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TOP PICKS REPORT
DECEMBER 2016

Top Picks

Company	CMP (₹)	TP (₹)
Banking/NBFC		
Dewan Housing	257	350
Equitas Holdings	161	235
Consumption		
Amara Raja	940	1,167
Asian Granito	222	351
Bajaj Electricals	223	274
Blue Star	491	634
Mirza International	81	107
Siyaram Silk Mills	1,250	1,605
IT		
HCL Tech	803	1,000
Infosys	975	1,249
Media		
Jagran Prakashan	176	225
TV Today	315	385
Real Estate/Infra/Logistics/Power		
Larsen & Toubro	1383	1634
Mahindra Lifespace	377	522
Navkar Corp.	175	265
Powr Grid Corporation	192	223
Pharma		
Alkem Lab.	1,700	1,989
Lupin	1,503	1,809

Source: Angel Research;
Note: CMP as of Nov 30, 2016

Demonetization offers long term gains

Indian markets corrected sharply in November as demonetization coupled with outcome of US presidential election created a huge volatility in the markets. Demonetization has been the boldest reform of the current government which has a potential to bring structural long term benefits in the economy, while causing pain in the short term. By far, this looks like the one of the biggest reforms in recent years. Due to extraordinary cash crunch in the country, consumption has taken a huge beating. This in our opinion is short term in the nature as consumers are buying only essential items to save cash and as liquidity eases, consumption is likely to resume. This implies that demonetization has temporarily slowed the economy and growth is likely to return in H2FY2018E with spurt in consumption.

We also opine that despite unavoidable short term pain, demonetization offers several long term benefits like higher tax compliance, lower inflation, improved transparency, etc. which will have positive impact on economy.

Spending impacted in near term…

In the short term, demonetization looks negative for the economy as it impacts spending ability of the consumers. This means that cash dependent sectors would be impacted the most in the near term. We believe that demonetization would have short to medium term negative impact on sectors like Jewellery and Real Estate sectors due to involvement of black money in transactions. We also believe that recovery is likely to start from mid FY2018E in consumption sectors as consumers realign their preferences. Overall unorganized segment of the economy would be most hit as most small businesses are hugely dependent on cash for daily transactions.

Owing to the temporary slump in demand, corporate earnings are likely to show negative impact of demonetization in H2FY2017E. Some spillover can be expected in H1FY2018E, however from H2FY2018E onwards, consumption is likely to pick-up with ease in liquidity and realignment of consumer preferences. With ~6% decline in the broader indices after demonetization, markets are likely to have priced in the negative impact of demonetization; and as dust settles, markets will track positive impact of the demonetization.

…Benefits in long term

Demonetization is an extraordinary measure to curb black money and corruption in the country. This is expected to reduce the size of the parallel economy which is believed to be about 1/4th of the GDP. With the demonization, a significant of this unaccounted cash will return to the banking system. As of 29th November, 2016, ₹8.44trillion of banned currency has returned to the banking system giving a huge boost to the bank deposits.

Demonetization is going to benefit the economy in multiple ways:

Higher tax revenues to increase public expenditure…: With increased vigilance, government is likely to receive huge tax revenues this year. Also with better tax compliance, we believe that tax revenues are likely to be better than previous years going ahead. This opens up a room for the government to increase spending on infrastructure, agriculture, defense, rural sector, etc. This will benefit the economy

in terms of revival of capex cycle and new job creation leading to have a multiplier effect on the economy.

…and increase tax benefits: With huge tax revenue collected, government can also pass on the benefits in form of direct and indirect tax. An increase in tax exemption limits or reduction in indirect taxes will leave consumers with surplus cash for discretionary spending. This will also help in reviving the consumption in the economy.

Easing inflation and availability of low cost funds creates room to cut interest rate: As the consumer demand is expected to remain weak in near term; inflation is likely to ease further. This month alone, G-Sec bond yield has declined by ~60bps indicating expectation of aggressive rate cuts by RBI going ahead. Besides, due to demonetization, banks have received huge amount of low cost funds, which should also enable them to bring down the interest rates. With this kind of liquidity, bank will be able to transmit a rate cut to the borrowers efficiently. This will also help to revive consumption demand in the country.

Exhibit 1: G-sec bond yield has corrected sharply in November
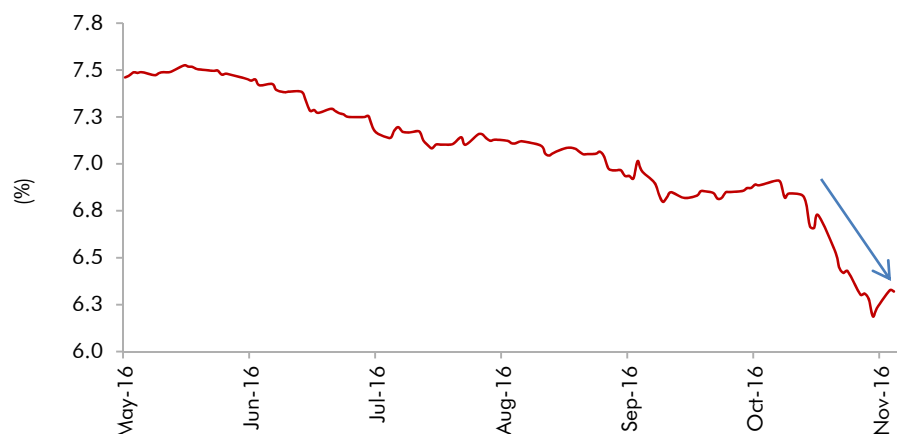
Source: Angel Research

Organized players to benefit with acceleration in shift from unorganized to organized segment: While demonetization is expected to impact all sectors with varying degree, the unorganized players will be impacted the most. Unorganized segment depends heavily on the cash transactions and together with demonetization and forthcoming GST, they will suddenly have to become tax compliant. This will lead to diminish their low price advantage making branded products more attractive. This is directly going to benefit organized players in terms of gains in the market share.

Improvement in transparency: Demonetization is also expected to derive some intangible benefits in the economy by increasing transparency in transactions. This will lead to improve our ranking in ease of doing business. With this, India will continue to remain an attractive destination for foreign investors attracting foreign investments in form of FDI and FII.

Demonetization priced in, buy quality large caps

Overall we believe that that demonetization is a shot in the arm for the economy in the long term as it improves our fundamentals. As liquidity eases, incrementally pain will also wane out.

Consumption story is likely to pick up with easing rates while with higher expenditure by government on infrastructure projects, capex cycle will see revival. Lower interest rates would make sure that high debt quality companies derive the benefit of lower rates and demonetization and GST will make sure that organized players are benefitted the most. This in medium to long term looks good for the stock markets which offer a good stock picking opportunity at the moment.

On this backdrop, we are adding L&T and Powergrid Corporation (government spending and lower interest rates) and Lupin and Alkem (no impact of demonetization). We also retain IT stocks given demonetization does not impact their business and rupee depreciation is likely to be positive for exports. We also expect pick up in the consumption in H2FY2018E and believe that correction in the consumption stocks should be used to accumulate quality companies.

Top Picks

Stock Info

CMP	257
TP	350
Upside	36.20%
Sector	Financials
Market Cap (₹ cr)	8,029
Beta	1.6
52 Week High / Low	337 / 141

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%.

- **Seasoned and granular loan book with stable asset quality:** Individual borrowers account for 72%, while the high yielding loan against property (LAP) +SME and projects loans account for 19% and 9% of advances respectively. Despite strong loan growth, the GNPAs and NNPAs are likely to be at ~1.17% and 0.82%, respectively, for FY2017. We don't expect any major deterioration in the asset quality going ahead.

- **Lower cost of funds will help maintain NIM:** Nearly 70% of the bank borrowings are due for maturity over the next three years and recently DHFL was able to raise large sum ~ Rs14, 000 cr via NCDs at a competitive rates and this should help maintain its NIM at ~2.9%.

- **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 1.2x FY2018E ABV. **We have a Buy stand on the stock, with a target price of ₹350.**

Key Financials

Y/E March	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
FY2017E	2,225	2.9	879	29.7	187.8	1.2	16.1	8.7	1.4
FY2018E	2,688	2.9	1,111	34.6	216.4	1.2	16.8	7.4	1.2

Source: Company, Angel Research

Stock Info

CMP	161
TP	235
Upside	46%
Sector	Financials
Market Cap (₹ cr)	5,388
Beta	0.9
52 Week High / Low	206 / 134

3 year-Chart

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. Sizeable and diversified loan book will keep it ahead of other upcoming SFBs.

- **Asset quality and return ratios are likely to remain stable:** Equitas will have to maintain CRR & SLR going ahead; hence yield on total assets is likely to come down. However, as a bank it will be able to raise deposits and hence there will be reduction in cost of funds. As a result, spreads may not decline much which in turn will help in maintaining the ROE & ROA which although could undergo a marginal decline. Also 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 ~10-11%, 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 2.1x FY2018E ABV. **We maintain Buy on the stock, with a target price of ₹235.**

Key Financials

Y/E March	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
FY2017E	9,39	11.7	224	5.8	68.2	2.8	10.9	27.8	2.4
FY2018E	1,281	11.5	315	8.2	77.6	2.8	11.5	19.6	2.1

Source: Company, Angel Research

Stock Info

CMP	940
TP	1,167
Upside	24.1%
Sector	Auto Ancillary
Market Cap (₹ cr)	16,060
Beta	0.8
52 Week High / Low	1,077 / 773

3 year-Chart

Source: Company, Angel Research

Amara Raja Batteries

- Amara Raja Batteries Ltd (ARBL) is the second largest lead acid storage battery manufacturer in the country. It has been outpacing market leader Exide (ARBL grew at a 21% CAGR over FY2010-16 as compared to standalone Exide's growth of 7%), leading to its market share improving from 25% in FY10 to about 35% currently. ARBL's outperformance has been mainly on back of its association with global battery leader Johnson Controls Inc (which also holds 26% stake in ARBL) for manufacturing ducts.

- With the automotive OEMs following a policy of having multiple vendors and with ARBL's products enjoying a strong brand recall in the replacement segment, the company is well poised to gain further market share. Given the economic recovery and market share gains, the company is expected to grow at a CAGR of 18% over the next two years as against industry growth of 10-12%.

- ARBL is a well diversified auto ancillary player having presence across the automotive and the industrial segment. It has a broad OEM as well as replacement customer base. We believe ARBL is a high quality stock to play the auto sector revival. **We maintain our Buy rating on the stock.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	5,504	17.6	571	33.4	22.1	28.1	6.2	16.5	4.7
FY2018E	6,605	17.5	699	40.9	22.0	23.0	5.0	13.7	3.8

Source: Company, Angel Research

Stock Info

CMP	222
TP	351
Upside	58.1%
Sector	Ceramics
Market Cap (₹ cr)	668
Beta	1.4
52 Week High / Low	304 / 109

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. Artisique 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 ~9% to ~₹1,182cr and net profit CAGR of ~39% to ₹48cr over FY2016-18E. **We have a Buy rating on the stock and target price of ₹351.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	1,071	12.1	38	12.7	9.5	17.5	1.7	7.6	0.9
FY2018E	1,182	12.4	48	16.0	10.7	13.9	1.5	6.4	0.8

Source: Company, Angel Research

Stock Info

CMP	223
TP	274
Upside	22.9%
Sector	Cons. Durable
Market Cap (₹ cr)	2,249
Beta	0.9
52 Week High / Low	280 / 155

3 year-Chart

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 a Buy rating on the stock.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	4,801	5.7	105	10.4	12.4	21.4	2.6	8.5	0.5
FY2018E	5,351	6.2	138	13.7	14.5	16.3	2.4	7.0	0.4

Source: Company, Angel Research

Stock Info

CMP	491
TP	634
Upside	29.1%
Sector	Cons. Durable
Market Cap (₹ cr)	4,697
Beta	0.6
52 Week High / Low	581 / 306

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 have an Accumulate recommendation on the stock.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	4,283	5.9	141	14.9	20.4	33.0	6.4	18.1	1.1
FY2018E	5,077	7.3	211	22.1	26.4	22.2	5.4	12.6	1.0

Source: Company, Angel Research

Stock Info

CMP	81
TP	107
Upside	32.1%
Sector	Footwear
Market Cap (₹ cr)	973
Beta	1.5
52 Week High / Low	143 /69

3 year-Chart

Source: Company, Angel Research

Mirza International

- In the branded domestic segment, we expect the company to report a ~21% CAGR over FY2016-18E to ₹258cr. 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 ~9% to ~₹1,106cr and net profit CAGR of ~9% to ₹92cr over FY2016-18E. **We have a Buy rating on the stock and target price of ₹107.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	987	18.0	79	6.5	15.9	12.4	2.0	6.6	1.2
FY2018E	1,106	18.0	92	7.6	15.7	10.6	1.7	5.9	1.1

Source: Company, Angel Research

Stock Info

CMP	1,250
TP	1,605
Upside	28.4%
Sector	Textile
Market Cap (₹ cr)	1,172
Beta	0.8
52 Week High / Low	1,690/925

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 ~10% to ~₹1,948cr and adj.net profit CAGR of ~11% to ₹107cr 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 a buy recommendation on the stock and target price of ₹1,605.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	1,733	11.6	91	96.6	15.3	12.9	2.0	7.5	0.9
FY2018E	1,948	11.7	107	114.7	15.7	10.9	1.7	7.6	0.8

Source: Company, Angel Research

Stock Info

CMP	803
TP	1,000
Upside	24.5%
Sector	IT
Market Cap (₹ cr)	1,13,255
Beta	0.6
52 Week High / Low	890 / 707

3 year-Chart

Source: Company, Angel Research

HCL Technologies

- **Healthy pipeline:** Company's engineering services has been seeing lumpy growth over the last few quarters. This is however largely a function of the timing of large transformational deals. 6-8 of the large deals signed a few quarters ago will aid the company to continue to post industry leading growth. We expect HCL Tech to post a USD and INR revenue CAGR of 16.3% and 18.0%, respectively, over FY2016–18E (inclusive of the acquisition of Geometric Software and the Volvo deal).

- **Robust outlook:** For FY2017 revenues are expected to grow between 12.0-14.0% in CC. Revenue guidance is based on FY2016 (April to March'2016) average exchange rates. The above constant currency guidance translates to 11.2% to 13.2% growth in US$ terms.

- **Outlook and Valuations:** The stock is attractively valued at the current market price and hence **we maintain our Buy with a price target of ₹1,000.**

Key Financials

Y/E June	Sales (₹cr)	OPM (%)	PAT (₹cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	49,242	20.5	7,862	55.7	20.3	14.9	3.0	9.2	1.9
FY2018E	57,168	20.5	9,037	64.1	17.9	13.0	2.3	7.0	1.4

Source: Company, Angel Research

Stock Info

CMP	975
TP	1,249
Upside	28.1%
Sector	IT
Market Cap (₹ cr)	2,24,056
Beta	0.8
52 Week High / Low	1,278 / 900

3 year-Chart

Source: Company, Angel Research

Infosys

- **Revenue guidance for FY17:** The Management has lowered its guidance for FY2017, to 8-9% in CC terms and 9.2-10.2% in INR terms (exchange rate as on March 31, 2016). For FY2016, the company posted a 13.3% growth in CC terms V/s a guidance of 12.8-13.2% growth (in CC). We expect the company to post ~9.0% USD revenue growth in FY2017.

- **Aims to be US$20bn company by FY20:** Company expects its revenue to rise to US$20bn by FY2020, up from US$8.7bn in FY2015, as it focuses on acquisitions and winning more new technology services, implying a 14% CAGR over the period. Over the near term, we expect Infosys to post a 9.0% USD revenue growth in FY2017. Over FY2016-18E, we expect USD and INR revenue to grow at a CAGR of 9.0% and 9.5%, respectively.

- **Outlook and Valuations:** The stock trades at a valuation of 14.1x FY2018E earnings. **We recommend Buy on the stock with a price target of ₹1,249.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	68,350	27.0	14,354	62.5	21.3	15.7	3.3	10.8	2.9
FY2018E	77,236	27.0	15,928	69.4	21.6	14.1	3.1	9.4	2.5

Source: Company, Angel Research

Stock Info

CMP	176
TP	225
Upside	27.8%
Sector	Media
Market Cap (₹ cr)	5,744
Beta	0.6
52 Week High / Low	213/144

3 year-Chart

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 March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	2,355	28.0	353	10.8	21.7	16.3	3.5	8.7	2.5
FY2018E	2,635	28.0	409	12.5	21.7	14.1	3.1	7.6	2.2

Source: Company, Angel Research

Stock Info

CMP	315
TP	385
Upside	22.2%
Sector	Media
Market Cap (₹ cr)	1,882
Beta	1.3
52 Week High / Low	360 /260

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 ~16% to ~₹743cr and net profit CAGR of ~16% to ₹128cr over FY2016-18E. **We have an Accumulate recommendation on the stock and target price of ₹385**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	637	27.5	110	18.4	17.4	17.2	3.0	9.3	2.6
FY2018E	743	27.5	128	21.4	17.2	14.8	2.5	7.6	2.1

Source: Company, Angel Research

Stock Info

CMP	1,383
TP	1,634
Upside	18.1%
Sector	Infrastructure
Market Cap (₹ cr)	1,28,855
Beta	1.4
52 Week High / Low	1,615 / 1,017

3 year-Chart

Source: Company, Angel Research

Larsen & Toubro

- L&T's, order backlog remains robust at ₹2.5trn (2.5x of FY16 revenues) of which 29.0% is international order backlog. It's consolidated order inflow increased by 8.7% yoy to ₹311bn due to higher domestic order inflows in 2QFY17. Domestic and international orders accounted for 76.3% and 23.7% respectively in the inflows. Order growth was mainly from domestic infrastructure and international hydrocarbon segment.

- L&T has maintained its guidance of (a) 15% growth in consolidated order inflows; (b) a 12-15% rise in consolidated revenues; and (c) up to a 50bps improvement in EBITDA margins in core engineering. However, management acknowledged is uncertain of the impact of currency de-monetization at present. L&T's order book has ~6% exposure to the high-end realty space.

- Going forward we expect the company to report healthy top-line and bottom-line growth on the back of execution of domestic orders. L&T's order prospects continue to remain strong. We are of the view that L&T is a proxy play for investors wanting to ride on Indian infrastructure growth story. **We recommend a Buy on the stock with Target Price of ₹1,634.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	1,11,017	11.0	5,691	61.1	13.1	22.6	2.7	7.2	2.2
FY2018E	1,24,908	11.0	6,216	66.7	13.0	20.7	2.5	6.6	2.0

Source: Company, Angel Research

Stock Info

CMP	377
TP	522
Upside	28.5%
Sector	Real Estate
Market Cap (₹ cr)	1,547
Beta	0.4
52 Week High / Low	500 / 343

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. This translates in creating a virtuous cycle of continuous fast growth.

- 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 allays 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 1.1x FY2017E P/BV, MLF looks attractive. **We maintain BUY on MLF with target price of ₹522.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	1,152	22.7	75	29.9	7.6	12.6	0.9	14.7	2.1
FY2018E	1,300	24.6	138	35.8	8.6	10.5	0.9	9.1	1.7

Source: Company, Angel Research

Stock Info

CMP	175
TP	265
Upside	51.4%
Sector	Logistics
Market Cap (₹ cr)	2,893
Beta	0.6
52 Week High / Low	224 / 151

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 March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	369	42.9	103	7.2	7.3	24.2	1.8	17.9	8.0
FY2018E	561	42.3	164	11.5	10.5	15.2	1.6	11.9	5.3

Source: Company, Angel Research

Stock Info

CMP	192
TP	223
Upside	16.2%
Sector	Power
Market Cap (₹ cr)	1,00,447
Beta	0.71
52 Week High / Low	194 / 127

3 year-Chart

Source: Company, Angel Research

Power Grid Corporation

- During the 1HFY2017, the company has already capitalized assets worth ₹120bn and is on track to achieve the capitalization guidance of ₹280bn-300bn for the full year. During the year, PGCIL has already commissioned pole-2 of the Assam-Agra HVDC line and is likely to commission its poles – 3 & 4, in addition to the ₹65bn Champa - Kurukshetra HVDC project, ₹19bn Srikakulam - Angul line and ₹36bn Wardha - Nizamabad line. Based on status of pipeline of projects, we expect commissioning to be strong in rest of the year.

- During the 1HFY2017, the total order awarded was ₹181bn. Total order size to be awarded over next 18 months is ~ ₹330bn which indicates its healthy prospects.

- Going forward, we expect the company to report strong top-line CAGR of ~16% and bottom-line CAGR of ~19% on back of strong capitalization guidance. **We recommend a Buy on the stock with Target Price of ₹223.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	25,315	88.2	7,405	14.2	15.2	13.6	2.1	9.8	8.6
FY2018E	29,193	88.7	8,979	17.2	16.1	11.2	1.8	8.7	7.7

Source: Company, Angel Research

Stock Info

CMP	1,700
TP	1,989
Upside	17.0%
Sector	Pharma
Market Cap (₹ cr)	20,314
Beta	0.25
52 Week High / Low	1,853/ 1,175

3 year-Chart

Source: Company, Angel Research

Alkem Leboratories

- Alkem is 5th largest pharma company is 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 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 September 2016, company has a pipeline of 76 ANDAs of which 34 are approved. Company expects to launch ~7-8 ANDAs each year and expects to improve the filing rate as well. Overall US revenues are expected to grow at ~25% growth rate.

- Overall outlook remains strong with 17.6% CAGR in the topline and 22.3% CAGR in the bottom-line. **We have a Buy rating on the stock.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	6,043	18.7	962	80.5	22.3	21.1	4.7	17.6	3.3
FY2018E	6,893	19.3	1,062	88.8	20.3	19.1	3.9	14.8	2.8

Source: Company, Angel Research

Stock Info

CMP	1,503
TP	1,809
Upside	20.3%
Sector	Pharma
Market Cap (₹ cr)	67,770
Beta	0.77
52 Week High / Low	1,912 / 1,294

3 year-Chart

Source: Company, Angel Research

Lupin

- Lupin is the fastest growing company among the top 5 companies in domestic formulation space, registering a CAGR of 20.0% vs. market growth of ~13-14%. Six of Lupin's products are among the top 300 brands in the country.

- In US market, Lupin is currently the 5th largest generic player with 5.3% market share in prescriptions. Lupin has total 338 ANDA filings, of which 196 have been approved, with 45 FTFs valued at more than US$13bn. Lupin plans to launch 25-30 products in the US in FY2017. We expect a CAGR of 22.9% in US market during FY2016-18E on back of new product launches.

- Lupin figures among the few Indian companies with a formidable presence in Japan, the world's second largest pharma market. Management believes that there will be patent expiries of ~US$14-16bn in next two years in the Japanese market, which along with increased generic penetration would drive growth in the market. The Management expects improvement in growth in the next 3-4 years. **We recommend to buy this stock with price target of ₹1,809.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2017E	15,912	26.4	2,611	58.1	21.4	25.9	5.0	16.4	4.3
FY2018E	18,644	26.7	3,117	69.3	20.9	21.7	4.1	13.3	3.6

Source: Company, Angel Research

Macro watch

Exhibit 2: Quarterly GDP trends
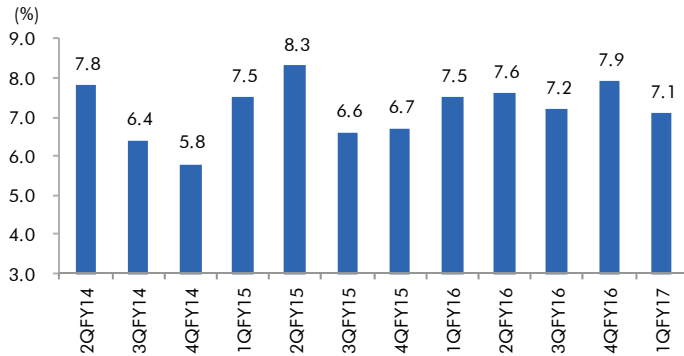
Source: CSO, Angel Research

Exhibit 3: IIP trends
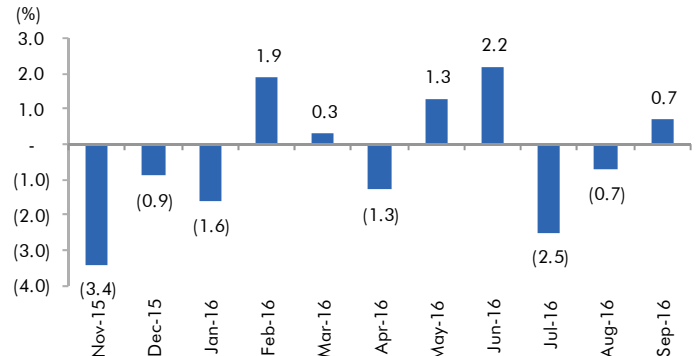
Source: MOSPI, Angel Research

Exhibit 4: Monthly CPI inflation trends
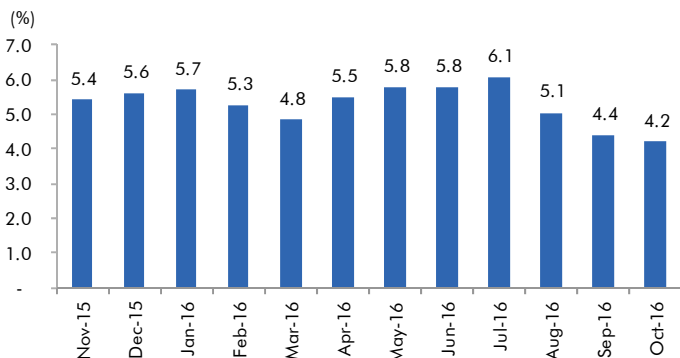
Source: MOSPI, Angel Research

Exhibit 5: Manufacturing and services PMI
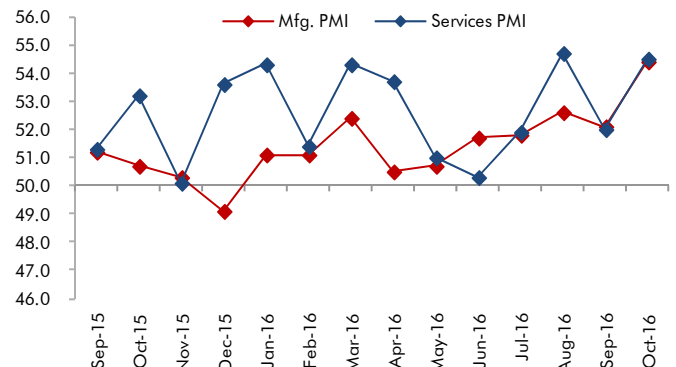
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 6: Exports and imports growth trends
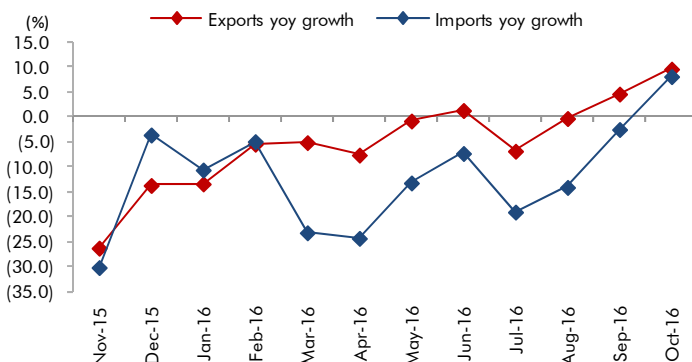
Source: Bloomberg, Angel Research

Exhibit 7: Key policy rates
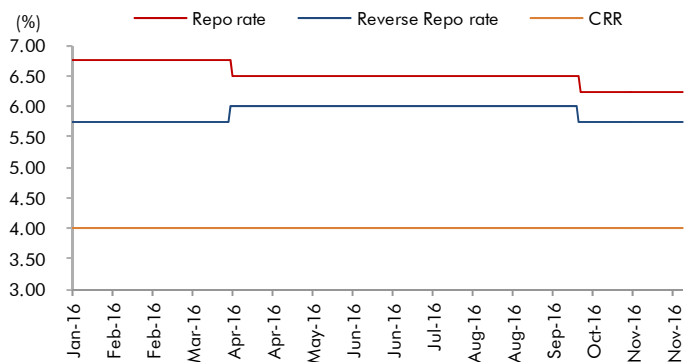
Source: RBI, Angel Research

Global watch

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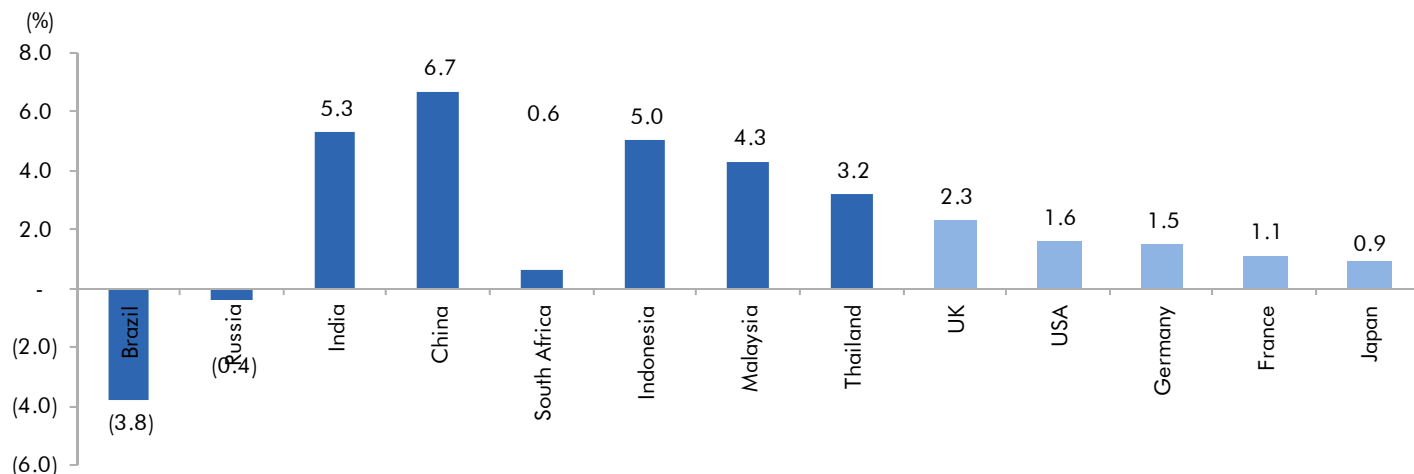
Source: Bloomberg, Angel Research

Exhibit 9: 2016 GDP Growth projection by IMF (%, yoy) across select developing and developed countries
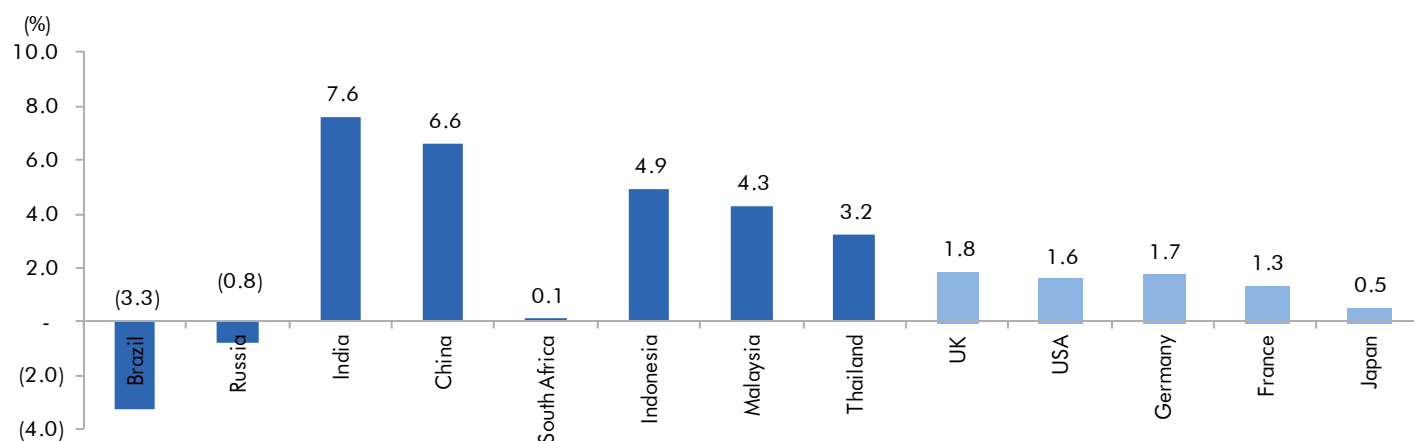
Source: IMF, Angel Research

Exhibit 10: One year forward P-E ratio across select developing and developed countries
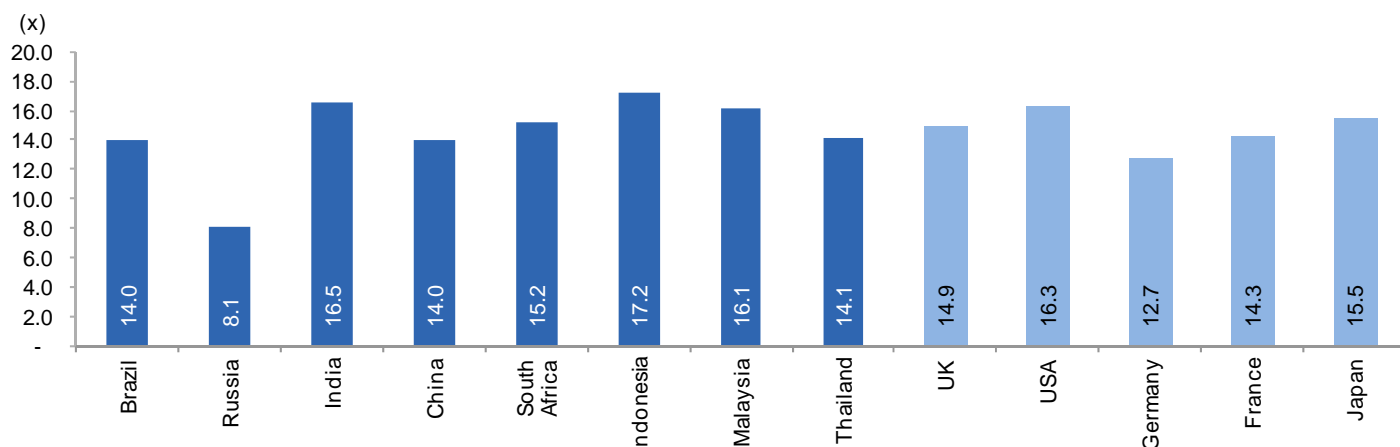
Source: IMF, Angel Research

Exhibit 11: Relative performance of indices across globe

Country	Name of index	Closing price	Returns (%)		
			1M	3M	1YR
Brazil	Bovespa	61,906	(3.6)	7.3	32.1
Russia	Micex	2,105	6.2	6.8	18.9
India	Nifty	8,225	(4.8)	(4.3)	4.8
China	Shanghai Composite	3,250	4.7	5.9	(9.5)
South Africa	Top 40	43,691	(0.7)	(5.4)	(5.7)
Mexico	Mexbol	45,316	(5.8)	(4.8)	4.4
Indonesia	LQ45	857	(6.1)	(5.1)	11.4
Malaysia	KLCI	1,619	(3.2)	(3.8)	(3.5)
Thailand	SET 50	943	0.7	(4.1)	6.1
USA	Dow Jones	19,124	5.3	3.6	7.9
UK	FTSE	6,784	(2.5)	0.6	8.1
Japan	Nikkei	18,308	5.6	10.6	(7.8)
Germany	DAX	10,640	(0.2)	0.4	(1.4)
France	CAC	4,578	1.5	3.1	(1.3)

Source: Bloomberg, Angel Research

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr) FY17E	FY18E	OPM (%) FY17E	FY18E	EPS (₹) FY17E	FY18E	PER (x) FY17E	FY18E	P/BV (x) FY17E	FY18E	RoE (%) FY17E	FY18E	EV/Sales (x) FY17E	FY18E
Agri / Agri Chemical																		
Rallis	Neutral	204	-	3,967	1,937	2,164	13.3	14.3	9.0	11.0	22.7	18.5	3.9	3.4	18.4	19.8	2.1	1.8
United Phosphorus	Accumulate	633	684	32,111	15,176	17,604	18.5	18.5	37.4	44.6	16.9	14.2	3.3	2.7	21.4	21.2	2.2	1.9
Auto & Auto Ancillary																		
Amara Raja Batteries	Buy	940	1,167	16,060	5,504	6,605	17.6	17.5	33.4	40.9	28.1	23.0	6.2	5.0	22.1	22.0	2.9	2.4
Apollo Tyres	Buy	191	235	9,725	12,877	14,504	14.3	13.9	21.4	23.0	8.9	8.3	1.4	1.2	16.4	15.2	0.9	0.9
Ashok Leyland	Buy	80	111	22,639	22,407	26,022	10.6	10.6	5.2	6.4	15.2	12.4	3.4	2.9	23.6	24.7	1.1	0.9
Bajaj Auto	Neutral	2,684	-	77,659	25,093	27,891	19.5	19.2	143.9	162.5	18.6	16.5	5.2	4.5	30.3	29.3	2.8	2.5
Bharat Forge	Neutral	905	-	21,059	7,726	8,713	20.5	21.2	35.3	42.7	25.6	21.2	4.7	4.3	18.9	20.1	2.8	2.4
Ceat	Accumulate	1,280	1,450	5,176	7,524	8,624	13.0	12.7	131.1	144.3	9.8	8.9	1.8	1.5	19.8	18.6	0.8	0.7
Eicher Motors	Neutral	21,620	-	58,722	16,583	20,447	17.5	18.0	598.0	745.2	36.2	29.0	12.4	9.4	41.2	38.3	3.4	2.7
Exide Industries	Neutral	181	-	15,389	7,439	8,307	15.0	15.0	8.1	9.3	22.4	19.5	3.1	2.8	14.3	16.7	1.7	1.5
Gabriel India	Buy	110	130	1,579	1,544	1,715	9.0	9.3	5.4	6.3	20.4	17.4	3.8	3.4	18.9	19.5	1.0	0.9
Hero Motocorp	Accumulate	3,169	3,541	63,281	30,958	34,139	15.7	15.7	193.6	208.3	16.4	15.2	6.4	5.3	34.2	30.5	1.9	1.7
Indag Rubber	Neutral	186	-	487	286	326	19.8	16.8	11.7	13.3	15.9	13.9	2.7	2.5	17.8	17.1	1.4	1.2
Jamna Auto Industries	Neutral	178	-	1,423	1,486	1,620	9.8	9.9	15.0	17.2	11.9	10.4	2.6	2.2	21.8	21.3	1.0	0.9
JK Tyres	Neutral	122	-	2,764	7,455	8,056	15.0	15.0	21.8	24.5	5.6	5.0	1.2	1.0	22.8	21.3	0.5	0.4
L G Balakrishnan & Bros	Neutral	615	-	965	1,302	1,432	11.6	11.9	43.7	53.0	14.1	11.6	2.0	1.8	13.8	14.2	0.8	0.8
Mahindra and Mahindra	Neutral	1,186	-	73,658	46,534	53,077	11.6	11.7	67.3	78.1	17.6	15.2	2.9	2.5	15.4	15.8	1.6	1.3
Maruti	Accumulate	5,263	6,006	158,998	68,057	82,958	15.8	15.5	212.1	261.2	24.8	20.2	4.9	4.1	19.8	20.3	2.0	1.6
Minda Industries	Neutral	307	-	2,431	2,728	3,042	9.0	9.1	68.2	86.2	4.5	3.6	1.0	0.8	23.8	24.3	0.9	0.8
Motherson Sumi	Neutral	309	-	43,414	45,896	53,687	7.8	8.2	13.0	16.1	23.7	19.2	7.6	6.1	34.7	35.4	1.0	0.8
Rane Brake Lining	Neutral	974	-	771	511	562	11.3	11.5	28.1	30.9	34.7	31.5	5.3	4.8	15.3	15.0	1.6	1.5
Setco Automotive	Neutral	39	-	518	741	837	13.0	13.0	15.2	17.0	2.6	2.3	0.4	0.4	15.8	16.3	1.1	1.0
Subros	Neutral	172	-	1,032	1,488	1,681	11.7	11.9	6.4	7.2	26.9	24.0	2.8	2.6	10.8	11.4	0.9	0.8
Swaraj Engines	Neutral	1,327	-	1,648	660	810	15.2	16.4	54.5	72.8	24.4	18.2	7.6	6.9	31.5	39.2	2.3	1.9
Tata Motors	Neutral	459	-	132,624	300,209	338,549	8.9	8.4	42.7	54.2	10.8	8.5	1.7	1.5	15.6	17.2	0.6	0.5
TVS Motor	Neutral	372	-	17,676	13,390	15,948	6.9	7.1	12.8	16.5	29.2	22.5	7.3	5.7	26.3	27.2	1.4	1.1
Banking																		
Axis BaAxis Bank	Buy	470	630	112,118	46,932	53,575	3.5	3.4	32.3	44.6	14.5	10.5	1.9	1.62	13.6	16.5	-	-
Bank of Baroda	Neutral	164	-	37,846	19,980	23,178	1.8	1.8	11.5	17.3	14.3	9.5	1.6	1.3	8.3	10.1	-	-
Canara Bank	Neutral	318	-	17,278	15,225	16,836	1.8	1.8	14.5	28.0	21.9	11.4	1.5	1.2	5.8	8.5	-	-
Dewan Housing Finance	Buy	257	350	8,029	2,225	2,688	2.9	2.9	29.7	34.6	8.6	7.4	1.4	1.2	16.1	16.8	-	-
Equitas Holdings	Buy	161	235	5,388	939	1,281	11.7	11.5	5.8	8.2	27.7	19.6	2.4	2.1	10.9	11.5	-	-
Federal Bank	Neutral	71	-	12,139	9,353	10,623	2.9	2.9	4.4	5.8	16.1	12.2	1.5	1.4	9.5	11.0	-	-
HDFC	Neutral	1,265	-	199,945	11,475	13,450	3.4	3.4	45.3	52.5	27.9	24.1	5.4	4.8	20.2	20.5	-	-
HDFC Bank	Accumulate	1,200	1,350	303,708	46,097	55,433	4.5	4.5	58.4	68.0	20.5	17.6	3.6	3.01	18.8	18.6	-	-
ICICI Bank	Buy	265	315	154,208	42,800	44,686	3.1	3.3	18.0	21.9	14.7	12.1	2.0	1.9	11.1	12.3	-	-
Lakshmi Vilas Bank	Buy	149	174	2,682	3,339	3,799	2.7	2.8	11.0	14.0	13.6	10.7	1.4	1.3	11.2	12.7	-	-

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
LIC Housing Finance	Accumulate	564	630	28,453	3,712	4,293	2.6	2.5	39.0	46.0	14.5	12.3	2.7	2.3	19.9	20.1	-	-
Punjab Natl.Bank	Neutral	138	-	29,409	23,532	23,595	2.3	2.4	6.8	12.6	20.3	11.0	3.1	2.2	3.3	6.5	-	-
RBL Bank	Neutral	364	-	13,452	1,783	2,309	2.6	2.6	12.7	16.4	28.6	22.2	3.1	2.8	12.8	13.3	-	-
South Ind.Bank	Neutral	22	-	2,903	6,435	7,578	2.5	2.5	2.7	3.1	8.0	6.9	1.0	0.9	10.1	11.2	-	-
St Bk of India	Neutral	258	-	200,590	88,650	98,335	2.6	2.6	13.5	18.8	19.1	13.7	1.8	1.6	7.0	8.5	-	-
Union Bank	Neutral	152	-	10,442	13,450	14,925	2.3	2.3	25.5	34.5	6.0	4.4	0.9	0.7	7.5	10.2	-	-
Yes Bank	Neutral	1,171	-	49,316	8,978	11,281	3.3	3.4	74.0	90.0	15.8	13.0	3.0	2.5	17.0	17.2	-	-
Capital Goods																		
ACE	Neutral	50	-	498	709	814	4.1	4.6	1.4	2.1	35.9	24.0	1.5	1.4	4.4	6.0	0.9	0.8
BEML	Neutral	842	-	3,507	3,451	4,055	6.3	9.2	31.4	57.9	26.8	14.5	1.6	1.5	6.3	10.9	1.1	0.9
Bharat Electronics	Neutral	1,439	-	32,143	8,137	9,169	16.8	17.2	58.7	62.5	24.5	23.0	3.8	3.4	44.6	46.3	2.9	2.6
Voltas	Buy	315	407	10,406	6,511	7,514	7.9	8.7	12.9	16.3	24.4	19.3	4.4	3.8	16.7	18.5	1.3	1.1
BGR Energy	Neutral	112	-	807	16,567	33,848	6.0	5.6	7.8	5.9	14.3	19.0	0.8	0.8	4.7	4.2	0.1	0.1
BHEL	Neutral	130	-	31,904	28,797	34,742	-	2.8	2.3	6.9	56.7	18.9	1.0	0.9	1.3	4.8	0.8	0.5
Blue Star	Buy	491	634	4,679	4,283	5,077	5.9	7.3	14.9	22.1	33.0	22.2	6.4	5.4	20.4	26.4	1.1	1.0
Crompton Greaves	Neutral	77	-	4,832	5,777	6,120	5.9	7.0	3.3	4.5	23.4	17.1	1.0	1.0	4.4	5.9	0.8	0.7
Greaves Cotton	Neutral	126	-	3,079	1,755	1,881	16.8	16.9	7.8	8.5	16.2	14.8	3.2	3.0	20.6	20.9	1.4	1.3
Inox Wind	Neutral	191	-	4,232	5,605	6,267	15.7	16.4	24.8	30.0	7.7	6.4	2.1	1.6	25.9	24.4	0.8	0.7
KEC International	Neutral	146	-	3,741	9,294	10,186	7.9	8.1	9.9	11.9	14.7	12.2	2.2	1.9	15.6	16.3	0.6	0.6
Thermax	Neutral	843	-	10,050	5,421	5,940	7.3	7.3	25.7	30.2	32.8	27.9	4.0	3.6	12.2	13.1	1.7	1.6
VATech Wabag	Buy	496	681	2,705	3,136	3,845	8.9	9.1	26.0	35.9	19.1	13.8	2.4	2.0	13.4	15.9	0.8	0.6
Cement																		
ACC	Neutral	1,343	-	25,212	11,225	13,172	13.2	16.9	44.5	75.5	30.2	17.8	2.9	2.6	11.2	14.2	2.2	1.9
Ambuja Cements	Neutral	210	-	41,778	9,350	10,979	18.2	22.5	5.8	9.5	36.3	22.1	3.0	2.7	10.2	12.5	4.5	3.8
India Cements	Neutral	120	-	3,671	4,364	4,997	18.5	19.2	7.9	11.3	15.1	10.6	1.1	1.1	8.0	8.5	1.6	1.4
JK Cement	Neutral	728	-	5,091	4,398	5,173	15.5	17.5	31.2	55.5	23.3	13.1	2.8	2.4	12.0	15.5	1.7	1.4
J K Lakshmi Cement	Buy	412	565	4,849	2,913	3,412	14.5	19.5	7.5	22.5	54.9	18.3	3.4	2.8	12.5	18.0	2.2	1.9
Orient Cement	Buy	136	215	2,783	2,114	2,558	18.5	20.5	8.1	11.3	16.8	12.0	2.5	2.1	9.0	14.0	1.9	1.5
UltraTech Cement	Neutral	3,594	-	98,638	25,768	30,385	21.0	23.5	111.0	160.0	32.4	22.5	4.1	3.6	13.5	15.8	3.9	3.3
Construction																		
Engineers India	Neutral	293	-	9,866	1,725	1,935	16.0	19.1	11.4	13.9	25.7	21.1	3.5	3.4	13.4	15.3	4.6	4.2
Gujarat Pipavav Port	Neutral	140	-	6,773	705	788	52.2	51.7	5.0	5.6	28.0	25.0	2.8	2.5	11.2	11.2	9.3	7.8
ITNL	Neutral	101	-	3,329	8,946	10,017	31.0	31.6	8.1	9.1	12.5	11.1	0.5	0.5	4.2	5.0	3.7	3.4
KNR Constructions	Accumulate	735	802	2,068	1,385	1,673	14.7	14.0	41.2	48.5	17.8	15.2	3.3	2.9	14.9	15.2	1.6	1.3
Larsen & Toubro	Buy	1,383	1,634	128,855	111,017	124,908	11.0	11.0	61.1	66.7	22.6	20.7	2.7	2.5	13.1	13.0	2.2	2.0
MEP Infra	Neutral	37	-	597	1,877	1,943	30.6	29.8	3.0	4.2	12.3	8.8	5.9	4.0	0.6	0.6	1.7	1.5
Nagarjuna Const.	Neutral	80	-	4,459	8,842	9,775	9.1	8.8	5.3	6.4	15.1	12.5	1.2	1.1	8.2	9.1	0.7	0.6
NBCC	Neutral	228	-	13,686	7,428	9,549	7.9	8.6	8.2	11.0	27.8	20.7	1.4	1.1	28.2	28.7	1.6	1.1
PNC Infratech	Buy	111	143	2,837	2,350	2,904	13.1	13.2	9.0	8.8	12.3	12.6	0.4	0.4	15.9	13.9	1.3	1.1

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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
Power Mech Projects	Neutral	469	-	689	1,801	2,219	12.7	14.6	72.1	113.9	6.5	4.1	1.2	1.0	16.8	11.9	0.4	0.3
Sadbhav Engineering	Accumulate	276	298	4,734	3,598	4,140	10.3	10.6	9.0	11.9	30.7	23.2	3.2	2.8	9.9	11.9	1.6	1.4
Simplex Infra	Neutral	302	-	1,494	6,829	7,954	10.5	10.5	31.4	37.4	9.6	8.1	1.0	0.9	9.9	13.4	0.6	0.5
SIPL	Neutral	90	-	3,174	1,036	1,252	65.5	66.2	(8.4)	(5.6)	-	-	3.4	3.9	(22.8)	(15.9)	11.3	9.4
FMCG																		
Asian Paints	Neutral	970	-	93,028	17,128	18,978	16.8	16.4	19.1	20.7	50.8	46.9	17.7	16.7	34.8	35.5	5.3	4.8
Britannia	Buy	3,038	3,626	36,444	9,594	11,011	14.6	14.9	80.3	94.0	37.8	32.3	15.6	12.0	41.2	-	3.7	3.1
Colgate	Accumulate	934	995	25,408	4,605	5,149	23.4	23.4	23.8	26.9	39.3	34.7	21.7	17.0	64.8	66.8	5.4	4.8
Dabur India	Accumulate	283	304	49,845	8,315	9,405	19.8	20.7	8.1	9.2	35.0	30.8	9.7	8.1	31.6	31.0	5.6	5.0
GlaxoSmith Con*	Neutral	4,992	-	20,993	4,350	4,823	21.2	21.4	179.2	196.5	27.9	25.4	7.4	6.3	27.1	26.8	4.2	3.7
Godrej Consumer	Neutral	1,452	-	49,444	10,235	11,428	18.4	18.6	41.1	44.2	35.3	32.8	7.8	6.6	24.9	24.8	4.9	4.3
HUL	Neutral	844	-	182,727	35,252	38,495	17.8	17.8	20.6	22.4	40.9	37.7	39.1	33.5	95.6	88.9	5.0	4.6
ITC	Buy	233	284	281,129	40,059	44,439	38.3	39.2	9.0	10.1	25.9	23.0	7.2	6.3	27.8	27.5	6.5	5.9
Marico	Buy	252	300	32,551	6,430	7,349	18.8	19.5	6.4	7.7	39.4	32.8	11.9	10.0	33.2	32.5	4.9	4.2
Nestle*	Neutral	6,257	-	60,324	10,073	11,807	20.7	21.5	124.8	154.2	50.1	40.6	20.6	18.5	34.8	36.7	5.8	4.9
Procter & Gamble	Accumulate	6,639	7,369	21,551	2,939	3,342	23.2	23.0	146.2	163.7	45.4	40.6	101.7	97.5	25.3	23.5	6.9	6.0
Tata Global	Neutral	124	-	7,817	8,675	9,088	9.8	9.8	7.4	8.2	16.7	15.1	1.9	1.8	7.9	8.1	0.8	0.8
IT																		
HCL Tech ^	Buy	803	1,000	113,255	49,242	57,168	20.5	20.5	55.7	64.1	14.4	12.5	2.9	2.2	20.3	17.9	2.2	1.7
Infosys	Buy	975	1,249	224,056	68,350	77,326	27.0	27.0	62.5	69.4	15.6	14.1	3.3	3.0	21.3	21.6	2.7	2.3
TCS	Buy	2,277	2,620	448,617	119,025	133,308	27.6	27.6	131.2	145.5	17.4	15.6	5.6	5.2	32.4	33.1	3.5	3.1
Tech Mahindra	Buy	485	600	47,123	29,673	32,937	15.5	17.0	32.8	39.9	14.8	12.2	2.9	2.5	19.6	20.7	1.3	1.1
Wipro	Buy	465	590	113,053	55,440	60,430	18.1	18.1	35.9	39.9	13.0	11.7	2.3	2.1	19.0	19.3	1.7	1.6
Media																		
D B Corp	Neutral	363	-	6,676	2,297	2,590	27.4	28.2	21.0	23.4	17.3	15.5	4.0	3.5	23.7	23.1	2.7	2.3
Hindustan Media Ven.	Neutral	271	-	1,991	1,016	1,138	24.3	25.2	27.3	30.1	9.9	9.0	1.9	1.7	16.2	15.8	1.3	1.1
HT Media	Neutral	72	-	1,664	2,693	2,991	12.6	12.9	7.9	9.0	9.1	7.9	0.8	0.7	7.8	8.3	0.2	0.1
Jagran Prakashan	Buy	176	225	5,744	2,355	2,635	28.0	28.0	10.8	12.5	16.3	14.1	3.5	3.0	21.7	21.7	2.5	2.1
Sun TV Network	Neutral	471	-	18,557	2,850	3,265	70.1	71.0	26.2	30.4	18.0	15.5	4.6	4.1	24.3	25.6	6.1	5.2
TV Today Network	Buy	315	385	1,882	637	743	27.5	27.5	18.4	21.4	17.2	14.8	3.0	2.5	17.4	17.2	2.6	2.1
Metal																		
Coal India	Neutral	308	-	194,670	84,638	94,297	21.4	22.3	24.5	27.1	12.6	11.4	5.2	5.0	42.6	46.0	1.8	1.6
Hind. Zinc	Neutral	282	-	119,260	14,252	18,465	55.9	48.3	15.8	21.5	17.9	13.1	2.9	2.5	17.0	20.7	8.4	6.5
Hindalco	Neutral	176	-	36,323	107,899	112,095	7.4	8.2	9.2	13.0	19.1	13.5	0.9	0.9	4.8	6.6	0.9	0.8
JSW Steel	Neutral	1,727	-	41,733	53,201	58,779	16.1	16.2	130.6	153.7	13.2	11.2	1.8	1.6	14.0	14.4	1.5	1.3
NMDC	Neutral	122	-	38,599	6,643	7,284	44.4	47.7	7.1	7.7	17.2	15.8	1.5	1.4	8.8	9.2	3.6	3.2
SAIL	Neutral	51	-	21,146	47,528	53,738	(0.7)	2.1	(1.9)	2.6	-	19.7	0.6	0.5	(1.6)	3.9	1.3	1.2
Tata Steel	Neutral	415	-	40,301	121,374	121,856	7.2	8.4	18.6	34.3	22.3	12.1	1.4	1.3	6.1	10.1	1.0	0.9
Vedanta	Neutral	230	-	68,143	71,744	81,944	19.2	21.7	13.4	20.1	17.2	11.4	1.5	1.3	8.4	11.3	1.3	1.0

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	252	-	47,275	9,127	10,632	4.3	20.6	8.8	11.7	28.7	21.6	0.9	0.9	3.3	4.2	6.6	5.5
GAIL	Neutral	425	-	53,885	56,220	65,198	9.3	10.1	27.1	33.3	15.7	12.8	1.4	1.3	9.3	10.7	1.1	1.0
Indian Oil Corp	Neutral	307	-	148,931	373,359	428,656	5.9	5.5	54.0	59.3	5.7	5.2	0.9	0.8	16.0	15.6	0.5	0.5
ONGC	Neutral	289	-	247,254	137,222	152,563	15.0	21.8	19.5	24.1	14.8	12.0	1.3	1.2	8.5	10.1	2.1	1.9
Reliance Industries	Neutral	993	-	321,894	301,963	358,039	12.1	12.6	87.7	101.7	11.3	9.8	1.2	1.1	10.7	11.3	1.5	1.3
Pharmaceuticals																		
Alembic Pharma	Neutral	663	-	12,490	3,483	4,083	20.2	21.4	24.3	30.4	27.3	21.8	6.2	5.0	25.5	25.3	3.5	2.9
Aurobindo Pharma	Buy	740	877	43,294	15,720	18,078	23.7	23.7	41.4	47.3	17.9	15.6	4.6	3.6	29.6	26.1	3.0	2.6
Aventis*	Neutral	4,466	-	10,284	2,277	2,597	17.3	18.3	149.4	172.0	29.9	26.0	5.0	4.0	25.1	28.8	4.2	3.4
Cadila Healthcare	Neutral	402	-	41,129	10,429	12,318	22.6	22.0	16.9	19.2	23.8	20.9	6.1	4.9	28.5	25.7	3.9	3.2
Cipla	Reduce	567	490	45,526	15,378	18,089	17.4	18.4	21.6	27.2	26.2	20.8	3.4	3.0	13.7	15.2	3.2	2.6
Dr Reddy's	Neutral	3,199	-	53,004	16,043	18,119	20.8	22.4	112.4	142.9	28.5	22.4	3.8	3.3	14.1	15.9	3.3	2.9
Dishman Pharma	Neutral	237	-	3,827	1,718	1,890	22.7	22.8	9.5	11.3	25.0	21.0	2.4	2.2	10.1	10.9	2.7	2.3
GSK Pharma*	Neutral	2,694	-	22,815	3,000	3,312	15.4	20.6	46.5	60.8	57.9	44.3	13.9	13.9	26.3	30.6	7.3	6.7
Indoco Remedies	Reduce	258	240	2,377	1,112	1,289	16.2	18.2	11.6	16.0	22.2	16.1	3.6	3.0	17.0	20.1	2.3	1.9
Ipca labs	Accumulate	578	613	7,298	3,303	3,799	15.3	15.3	17.3	19.7	33.4	29.4	2.9	2.7	9.1	9.4	2.3	2.0
Lupin	Buy	1,503	1,809	67,770	15,912	18,644	26.4	26.7	58.1	69.3	25.9	21.7	5.0	4.1	21.4	20.9	4.3	3.6
Sun Pharma	Buy	710	847	170,947	31,129	35,258	32.0	32.9	30.2	35.3	23.5	20.1	3.8	3.2	20.0	20.1	5.1	4.3
Power																		
NTPC	Neutral	163	-	134,525	86,605	95,545	17.5	20.8	11.8	13.4	13.8	12.2	1.4	1.3	10.5	11.1	2.9	2.9
Power Grid	Buy	192	223	100,447	25,315	29,193	88.2	88.7	14.2	17.2	13.6	11.2	2.1	1.8	15.2	16.1	8.6	7.7
Tata Power	Neutral	74	-	20,028	36,916	39,557	17.4	27.1	5.1	6.3	14.5	11.8	1.3	1.2	9.0	10.3	1.6	1.4
Real Estate																		
MLIFE	Buy	377	522	1,547	1,152	1,300	22.7	24.6	29.9	35.8	12.6	10.5	0.9	0.9	7.6	8.6	2.1	1.7
Prestige Estate	Buy	153	210	5,736	4,707	5,105	25.2	26.0	10.3	13.0	14.8	11.8	1.2	1.1	10.3	10.2	2.4	2.1
Telecom																		
Bharti Airtel	Neutral	325	-	129,716	105,086	114,808	34.5	34.7	12.2	16.4	26.6	19.8	1.8	1.7	6.8	8.4	2.1	1.9
Idea Cellular	Neutral	78	-	27,924	40,133	43,731	37.2	37.1	6.4	6.5	12.1	11.9	1.0	0.9	8.2	7.6	1.7	1.5
Others																		
Abbott India	Neutral	4,896	-	10,404	3,153	3,583	14.1	14.4	152.2	182.7	32.2	26.8	157.9	134.9	25.6	26.1	3.0	2.6
Asian Granito	Buy	222	351	668	1,071	1,182	12.1	12.4	12.7	16.0	17.5	13.9	1.7	1.5	9.5	10.7	0.9	0.8
Bajaj Electricals	Buy	223	274	2,249	4,801	5,351	5.7	6.2	10.4	13.7	21.4	16.3	2.6	2.4	12.4	14.5	0.5	0.4
Banco Products (India)	Neutral	196	-	1,404	1,353	1,471	12.3	12.4	14.5	16.3	13.5	12.0	18.7	16.8	14.5	14.6	1.0	0.9
Coffee Day Enterprises	Neutral	210	-	4,323	2,964	3,260	20.5	21.2	4.7	8.0	-	26.2	2.4	2.2	5.5	8.5	1.9	1.7
Competent Automobiles	Neutral	162	-	100	1,137	1,256	3.1	2.7	28.0	23.6	5.8	6.9	31.2	28.2	14.3	11.5	0.1	0.1
Elecon Engineering	Neutral	52	-	570	1,482	1,660	13.7	14.5	3.9	5.8	13.4	9.0	3.2	2.9	7.8	10.9	0.7	0.6
Finolex Cables	Neutral	413	-	6,323	2,883	3,115	12.0	12.1	14.2	18.6	29.1	22.2	15.5	13.5	15.8	14.6	1.9	1.7
Garware Wall Ropes	Neutral	627	-	1,371	873	938	14.3	14.3	35.1	37.5	17.8	16.7	3.1	2.7	17.5	15.9	1.5	1.4

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
Goodyear India*	Neutral	750	-	1,730	1,598	1,704	10.4	10.2	49.4	52.6	15.2	14.3	70.1	61.5	18.2	17.0	0.8	0.7
Hitachi	Neutral	1,448	-	3,937	2,081	2,433	8.8	8.9	33.4	39.9	43.4	36.3	35.0	29.1	22.1	21.4	1.9	1.6
HSIL	Neutral	294	-	2,129	2,384	2,515	15.8	16.3	15.3	19.4	19.2	15.2	19.1	16.5	7.8	9.3	1.1	1.0
Interglobe Aviation	Neutral	860	-	30,983	21,122	26,005	14.5	27.6	110.7	132.1	7.8	6.5	46.5	33.2	168.5	201.1	1.4	1.1
Jyothy Laboratories	Neutral	352	-	6,383	1,440	2,052	11.5	13.0	8.5	10.0	41.4	35.2	10.0	9.3	18.6	19.3	4.7	3.3
Kirloskar Engines India	Neutral	335	-	4,843	2,554	2,800	9.9	10.0	10.5	12.1	31.9	27.7	13.3	12.6	10.7	11.7	1.5	1.4
Linc Pen & Plastics	Neutral	237	-	350	382	420	9.3	9.5	13.5	15.7	17.6	15.1	3.0	2.6	17.1	17.3	1.0	0.9
M M Forgings	Neutral	424	-	512	546	608	20.4	20.7	41.3	48.7	10.3	8.7	58.1	51.4	16.6	17.0	0.8	0.7
Manpasand Bever.	Neutral	615	-	3,515	836	1,087	19.6	19.4	16.9	23.8	36.4	25.8	4.4	3.8	12.0	14.8	3.9	2.9
Mirza International	Buy	81	107	973	987	1,106	18.0	18.0	6.5	7.6	12.4	10.6	2.0	1.7	15.9	15.7	1.2	1.1
MT Educare	Neutral	117	-	465	366	417	17.7	18.2	9.4	10.8	12.5	10.8	2.8	2.4	22.2	22.3	1.2	1.0
Narayana Hrudaya	Neutral	345	-	7,055	1,873	2,166	11.5	11.7	2.6	4.0	130.5	87.1	8.0	7.2	6.1	8.3	3.9	3.3
Navkar Corporation	Buy	175	265	2,496	369	561	42.9	42.3	7.2	11.5	24.2	15.2	1.8	1.6	7.3	10.5	7.8	5.1
Navneet Education	Neutral	111	-	2,653	1,062	1,147	24.0	24.0	6.1	6.6	18.3	16.8	3.8	3.3	20.5	19.8	2.6	2.4
Nilkamal	Neutral	1,400	-	2,089	1,995	2,165	10.7	10.4	69.8	80.6	20.1	17.4	80.0	69.5	16.6	16.5	1.0	0.9
Page Industries	Neutral	13,388	-	14,933	2,450	3,124	20.1	17.6	299.0	310.0	44.8	43.2	298.2	227.6	47.1	87.5	6.1	4.8
Parag Milk Foods	Neutral	271	-	2,277	1,919	2,231	9.3	9.6	9.4	12.9	28.7	20.9	4.4	3.7	15.5	17.5	1.3	1.1
Quick Heal	Neutral	236	-	1,650	408	495	27.3	27.0	7.7	8.8	30.4	26.8	2.8	2.8	9.3	10.6	3.2	2.6
Radico Khaitan	Buy	119	147	1,589	1,667	1,824	13.0	13.2	6.6	8.2	18.0	14.6	1.6	1.5	9.0	10.2	1.3	1.2
Relaxo Footwears	Neutral	430	-	5,158	2,085	2,469	9.2	8.2	7.6	7.9	56.8	54.1	22.0	18.8	17.9	18.8	2.6	2.2
S H Kelkar & Co.	Neutral	296	-	4,287	1,036	1,160	15.1	15.0	6.1	7.2	48.5	41.3	5.2	4.8	10.7	11.5	4.0	3.5
Siyaram Silk Mills	Buy	1,250	1,605	1,172	1,733	1,948	11.6	11.7	96.6	114.7	12.9	10.9	2.0	1.7	15.3	15.7	0.9	0.8
Styrolution ABS India*	Neutral	588	-	1,034	1,440	1,537	9.2	9.0	40.6	42.6	14.5	13.8	37.0	33.6	12.3	11.6	0.7	0.6
Surya Roshni	Neutral	207	-	906	3,342	3,625	7.8	7.5	17.3	19.8	12.0	10.5	22.7	18.2	10.5	10.8	0.5	0.5
Team Lease Serv.	Neutral	868	-	1,484	3,229	4,001	1.5	1.8	22.8	32.8	38.1	26.4	4.1	3.5	10.7	13.4	0.4	0.3
The Byke Hospitality	Neutral	173	-	695	287	384	20.5	20.5	7.6	10.7	22.8	16.2	4.8	3.9	20.7	23.5	2.4	1.8
Transport Corp. of India	Neutral	175	-	1,341	2,671	2,911	8.5	8.8	13.9	15.7	12.6	11.2	1.7	1.5	13.7	13.8	0.6	0.6
TVS Srichakra	Neutral	3,493	-	2,675	2,304	2,614	13.7	13.8	231.1	266.6	15.1	13.1	392.5	309.1	33.9	29.3	1.2	1.0
UFO Moviez	Neutral	442	-	1,220	619	685	33.2	33.4	30.0	34.9	14.7	12.7	2.0	1.8	13.8	13.9	1.7	1.3
Visaka Industries	Neutral	200	-	317	1,051	1,138	10.3	10.4	21.0	23.1	9.5	8.6	25.6	24.0	9.0	9.2	0.6	0.5
VRL Logistics	Neutral	275	-	2,509	1,902	2,119	16.7	16.6	14.6	16.8	18.9	16.3	4.1	3.6	21.9	22.2	1.4	1.3
Wonderla Holidays	Neutral	339	-	1,916	287	355	38.0	40.0	11.3	14.2	30.0	23.9	4.3	3.8	21.4	23.9	6.4	5.2

Source: Company, Angel Research, Note: *December year end; #September year end; &October year end; ^June year end; Price as of November 30, 2016

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Ratings (Based on expected returns over 12 months investment period):	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
		Reduce (-5% to -15%)	Sell (< -15)

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