CMP	2,207
TP	2,311
Upside	4.70%
Sector	Pharma
Market Cap (₹ cr)	26,389
Beta	0.23
52 Week High / Low	2,238/ 1,175

3 year-Chart



Source: Company, Angel Research

Alkem Laboratories

- Alkem is 5th largest pharma company in the domestic market. It has presence in India, US and a few other countries. The 73% of its revenues come from the Indian markets while 20% come from the US and rest from the other countries. The company has leadership position in the anti infective segment in India and it is ranked as no. 3 in Gastro-Intestinal and Pain/Analgesics segments. Overall it holds 3.6% market share in the domestic formulations business and 7.9% share in overall prescriptions in country.
- In the domestic market, company operates in acute and chronic segments. It is a prominent player in acute segment but still an entrant in chronic segment. It has aggressively hired sales force in last three years to increase its sales from chronic segment. Alkem has a strong track record of growth in the domestic market which is likely to continue. In the US, company is focusing on monetization of its ANDA pipeline. As of December 2016, company has a pipeline of 77 ANDAs of which 35 are approved. Company expects to launch ~7-8 ANDAs each year and improve its filing rate as well. Overall US revenues are expected to grow at ~28% growth rate from FY17E-FY19E.
- Overall outlook remains strong with 18.2% CAGR in the topline and 23.4% CAGR in the bottom-line. **We have an Accumulate rating on the stock.**

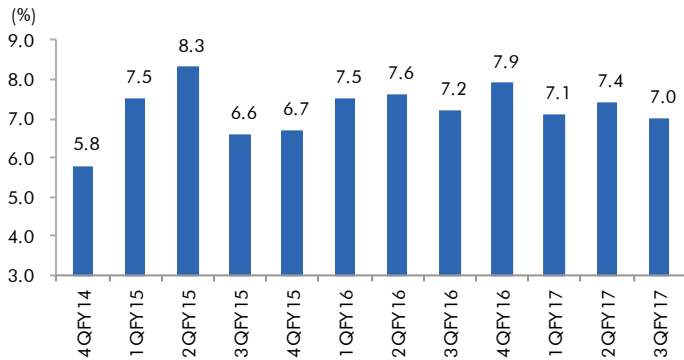
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	6,065	18.7	959	80.2	22.5	27.5	6.2	23.0	4.3
FY2018E	7,009	20.0	1,099	92.0	21.6	24.0	5.2	18.6	3.7

Source: Company, Angel Research

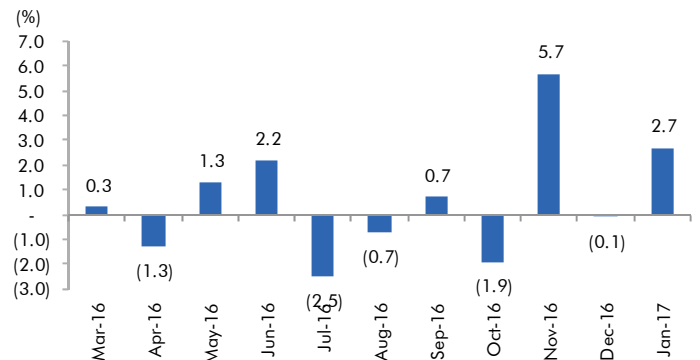
Macro watch

Exhibit 3: Quarterly GDP trends



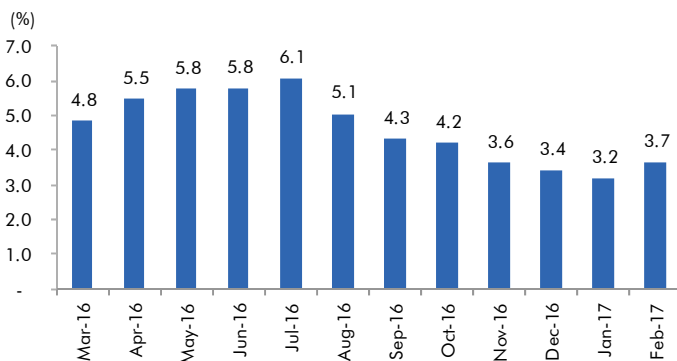
Source: CSO, Angel Research

Exhibit 4: IIP trends



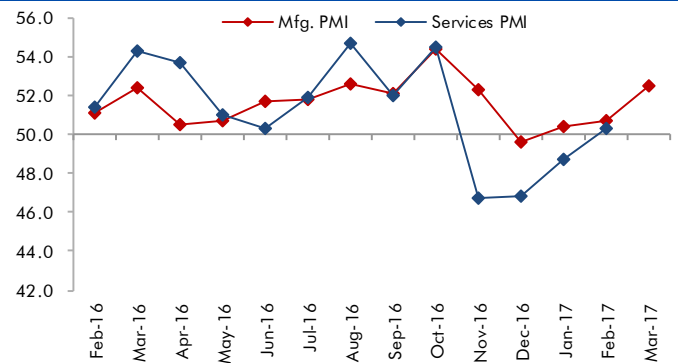
Source: MOSPI, Angel Research

Exhibit 5: Monthly CPI inflation trends



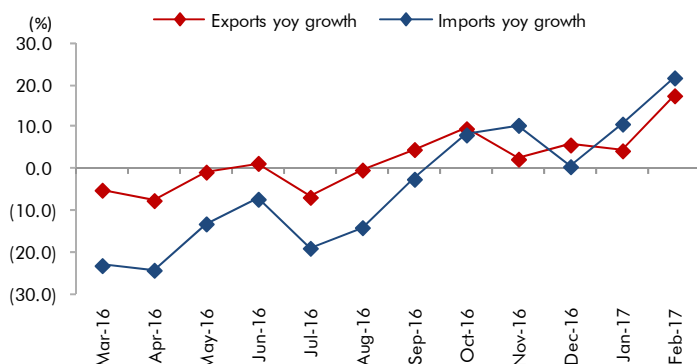
Source: MOSPI, Angel Research

Exhibit 6: Manufacturing and services PMI



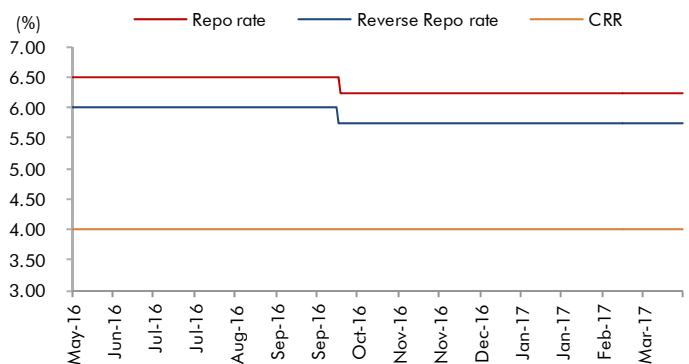
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 7: Exports and imports growth trends



Source: Bloomberg, Angel Research

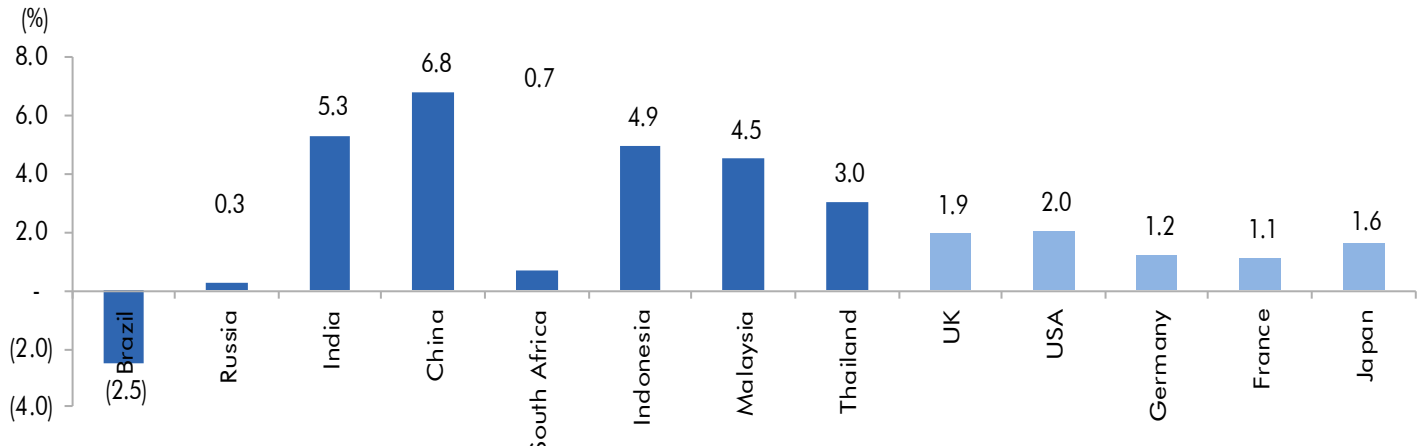
Exhibit 8: Key policy rates



Source: RBI, Angel Research

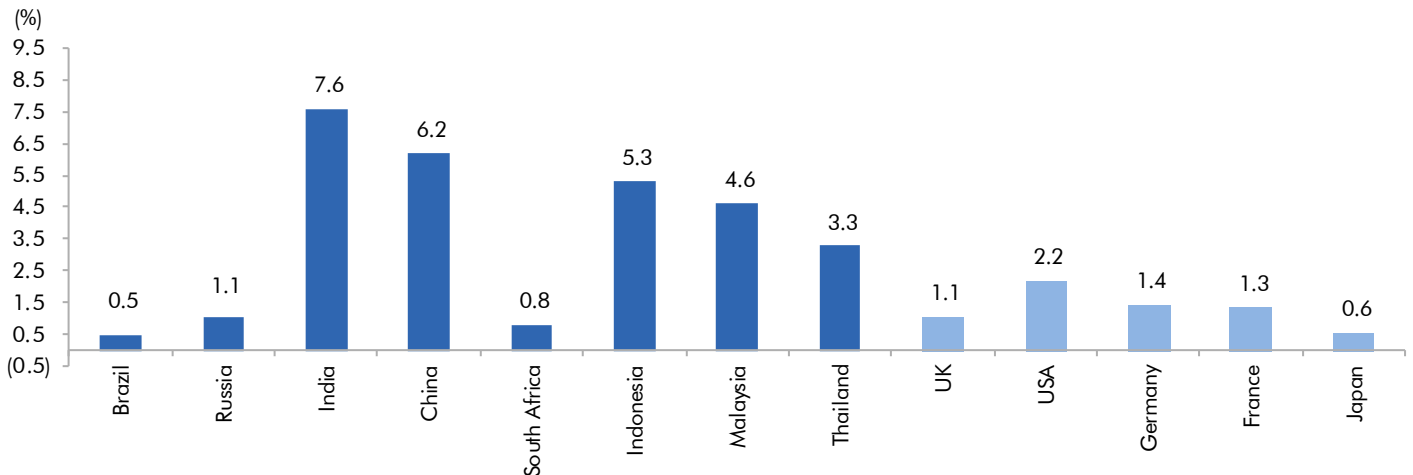
Global watch

Exhibit 8: Latest quarterly GDP Growth (% , yoy) across select developing and developed countries



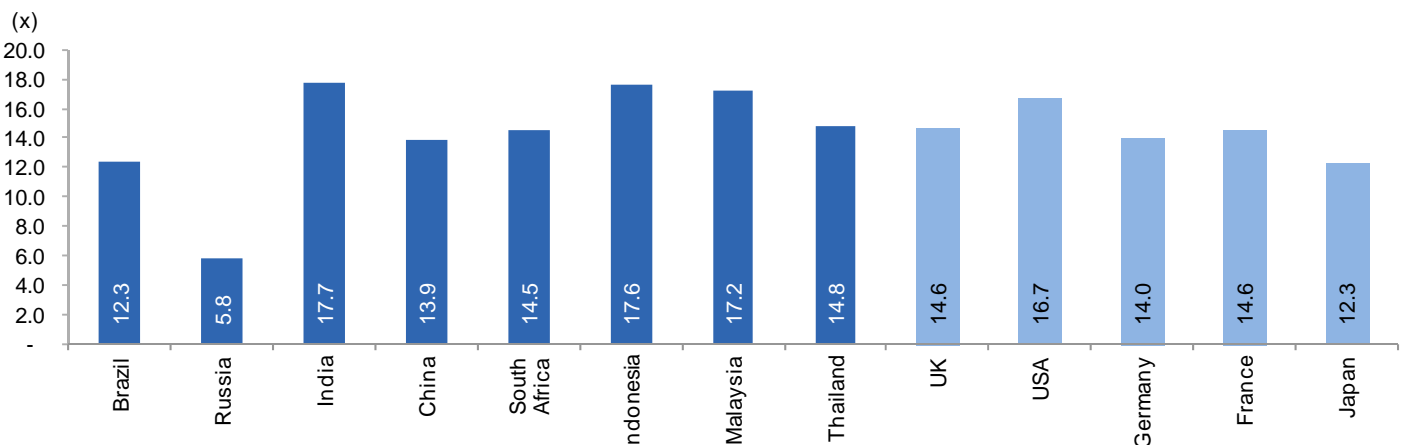
Source: Bloomberg, Angel Research

Exhibit 9: 2017 GDP Growth projection by IMF (% , yoy) across select developing and developed countries



Source: IMF, Angel Research

Exhibit 10: One year forward P-E ratio across select developing and developed countries



Source: IMF, Angel Research

Exhibit 11: Relative performance of indices across globe

Country	Name of index	Closing price	Returns (%)		
			1M	3M	1YR
Brazil	Bovespa	64,775	(2.4)	8.7	32.0
Russia	Micex	2,056	(0.0)	(10.0)	10.6
India	Nifty	9,265	4.1	13.2	19.8
China	Shanghai Composite	3,270	1.5	4.9	10.4
South Africa	Top 40	46,150	3.4	5.0	2.3
Mexico	Mexbol	49,208	3.8	6.7	9.9
Indonesia	LQ45	944	4.8	5.5	12.0
Malaysia	KLCI	1,745	1.0	6.3	1.6
Thailand	SET 50	1,000	2.5	2.0	10.2
USA	Dow Jones	20,648	(1.5)	3.9	17.7
UK	FTSE	7,332	(0.3)	1.9	18.3
Japan	Nikkei	18,861	(3.1)	(1.3)	10.1
Germany	DAX	12,218	2.2	5.5	21.0
France	CAC	5,092	2.4	3.9	13.0

Source: Bloomberg, Angel Research

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Agri / Agri Chemical																		
Rallis	Neutral	257	-	4,992	1,937	2,164	13.3	14.3	9.0	11.0	28.5	23.3	5.0	4.3	18.4	19.8	2.6	2.3
United Phosphorus	Neutral	732	-	37,104	15,176	17,604	18.5	18.5	37.4	44.6	19.6	16.4	3.8	3.2	21.4	21.2	2.6	2.2
Auto & Auto Ancillary																		
Amara Raja Batteries	Accumulate	896	1,009	15,307	5,305	6,100	16.0	16.3	28.4	34.0	31.6	26.4	6.1	5.1	19.3	19.3	2.9	2.5
Apollo Tyres	Accumulate	212	235	10,784	12,877	14,504	14.3	13.9	21.4	23.0	9.9	9.2	1.5	1.3	16.4	15.2	1.0	0.9
Ashok Leyland	Buy	85	111	24,176	20,021	21,915	11.6	11.9	4.5	5.3	18.9	16.0	3.8	3.4	20.6	21.5	1.1	1.0
Bajaj Auto	Neutral	2,761	-	79,886	25,093	27,891	19.5	19.2	143.9	162.5	19.2	17.0	5.4	4.6	30.3	29.3	2.9	2.5
Bharat Forge	Neutral	1,074	-	24,993	7,726	8,713	20.5	21.2	35.3	42.7	30.4	25.1	5.6	5.1	18.9	20.1	3.3	2.9
Ceat	Accumulate	1,337	1,450	5,410	7,524	8,624	13.0	12.7	131.1	144.3	10.2	9.3	1.9	1.6	19.8	18.6	0.8	0.7
Eicher Motors	Neutral	25,765	-	70,108	16,583	20,447	17.5	18.0	598.0	745.2	43.1	34.6	14.7	11.2	41.2	38.3	4.1	3.2
Exide Industries	Neutral	228	-	19,410	7,439	8,307	15.0	15.0	8.1	9.3	28.2	24.6	3.9	3.5	14.3	16.7	2.2	2.0
Gabriel India	Neutral	125	-	1,800	1,544	1,715	9.0	9.3	5.4	6.3	23.2	19.9	4.4	3.9	18.9	19.5	1.1	1.0
Hero Motocorp	Accumulate	3,196	3,446	63,830	28,083	30,096	15.3	15.7	171.8	187.0	18.6	17.1	6.5	5.5	30.1	27.9	2.1	1.9
Indag Rubber	Neutral	212	-	556	286	326	19.8	16.8	11.7	13.3	18.1	15.9	3.1	2.9	17.8	17.1	1.6	1.4
Jamna Auto Industries	Neutral	230	-	1,835	1,486	1,620	9.8	9.9	15.0	17.2	15.4	13.4	3.4	2.8	21.8	21.3	1.3	1.2
JK Tyres	Neutral	133	-	3,005	7,455	8,056	15.0	15.0	21.8	24.5	6.1	5.4	1.3	1.0	22.8	21.3	0.5	0.4
L G Balakrishnan & Bros	Neutral	633	-	994	1,302	1,432	11.6	11.9	43.7	53.0	14.5	11.9	2.0	1.9	13.8	14.2	0.9	0.8
Mahindra and Mahindra	Neutral	1,290	-	80,121	46,534	53,077	11.6	11.7	67.3	78.1	19.2	16.5	3.1	2.7	15.4	15.8	1.7	1.4
Maruti	Neutral	6,339	-	191,501	67,822	83,288	16.0	16.4	253.8	312.4	25.0	20.3	5.7	4.6	23.0	22.9	2.5	1.9
Minda Industries	Neutral	444	-	3,522	2,728	3,042	9.0	9.1	68.2	86.2	6.5	5.2	1.5	1.2	23.8	24.3	1.3	1.2
Motherson Sumi	Neutral	382	-	53,617	45,896	53,687	7.8	8.2	13.0	16.1	29.3	23.7	9.4	7.5	34.7	35.4	32.9	1.0
Rane Brake Lining	Neutral	1,031	-	816	511	562	11.3	11.5	28.1	30.9	36.7	33.3	5.6	5.1	15.3	15.0	1.7	1.6
Setco Automotive	Neutral	39	-	518	741	837	13.0	13.0	15.2	17.0	2.5	2.3	0.4	0.4	15.8	16.3	1.1	1.0
Subros	Neutral	225	-	1,352	1,488	1,681	11.7	11.9	6.4	7.2	35.2	31.4	3.7	3.4	10.8	11.4	1.1	1.0
Swaraj Engines	Neutral	1,435	-	1,782	660	810	15.2	16.4	54.5	72.8	26.3	19.7	8.2	7.4	31.5	39.2	2.5	2.0
Tata Motors	Neutral	474	-	136,730	300,209	338,549	8.9	8.4	42.7	54.2	11.1	8.7	1.8	1.5	15.6	17.2	0.6	0.5
TVS Motor	Neutral	450	-	21,400	13,390	15,948	6.9	7.1	12.8	16.5	35.3	27.2	8.8	7.0	26.3	27.2	1.6	1.3
Banking																		
Axis Bank	Accumulate	507	580	121,266	46,932	53,575	3.5	3.4	32.3	44.6	15.7	11.3	2.0	1.75	13.6	16.5	-	-
Bank of Baroda	Neutral	174	-	40,173	19,980	23,178	1.8	1.8	11.5	17.3	15.2	10.1	1.7	1.4	8.3	10.1	-	-
Canara Bank	Neutral	311	-	16,865	15,225	16,836	1.8	1.8	14.5	28.0	21.4	11.1	1.5	1.2	5.8	8.5	-	-
Can Fin Homes	Neutral	2,333	-	6,210	420	526	3.5	3.5	86.5	107.8	27.0	21.6	5.8	4.8	23.6	24.1	-	-
Cholamandalam Inv.	Buy	979	1,230	15,298	2,012	2,317	6.3	6.3	42.7	53.6	22.9	18.3	3.6	3.1	16.9	18.3	-	-
Dewan Housing Finance	Buy	385	460	12,050	2,225	2,688	2.9	2.9	29.7	34.6	13.0	11.1	2.1	1.4	16.1	14.8	-	-
Equitas Holdings	Buy	170	235	5,738	939	1,281	11.7	11.5	5.8	8.2	29.3	20.7	2.5	2.2	10.9	11.5	-	-
Federal Bank	Neutral	91	-	15,671	8,259	8,995	3.0	3.0	4.3	5.6	21.2	16.2	1.8	1.7	8.5	10.1	-	-
HDFC	Neutral	1,490	-	236,664	11,475	13,450	3.4	3.4	45.3	52.5	32.9	28.4	6.3	5.6	20.2	20.5	-	-
HDFC Bank	Neutral	1,433	-	367,315	46,097	55,433	4.5	4.5	58.4	68.0	24.5	21.1	4.3	3.60	18.8	18.6	-	-
ICICI Bank	Accumulate	285	315	165,908	42,800	44,686	3.1	3.3	18.0	21.9	15.8	13.0	2.1	2.0	11.1	12.3	-	-
Karur Vysya Bank	Buy	118	140	6,088	5,640	6,030	3.3	3.2	8.9	10.0	13.3	11.8	1.4	1.3	11.2	11.4	-	-

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Lakshmi Vilas Bank	Neutral	172	-	3,290	3,339	3,799	2.7	2.8	11.0	14.0	15.6	12.3	1.6	1.5	11.2	12.7	-	-
LIC Housing Finance	Neutral	624	-	31,501	3,712	4,293	2.6	2.5	39.0	46.0	16.0	13.6	3.0	2.6	19.9	20.1	-	-
Punjab Natl. Bank	Neutral	151	-	32,164	23,532	23,595	2.3	2.4	6.8	12.6	22.2	12.0	3.4	2.4	3.3	6.5	-	-
RBL Bank	Neutral	534	-	19,744	1,783	2,309	2.6	2.6	12.7	16.4	42.0	32.6	4.6	4.1	12.8	13.3	-	-
Repco Home Finance	Buy	720	825	4,503	388	457	4.5	4.2	30.0	38.0	24.0	18.9	4.0	3.4	18.0	19.2	-	-
South Ind. Bank	Neutral	22	-	3,885	6,435	7,578	2.5	2.5	2.7	3.1	8.0	7.0	1.0	0.9	10.1	11.2	-	-
St Bk of India	Neutral	297	-	236,574	88,650	98,335	2.6	2.6	13.5	18.8	22.0	15.8	2.1	1.8	7.0	8.5	-	-
Union Bank	Neutral	158	-	10,855	13,450	14,925	2.3	2.3	25.5	34.5	6.2	4.6	0.9	0.8	7.5	10.2	-	-
Yes Bank	Neutral	1,567	-	71,527	8,978	11,281	3.3	3.4	74.0	90.0	21.2	17.4	4.0	3.4	17.0	17.2	-	-
Capital Goods																		
ACE	Neutral	65	-	639	709	814	4.1	4.6	1.4	2.1	46.1	30.7	1.9	1.8	4.4	6.0	1.1	0.9
BEML	Neutral	1,363	-	5,675	3,451	4,055	6.3	9.2	31.4	57.9	43.4	23.5	2.6	2.4	6.3	10.9	1.8	1.5
BGR Energy	Neutral	150	-	1,082	16,567	33,848	6.0	5.6	7.8	5.9	19.2	25.4	1.1	1.1	4.7	4.2	0.2	0.1
Bharat Electronics	Neutral	161	-	36,040	8,137	9,169	16.8	17.2	58.7	62.5	2.7	2.6	0.4	0.4	44.6	46.3	3.4	3.1
BHEL	Neutral	171	-	41,903	28,797	34,742	-	2.8	2.3	6.9	74.4	24.8	1.3	1.2	1.3	4.8	1.1	0.8
Blue Star	Accumulate	695	760	6,646	4,283	5,077	5.9	7.3	14.9	22.1	46.7	31.4	9.1	7.6	20.4	26.4	1.6	1.3
CG Power and Ind. Sol.	Neutral	81	-	5,048	5,777	6,120	5.9	7.0	3.3	4.5	24.4	17.9	1.1	1.0	4.4	5.9	0.8	0.7
Greaves Cotton	Neutral	172	-	4,210	1,755	1,881	16.8	16.9	7.8	8.5	22.1	20.3	4.4	4.1	20.6	20.9	2.1	1.9
Inox Wind	Neutral	183	-	4,067	5,605	6,267	15.7	16.4	24.8	30.0	7.4	6.1	2.1	1.5	25.9	24.4	0.8	0.6
KEC International	Neutral	219	-	5,639	9,294	10,186	7.9	8.1	9.9	11.9	22.2	18.4	3.2	2.8	15.6	16.3	0.8	0.8
KEI Industries	Accumulate	195	207	1,517	2,682	3,058	10.4	10.0	11.7	12.8	16.6	15.2	3.3	2.8	20.1	18.2	0.8	0.7
Thermax	Neutral	987	-	11,764	5,421	5,940	7.3	7.3	25.7	30.2	38.4	32.7	4.6	4.2	12.2	13.1	2.0	1.9
VATech Wabag	Neutral	698	-	3,808	3,136	3,845	8.9	9.1	26.0	35.9	26.8	19.4	3.4	2.9	13.4	15.9	1.1	0.9
Voltas	Neutral	415	-	13,747	6,511	7,514	7.9	8.7	12.9	16.3	32.2	25.5	5.8	5.1	16.7	18.5	1.9	1.6
Cement																		
ACC	Neutral	1,467	-	27,540	11,225	13,172	13.2	16.9	44.5	75.5	33.0	19.4	3.1	2.9	11.2	14.2	2.5	2.1
Ambuja Cements	Neutral	239	-	47,387	9,350	10,979	18.2	22.5	5.8	9.5	41.1	25.1	3.5	3.1	10.2	12.5	5.1	4.3
India Cements	Neutral	163	-	5,004	4,364	4,997	18.5	19.2	7.9	11.3	20.6	14.4	1.5	1.4	8.0	8.5	1.9	1.7
JK Cement	Neutral	935	-	6,538	4,398	5,173	15.5	17.5	31.2	55.5	30.0	16.8	3.6	3.1	12.0	15.5	2.0	1.7
J K Lakshmi Cement	Neutral	458	-	5,387	2,913	3,412	14.5	19.5	7.5	22.5	61.0	20.3	3.8	3.2	12.5	18.0	2.4	2.0
Orient Cement	Neutral	146	-	2,985	2,114	2,558	18.5	20.5	8.1	11.3	18.0	12.9	2.6	2.2	9.0	14.0	2.0	1.6
UltraTech Cement	Neutral	4,071	-	111,737	25,768	30,385	21.0	23.5	111.0	160.0	36.7	25.4	4.7	4.1	13.5	15.8	4.4	3.7
Construction																		
Engineers India	Neutral	151	-	10,149	1,725	1,935	16.0	19.1	11.4	13.9	13.2	10.8	1.8	1.8	13.4	15.3	4.8	4.3
Gujarat Pipavav Port	Neutral	172	-	8,298	705	788	52.2	51.7	5.0	5.6	34.3	30.7	3.4	3.0	11.2	11.2	11.4	9.7
ITNL	Neutral	113	-	3,712	8,946	10,017	31.0	31.6	8.1	9.1	13.9	12.4	0.5	0.5	4.2	5.0	3.7	3.5
KNR Constructions	Neutral	202	-	2,836	1,385	1,673	14.7	14.0	41.2	48.5	4.9	4.2	0.9	0.8	14.9	15.2	2.1	1.8
Larsen & Toubro	Neutral	1,697	-	158,310	111,017	124,908	11.0	11.0	61.1	66.7	27.8	25.4	3.3	3.1	13.1	12.9	2.5	2.3
MEP Infra	Neutral	59	-	962	1,877	1,943	30.6	29.8	3.0	4.2	19.7	14.1	9.5	6.4	0.6	0.6	1.9	1.7
Nagarjuna Const.	Neutral	87	-	4,845	8,842	9,775	9.1	8.8	5.3	6.4	16.4	13.6	1.3	1.2	8.2	9.1	0.7	0.6

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
NBCC	Neutral	172	-	15,471	7,428	9,549	7.9	8.6	8.2	11.0	21.0	15.6	1.0	0.8	28.2	28.7	1.8	1.3
PNC Infratech	Accumulate	128	143	3,275	2,350	2,904	13.1	13.2	9.0	8.8	14.2	14.5	0.5	0.5	15.9	13.9	1.5	1.2
Power Mech Projects	Neutral	550	-	809	1,801	2,219	12.7	14.6	72.1	113.9	7.6	4.8	1.4	1.2	16.8	11.9	0.4	0.3
Sadbhav Engineering	Neutral	309	-	5,295	3,598	4,140	10.3	10.6	9.0	11.9	34.3	25.9	3.6	3.1	9.9	11.9	1.8	1.5
Simplex Infra	Neutral	318	-	1,575	6,829	7,954	10.5	10.5	31.4	37.4	10.1	8.5	1.1	1.0	9.9	13.4	0.7	0.6
SIPL	Neutral	99	-	3,496	1,036	1,252	65.5	66.2	(8.4)	(5.6)	-	-	3.7	4.2	(22.8)	(15.9)	11.6	9.6
FMCG																		
Akzo Nobel India	Neutral	1,931	-	9,260	2,955	3,309	13.3	13.7	57.2	69.3	33.8	27.9	11.0	9.3	32.7	33.3	2.9	2.6
Asian Paints	Neutral	1,080	-	103,637	17,128	18,978	16.8	16.4	19.1	20.7	56.6	52.2	19.7	18.6	34.8	35.5	6.0	5.4
Britannia	Accumulate	3,372	3,626	40,458	9,594	11,011	14.6	14.9	80.3	94.0	42.0	35.9	17.3	13.3	41.2	-	4.1	3.5
Colgate	Neutral	1,001	-	27,219	4,605	5,149	23.4	23.4	23.8	26.9	42.0	37.2	23.3	18.2	64.8	66.8	5.8	5.2
Dabur India	Accumulate	284	304	49,974	8,315	9,405	19.8	20.7	8.1	9.2	35.0	30.8	9.7	8.1	31.6	31.0	5.7	5.0
GlaxoSmith Con*	Neutral	5,181	-	21,788	4,350	4,823	21.2	21.4	179.2	196.5	28.9	26.4	7.7	6.5	27.1	26.8	4.4	3.9
Godrej Consumer	Neutral	1,701	-	57,948	10,235	11,428	18.4	18.6	41.1	44.2	41.4	38.5	9.2	7.7	24.9	24.8	5.7	5.1
HUL	Neutral	935	-	202,432	35,252	38,495	17.8	17.8	20.6	22.4	45.3	41.8	43.3	37.1	95.6	88.9	5.6	5.1
ITC	Neutral	279	-	338,851	40,059	44,439	38.3	39.2	9.0	10.1	31.1	27.5	8.7	7.6	27.8	27.5	8.0	7.2
Marico	Neutral	298	-	38,460	6,430	7,349	18.8	19.5	6.4	7.7	46.6	38.7	14.1	11.8	33.2	32.5	5.8	5.0
Nestle*	Neutral	6,622	-	63,847	10,073	11,807	20.7	21.5	124.8	154.2	53.1	42.9	21.8	19.6	34.8	36.7	6.1	5.2
Tata Global	Neutral	153	-	9,634	8,675	9,088	9.8	9.8	7.4	8.2	20.6	18.6	1.6	1.5	7.9	8.1	1.0	1.0
Procter & Gamble	Neutral	7,415	-	24,068	2,939	3,342	23.2	23.0	146.2	163.7	50.7	45.3	12.8	10.7	25.3	23.5	7.7	6.7
IT																		
HCL Tech ^	Buy	853	1,000	120,377	49,242	57,168	20.5	20.5	55.7	64.1	15.3	13.3	3.1	2.4	20.3	17.9	2.3	1.9
Infosys	Buy	995	1,249	228,638	68,350	77,326	27.0	27.0	62.5	69.4	15.9	14.3	3.4	3.1	21.3	21.6	2.8	2.4
TCS	Accumulate	2,403	2,700	473,464	119,025	133,308	27.6	27.6	131.2	145.5	18.3	16.5	5.9	5.5	32.4	33.1	3.8	3.3
Tech Mahindra	Buy	447	600	43,503	29,673	32,937	15.5	17.0	32.8	39.9	13.6	11.2	2.7	2.3	19.6	20.7	1.2	1.0
Wipro	Accumulate	511	583	124,109	55,440	60,430	18.1	18.1	36.1	38.9	14.1	13.1	2.5	2.3	19.0	17.6	2.0	1.7
Media																		
D B Corp	Neutral	391	-	7,184	2,297	2,590	27.4	28.2	21.0	23.4	18.6	16.7	4.3	3.8	23.7	23.1	2.9	2.5
Hindustan Media Ven.	Neutral	288	-	2,115	1,016	1,138	24.3	25.2	27.3	30.1	10.6	9.6	2.0	1.8	16.2	15.8	1.4	1.2
HT Media	Neutral	85	-	1,985	2,693	2,991	12.6	12.9	7.9	9.0	10.8	9.5	0.9	0.8	7.8	8.3	0.3	0.2
Jagran Prakashan	Buy	185	225	6,033	2,355	2,635	28.0	28.0	10.8	12.5	17.1	14.8	3.7	3.2	21.7	21.7	2.6	2.3
Sun TV Network	Neutral	796	-	31,365	2,850	3,265	70.1	71.0	26.2	30.4	30.4	26.2	7.8	6.9	24.3	25.6	10.6	9.1
TV Today Network	Buy	277	344	1,654	567	645	26.7	27.0	15.4	18.1	18.0	15.3	2.7	2.3	14.9	15.2	2.5	2.1
Metal																		
Coal India	Neutral	290	-	180,015	84,638	94,297	21.4	22.3	24.5	27.1	11.8	10.7	4.9	4.7	42.6	46.0	1.6	1.5
Hind. Zinc	Neutral	291	-	123,126	14,252	18,465	55.9	48.3	15.8	21.5	18.4	13.6	3.0	2.6	17.0	20.7	8.6	6.7
Hindalco	Neutral	198	-	44,461	107,899	112,095	7.4	8.2	9.2	13.0	21.5	15.2	1.0	1.0	4.8	6.6	0.9	0.9
JSW Steel	Neutral	195	-	47,220	53,201	58,779	16.1	16.2	130.6	153.7	1.5	1.3	0.2	0.2	14.0	14.4	1.6	1.4
NMDC	Neutral	136	-	43,045	6,643	7,284	44.4	47.7	7.1	7.7	19.2	17.7	1.7	1.6	8.8	9.2	4.2	3.8
SAIL	Neutral	65	-	27,031	47,528	53,738	(0.7)	2.1	(1.9)	2.6	-	25.2	0.7	0.7	(1.6)	3.9	1.4	1.3
Tata Steel	Neutral	493	-	47,915	121,374	121,856	7.2	8.4	18.6	34.3	26.5	14.4	1.7	1.5	6.1	10.1	1.0	1.0
Vedanta	Neutral	273	-	80,832	71,744	81,944	19.2	21.7	13.4	20.1	20.3	13.6	1.7	1.6	8.4	11.3	1.5	1.2

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Oil & Gas																		
Cairn India	Neutral	303	-	56,858	9,127	10,632	4.3	20.6	8.8	11.7	34.4	25.9	1.1	1.1	3.3	4.2	7.7	6.4
GAIL	Neutral	383	-	64,692	56,220	65,198	9.3	10.1	27.1	33.3	14.1	11.5	1.3	1.2	9.3	10.7	1.3	1.1
Indian Oil Corp	Neutral	381	-	185,180	373,359	428,656	5.9	5.5	54.0	59.3	7.1	6.4	1.1	1.0	16.0	15.6	0.6	0.6
ONGC	Neutral	186	-	239,019	137,222	152,563	15.0	21.8	19.5	24.1	9.6	7.7	0.8	0.8	8.5	10.1	2.0	1.8
Reliance Industries	Neutral	1,415	-	460,023	301,963	358,039	12.1	12.6	87.7	101.7	16.1	13.9	1.7	1.5	10.7	11.3	2.0	1.7
Pharmaceuticals																		
Alembic Pharma	Accumulate	625	689	11,786	3,483	4,244	20.2	21.4	24.3	33.6	25.7	18.6	5.9	4.7	25.5	25.3	3.3	2.6
Alkem Laboratories Ltd	Accumulate	2,208	2,311	26,399	6,065	7,009	18.7	20.0	80.2	92.0	27.5	24.0	6.2	5.2	22.5	21.6	4.3	3.7
Aurobindo Pharma	Buy	678	877	39,710	15,720	18,078	23.7	23.7	41.4	47.3	16.4	14.3	4.3	3.3	29.6	26.1	2.7	2.4
Aventis*	Neutral	4,755	-	10,951	2,277	2,597	16.6	17.4	128.9	157.0	36.9	30.3	6.3	4.8	21.6	26.4	4.6	3.8
Cadila Healthcare	Neutral	449	-	45,925	10,429	12,318	17.7	21.6	13.1	19.2	34.2	23.4	7.2	5.7	22.8	27.1	4.4	3.7
Cipla	Sell	593	465	47,679	15,378	18,089	15.7	16.8	19.3	24.5	30.7	24.2	3.6	3.2	12.3	13.9	3.3	2.7
Dr Reddy's	Neutral	2,736	-	45,331	16,043	18,119	18.0	23.0	78.6	130.9	34.8	20.9	3.4	3.0	10.1	15.2	2.6	2.5
Dishman Pharma	Sell	333	143	5,378	1,718	1,890	22.7	22.8	9.5	11.3	35.1	29.5	3.4	3.1	10.1	10.9	3.6	3.2
GSK Pharma*	Neutral	2,738	-	23,195	2,800	3,290	10.2	20.6	32.2	60.3	85.0	45.4	15.7	15.6	17.2	34.5	8.1	6.9
Indoco Remedies	Neutral	243	-	2,242	1,112	1,289	16.2	18.2	11.6	16.0	21.0	15.2	3.4	2.8	17.0	20.1	2.1	1.8
Ipca labs	Neutral	647	-	8,165	3,258	3,747	12.8	15.3	12.1	19.2	53.5	33.7	3.3	3.1	6.4	9.5	2.6	2.3
Lupin	Buy	1,453	1,809	65,610	15,912	18,644	26.4	26.7	58.1	69.3	25.0	21.0	4.9	4.0	21.4	20.9	4.2	3.4
Sun Pharma	Buy	691	847	165,715	31,129	35,258	32.0	32.9	30.2	35.3	22.9	19.6	3.7	3.1	20.0	20.1	4.9	4.1
Power																		
NTPC	Neutral	166	-	137,205	86,605	95,545	17.5	20.8	11.8	13.4	14.1	12.4	1.4	1.3	10.5	11.1	2.9	2.9
Power Grid	Accumulate	195	223	101,885	25,315	29,193	88.2	88.7	14.2	17.2	13.8	11.3	2.1	1.8	15.2	16.1	8.7	7.8
Tata Power	Neutral	88	-	23,856	36,916	39,557	17.4	27.1	5.1	6.3	17.3	14.0	1.5	1.4	9.0	10.3	1.7	1.5
Real Estate																		
MLIFE	Buy	404	522	1,657	1,152	1,300	22.7	24.6	29.9	35.8	13.5	11.3	1.0	0.9	7.6	8.6	2.2	1.8
Prestige Estate	Neutral	224	-	8,383	4,707	5,105	25.2	26.0	10.3	13.0	21.7	17.2	1.7	1.6	10.3	10.2	2.9	2.6
Telecom																		
Bharti Airtel	Neutral	345	-	137,750	105,086	114,808	34.5	34.7	12.2	16.4	28.2	21.0	1.9	1.8	6.8	8.4	2.2	1.9
Idea Cellular	Neutral	88	-	31,601	40,133	43,731	37.2	37.1	6.4	6.5	13.7	13.5	1.1	1.1	8.2	7.6	1.8	1.5
Others																		
Abbott India	Neutral	4,771	-	10,138	3,153	3,583	14.1	14.4	152.2	182.7	31.3	26.1	153.9	131.4	25.6	26.1	2.9	2.5
Asian Granito	Accumulate	370	390	1,112	1,060	1,169	12.2	12.5	12.7	15.9	29.2	23.3	2.8	2.5	9.5	10.6	1.3	1.2
Bajaj Electricals	Accumulate	348	395	3,525	4,801	5,351	5.7	6.2	10.4	13.7	33.4	25.4	4.1	3.7	12.4	14.5	0.7	0.7
Banco Products (India)	Neutral	227	-	1,626	1,353	1,471	12.3	12.4	14.5	16.3	15.7	13.9	21.7	19.5	14.5	14.6	1.1	1.0
Coffee Day Enterprises	Neutral	233	-	4,799	2,964	3,260	20.5	21.2	4.7	8.0	-	29.1	2.7	2.5	5.5	8.5	2.0	1.8
Competent Automobiles	Neutral	190	-	117	1,137	1,256	3.1	2.7	28.0	23.6	6.8	8.1	36.5	33.0	14.3	11.5	0.1	0.1
Elecon Engineering	Neutral	58	-	648	1,482	1,660	13.7	14.5	3.9	5.8	14.8	10.0	3.5	3.2	7.8	10.9	0.8	0.7
Finolex Cables	Neutral	546	-	8,350	2,883	3,115	12.0	12.1	14.2	18.6	38.4	29.4	20.4	17.9	15.8	14.6	2.6	2.3

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Garware Wall Ropes	Neutral	730	-	1,597	863	928	15.1	15.2	36.4	39.4	20.0	18.5	3.6	3.1	17.5	15.9	1.8	1.6
Goodyear India*	Neutral	876	-	2,021	1,598	1,704	10.4	10.2	49.4	52.6	17.7	16.7	81.9	71.8	18.2	17.0	0.9	0.8
Hitachi	Neutral	1,820	-	4,947	2,081	2,433	8.8	8.9	33.4	39.9	54.5	45.6	43.9	36.6	22.1	21.4	2.4	2.0
HSIL	Neutral	349	-	2,524	2,384	2,515	15.8	16.3	15.3	19.4	22.8	18.0	22.7	19.5	7.8	9.3	1.2	1.1
Interglobe Aviation	Neutral	1,044	-	37,746	21,122	26,005	14.5	27.6	110.7	132.1	9.4	7.9	56.4	40.3	168.5	201.1	1.8	1.4
Jyothy Laboratories	Neutral	342	-	6,204	1,440	2,052	11.5	13.0	8.5	10.0	40.2	34.2	9.7	9.0	18.6	19.3	4.6	3.2
Kirloskar Engines India	Neutral	390	-	5,633	2,554	2,800	9.9	10.0	10.5	12.1	37.1	32.2	15.5	14.6	10.7	11.7	1.8	1.6
Linc Pen & Plastics	Neutral	293	-	433	382	420	9.3	9.5	13.5	15.7	21.7	18.6	3.7	3.2	17.1	17.3	1.2	1.1
M M Forgings	Neutral	555	-	670	546	608	20.4	20.7	41.3	48.7	13.5	11.4	76.0	67.3	16.6	17.0	1.1	1.0
Manpasand Bever.	Neutral	714	-	4,085	836	1,087	19.6	19.4	16.9	23.8	42.3	30.0	5.1	4.4	12.0	14.8	4.6	3.5
Mirza International	Buy	89	107	1,072	963	1,069	17.2	18.0	6.1	7.5	14.5	11.9	2.2	1.9	15.0	15.7	1.3	1.2
MT Educare	Neutral	87	-	345	366	417	17.7	18.2	9.4	10.8	9.2	8.0	2.1	1.8	22.2	22.3	0.8	0.7
Narayana Hrudaya	Neutral	321	-	6,569	1,873	2,166	11.5	11.7	2.6	4.0	121.5	81.1	7.5	6.7	6.1	8.3	3.6	3.1
Navin Fluorine	Accumulate	3,182	3,650	3,116	789	945	21.1	22.4	120.1	143.4	26.5	22.2	4.3	3.7	17.8	18.5	3.9	3.2
Navkar Corporation	Buy	181	265	2,581	369	561	42.9	42.3	6.9	11.5	26.2	15.7	1.8	1.6	7.3	10.5	8.0	5.3
Navneet Education	Neutral	168	-	3,913	1,062	1,147	24.0	24.0	6.1	6.6	27.5	25.3	5.7	5.0	20.5	19.8	3.8	3.5
Nilkamal	Neutral	2,085	-	3,112	1,995	2,165	10.7	10.4	69.8	80.6	29.9	25.9	119.2	103.5	16.6	16.5	1.6	1.4
Page Industries	Neutral	14,596	-	16,280	2,450	3,124	20.1	17.6	299.0	310.0	48.8	47.1	325.1	248.2	47.1	87.5	6.7	5.3
Parag Milk Foods	Neutral	242	-	2,039	1,919	2,231	9.3	9.6	9.4	12.9	25.7	18.7	4.0	3.3	15.5	17.5	1.2	1.0
Quick Heal	Neutral	251	-	1,756	408	495	27.3	27.0	7.7	8.8	32.4	28.5	3.0	3.0	9.3	10.6	3.4	2.9
Radico Khaitan	Accumulate	130	147	1,726	1,667	1,824	13.0	13.2	6.6	8.2	19.5	15.8	1.8	1.6	9.0	10.2	1.4	1.3
Relaxo Footwears	Neutral	497	-	5,965	2,085	2,469	9.2	8.2	7.6	7.9	65.7	62.5	25.5	21.7	17.9	18.8	2.9	2.5
S H Kelkar & Co.	Neutral	298	-	4,304	1,036	1,160	15.1	15.0	6.1	7.2	48.7	41.5	5.2	4.8	10.7	11.5	4.0	3.6
Siyaram Silk Mills	Accumulate	1,700	1,872	1,594	1,652	1,857	11.6	11.7	92.4	110.1	18.4	15.4	2.7	2.3	14.7	15.2	1.2	1.0
Styrolution ABS India*	Neutral	713	-	1,253	1,440	1,537	9.2	9.0	40.6	42.6	17.5	16.7	44.8	40.7	12.3	11.6	0.8	0.7
Surya Roshni	Neutral	213	-	932	3,342	3,625	7.8	7.5	17.3	19.8	12.3	10.8	23.4	18.8	10.5	10.8	0.5	0.5
Team Lease Serv.	Neutral	1,004	-	1,717	3,229	4,001	1.5	1.8	22.8	32.8	44.1	30.6	4.7	4.1	10.7	13.4	0.4	0.3
The Byke Hospitality	Neutral	184	-	737	287	384	20.5	20.5	7.6	10.7	24.2	17.2	5.1	4.1	20.7	23.5	2.6	1.9
Transport Corp. of India	Neutral	239	-	1,827	2,671	2,911	8.5	8.8	13.9	15.7	17.2	15.2	2.4	2.1	13.7	13.8	0.8	0.7
TVS Srichakra	Neutral	3,522	-	2,697	2,304	2,614	13.7	13.8	231.1	266.6	15.2	13.2	395.7	311.6	33.9	29.3	1.2	1.0
UFO Moviez	Neutral	443	-	1,222	619	685	33.2	33.4	30.0	34.9	14.8	12.7	2.0	1.8	13.8	13.9	1.7	1.3
VIP Industries	Neutral	215	-	3,045	1,270	1,450	10.4	10.4	5.6	6.5	38.5	33.1	8.0	7.0	20.7	21.1	2.4	2.1
Visaka Industries	Neutral	324	-	514	1,051	1,138	10.3	10.4	21.0	23.1	15.4	14.0	41.5	38.9	9.0	9.2	0.7	0.7
VRL Logistics	Neutral	343	-	3,126	1,902	2,119	16.7	16.6	14.6	16.8	23.5	20.4	5.2	4.5	21.9	22.2	1.8	1.5

Source: Company, Angel Research, Note: *December year end; *September year end; *October year end; ^ June year end; Price as of April 5, 2017

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Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)



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