



# TOP PICKS REPORT

## MARCH 2016



## Angel Top Picks – March 2016

The domestic benchmark equity indices dropped more than 7% in the month of February as investors maintained caution ahead of the Union Budget 2016-17 and on account of weak global cues. However, post the budget, the market witnessed a strong rally as there were no adverse changes pertaining to long-term capital gains tax on sale of shares in the budget, and given the government's pronounced thrust on the infrastructure sector. The government's decision to stick to the fiscal deficit target (3.5% of GDP) for FY2016-17 also contributed to the positive sentiments in the market. Further, with the government well on target in containing the fiscal deficit, it provides room for the RBI to implement a further rate cut in the upcoming Monetary Policy meet.

Over the past few quarters, companies with a considerable rural exposure have been underperforming on the earnings front due to rural slowdown caused by two consecutive sub-normal monsoons. However, to ease rural distress, the government has announced higher allocations towards rural schemes in the budget which will provide a much required boost to the rural economy. Additionally, the implementation of the Seventh CPC would also drive rural consumption, thereby benefiting rural consumption based companies. Further, the government has also increased allocation towards roads & highways, housing, irrigation, and power etc, which will drive demand for EPC companies, asset developers and cement companies.

On the global front, Europe has announced the expansion of the QE program which is expected to increase liquidity in the Indian market as it poses as an attractive investment destination compared to other emerging markets.

We are positive on consumption driven stocks like Blue Star, Radico Khaitan and Siyaram Silk Mills, TVS Motors. Further, we expect rate sensitive sectors like automobile, assets developers, real estate, and housing finance to benefit from an anticipated rate cut by the RBI. In this space, our top picks include, LIC Housing Finance, Mahindra Lifespace, and IL&FS Transportation Networks, amongst others.

### Large Cap

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)	EPS		PER		EV/Sales		ROE	
						FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Amara Raja	Auto Ancill.	Buy	906	1,040	14.9	28.8	37.1	31.4	24.4	3.1	2.5	23.4	24.1
Ashok Leyland	Automobile	Buy	96	111	15.1	3.4	4.7	28.4	20.5	1.5	1.2	17.7	22.2
BEL	Capital Goods	Buy	1,081	1,414	30.4	54.0	61.5	20.0	17.6	2.9	2.5	39.3	45.6
HCL Tech	IT	Buy	818	1,038	24.3	51.1	57.7	16.0	14.2	2.3	1.8	21.5	18.8
HDFC Bank	Financials	Buy	1,021	1,262	23.6	49.3	61.1	20.7	16.7	-	-	18.5	19.7
Infosys	IT	Buy	1,146	1,347	17.5	59.4	65.7	19.3	17.4	3.6	3.0	21.2	20.1
LIC Housing Fin.	Financials	Buy	458	592	29.3	33.0	40.2	13.9	11.4	-	-	19.7	20.5
NBCC	Construction	Buy	926	1,089	17.6	29.6	39.8	31.3	23.3	1.6	1.2	24.1	26.7
TVS Motors	Automobile	Buy	284	330	16.2	9.2	15.0	30.8	18.9	1.2	1.0	22.7	29.6

Source: Angel Research

### Mid Cap

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)	EPS		PER		EV/Sales		ROE	
						FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Blue Star	Cons. Durable	Buy	330	439	33.3	13.7	17.2	24.1	19.2	0.9	0.8	26.1	25.4
IL&FS Transport.	Infra	Buy	72	93	28.7	6.6	9.2	10.9	7.9	3.7	3.6	3.2	3.7
Jagran Prakashan	Media	Buy	154	189	22.7	8.9	9.9	17.3	15.5	2.2	2.0	20.9	20.4
Mahindra Lifespace	Real Estate	Buy	424	554	30.8	8.9	9.9	31.1	21.4	3.9	2.7	3.8	5.3
Navkar Corp.	Logistics	Buy	163	265	62.6	5.6	5.9	29.0	27.8	7.2	6.2	6.3	6.1
Radico Khaitan	Breweries & Dist.	Buy	100	156	56.0	5.8	7.1	17.2	14.1	1.4	1.2	8.6	9.6
Siyaram Silk Mills	Textile	Buy	997	1,354	35.8	89.9	104.1	11.1	9.6	0.7	0.6	17.9	17.8

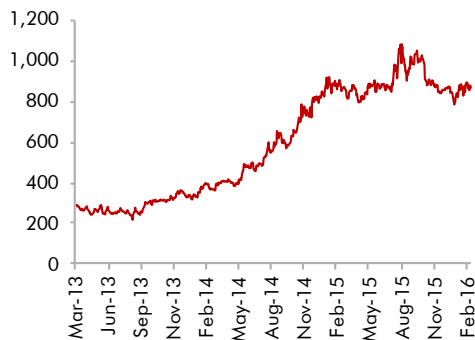
Source: Angel Research

## Top Picks - Large Cap

### Stock Info

CMP	906
TP	1,040
Upside	14.9%
Sector	Auto Ancillary
Market Cap (₹ cr)	15,467
Beta	0.8
52 Week High / Low	1,132 / 773

### 3 year-Chart

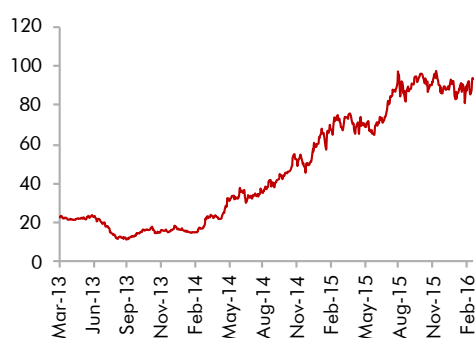


Source: Company, Angel Research

### Stock Info

CMP	96
TP	111
Upside	15.1%
Sector	Automobile
Market Cap (₹ cr)	27,448
Beta	1.2
52 Week High / Low	100 / 56

### 3 year-Chart



Source: Company, Angel Research

## Amara Raja Batteries

- Amara Raja Batteries Ltd (ARBL) is the second largest lead acid storage battery manufacturer. ARBL has been outpacing market leader Exide (ARBL grew at a 24% CAGR over FY2010-15 as compared to Exide's growth of 13%), 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 and a broad OEM as well as replacement customer base. We believe ARBL is a high quality stock to play the auto sector revival. **We assign a P/E multiple of 28x to its FY2017E earnings and arrive at a target price of ₹1,040/share.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	4,892	17.4	493	28.8	23.4	31.4	7.3	16.9	3.1
FY2017E	5,871	17.6	634	37.1	24.1	24.4	5.9	14.1	2.5

Source: Company, Angel Research

## Ashok Leyland

- Ashok Leyland Ltd (ALL) is the second largest medium and heavy commercial vehicle (MHCV) manufacturer in the country, commanding a market share of about 28%. The MHCV industry is expected to remain in an uptrend (we expect 15% growth over the next two years) given the better economic growth, improvement in fleet operators profitability on account of firm freight rates and decline in diesel prices and increased infrastructure investments.
- In order to reduce cyclicalities, ALL is also focusing on increasing the share of light commercial vehicles (LCVs) in the product mix and exports. The ALL-Nissan JV developed LCV - "Dost" has been received well and has captured a market share of 6% within three years of its launch. Also, ALL is targeting new markets in Africa and Middle East to increase export contribution from the current 15% to 33% over the next five years.
- ALL's margins are likely to improve by 400bp yoy over FY2015-17 period on account of double-digit growth in MHCVs and reduced discounting.
- We are positive on ALL, given the cyclical upturn in MHCVs and additional growth avenues. **We assign a multiple of 13x to FY2017E EBITDA to arrive at a target price of ₹111/share.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	17,995	11.4	979	3.4	17.7	28.4	5.0	12.3	1.5
FY2017E	21,544	11.6	1,331	4.7	22.2	20.5	4.6	10.0	1.2

Source: Company, Angel Research

### Stock Info

CMP	1,081
TP	1,414
Upside	30.8%
Sector	Capital Goods
Market Cap (₹ cr)	25,944
Beta	1.2
52 Week High / Low	1,417 / 974

### 3 year-Chart



Source: Company, Angel Research

## Bharat Electronics (BEL)

- (1) High priority to the defense sector in the government's 'Make in India' campaign, with (1) emphasis on indigenization, (2) increase in FDI limits from 26% to 49%, and (3) \$47bn worth of projects cleared by Defense Acquisition Council (DAC) in the last 21 months, indicate at the sector being at an inflexion point where Indian defense capex cycle is entering a new era of growth. The current bid pipeline could lead to strong award activity for the next few years and BEL could emerge as a beneficiary.
- BEL in FY2015 had 37% market share in the defense electronics space. Considering (1) bid-pipeline of Indian Air Force and Navy's platform projects, which have high defense electronic component, (2) BEL's in-house R&D capabilities, and (3) its zero debt status, we believe that BEL would maintain its strong market positioning in the defense electronics space.
- We expect BEL to trade at a premium to its historical valuations on account of uptick in investment cycle. Current low competitive intensity which should enable BEL to justifiably command scarcity premium, coupled with the fact that the company is the largest listed defense player, makes the stock more attractive. We assign a 1-year forward P/E multiple of 23.0x to arrive at a price target of ₹1,414. **Given the upside, we recommend BUY.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	7,737	16.8	1,296	54.0	39.3	20.0	2.9	14.7	2.5
FY2017E	8,634	17.2	1,475	61.5	45.6	17.6	2.5	12.2	2.1

Source: Company, Angel Research

### Stock Info

CMP	818
TP	1,038
Upside	24.3%
Sector	IT
Market Cap (₹ cr)	1,15,391
Beta	0.7
52 Week High / Low	1,058 / 786

### 3 year-Chart



Source: Company, Angel Research

## HCL Technologies

- **Healthy pipeline:** In terms of order flow in FY2015, HCL Tech has signed 58 transformational engagements with US\$5bn+ of TCv. During 2QFY2016, the company has signed orders in excess of US\$1bn (in TCv), including 8 transformational deals. The broad-based business wins across service lines and industry verticals were driven by the company's next-generation offerings. Thus, on back of its strong order book, the company expects 2HFY2016 to be better than 1HFY2016.
- **Robust outlook:** We expect HCL Tech to post a USD and INR revenue CAGR of 13.0% and 13.2%, respectively, over FY2015-17E. On the operating front, HCL Tech's EBIT margin has been around 22.3% in FY2015. Going ahead, the Management expects EBIT margins to sustain at 21-22%. We expect the EBIT and PAT to post a 7.7% and 6.0% CAGR, respectively, over FY2015-17E.
- **Outlook and Valuations:** At current valuations, the stock is attractively valued and hence we maintain our Buy with a price target of ₹1,038.

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
June	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	42,038	21.2	7,216	51.1	21.5	16.0	3.4	10.6	2.3
FY2017E	47,503	21.5	8,142	57.7	18.8	14.2	2.7	8.4	1.8

Source: Company, Angel Research

### Stock Info

CMP	1,021
TP	1,262
Upside	23.6%
Sector	Financials
Market Cap (₹ cr)	2,57,838
Beta	0.82
52 Week High / Low	1,128 / 928

### 3 year-Chart



Source: Company, Angel Research

### Stock Info

CMP	1,146
TP	1,347
Upside	17.5%
Sector	IT
Market Cap (₹ cr)	2,63,218
Beta	0.8
52 Week High / Low	1,219 / 933

### 3 year-Chart



Source: Company, Angel Research

## HDFC Bank

- **Strong capital adequacy, expanding network, to sustain traction in market share:** HDFC Bank's capital adequacy ratio as of 3QFY2016 stood strong at 15.9%, with Tier1 ratio at 13.2%, which positions the bank to continue on its growth path and increase its market share.
- **Asset quality rock-solid:** The bank has been able to maintain its asset quality consistently. Asset quality continued to remain healthy with the Gross NPA ratio and the Net NPA ratio at 0.97% and 0.29%, respectively, as of 3QFY2016, in a challenging macro environment.
- **Outlook:** Credit and deposit growth beat the industry growth rate, driven by strong retail business, healthy CASA and continued network expansion. This provides strong visibility for a robust 20% earnings trajectory, coupled with high quality of earnings. This in our view justifies a premium valuation multiple. At the current market price, the bank is trading at 3.1x its FY2017E ABV. **We recommend a Buy rating on the stock, with a target price of ₹1,262.**

### Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2016E	38,309	4.3	12,363	49.3	285.4	1.9	18.5	20.7	3.6
FY2017E	47,302	4.3	15,302	61.0	332.2	1.9	19.7	16.7	3.1

Source: Company, Angel Research

## Infosys

- **Guidance upgraded to 12.8-13.2% CC growth for FY2016:** During 3QFY2016 Infosys has upgraded its USD revenue growth guidance to 12.8-13.2% V/s from 10-12% on CC basis earlier for FY2016. In INR terms, the company expects a 16.2-16.6% growth for FY2016. We expect the company to post ~12.7% USD revenue growth in FY2016.
- **Aims to be US\$20bn company by FY2020:** The 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 12.7% USD revenue growth in FY2016. Over FY2015-17E, we expect USD and INR revenue to grow at a CAGR of 12.9% and 14.5%, respectively.
- **Outlook and Valuations:** The stock trades at a valuation of 17.4x FY2017E earnings. **We recommend a Buy on the stock with a price target of ₹1,347.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	61,850	27.5	13,631	59.4	21.2	19.3	4.1	13.0	3.6
FY2017E	69,891	27.5	15,087	65.7	20.1	17.4	3.5	11.0	3.0

Source: Company, Angel Research

### Stock Info

CMP	458
TP	592
Upside	29.3%
Sector	Financials
Market Cap (₹ cr)	23,111
Beta	1.43
52 Week High / Low	526 / 389

### 3 year-Chart

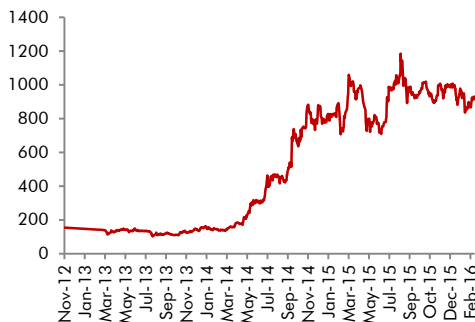


Source: Company, Angel Research

### Stock Info

CMP	926
TP	1,089
Upside	17.6%
Sector	Construction
Market Cap (₹ cr)	11,115
Beta	1.3
52 Week High / Low	1,215 / 702

### 3 year-Chart



Source: Company, Angel Research

## LIC Housing Finance

- **Significant under penetration of mortgages in India:** India is expected to witness a robust housing finance growth going forward as the mortgage penetration in India remains at very low levels at 9% to GDP as compared to the developed countries where it is in the range of 60-100%.
- **NIM expansion visible:** LIC Housing Finance is able to raise funds from low-cost NCDs due to its strong AAA credit rating and backing by strong promoters like LIC. In a declining interest rate environment, NBFC's like LIC Housing are well-placed to witness margin improvement in our view.
- **Outlook:** For companies like LICHF, the funding environment has eased; thus it will lead to lower cost of borrowing, while outlook for growth in retail housing loans remains positive, going forward. We expect the company to post a healthy loan book CAGR of 18.7% over FY2015-17E, which is likely to reflect in an earnings CAGR of 21.0%, over the same period. The stock currently trades at 2.2x FY2017E ABV. **We maintain our Buy rating on the stock, with a target price of ₹592.**

### Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2016E	3,101	2.5	1,664	33.0	176.7	1.4	19.7	13.9	2.6
FY2017E	3,745	2.5	2,029	40.2	207.6	1.4	20.5	11.4	2.2

Source: Company, Angel Research

## National Buildings Construction Corporation (NBCC)

- NBCC reported an order book of over ₹35,000cr at 3QFY2016-end. Considering the bid pipeline for re-development works from Delhi and other State governments, and with 'Smart City' projects to take-off shortly, we expect NBCC's order-book to grow 1.5x during FY2016-18E to ₹59,440cr.
- We expect NBCC to report 26.7% revenue CAGR during FY2015-18E (to ₹9,506cr), mainly driven by 29.3% revenue CAGR from PMC segment, where re-development projects would contribute the maximum. We expect NBCC to report 41.5% EBITDA CAGR during the same period, led by increased contribution from PMC segment, which is likely to experience margin expansion. Owing to lower other income growth assumption, we expect NBCC to report 32.9% PAT CAGR during FY2015-18E to ₹653cr.
- We have a strong positive view on NBCC, given its growth prospects as reflected by its strong order book of ₹35,000cr (6.3x OB to LTM revenues). Also, emerging opportunities in re-development space, government's initiative of developing 'Smart Cities', and the company's cash rich status, should aid its growth. On assigning 20.0x P/E multiple to our FY2018E EPS of ₹54.4/share, we arrive at a price target of ₹1,089. **Given the upside, we recommend Buy 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)
FY2016E	5,816	6.9	355	29.6	24.1	31.3	6.9	23.5	1.6
FY2017E	7,382	7.7	478	39.8	26.7	23.3	5.6	16.1	1.2

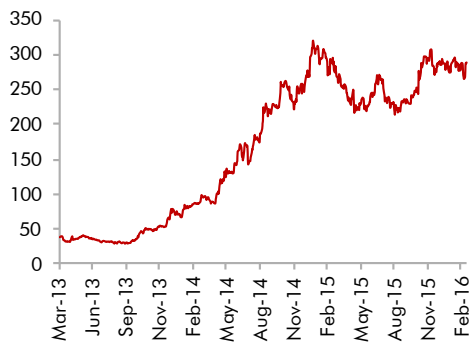
Source: Company, Angel Research



### Stock Info

CMP	284
TP	330
Upside	16.2%
Sector	Automobile
Market Cap (₹ cr)	13,469
Beta	1.0
52 Week High / Low	311/ 201

### 3 year-Chart



Source: Company, Angel Research

### TVS Motor Company (TVSM)

- TVS Motors (TVSM) is the third largest two-wheeler manufacturer in the country having a market share of 14%. The two-wheeler industry is expected to recover in FY2017 and return to long term CAGR of 8-10% on back of higher income due to better economic growth, implementation of Seventh Pay Commission which would boost central government employees' incomes and on expectations of a normal monsoon which would augment rural incomes.
- TVSM is likely to outpace industry growth (we expect 12% volume growth in FY2017) on back of new launches. Continued success in the scooter space (Jupiter) and relaunch of the highly successful executive motorcycle "Victor" is likely to lead to market share gains for TVSM.
- TVSM margins are likely to improve over the next two years on back of operating leverage due to double digit volume growth and lower raw material costs due to renegotiation with vendors. TVSM has guided to reach the 10% margin level in FY2018 as against 6.8% in 9MFY2016.
- We are positive on TVSM given the market share gains and scope for margin improvement. We assign a multiple of 22x to its FY2017 earnings to arrive at a target price of ₹330.

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	11,263	6.9	436	9.2	22.7	30.8	7.0	18.1	1.2
FY2017E	13,122	8.5	713	15.0	29.6	18.9	5.6	12.5	1.0

Source: Company, Angel Research

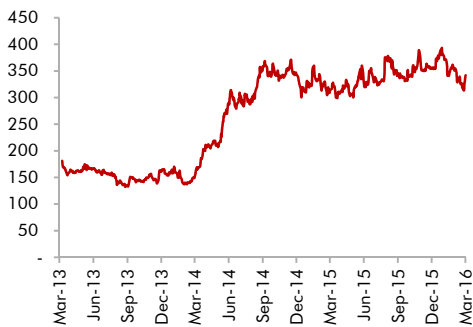


## Top Picks - Mid Cap

### Stock Info

CMP	330
TP	439
Upside	33.3%
Sector	Cons. Durable
Market Cap (₹ cr)	2,964
Beta	0.6
52 Week High / Low	398 / 274

### 3 year-Chart



Source: Company, Angel Research

### Stock Info

CMP	72
TP	93
Upside	28.7%
Sector	Construction
Market Cap (₹ cr)	2,377
Beta	1.1
52 Week High / Low	206/64

### 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% at present). This has resulted in the Cooling Products Division (CPD)'s share in overall revenues increasing from ~23% in FY2010 to ~42% in FY2015 (expected to improve to ~48% 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 11.2% over FY2015-18E and margins to improve from 5.3% in FY2015 to 7.1% in FY2018E. Moreover, the proposed merger with Blue Star Infotech will provide cash influx and thus strengthen the balance sheet. **We maintain our Buy recommendation 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)
FY2016E	3,548	6.3	123	13.7	26.1	24.1	6.1	14.8	0.9
FY2017E	3,977	6.9	164	17.2	25.4	19.2	3.9	11.4	0.8

Source: Company, Angel Research

## IL&FS Transportation Networks

- Recently, ITNL reported Commercial Operations Date (CoD) for JSEL and PSRDCL. Also, Completion certificate was issued for BKEL. TRDCL P-III and CNTL are expected to commence in next 2-3 months. Further, RIDCRO P-III, KSEL, KNEL, and BAEL are expected to commence operations in next 9-12 months. Accordingly, we expect revenue/ day from these projects to increase by ~₹4cr/day (unadj. for stake).
- Interest expenses related to 3 Annuity projects- JSEL, CNTL and TRDCL P-III are already captured in Income statement. As a result, we expect minimal incremental stress on profitability to be seen with the commencement of these projects. Also, we expect ITNL to benefit from declining interest rate cycle, resulting in improved cash flow cycles at the SPV level.
- With 7 projects expected to commence in next 12 months, we expect the debt repayment cycle at SPV level to commence, resulting in the overall consol. D/E levels peaking out at ~4.0x. With concerns over higher D/E levels allayed up to certain extent, coupled with attractive valuations of 0.3x FY2017E P/BV multiple ITNL stock is trading, **we upgrade to Buy with price target of ₹93.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	7,360	34.0	218	6.6	3.2	10.9	0.4	10.8	3.7
FY2017E	8,825	35.9	301	9.2	3.7	7.9	0.3	10.0	3.6

Source: Company, Angel Research

### Stock Info

CMP	154
TP	189
Upside	22.7%
Sector	Media
Market Cap (₹ cr)	5,028
Beta	0.6
52 Week High / Low	176/108

### 3 year-Chart



Source: Company, Angel Research

### Stock Info

CMP	424
TP	554
Upside	30.8%
Sector	Real Estate
Market Cap (₹ cr)	1,738
Beta	0.5
52 Week High / Low	559 / 401

### 3 year-Chart



Source: Company, Angel Research

## Jagran Prakashan

- We expect JPL to register a net sales CAGR of ~15% over FY2015-17E, 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 ~20% over FY2015-17E to ₹325cr.
- 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 an Accumulate rating on the stock with a target price of stock with a target price of ₹189.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	2,170	27.2	290	8.9	20.9	17.3	3.6	8.8	2.2
FY2017E	2,355	26.2	325	9.9	20.4	15.5	3.2	8.4	2.0

Source: Company, Angel Research

## Mahindra Lifespace

- Speedy execution & speedier sales: MLF has 13 projects under implementation across cities. MLF has exhibited fast completion of projects (4-4.5 years in Mumbai, other-wise 3-3.5 years across other cities), 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 virtuous cycle of continuous fast growth.
- Strong revenue growth visibility in short-to-long run: MLF as of 3QFY2016 is pursuing ~5.0mn sq. ft. of sale of the total ~15.0mn sq. ft. of saleable area. Having sold ~55% of ongoing projects, we expect MLF to launch 2.55mn sq.ft. of saleable area in rational way during 3QFY2016-2QFY2018E, across 6 cities. Maturity at existing projects, new launches give better revenue visibility for medium-term. We expect MLF to report 72% and 77.9% consol. sales and PAT CAGR during FY2016-18E to ₹1,273cr and ₹291cr, respectively. Further, MLF is sitting on land bank of 12.3mn sq.ft across 4 cities, which allays any concern over long-term revenue growth.
- With Real Estate Regulatory Bill expected to be realty, MLF should be minimally impacted, given their strong parentage and ethically implemented processes. In longer-term organized, professional run, well funded players would enjoy strong trust due to reliable and fast execution strategy. 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 stock looks attractive. **We maintain BUY on MLF with target price of ₹554.**

### Key Financials

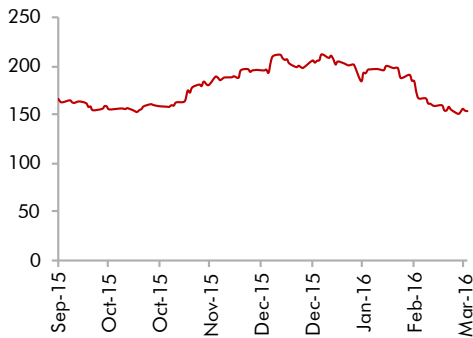
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	697	14.9	57	13.8	3.8	31.1	1.2	26.3	3.9
FY2017E	1,011	19.3	82	20.1	5.3	21.4	1.1	13.8	2.7

Source: Company, Angel Research

### Stock Info

CMP	163
TP	265
Upside	62.6%
Sector	Logistics
Market Cap (₹ cr)	2,330
Beta	0.6
52 Week High / Low	221 / 151

### 3 year-Chart

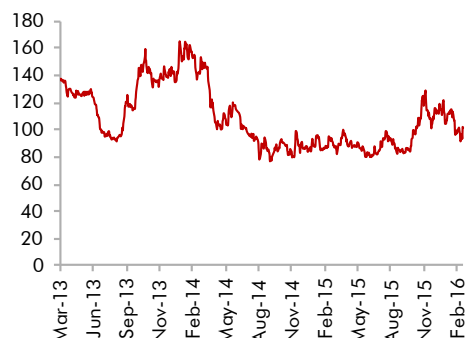


Source: Company, Angel Research

### Stock Info

CMP	100
TP	156
Upside	56.0%
Sector	Breweries & Distilleries
Market Cap (₹ cr)	1,336
Beta	0.8
52 Week High / Low	131/78

### 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)
FY2016E	365	38.3	80	5.6	6.3	29.0	1.8	23.2	7.2
FY2017E	436	37.5	84	5.9	6.1	27.8	1.7	20.3	6.2

Source: Company, Angel Research

### Radico Khaitan

- The IMFL segment is under penetrated. Going forward, increase in income levels would lead to higher growth in IMFL brands. RKL has strong brands in the premium liquor category which reported a CAGR of ~26% over the last seven-year period. We expect the growth momentum to continue.
- We expect the price of ENA, a key raw material, to remain stable and potentially even decline going forward due to higher sugar production and lower demand for ethanol from Indian oil marketing companies
- We expect a significant hike in liquor prices in the coming financial year as there haven't been any significant ones in recent times. Also, we believe that industry leader - United Spirits would shift focus on profitability over volume growth considering the debt on its balance sheet, which in turn, would lead to increased scope for other liquor companies to hike prices.
- On valuation basis, Radico is trading at ~70% discount to its close peer United Spirits. **We have a Buy rating on the stock and target price of ₹156 (22x FY2017E EPS).**

### Key Financials

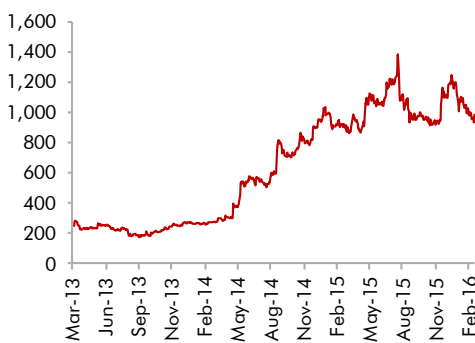
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	1,517	12.7	78	5.8	8.6	17.2	1.5	11.1	1.4
FY2017E	1,635	13.4	95	7.1	9.6	14.1	1.4	9.7	1.2

Source: Company, Angel Research

### Stock Info

CMP	997
TP	1,354
Upside	35.8%
Sector	Textile
Market Cap (₹ cr)	935
Beta	0.8
52 Week High / Low	1,400/857

### 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, in FY2014, 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 ~₹1,815cr and adj.net profit CAGR of ~11% to ₹98cr over FY2015-17E 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 rating on the stock and target price of ₹1,354.**

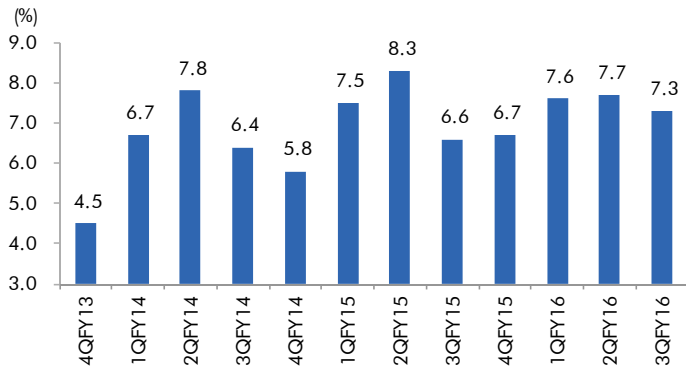
### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	1,636	11.5	84	89.9	17.9	11.1	1.8	7.0	0.7
FY2017E	1,815	11.5	98	104.1	17.8	9.6	1.6	6.3	0.6

Source: Company, Angel Research

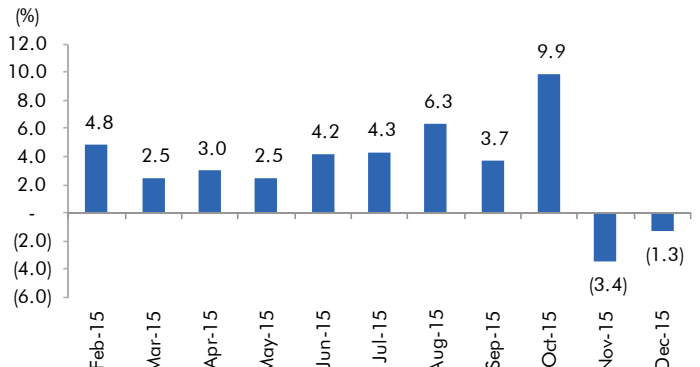
## Macro watch

**Exhibit 1: Quarterly GDP trends**



Source: CSO, Angel Research

**Exhibit 2: IIP trends**



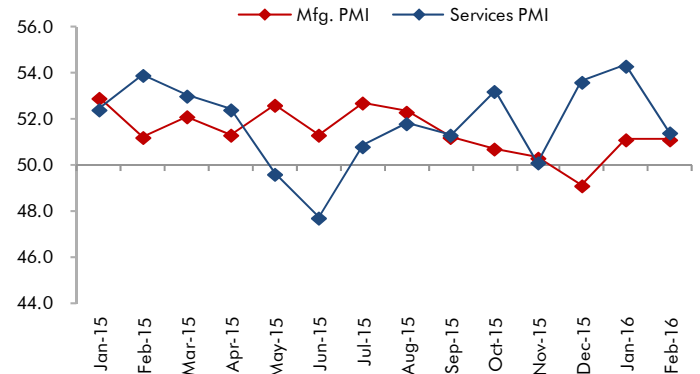
Source: MOSPI, Angel Research

**Exhibit 3: Monthly CPI inflation trends**



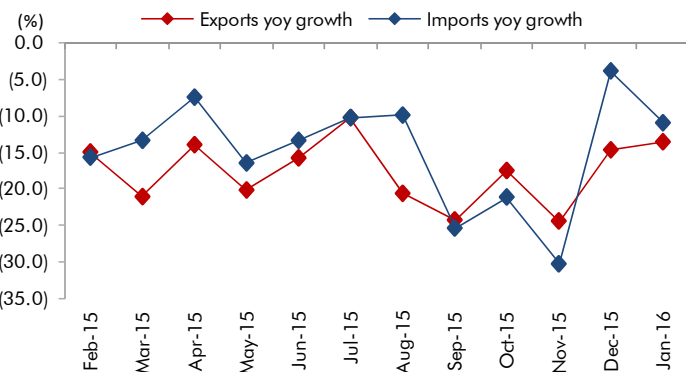
Source: MOSPI, Angel Research

**Exhibit 4: Manufacturing and services PMI**



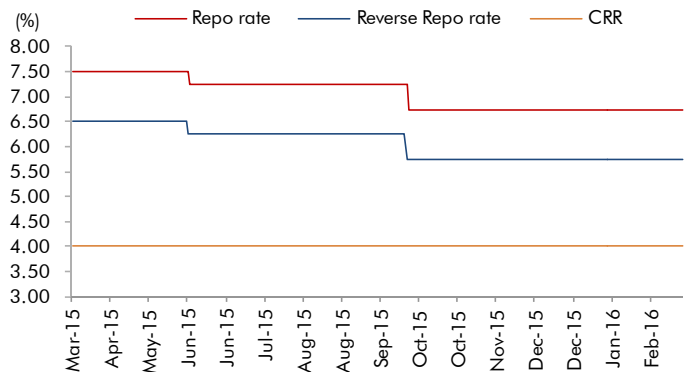
Source: Market, Angel Research; Note: Level above 50 indicates expansion

**Exhibit 5: Exports and imports growth trends**



Source: Bloomberg, Angel Research

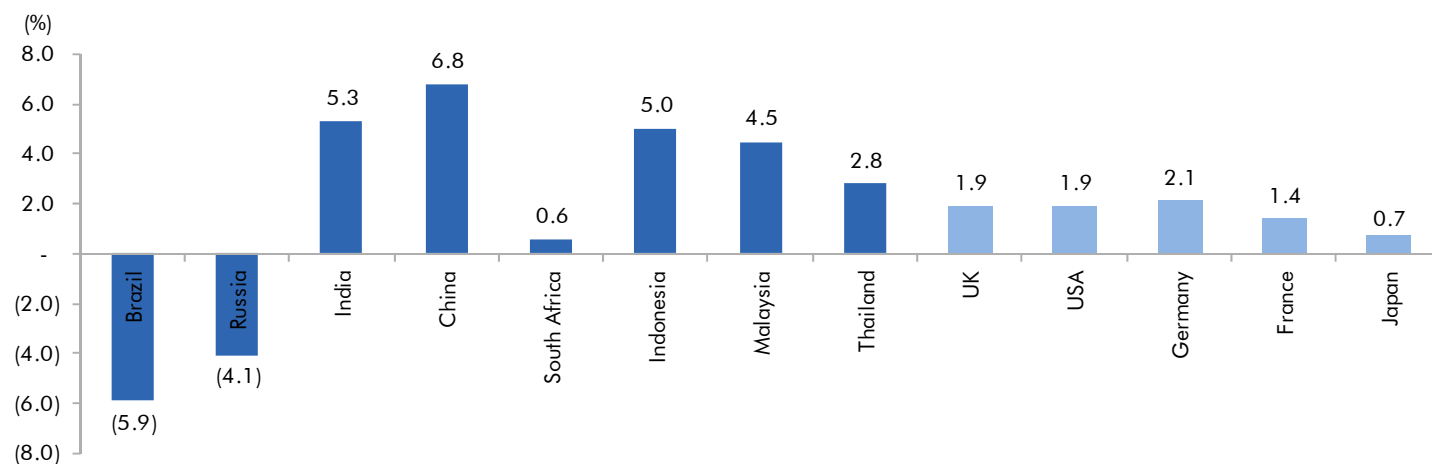
**Exhibit 6: Key policy rates**



Source: RBI, Angel Research

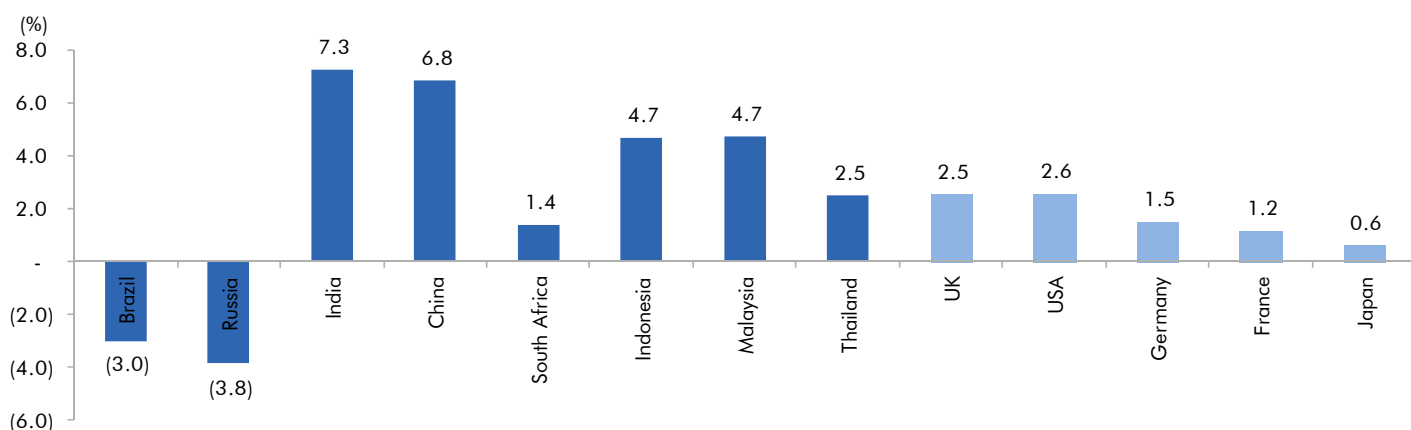
## Global watch

**Exhibit 1: Latest quarterly GDP Growth (% , yoy) across select developing and developed countries**



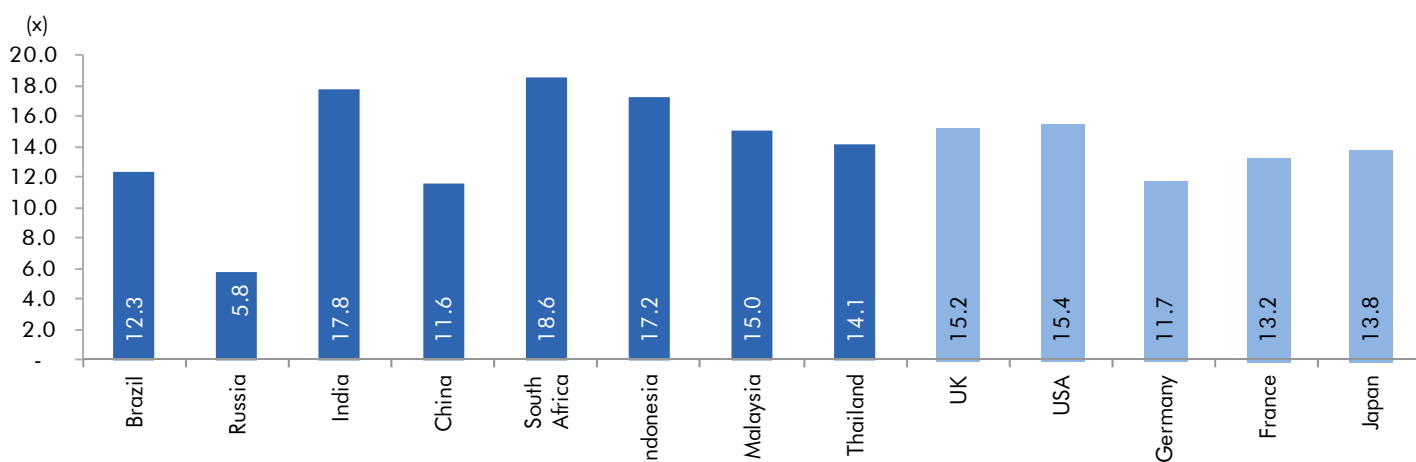
Source: Bloomberg, Angel Research

**Exhibit 2: 2015 GDP Growth projection by IMF (% , yoy) across select developing and developed countries**



Source: IMF, Angel Research

**Exhibit 3: One year forward P-E ratio across select developing and developed countries**



Source: IMF, Angel Research



**Exhibit 4: Relative performance of indices across globe**

Country	Name of index	Closing price	1M	Returns (%)	
				3M	1YR
Brazil	Bovespa	49,571	22.1	10.4	(3.4)
Russia	Micex	1,885	5.8	5.4	13.2
India	Nifty	7,486	1.3	(2.8)	(16.2)
China	Shanghai Composite	2,805	1.9	(20.8)	(14.9)
South Africa	Top 40	45,548	6.0	3.2	(0.6)
Mexico	Mexbol	44,337	4.6	5.0	2.6
Indonesia	LQ45	834	(0.7)	6.2	(12.7)
Malaysia	KLCI	1,691	1.7	0.8	(7.4)
Thailand	SET 50	888	7.6	3.8	(14.9)
USA	Dow Jones	16,995	6.0	(4.1)	(5.0)
UK	FTSE	6,037	7.2	(1.6)	(10.4)
Japan	Nikkei	16,852	(0.9)	(13.6)	(10.4)
Germany	DAX	9,498	7.0	(12.7)	(20.2)
France	CAC	4,350	8.8	(6.2)	(13.6)

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)	
					FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Agri / Agri Chemical																		
Rallis	Neutral	154	-	2,990	2,097	2,415	14.4	14.4	9.5	11.0	16.2	14.0	3.2	2.8	21.1	21.3	1.5	1.3
United Phosphorus	Accumulate	447	480	19,161	12,500	14,375	18.3	18.3	29.8	35.9	15.0	12.5	2.8	2.3	20.0	20.3	1.6	1.3
Auto & Auto Ancillary																		
Ashok Leyland	Buy	96	111	27,448	17,995	21,544	11.4	11.6	3.4	4.7	28.4	20.5	5.0	4.6	17.7	22.2	1.5	1.2
Bajaj Auto	Accumulate	2,320	2,585	67,130	22,709	25,860	20.9	20.1	129.0	143.6	18.0	16.2	5.5	4.7	30.7	29.4	2.5	2.2
Bharat Forge	Accumulate	822	875	19,136	7,351	8,318	19.9	19.7	31.2	36.5	26.3	22.5	4.7	4.0	19.3	19.2	2.7	2.4
Eicher Motors	Neutral	19,800	-	53,779	15,556	16,747	15.5	17.3	464.8	597.5	42.6	33.1	15.6	11.4	36.2	34.3	3.4	3.1
Gabriel India	Accumulate	88	101	1,264	1,415	1,544	8.7	9.0	4.6	5.4	19.1	16.3	3.5	3.1	18.1	18.9	0.9	0.8
Hero Motocorp	Neutral	2,812	-	56,154	28,244	30,532	15.5	15.9	156.7	168.5	17.9	16.7	7.2	6.1	39.9	36.4	1.8	1.7
Jamna Auto Industries	Buy	137	160	1,094	1,281	1,473	11.2	11.5	7.6	9.2	18.0	14.9	4.5	3.7	25.4	25.2	0.9	0.8
L G Balakrishnan & Bros	Neutral	422	-	663	1,254	1,394	11.6	11.8	35.9	41.7	11.8	10.1	1.6	1.4	13.5	13.8	0.6	0.6
Mahindra and Mahindra	Accumulate	1,226	1,364	76,149	38,416	42,904	13.7	13.9	54.8	63.4	22.4	19.3	3.5	3.1	15.4	15.8	1.6	1.4
Maruti	Neutral	3,627	-	109,569	57,865	68,104	16.4	16.7	176.3	225.5	20.6	16.1	4.0	3.4	19.4	21.2	1.7	1.4
Minda Industries	Accumulate	914	1,047	1,450	2,523	2,890	8.7	9.0	55.0	65.4	16.6	14.0	3.2	2.6	19.3	18.7	0.7	0.6
Motherson Sumi	Buy	240	313	31,686	39,343	45,100	8.8	9.1	10.1	12.5	23.7	19.2	7.5	5.9	35.3	34.4	0.9	0.8
Rane Brake Lining	Buy	365	465	289	454	511	11.5	12.0	25.2	31.0	14.5	11.8	2.2	2.0	14.9	16.6	0.8	0.7
Setco Automotive	Neutral	31	-	413	594	741	12.7	13.7	1.7	3.2	18.2	9.7	1.9	1.7	10.4	16.9	1.1	0.9
Tata Motors	Accumulate	348	371	100,590	259,686	273,957	13.0	13.4	25.9	29.5	13.5	11.8	1.8	1.5	8.0	9.0	0.6	0.6
TVS Motor	Buy	284	330	13,469	11,263	13,122	6.9	8.5	9.2	15.0	30.8	18.9	7.0	5.6	22.7	29.6	1.2	1.0
Amara Raja Batteries	Accumulate	906	1,040	15,467	4,892	5,871	17.4	17.6	28.8	37.1	31.4	24.4	7.3	5.9	23.4	24.1	3.1	2.5
Exide Industries	Buy	133	162	11,339	6,950	7,784	14.4	14.8	6.6	7.3	20.2	18.3	2.6	2.3	12.6	12.8	1.3	1.2
Apollo Tyres	Accumulate	168	183	8,575	12,056	12,714	17.2	16.4	23.0	20.3	7.3	8.3	1.3	1.1	17.7	13.6	0.8	0.8
Ceat	Accumulate	1,063	1,119	4,301	6,041	6,597	14.1	13.7	99.5	111.9	10.7	9.5	2.1	1.8	19.6	18.5	0.9	0.7
JK Tyres	Neutral	82	-	1,852	7,446	7,669	15.2	14.0	19.6	18.4	4.2	4.4	1.0	0.9	25.2	19.5	0.6	0.5
Swaraj Engines	Accumulate	843	919	1,047	552	630	14.2	14.7	44.6	54.1	18.9	15.6	4.4	4.0	23.2	25.6	1.7	1.5
Subros	Neutral	87	-	522	1,293	1,527	11.8	11.9	4.2	6.7	20.7	13.0	1.6	1.4	7.7	11.5	0.7	0.6
Indag Rubber	Neutral	166	-	436	283	329	17.0	17.2	13.0	15.4	12.8	10.8	2.8	2.3	21.8	21.6	1.3	1.0
Banking																		
Allahabad Bank	Neutral	51	-	3,084	8,569	9,392	2.8	2.9	16.3	27.5	3.2	1.9	0.3	0.23	7.6	11.9	-	-
Axis Bank	Buy	413	494	98,381	26,473	31,527	3.5	3.6	35.7	43.5	11.6	9.5	1.9	1.67	17.9	18.9	-	-
Bank of Baroda	Neutral	139	-	32,108	18,485	21,025	1.9	2.0	13.5	21.1	10.4	6.6	0.8	0.7	7.3	10.6	-	-
Bank of India	Neutral	94	-	7,612	15,972	17,271	1.9	2.0	15.3	33.3	6.1	2.8	0.3	0.2	3.6	7.6	-	-
Canara Bank	Neutral	180	-	9,766	15,441	16,945	2.0	2.1	46.6	70.4	3.9	2.6	0.3	0.3	8.0	11.2	-	-
Dena Bank	Neutral	29	-	1,842	3,440	3,840	2.1	2.3	7.2	10.0	3.9	2.8	0.3	0.2	6.1	7.9	-	-
Federal Bank	Neutral	49	-	8,409	3,477	3,999	3.0	3.0	5.0	6.2	9.8	7.8	1.0	0.9	10.5	11.9	-	-
HDFC	Neutral	1,153	-	182,034	10,358	11,852	3.3	3.3	41.1	47.0	28.1	24.5	5.3	4.9	24.7	24.9	-	-
HDFC Bank	Buy	1,021	1,262	257,838	38,309	47,302	4.3	4.3	49.3	61.0	20.7	16.7	3.6	3.07	18.5	19.7	-	-
ICICI Bank	Buy	215	254	125,243	34,279	39,262	3.3	3.3	21.0	24.4	10.3	8.8	1.7	1.5	14.4	14.7	-	-

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
IDBI Bank	Neutral	66	-	12,550	9,625	10,455	1.8	1.8	8.5	14.2	7.7	4.6	0.5	0.4	5.9	9.3	-	-
Indian Bank	Neutral	103	-	4,942	6,160	6,858	2.4	2.5	24.5	29.8	4.2	3.4	0.3	0.3	7.7	8.6	-	-
LIC Housing Finance	Buy	458	592	23,111	3,101	3,745	2.5	2.5	33.0	40.2	13.9	11.4	2.6	2.2	19.7	20.5	-	-
Oriental Bank	Neutral	89	-	2,681	7,643	8,373	2.4	2.4	37.2	45.4	2.4	2.0	0.2	0.2	8.2	9.4	-	-
Punjab Natl. Bank	Neutral	82	-	16,052	23,638	26,557	2.8	2.8	17.9	27.2	4.6	3.0	0.5	0.4	8.5	12.0	-	-
South Ind. Bank	Neutral	18	-	2,390	1,965	2,185	2.5	2.5	2.5	3.3	7.1	5.4	0.7	0.6	9.5	11.6	-	-
St Bk of India	Neutral	181	-	140,235	79,958	86,060	2.6	2.6	13.4	20.7	13.5	8.7	1.1	1.0	11.5	12.8	-	-
Union Bank	Neutral	124	-	8,538	12,646	14,129	2.3	2.4	31.0	39.1	4.0	3.2	0.4	0.4	9.8	11.4	-	-
Vijaya Bank	Neutral	32	-	2,745	3,536	3,827	1.8	1.9	5.5	6.7	5.8	4.8	0.5	0.4	7.8	8.8	-	-
Yes Bank	Neutral	792	-	33,300	7,190	9,011	3.2	3.3	58.2	69.7	13.6	11.4	2.4	2.1	19.2	19.6	-	-
<b>Capital Goods</b>																		
ACE	Neutral	38	-	372	660	839	4.7	8.2	1.0	3.9	37.6	9.6	1.2	1.0	3.2	11.3	0.7	0.6
BEML	Accumulate	1,038	1,157	4,321	3,277	4,006	6.0	8.9	36.2	64.3	28.7	16.1	2.0	1.8	5.7	11.7	1.4	1.1
Bharat Electronics	Buy	1,084	1,414	26,014	7,737	8,634	16.8	17.2	54.0	61.5	20.1	17.6	2.9	2.5	39.3	45.6	2.5	2.1
Voltas	Buy	238	353	7,865	5,363	5,963	8.0	9.1	11.0	13.8	21.6	17.2	3.3	2.9	16.2	17.9	1.4	1.3
BGR Energy	Neutral	104	-	748	3,615	3,181	9.5	9.4	16.7	12.4	6.2	8.4	0.6	0.6	10.0	7.0	0.6	0.8
BHEL	Neutral	104	-	25,541	33,722	35,272	10.8	11.7	10.5	14.2	9.9	7.3	0.7	0.7	7.0	9.0	0.8	0.8
Blue Star	Buy	330	439	2,964	3,548	3,977	6.3	6.9	13.7	17.2	24.1	19.2	6.1	3.9	26.1	25.4	0.9	0.8
Crompton Greaves	Neutral	151	-	9,458	13,484	14,687	4.9	6.2	4.5	7.1	33.5	21.3	2.4	2.2	7.2	10.8	0.8	0.8
Greaves Cotton	Neutral	126	-	3,073	1,655	1,755	16.6	16.8	7.4	7.8	17.0	16.1	3.4	3.2	21.1	20.6	1.8	1.7
Inox Wind	Buy	270	458	5,998	4,980	5,943	17.0	17.5	26.6	31.6	10.2	8.6	3.0	2.2	35.0	30.0	1.3	1.1
KEC International	Neutral	115	-	2,951	8,791	9,716	6.1	6.8	5.4	8.2	21.3	14.0	2.1	1.9	10.0	14.0	0.6	0.5
Thermax	Neutral	755	-	9,000	6,413	7,525	7.4	8.5	30.5	39.3	24.8	19.2	3.8	3.3	15.0	17.0	1.4	1.1
<b>Cement</b>																		
ACC	Neutral	1,230	-	23,089	13,151	14,757	16.4	18.3	63.9	83.4	19.2	14.7	2.5	2.3	13.3	16.1	1.6	1.3
Ambuja Cements	Neutral	201	-	31,255	11,564	12,556	19.4	20.7	8.9	10.1	22.6	19.9	2.8	2.7	12.8	13.8	2.3	2.1
HeidelbergCement	Neutral	70	-	1,591	1,772	1,926	13.3	15.4	1.0	3.0	70.2	23.4	1.8	1.6	2.6	7.9	1.5	1.3
India Cements	Neutral	75	-	2,316	4,216	4,840	18.0	19.5	4.0	9.9	18.9	7.6	0.8	0.7	4.0	9.5	0.9	0.7
JK Cement	Accumulate	559	605	3,909	3,661	4,742	10.1	15.8	7.5	28.5	74.5	19.6	2.2	2.0	7.5	22.9	1.5	1.1
J K Lakshmi Cement	Neutral	300	-	3,531	2,947	3,616	16.7	19.9	11.5	27.2	26.1	11.0	2.5	2.1	9.8	20.8	1.6	1.3
Mangalam Cements	Neutral	184	-	492	1,053	1,347	10.5	13.3	8.4	26.0	21.9	7.1	0.9	0.9	4.3	12.5	0.8	0.6
Orient Cement	Neutral	138	-	2,830	1,854	2,524	21.2	22.2	7.7	11.1	17.9	12.4	2.6	2.2	13.3	15.7	2.3	1.6
Ramco Cements	Neutral	379	-	9,015	4,036	4,545	20.8	21.3	15.1	18.8	25.1	20.1	3.1	2.7	12.9	14.3	2.7	2.4
Shree Cement ^	Neutral	11,150	-	38,844	7,150	8,742	26.7	28.6	228.0	345.5	48.9	32.3	7.2	6.0	15.7	20.3	5.2	4.2
UltraTech Cement	Neutral	2,996	-	82,205	24,669	29,265	18.2	20.6	82.0	120.0	36.5	25.0	3.9	3.4	11.3	14.7	3.4	2.9
<b>Construction</b>																		
ITNL	Buy	72	93	2,377	7,360	8,825	34.0	35.9	7.0	9.0	10.3	8.0	0.4	0.3	3.2	3.7	3.7	3.6
KNR Constructions	Buy	517	603	1,454	937	1,470	14.3	14.0	44.2	38.6	11.7	13.4	2.3	2.0	15.4	15.4	1.6	1.1
Larsen & Toubro	Accumulate	1,186	1,310	110,473	58,870	65,708	8.3	10.3	42.0	53.0	28.2	22.4	2.0	1.8	8.8	11.2	2.1	1.9
Gujarat Pipavav Port	Neutral	158	-	7,638	629	684	51.0	52.2	6.4	5.9	24.7	26.8	3.3	3.0	15.9	12.7	11.8	10.6
MBL Infrastructures	Buy	140	285	580	2,313	2,797	12.2	14.6	19.0	20.0	7.4	7.0	0.8	0.7	11.3	10.6	1.0	0.9
Nagarjuna Const.	Neutral	69	-	3,814	7,892	8,842	8.8	9.1	3.0	5.3	22.9	12.9	1.1	1.1	5.0	8.5	0.7	0.6
PNC Infratech	Accumulate	489	558	2,511	1,873	2,288	13.2	13.5	24.0	32.0	20.4	15.3	2.0	1.8	12.1	12.3	1.4	1.2
Simplex Infra	Neutral	215	-	1,063	5,955	6,829	10.3	10.5	16.0	31.0	13.4	6.9	0.7	0.6	5.3	9.9	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)	
					FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Power Mech Projects	Neutral	577	-	849	1,539	1,801	12.8	12.7	59.0	72.1	9.8	8.0	1.5	1.2	18.6	16.8	0.6	0.5
Sadbhav Engineering	Buy	244	289	4,184	3,481	4,219	10.7	10.8	8.2	11.7	29.7	20.8	2.8	2.5	10.3	13.5	1.5	1.2
NBCC	Buy	925	1,089	11,094	5,816	7,382	6.9	7.7	29.6	39.8	31.2	23.2	5.6	4.4	24.1	26.7	1.6	1.3
MEP Infra	Neutral	39	-	639	1,956	1,876	28.1	30.5	1.3	3.0	30.2	13.1	6.3	4.3	21.2	32.8	1.7	1.7
SIPL	Neutral	89	-	3,149	675	1,042	62.4	64.7	-	-			3.3	3.8	-	-	16.3	11.0
<b>FMCG</b>																		
Asian Paints	Neutral	893	-	85,671	16,553	19,160	16.0	16.2	17.7	21.5	50.5	41.5	13.4	12.1	29.4	31.2	5.0	4.3
Britannia	Neutral	2,829	-	33,940	8,481	9,795	14.0	14.1	65.5	78.3	43.2	36.1	20.4	16.8	38.3	41.2	3.9	3.3
Colgate	Neutral	808	-	21,972	4,836	5,490	19.5	19.7	48.5	53.2	16.7	15.2	12.2	10.6	99.8	97.5	4.4	3.9
Dabur India	Accumulate	246	267	43,275	9,370	10,265	17.1	17.2	7.3	8.1	33.5	30.4	10.1	8.2	33.7	30.6	4.5	4.1
GlaxoSmith Con*	Accumulate	5,673	6,118	23,857	4,919	5,742	17.2	17.4	168.3	191.2	33.7	29.7	9.6	8.1	28.8	28.9	4.4	3.7
Godrej Consumer	Neutral	1,248	-	42,505	10,168	12,886	16.1	16.1	32.1	38.4	38.9	32.5	7.9	7.3	19.7	21.0	4.3	3.4
HUL	Neutral	838	-	181,235	34,940	38,957	17.5	17.7	20.8	24.7	40.3	33.9	44.8	35.8	110.5	114.2	5.0	4.4
ITC	Accumulate	316	359	254,049	36,804	38,776	37.9	37.9	12.2	12.9	25.9	24.5	7.2	6.3	27.7	25.8	6.5	6.1
Marico	Neutral	238	-	30,674	6,551	7,766	15.7	16.0	10.4	12.5	22.9	19.0	6.6	5.5	33.2	32.4	4.6	3.9
Nestle*	Buy	5,186	6,646	50,000	11,291	12,847	22.2	22.3	158.9	184.6	32.6	28.1	17.1	15.3	55.0	57.3	4.3	3.7
Tata Global	Buy	116	144	7,350	8,635	9,072	9.8	9.9	6.5	7.6	17.9	15.3	1.8	1.7	6.8	7.4	0.8	0.7
<b>IT</b>																		
HCL Tech ^	Buy	818	1,038	115,391	42,038	47,503	21.2	21.5	51.5	57.7	16.0	14.2	3.4	2.7	21.5	18.8	2.3	1.8
Infosys	Buy	1,146	1,347	263,218	61,850	69,981	27.5	27.5	59.4	65.7	19.3	17.4	4.1	3.5	21.2	20.1	3.6	3.0
TCS	Buy	2,348	2,854	462,656	108,487	122,590	28.3	28.5	122.8	138.4	19.1	17.0	7.3	6.6	38.0	38.9	3.9	3.4
Tech Mahindra	Accumulate	466	530	45,095	26,524	29,177	16.2	17.0	28.8	33.6	16.2	13.9	3.1	2.7	19.3	19.1	1.5	1.3
Wipro	Buy	536	680	132,424	50,808	56,189	23.7	23.8	37.3	40.7	14.4	13.2	2.7	2.5	19.2	17.7	2.1	1.7
<b>Media</b>																		
D B Corp	Accumulate	325	356	5,971	2,241	2,495	27.8	27.9	21.8	25.6	14.9	12.7	3.9	3.4	26.7	28.5	2.6	2.3
HT Media	Neutral	82	-	1,911	2,495	2,603	11.2	11.2	7.3	8.6	11.2	9.5	0.9	0.8	7.4	8.1	0.3	0.2
Jagran Prakashan	Buy	154	189	5,028	2,170	2,355	27.2	26.2	8.9	9.9	17.3	15.5	3.6	3.2	20.9	20.4	2.2	2.0
Sun TV Network	Neutral	342	-	13,460	2,779	3,196	70.2	70.5	22.8	27.3	15.0	12.5	3.7	3.3	26.7	28.3	4.6	4.0
Hindustan Media Ven.	Neutral	261	-	1,914	920	1,031	20.0	20.0	19.2	20.9	13.6	12.5	2.2	1.9	16.4	15.3	1.6	1.4
<b>Metal</b>																		
Coal India	Buy	322	380	203,513	76,167	84,130	19.9	22.3	22.4	25.8	14.4	12.5	5.2	5.0	35.5	41.0	2.0	1.8
Hind. Zinc	Neutral	169	-	71,598	14,641	14,026	50.4	50.4	17.7	16.0	9.6	10.6	1.5	1.3	16.2	13.2	2.5	2.4
Hindalco	Neutral	84	-	17,274	104,356	111,186	8.7	9.5	6.7	11.1	12.4	7.6	0.4	0.4	3.5	5.9	0.7	0.6
JSW Steel	Neutral	1,184	-	28,621	42,308	45,147	16.4	20.7	(10.3)	49.5	-	23.9	1.3	1.3	(1.0)	5.6	1.7	1.6
NMDC	Neutral	93	-	36,931	8,237	10,893	46.6	44.5	9.9	11.7	9.4	8.0	1.0	0.9	12.4	13.0	4.3	3.3
SAIL	Neutral	43	-	17,656	45,915	53,954	7.2	10.5	1.5	4.4	28.4	9.8	0.4	0.4	2.3	4.1	1.0	0.9
Vedanta	Neutral	88	-	26,163	71,445	81,910	26.2	26.2	12.9	19.2	6.9	4.6	0.5	0.4	7.2	8.9	0.8	0.6
Tata Steel	Neutral	296	-	28,763	126,760	137,307	8.9	11.3	6.4	23.1	46.5	12.8	0.9	0.9	2.0	7.1	0.8	0.8

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Oil & Gas																		
Cairn India	Neutral	141	-	26,379	11,323	12,490	49.4	51.0	20.7	20.6	6.8	6.8	0.4	0.4	6.4	6.1	1.4	0.8
GAIL	Neutral	341	-	43,299	64,856	70,933	9.1	9.6	24.0	28.9	14.2	11.8	1.2	1.1	8.8	9.6	0.8	0.8
ONGC	Neutral	206	-	175,986	154,564	167,321	36.8	37.4	28.6	32.5	7.2	6.3	0.9	0.8	12.7	13.5	1.3	1.3
Petronet LNG	Neutral	248	-	18,608	29,691	31,188	5.8	6.2	12.8	13.4	19.4	18.5	2.9	2.6	15.8	14.8	0.7	0.7
Indian Oil Corp	Buy	386	455	93,743	359,607	402,760	5.9	6.1	42.5	48.7	9.1	7.9	1.2	1.1	14.1	14.3	0.4	0.3
Reliance Industries	Accumulate	1,012	1,150	327,899	304,775	344,392	12.6	13.4	91.3	102.6	11.1	9.9	1.2	1.1	11.8	12.0	1.0	0.8
Pharmaceuticals																		
Alembic Pharma	Neutral	623	-	11,744	3,274	3,802	26.9	19.4	35.0	28.7	17.8	21.7	7.9	5.9	55.6	31.2	3.6	3.0
Aurobindo Pharma	Buy	724	856	42,323	14,923	17,162	22.0	23.0	35.7	42.8	20.3	16.9	6.0	4.5	34.0	30.2	3.2	2.7
Aventis*	Neutral	4,395	-	10,122	2,082	2,371	17.4	20.8	118.2	151.5	37.2	29.0	5.4	4.4	19.9	25.5	4.5	3.8
Cadila Healthcare	Neutral	345	-	35,309	10,224	11,840	21.0	22.0	14.6	17.6	23.6	19.6	6.5	5.1	30.8	29.0	3.5	2.9
Cipla	Accumulate	534	605	42,936	13,979	16,447	20.2	18.6	25.7	27.5	20.8	19.4	3.4	2.9	17.6	16.1	3.1	2.5
Dr Reddy's	Buy	3,184	3,933	54,303	16,838	19,575	25.0	23.1	167.5	178.8	19.0	17.8	4.0	3.3	23.1	20.4	3.1	2.7
Dishman Pharma	Neutral	363	-	2,932	1,733	1,906	21.5	21.5	17.0	19.9	21.4	18.3	2.2	1.9	10.5	11.2	2.2	1.9
GSK Pharma*	Neutral	3,218	-	27,260	2,870	3,158	20.0	22.1	59.5	68.3	54.1	47.1	16.0	16.4	28.5	34.3	9.0	8.2
Indoco Remedies	Neutral	282	-	2,595	1,033	1,199	15.9	18.2	9.4	13.6	30.0	20.7	4.4	3.8	15.7	19.7	2.6	2.2
Ipca labs	Buy	545	900	6,875	3,363	3,909	12.9	18.6	13.4	28.0	40.7	19.5	2.9	2.5	7.4	14.0	2.3	2.0
Lupin	Neutral	1,821	-	82,044	13,092	16,561	25.0	27.0	50.4	68.3	36.1	26.7	7.5	5.9	22.8	24.7	6.0	4.6
Sun Pharma	Accumulate	865	950	208,213	28,163	32,610	25.8	30.7	17.4	26.9	49.7	32.2	4.7	4.1	13.0	16.6	6.9	5.7
Power																		
Tata Power	Neutral	59	-	15,930	35,923	37,402	22.6	22.8	4.1	5.2	14.5	11.4	1.1	1.0	7.5	9.3	1.4	1.3
NTPC	Buy	127	146	104,676	87,271	99,297	23.4	23.5	11.7	13.3	10.8	9.5	1.2	1.1	11.5	12.2	2.2	2.0
Power Grid	Buy	140	170	72,981	20,702	23,361	86.7	86.4	12.1	13.2	11.5	10.6	1.7	1.5	15.6	15.1	8.4	7.9
Telecom																		
Bharti Airtel	Neutral	322	-	128,656	101,748	109,191	32.1	31.7	12.0	12.5	26.8	25.7	1.8	1.7	6.9	6.7	1.9	1.7
Idea Cellular	Neutral	135	-	48,605	34,282	36,941	32.0	31.5	5.9	6.2	22.9	21.8	2.1	1.9	9.9	9.3	2.0	1.9
Others																		
Abbott India	Neutral	4,904	-	10,420	2,715	3,153	14.5	14.1	134.3	152.2	36.5	32.2	9.1	7.5	27.4	25.6	3.6	3.0
Bajaj Electricals	Buy	188	237	1,895	4,719	5,287	5.2	5.8	8.6	12.7	21.9	14.8	2.5	2.2	11.4	14.8	0.4	0.4
Banco Products (India)	Neutral	101	-	721	1,208	1,353	10.9	12.3	10.8	14.5	9.4	7.0	1.1	1.0	11.9	14.5	0.6	0.5
Coffee Day Enterprises	Neutral	226	-	4,663	2,692	2,964	17.0	18.6	-	4.7	-	47.8	2.8	2.6	0.1	5.5	2.1	2.0
Competent Automobiles	Neutral	126	-	77	1,040	1,137	3.2	3.1	25.7	28.0	4.9	4.5	0.7	0.6	15.0	14.3	0.1	0.0
Elecon Engineering	Neutral	57	-	619	1,359	1,482	10.3	13.6	0.8	3.9	70.7	14.6	1.2	1.1	1.6	7.8	0.8	0.7
Finolex Cables	Neutral	232	-	3,547	2,520	2,883	12.2	12.0	12.7	14.2	18.3	16.3	2.5	2.2	13.6	13.5	1.1	1.0
Garware Wall Ropes	Buy	301	473	659	862	974	11.2	11.2	24.9	29.6	12.1	10.2	1.8	1.6	15.1	15.4	0.8	0.6
Goodyear India*	Buy	475	582	1,095	1,800	1,600	11.7	11.5	58.7	52.9	8.1	9.0	1.8	1.6	24.6	18.7	0.4	0.4
Hitachi	Neutral	1,135	-	3,085	1,779	2,081	7.8	8.8	21.8	33.4	52.0	33.9	8.4	6.8	17.4	22.1	1.8	1.5
HSIL	Accumulate	271	302	1,960	2,123	2,384	16.1	16.5	15.0	18.9	18.0	14.4	1.4	1.3	8.0	9.4	1.3	1.1

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Interglobe Aviation	Neutral	807	-	29,068	17,022	21,122	20.7	14.5	63.9	53.7	12.6	15.0	18.9	15.5	149.9	103.2	1.7	1.4
Jyothy Laboratories	Neutral	289	-	5,226	1,620	1,847	11.5	11.5	7.3	8.5	39.6	34.1	5.1	4.7	13.3	14.4	3.1	2.6
Kirloskar Engines India	Neutral	210	-	3,043	2,403	2,554	8.6	9.9	9.2	10.5	22.9	20.1	2.2	2.1	9.7	10.7	0.9	0.8
Linc Pen & Plastics	Neutral	182	-	269	340	371	8.3	8.9	10.8	13.2	16.9	13.8	2.7	2.4	16.0	17.1	0.8	0.8
Mahindra Lifespace	Buy	424	554	1,738	697	1,011	14.9	19.3	13.8	20.1	30.7	21.1	1.1	1.1	3.8	5.3	3.8	2.6
M M Forgings	Buy	422	614	509	511	615	21.7	21.6	43.1	55.8	9.8	7.6	1.8	1.5	19.9	21.2	1.2	0.9
MRF	Buy	34,387	45,575	14,584	20,316	14,488	21.4	21.1	5,488.0	3,797.9	6.3	9.1	2.1	1.7	41.1	21.2	0.7	0.9
MT Educare	Neutral	154	-	614	286	366	18.3	17.7	7.7	9.4	20.0	16.5	4.2	3.7	20.2	21.1	2.0	1.5
Navkar Corporation	Buy	163	265	2,330	365	436	38.3	37.5	5.6	5.9	29.0	27.8	1.8	1.7	6.3	6.1	7.2	6.2
Navneet Education	Neutral	82	-	1,947	998	1,062	24.1	24.0	5.8	6.1	14.2	13.4	3.1	2.8	22.0	20.5	2.0	1.9
Nilkamal	Neutral	1,100	-	1,642	1,871	2,031	10.7	10.5	63.2	69.8	17.4	15.8	2.8	2.4	17.6	16.6	0.9	0.8
Page Industries	Neutral	11,372	-	12,684	1,929	2,450	19.8	20.1	229.9	299.0	49.5	38.0	21.8	15.2	52.1	47.0	6.6	5.2
Radico Khaitan	Buy	100	156	1,336	1,517	1,635	12.7	13.4	5.8	7.1	17.2	14.1	1.5	1.4	8.6	9.6	1.4	1.2
Relaxo Footwears	Neutral	388	-	4,652	1,767	2,152	12.3	12.5	19.2	25.1	20.1	15.5	4.9	3.8	27.7	27.8	2.7	2.2
Siyaram Silk Mills	Buy	997	1,354	935	1,636	1,815	11.5	11.5	89.9	104.1	11.1	9.6	1.8	1.6	17.9	17.8	0.7	0.6
Styrolution ABS India*	Neutral	564	-	992	1,271	1,440	8.6	9.2	32.0	41.1	17.6	13.7	1.8	1.6	10.7	12.4	0.7	0.6
Surya Roshni	Buy	134	201	587	2,992	3,223	8.1	8.4	14.7	18.3	9.1	7.3	0.8	0.8	9.7	11.0	0.5	0.4
The Byke Hospitality	Neutral	155	-	622	222	287	20.5	20.5	5.6	7.6	27.5	20.5	5.2	4.3	18.8	20.7	2.8	2.2
Transport Corp. of India	Neutral	275	-	2,092	2,830	3,350	8.8	9.0	14.4	18.3	19.1	15.0	2.9	2.6	15.4	17.1	0.9	0.7
TVS Srichakra	Buy	2,242	3,217	1,717	2,035	2,252	15.9	15.3	248.6	268.1	9.0	8.4	3.9	2.8	43.6	33.9	0.9	0.7
Visaka Industries	Buy	113	144	179	1,086	1,197	9.9	10.2	21.5	28.7	5.2	3.9	0.5	0.5	9.6	11.6	0.4	0.3
Wonderla Holidays	Neutral	372	-	2,101	206	308	44.0	43.6	9.0	12.9	41.3	28.8	5.6	5.1	13.7	17.8	10.1	6.7

Source: Company, Angel Research, Note: \*December year end; #September year end; ^October year end; ^ June year end; Price as of March 10, 2016; Sesa Goa's numbers reflect the standalone Sesa Goa business only. We will revise our numbers once the consolidated entity Sesa- Sterlite is formed



Research Team Tel: 022 - 39357800

E-mail: [research@angelbroking.com](mailto:research@angelbroking.com)Website: [www.angelbroking.com](http://www.angelbroking.com)

## DISCLAIMER

Angel Broking Private Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking Private Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Angel or its associates including its relatives/analyst do not hold any financial interest/beneficial ownership of more than 1% in the company covered by Analyst. Angel or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. Angel/analyst has not served as an officer, director or employee of company covered by Analyst and has not been engaged in market making activity of the company covered by Analyst.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Pvt. Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Pvt. Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Pvt. Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel Broking Pvt. Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

**Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Pvt. Limited and its affiliates may have investment positions in the stocks recommended in this report.**



6th Floor, Ackruti Star, Central Road, MIDC, Andheri (E), Mumbai - 400 093. Tel: (022) 39357800

#### Research Team

##### Fundamental:

Sarabjit Kour Nangra	VP-Research (Pharmaceutical, IT)	sarabjit@angelbroking.com
Vaibhav Agrawal	VP-Research (Banking)	vaibhav.agrawal@angelbroking.com
Amarjeet Maurya	Analyst (FMCG, Media, Mid-Cap)	amarjeet.maurya@angelbroking.com
Chintan Shah	Analyst (Banking)	chintan.shah@angelbroking.com
Milan Desai	Analyst (Mid-Cap)	milan.desai@angelbroking.com
Rahul Dholam	Analyst (Metal, Oil & Gas, Power)	rahul.dholam@angelbroking.com
Santosh Yellapu	Analyst (Infrastructure)	santosh.yellapu@angelbroking.com
Siddharth Purohit	Analyst (Banking, Cement)	siddharth.purohit@angelbroking.com
Tejas Vahalia	Research Editor	tejas.vahalia@angelbroking.com

##### Technical and Derivatives:

Siddarth Bhamre	Head – Technical & Derivatives	siddarth.bhamre@angelbroking.com
Sameet Chavan	Technical Analyst	sameet.chavan@angelbroking.com
Ruchit Jain	Technical Analyst	ruchit.jain@angelbroking.com
Jay Kumar Purohit	Technical Analyst	jay.purohit@angelbroking.com
Sneha Seth	Associate (Derivatives)	sneha.seth@angelbroking.com

##### Production Team:

Dilip Patel	Production Incharge	dilipm.patel@angelbroking.com
-------------	---------------------	-------------------------------