

**Exhibit 1: Top Picks**

Company	CMP (₹) TP (₹)	
<b>Banking/NBFC</b>		
RBL Bank	291	410
Shriram Transport Finance	1198	1460
ICICI Bank	497	590
<b>Consumption</b>		
Amber Enterprises	1372	1830
Safari Industries	578	807
Hawkins Cookers	4783	6200
KEI Industries	490	658
<b>Real Estate/Infra/Logistics/Power</b>		
GMM Pfaudler	2775	3437
Ultratech Cement	4220	5373

Source: Company, Angel Research

Note: Closing Price as on Feb 28, 2020

**Markets turned volatile due to spread of Coronavirus globally** – Markets corrected sharply on the day of the Union Budget as markets are expecting a bigger stimulus by the Government. However post the initial disappointment markets recovered most of the losses as it realized that the budget did try and provide stimulus to the economy. Sentiments were positive in the first half of the month despite a sharp rise in Novel Coronavirus cases in China as expectations were that it would be contained and will not become a global pandemic. However the positive sentiments turned negative globally in the last week of February as the Coronavirus spread beyond mainland China and there was a sharp jump in cases in South Korea, Iran and Italy. As a result FPI flows slowed down sharply to ₹ 1819 cr. in February 2020 as compared to ₹12,123cr in January 2020.

**Union Budget tried to balance Fiscal prudence with growth** – The Union Budget 2020-21 was a prudent one wherein the Government tried to balance growth and fiscal prudence. The Government is clearly looking to stimulate the economy through increased spending and tax cuts. The new optional tax regime introduced by the Government will be beneficial for section of people who do not take benefit of deductions. As expected the Government let fiscal deficit slip by 50bps for FY20 and FY21 to support growth. Key highlight of the Budget was the Government's focus on boosting domestic manufacturing as they increased import duties on a wide range of goods which will help domestic manufacturing companies.

**Coronavirus to drive market sentiments in the short term** – With the Union Budget out of the way developments regarding Coronavirus will play a key role in determining market movements over the next couple of months. Earlier while the spread of the virus was largely contained in China the fallout was limited. However global markets have reacted negatively in recent days as it became evident that the virus has been spreading globally with countries like Iran, Italy and South Korea reporting rapid rise in fatalities due to the Coronavirus.

Demand had been adversely impacted during the first half of FY2020 due to multiple factors. However demand has improved significantly since the beginning of the festive season which is supported by improving auto and consumer durable sales along with improving PMI numbers. While India has so far not been impacted due to Coronavirus due to very few cases within India, any rapid spread of the virus in India can have an adverse impact on the markets

**Top pick's overview**

We recommend our top picks as it has outperformed the benchmark BSE 100 since inception. We believe that quality midcaps along with consumer (both discretionary and non discretionary) space, private sector banks offers good growth opportunity going forward.

**Exhibit 1: Top Picks Performance**

	Return Since Inception (30th Oct, 2015)
Top Picks Return	62.5%
BSE 100	37.8%
Outperformance	24.7%

Source: Company, Angel Research

# Top Picks

**Stock Info**

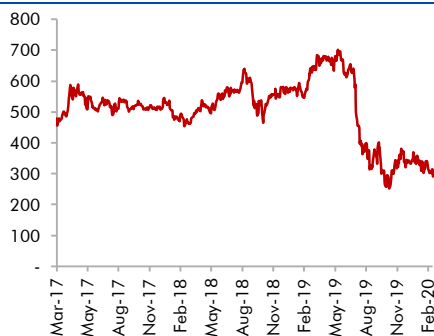
CMP	1,372
TP	1,830
Upside	33.4%
Sector	Electronics
Market Cap (₹ cr)	4,316
Beta	0.92
52 Week High / Low	1,690/650

**2 year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	291
TP	410
Upside	40.9%
Sector	Banking
Market Cap (₹ cr)	14,780
Beta	2.06
52 Week High / Low	717/230

**3 year-Chart**


Source: Company, Angel Research

**Amber Enterprise**

- Amber Enterprises India Ltd. (Amber) is the market leader in the room air conditioners (RAC) outsourced manufacturing space in India. It is a one-stop solutions provider for the major brands in the RAC industry and currently serves eight out of the ten top RAC brands in India.
- In line with its strategy to capture more wallet share, it has made few acquisitions in the printed circuit board (PCB) manufacturing space which would boost its manufacturing capabilities.
- We expect Amber to report consolidated revenue/PAT CAGR of 25%/41% respectively over FY2019-22E. Its growing manufacturing capabilities and scale put it in a sweet spot to capture the underpenetrated RAC market in India.

**Key Financials**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	4665.0	8.6	210.4	66.9	15.1	20.5	3.1	1.0
FY2022E	5361.6	8.8	258.5	82.2	15.7	16.7	2.6	0.8

Source: Company, Angel Research

**RBL Bank**

- RBL Bank (RBK) has grown its loan book at healthy CAGR of 53% over FY2010-19. We expect it to grow at 27% over FY2019-21E. With an adequately diversified, well capitalised balance sheet, RBK is set to grab market share from corporate lenders (mainly PSUs).
- During Q3FY20 the retail loan portfolio grew 49% yoy to ₹21,875cr and now constitutes 37% of the loan book (from 18% share in 4QFY2017). NIM has expanded to 4.41%, up 29bps yoy on the back of a changing portfolio mix. However, the management disclosed stressed asset worth ₹1,800cr, of which ₹1500cr has been slipped to NPA and 45% provision has been taken in last 2 quarters. Management is confident that it would normalize by Q1FY2021.
- RBL Bank currently trading at 1.6x its FY2021E book value per share, which we believe is reasonable for a bank in a high growth phase with improving retail loan mix and building strong retail liability franchise.

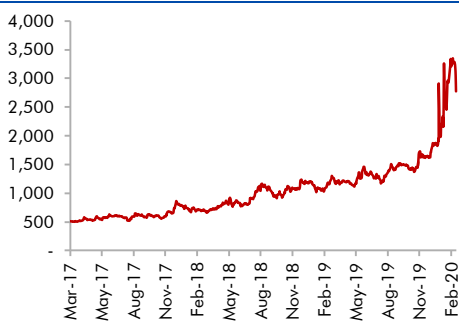
**Key Financials**

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	4,361	4.3	1,370	27	221	1.1	12	11	1.3
FY2022E	5,541	4.3	1,865	37	250	1.4	14	8	1.2

Source: Company, Angel Research

**Stock Info**

CMP	2,775
TP	3,437
Upside	23.9%
Sector	Machinery
Market Cap (₹ cr)	4,056
Beta	0.80
52 Week High / Low	3,461/1,080

**3 year-Chart**


Source: Company, Angel Research

**GMM Pfaudler**

- GMM Pfaudler Limited (GMM) is the Indian market leader in glass-lined (GL) steel equipment used in corrosive chemical processes of agrochemicals, specialty chemical and pharma sector. The company is seeing strong order inflow from the user industries which is likely to provide 20%+ growth outlook for next couple of years.
- GMM has also increased focus on the non-GL business, which includes mixing equipment, filtration and drying equipment for the chemical processing industry. It is expecting to increase its share of non-GL business gradually over the medium term.
- GMM is likely to maintain the 20%+ growth trajectory over FY19-21 backed by capacity expansion and cross selling of non-GL products to its clients.

**Key Financials**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	834.5	22.3	140.1	95.9	28.2	28.9	8.2	4.5
FY2022E	981.6	22.4	24.1	114.3	26.2	24.3	6.4	3.8

Source: Company, Angel Research

**Stock Info**

CMP	578
TP	807
Upside	39.6%
Sector	Luggage
Market Cap (₹ cr)	1,293
Beta	0.58
52 Week High / Low	798/481

**3 year-Chart**


Source: Company, Angel Research

**Safari Industries**

- Safari Industries Ltd (Safari) is the third largest branded player in the Indian luggage industry. Post the management change in 2012, Safari has grown its revenue by 6x in the last 7 years. This has been achieved by foraying in many new categories like back pack, school bags (via acquisition of Genius and Genie) and improvement in distribution networks.
- Its margins have more than doubled from 4.1% in FY2014 to 9.1% in FY2019, driven by launch of new product categories and business. We expect it to maintain 9%+ margins from FY2018 onwards led by regular price hikes, shift towards organized player and favorable industry dynamics.
- We expect its revenue to grow by a CAGR of ~21%/~30% in revenue/earnings over FY2019-22E on the back of growth in its recently introduced new products.

**Key Financials**

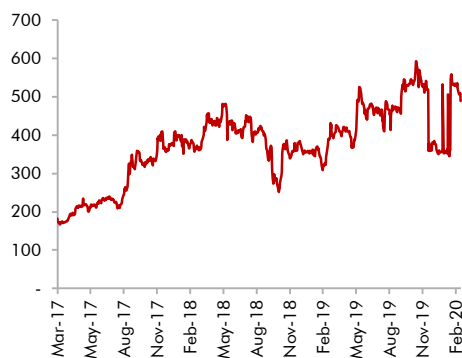
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(x)	(%)	(%)	(x)
FY2021E	858.0	11.4	48.0	21.5	19.7	26.9	6.9	1.6
FY2022E	1010.8	11.5	60.0	26.9	20.1	21.5	5.6	1.4

Source: Company, Angel Research

### Stock Info

CMP	490
TP	658
Upside	34.3%
Sector	Cable
Market Cap (₹ cr)	4,383
Beta	1.08
52 Week High / Low	615/319

### 3 year-Chart

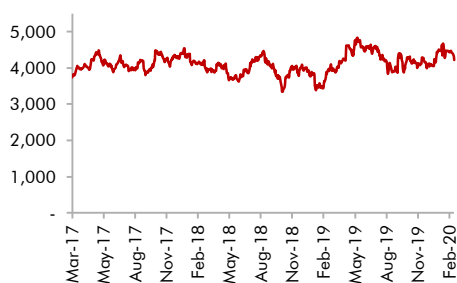


Source: Company, Angel Research

### Stock Info

CMP	4,220
TP	5,373
Upside	27.3%
Sector	Cement
Market Cap (₹ cr)	121,789
Beta	1.22
52 Week High / Low	4,903/3,601

### 3 year-Chart



Source: Company, Angel Research

## KEI Industries

- KEI's current order book (OB) stands at ₹4,489cr (segmental break-up: EPC is around ₹1,828cr and balance from cables, substation & EHV). Its OB grew strongly in the last 3 years due to strong order inflows from State Electricity Boards, Power grid, etc.
- KEI's focus is to increase its retail business from 30-32% of revenue in FY19 to 40-45% of revenue in the next 2-3 years on the back of strengthening distribution network (currently 926 which is expect to increase ~1,500 by FY20) and higher ad spend.
- KEI's export (FY19 – 16% of revenue) is expected to reach a level 20-25% in next two years with higher order execution from current OB and participation in various international tenders. We expect its revenue to grow by a CAGR of ~17%/~26% in revenue/ earnings over FY2019-22E

### Key Financials:

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	5928.3	10.3	303.3	39.3	23.5	12.5	6.5	0.7
FY2022E	6817.5	10.3	363.3	47.0	22.4	10.4	5.6	0.6

Source: Company, Angel Research

## Ultratech Cement

- Ultratech Cement is India's largest cement manufacturer with over 100mn TPA of capacity spread across the country with a strong presence in Central, North, and West India.
- The company has added capacity by taking over stressed assets of over ~30mn TPA since 2017. Company took over Century textile's cement capacity of 14.4mn TPA in Q2FY20 which will give it 40% plus market share in West and Central India which are amongst the best regions.
- Increased costs due to high energy prices had adversely impacted margins in 1HFY19. However strong pricing discipline due to consolidation allowed cement companies to hike prices in Q4FY19. Energy prices (coal and pet coke) have come off significantly since the beginning of 2019 which along with benign freight costs would allow cement companies to protect margins despite any marginal dip in realizations.
- We are positive on the long term prospects of the company given ramp up from acquired capacities, pricing discipline in the industry and benign energy & freight costs.

### Key Financials

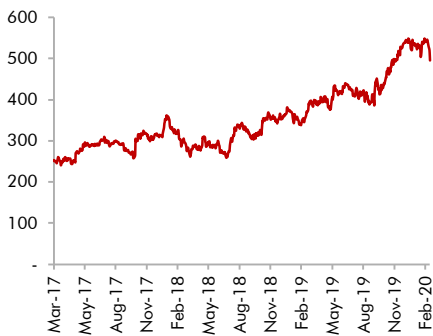
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	47,182	23.6	5109	177	12.9	23.8	2.9	2.8
FY2022E	51,812	24.0	6175	214	13.8	19.7	2.6	2.5

Source: Company, Angel Research

### Stock Info

CMP	497
TP	590
Upside	18.7%
Sector	Banking
Market Cap (₹ cr)	321,030
Beta	1.42
52 Week High / Low	552/343

### 3 year-Chart



Source: Company, Angel Research

## ICICI Bank

- ICICI Bank has taken a slew of steps to strengthen its balance sheet viz. measures like incremental lending to higher-rated corporate, reducing concentration in few stressed sectors and building up the retail loan book. The share of retail loans in overall loans increased to 67% (Q3FY2020) from 38% in FY2012.
- ICICI Bank's slippages remained high during FY2018, and hence, GNPA went up to 8.8% vs. 5.8% in FY2016. We expect an addition to stress assets to reduce and credit costs to further decline owing to incremental lending to higher-rated corporate and faster resolution in accounts referred to NCLT under IBC.
- The gradual improvement in the recovery of bad loans would reduce credit costs which would help to improve return ratio. At the current market price, the bank's core banking business (after adjusting the value of subsidiaries) is trading at 1.7x FY2022E ABV, which is inexpensive considering retail Mix and strong capitalization (CET-I of 13.62%).

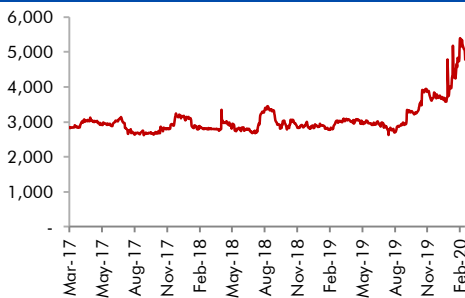
### Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	38,556	3.6	17,469	27	189	1.5	14	18	2.6
FY2022E	45,753	3.7	21,884	34	216	1.6	16	15	2.3

### Stock Info

CMP	4,783
TP	6,200
Upside	29.6%
Sector	Houseware
Market Cap (₹ cr)	2,530
Beta	0.73
52 Week High / Low	5,539/2,606

### 3 year-Chart



Source: Company, Angel Research

## Hawkins Cookers

- Hawkins Cookers Ltd (HCL) operates in two segments i.e. Pressure Cookers and Cookware. Over the last two years, the company has outperformed TTK Prestige (market leader) in terms of sales growth ~13% vs. ~4% in Cookers & Cookware segment.
- Cooking gas (LPG) penetration has increased from 56% in FY2014 to 80% in FY2019, which would drive higher growth for Cookers & Cookware compared to past.

### Key Financials

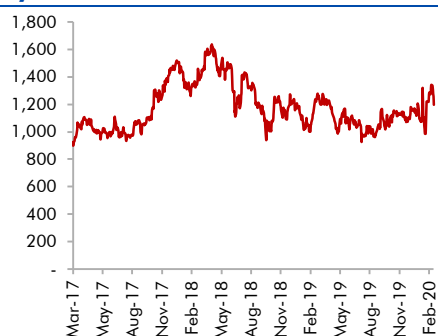
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	837.3	15.1	89.3	168.9	46.8	28.3	13.3	3.0
FY2022E	954.5	15.1	102.5	193.8	42.7	24.7	10.5	2.6

Source: Company, Angel Research

### Stock Info

CMP	1,198
TP	1,460
Upside	21.9%
Sector	Financials
Market Cap (₹ cr)	27,179
Beta	1.54
52 Week High / Low	1,367/909

### 3 year-Chart



Source: Company, Angel Research

## Shriram Transport

- SHTF's primary focus is on financing pre-owned commercial vehicles. We expect AUM growth to improve going ahead led by (1) good monsoon which will improve rural economic activity, (2) pick-up in infra/construction activity, (3) ramping up in rural distribution.
- SHTF gradually expanded its offering to existing borrower with good track record. We expect asset quality to remain stable owing to a) lower LTVs since 3QFY2019 and b) stable collateral value as used CV prices to improve or remain stable in a BS6 regime and likely implementation of scrappage policy.
- We expect SHTF to report RoA/RoE of 3%/18.3% in FY2021E respectively. At CMP, the stock is trading at 1.2x FY2021E ABV and 7x FY2021E EPS, which is reasonable for differentiated business model with high return ratios.

### Key Financials

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	9,307	8.0	3,449	152	947	2.8	17.3	7.9	1.5
FY2022E	10,391	8.0	3,847	170	1,097	2.8	16.6	7.1	1.3

Source: Company, Angel Research

**Exhibit 2: Changes in Recommendation**

Hold Date	Stock name	Hold Price
6/6/2019	Inox Wind	55
5/10/2019	Jindal Steel	94
<b>Stocks sold in last 6 months</b>		
Effective date	Stock	Sell Price
6/11/2019	M&M	580
8/11/2019	TTK Prestige	6075
29/11/2019	Yes Bank	65
6/12/2019	Ashok Leyland	76
9/12/2019	Blue star	813
21/01/2020	HDFC Bank	1246
27/01/2020	Siyaram Silk Mills	229
28/01/2020	Maruti Suzuki	7065
29/01/2020	Music Broadcast	28.6
30/01/2020	GIC Housing	153.7
1/2/2020	Parag Food Milks	137.2
7/2/2020	Bata India	1856
25/02/2020	Larsen & Tourbo	1249.7
6/3/2020	Aditya Birla Capital	75

**Hold** – While we recommend to Hold on to existing positions at current level, we would await for further data points before recommending any fresh purchases.



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 Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Metropolitan Stock Exchange Limited, Multi Commodity Exchange of India Ltd and National Commodity & Derivatives Exchange Ltd It is also registered as a Depository Participant with CDSL and Portfolio Manager and Investment Adviser with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking 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/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.

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. Investors are advised to refer the Fundamental and Technical Research Reports available on our website to evaluate the contrary view, if any

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 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 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 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 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.

Disclosure of Interest Statement	Top Picks
1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

**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%)

Hold (Fresh purchase not recommended)