

**Top Picks**

Company	CMP (₹)	TP (₹)
<b>Auto</b>		
Ashok Leyland	145	164
Sona BLW Precis.	560	843
Ramkrishna Forg.	163	256
Suprajit Engg.	332	485
<b>Banking</b>		
Federal Bank	95	120
HDFC Bank	1352	1700
AU Small Finance	557	848
<b>Chemical</b>		
P I Industries	2645	3440
Jubilant Ingrev.	495	700
<b>IT</b>		
HCL Technologies	982	1348
<b>Others</b>		
Stove Kraft	555	805
Sobha	580	750
Amber Enterp.	2335	3850
Oberoi Realty	764	1000
Devyani Intl.	163	219
Marico	493	600

Source: Company, Angel Research

Note: Closing price as on 05<sup>th</sup> July, 2022

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**Slide in the Indian markets continues** – The Indian markets declined for the 3rd consecutive month as the selling by the FIIs continued. The FIIs were sellers to the tune of ~₹50,200 Cr in Jun'22 and now have sold ~₹2.2 lakh crore since the start of 2022. The reason for this flight remains the same as in the past few months, i.e., tightening of monetary policy by global central banks and risks of an ensuing global economic slowdown. The performance of the Indian benchmarks was slightly better than that in most advanced economies, but the high inflation and the monetary policy normalization are expected to keep the global financial markets volatile over the next few months.

**FOMC likely to again hike the rate in July** – In the June FOMC meeting, the Fed raised the interest rate by 75 bps, the sharpest single hike since 1994, which shows its commitment to tackling inflation. Although the comments from the policymakers were hawkish, the Chairman suggested that 75bps is not the norm and normalization of inflation on the back of demand moderation may lead lower quantum of hikes. The US PCE inflation is suggesting some slowdown in consumer spending on goods which along with favorable employment data (expected 8th July) and CPI data (13th July) may only trigger a rate hike of 50bps in the next FOMC meeting during 26-27 July. The Indian market direction will continue to be influenced by US data flow.

**High-frequency indicators on a stable path**– The high-frequency indicators in India are pointing toward the sustenance of growth in business activity. The growth in manufacturing continued in Jun'22, with the PMI of 53.9 from 54.6 in May'22. The easing of pace was owing to input inflation, but the growth continues to be aided by robust demand conditions. Services scaled new highs with services PMI rising from 58.9 in May'22 to 59.2 in Jun'22. GST collections of ₹1.44 lakh crore also broke the trend of June being a low collection month and was the fourth consecutive month of collections of over ₹1.40 lakh crore. Aviation data is also coming in strong with passenger traffic now near the pre-pandemic levels while vehicle registration particularly the TTM monthly averages for all categories consistently improving on M-o-M basis since the start of FY23.

**Volatility to remain high, India Inc's fundamentals relatively strong** – Although the near-term outlook will be weighed down by the high volatility levels, the Indian markets are well placed from a longer-term perspective. The valuations are at much more reasonable levels compared to the end of 2021 and the global demand slow-down led softening of commodity prices in the near future would aid India Inc's profitability. We believe rural demand has bottomed out and expect healthy demand recovery on the back of a normal monsoon and improvement in agriculture prospects. The longer-term themes of recovery in private capex and improvement in credit growth remain intact.

**Top Picks Performance**

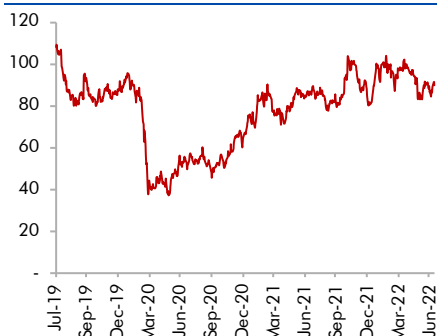
	Return Since Inception (30th Oct, 2015)
Top Picks Return	153.8%
BSE 100	94.6%
Outperformance	59.2%

Source: Company, Angel Research

## Top Picks

**Stock Info**

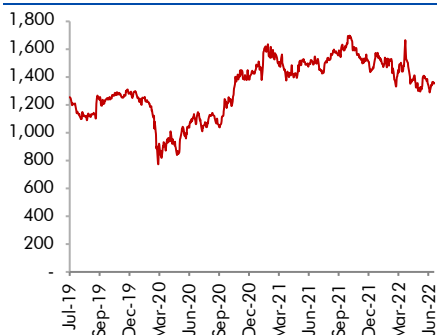
CMP	95
TP	120
Upside	27%
Sector	Banking
Market Cap (₹ cr)	20,025
Beta	1.2
52 Week High / Low	108/78

**3-Year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	1352
TP	1700
Upside	26%
Sector	Banking
Market Cap (₹cr)	760,474
Beta	1.1
52 Week High / Low	1724/1272

**3-Year-Chart**


Source: Company, Angel Research

**Federal Bank**

- Federal bank is one of India's largest old generation private sector banks. At the end of Q4 FY'22, the bank had advances of ₹ 1.45 lakh cr. and deposits of ₹ 1.81 lakh cr. The bank predominantly has a secured lending book, which helped limit asset quality issues during the Covid 19 pandemic.
- Federal Bank has posted a good set of numbers for Q4FY22 as NII/ advances increased by 7.4%/9.9% YoY. Provisioning for the quarter was down by 10% YoY because of which PAT was up by 13.1% YoY. GNPA and NNPA ratio improved to 2.80% and 0.96% while restructuring remained stable sequentially at 2.6% of advances
- Overall asset quality for the quarter improved in Q4FY22, which was in line with our expectations. We expect asset quality to improve further in FY2023 given normalization of the economy. We expect the Federal bank to post NII/PPOP/PAT CAGR of 24.9%/29.1%/42.7% between FY2022-24 and remain positive on the bank

**Key Finance**

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2023E	7,532	3.1	3,127.6	14.9	97.2	1.3	15.4	6.3	1.0
FY2024E	9,301	3.2	3,846.2	18.3	114.0	1.3	16.1	5.2	0.8

Source: Company, Angel Research

**HDFC Bank**

- HDFC bank is India's largest private sector bank with a loan book of ₹ 13.68 lakh crore in Q4FY2022 and deposit base of ₹ 15.6 lakh crore. The Bank has a very well spread-out book with wholesale constituting ~57% of the asset book while retail accounted for the remaining 44% of the loan book.
- Q4FY2022 numbers were below expectations due to change in portfolio mix towards corporate which resulted in contraction in NIM by 10bps QoQ to 4.0%. Moreover, higher opex dragged down PPOP growth. The bank posted NII/PPOP growth of 10.2%/5.3% for the quarter on the back of loan growth of 20.8% YoY.
- While operating numbers were below expectations, the bank posted an improvement in asset quality as GNPA/ NNPA reduced by 9/5bps QoQ to 1.17% and 0.32% of advances. Restructured advances at the end of the quarter stood at 1.14% of advances. Given best in class asset quality, expected rebound in retail credit growth we are positive on the bank given reasonable valuations at 2.3x FY24-adjusted book, which is at a discount to historical averages.

**Key Finance**

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2023E	85,512	4.0	46,630	84.1	499.0	2.1	18.2	16.1	2.7
FY2024E	108,523	4.1	59,845	107.9	606.0	2.2	19.4	12.5	2.2

Source: Company, Angel Research

**Stock Info**

CMP	557
TP	848
Upside	52%
Sector	Banking
Market Cap (₹cr)	36,264
Beta	1.2
52 Week High / Low	733/468

**3-Year-Chart**


Source: Company, Angel Research

**AU Small Finance Bank**

- AU Small Finance Bank is one of the leading small finance banks with Total Loan AUM of ~47,831 Cr. at the end of Q4FY2022. It has a well-diversified geographical presence across India. AU has a very high exposure to high margin retail business, which accounted for 80% of AUM at the end of FY2022.
- AU continued to report very strong numbers in Q4FY2022 as GNPA/ NNPA reduced by 62/79bps QoQ to 1.98 % and 0.5% of advances. Restructured advances at the end of the quarter also declined to 2.5% of advances. The bank posted NII growth of 42.8% for the quarter on the back of strong advances growth of 33% YoY while NIMs for the quarter stood at 6.3%
- We expect AU SFB to post robust NII/PPOP/ PAT CAGR of 35.2%/40.2%/38.7% between FY2022-24 on the back of AUM CAGR of 34.8%. Reducing cost of funds will also help NIM expansion going forward. We believe that the worst is over for the bank and expect continued improvement in asset quality in FY2023, which should lead to a rerating.

**Key Finance**

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2023E	4,517	5.5	1701	54.0	263.5	2.1	20.3	10.3	2.1
FY2024E	5,913	5.4	2174	69.0	332.5	2.0	21.1	8.1	1.7

Source: Company, Angel Research

**Stock Info**

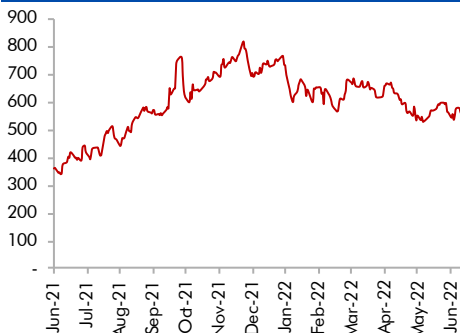
CMP	145
TP	164
Upside	13%
Sector	Auto
Market Cap (₹ cr)	43,020
Beta	1.4
52 Week High / Low	153/93

**3-Year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	560
TP	843
Upside	51%
Sector	Auto
Market Cap (₹ cr)	32,940
Beta	1.3
52 Week High / Low	839/376

**13-Month-Chart**


Source: Company, Angel Research

**Ashok Leyland**

- After challenging a challenging FY21, Ashok Leyland has rebounded well in FY22 and is expected to perform well over the next few years owing to a strong cyclical recovery in MHCVs led by pick up in core sectors, the government spends on infrastructure, and replacement demand.
- ALL market share improved in Q4FY22 to over 30% and we expect the same to gradually improve with recovery in segments like higher tonnage trucks, tippers, and bus segments where its market share is higher. Additionally, diversification efforts provide support in terms of sustenance of market share.
- FY21 MHCV industry production volumes have been at the lowest levels seen in ~12 years and the industry volumes are expected to grow strongly on a lower base. We expect stronger volumes, and lower discounts coupled with operating leverage to lead to a rebound in margins and drive earnings growth.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	30,790	8.8	1,305	4.4	16.6	33.0	4.9	1.3
FY2024E	39,258	10.0	2,245	7.6	25.4	19.1	4.3	1.0

Source: Company, Angel Research

**Sona BLW Precis.**

- Sona BLW, one of India's leading automotive technology companies, derives ~50% of its revenues from Battery Electric Vehicles (BEV) and Hybrid Vehicles and stands to benefit from the global electrification trend.
- Sona BLW has a strong positioning in the Indian Differential Gears market across PV, CV, and tractor OEMs and it continues to gain market share globally aided by its combined motor and driveline capabilities. Focus on R&D is yielding results in new product development which is likely to aid further growth.
- Sona BLW continues to add new customers and win new orders and its order book stands at ₹18,600 Cr which along with its strong financial profile and expected ~45% earnings CAGR over FY22-24E justifies the premium multiples of ~45x FY24E EPS.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	2,915	26.5	451	7.7	21.1	72.7	14.5	11.7
FY2024E	4,066	29.2	739	12.6	29.7	44.4	12.2	8.3

Source: Company, Angel Research

**Stock Info**

CMP	163
TP	256
Upside	57%
Sector	Auto
Market Cap (₹cr)	2,625
Beta	1.2
52 Week High / Low	252/140

**3-Year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	332
TP	485
Upside	46%
Sector	Auto
Market Cap (₹cr)	4,630
Beta	1.3
52 Week High / Low	478/272

**3-Year-Chart**


Source: Company, Angel Research

**Ramkrishna forg.**

- Ramkrishna Forgings (RKFL), a leading forging player in India and among a select few having the heavy press, stands to benefit from a favorable demand outlook for the Medium & Heavy Commercial Vehicle (M&HCV) industry in domestic and other key geographies in the near term.
- The company has phased out its CAPEX over the past few years during which it was impacted by industry slowdown in certain periods. With the end to the CAPEX cycle, the favorable outlook in the medium term, and sufficient capacity in place, we believe RKFL volumes would be able to post a volume CAGR of 14% over FY22-24E.
- RKFL has been able to add new products which have higher value addition. Better mix along with operating leverage aided ~520 bps YoY improvement in EBITDA margins in FY22 and are expected to sustain going ahead.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	2,688	23.6	275	17.2	20.6	9.5	2.0	1.3
FY2024E	3,074	23.5	338	21.1	20.8	7.7	1.6	1.1

Source: Company, Angel Research

**Suprajit Eng.**

- Suprajit Engineering (SEL), is the largest supplier of automotive cables to the domestic OEMs with a presence across both 2Ws and PVs. Over the years, SEL has evolved from a single product/client company in India to have a diversified exposure which coupled with its proposition of low-cost player has enabled it to gain market share and more business from existing customers
- SEL overall has outperformed the Indian Auto industry in recent years aided by market share gains as well as commercialization of new products. The company believes that consolidation of vendors and new client additions would help in maintaining the trend of market/wallet share gains.
- SEL has grown profitably over the years and as a result, it boasts a strong balance sheet (net cash). We believe SEL is a prime beneficiary of a ramp-up in production by OEMs and its newly developed products for EVs would support revenues due to higher kit value. Its premium valuations are justified in our opinion owing to its strong outlook and top-grade quality of earnings.

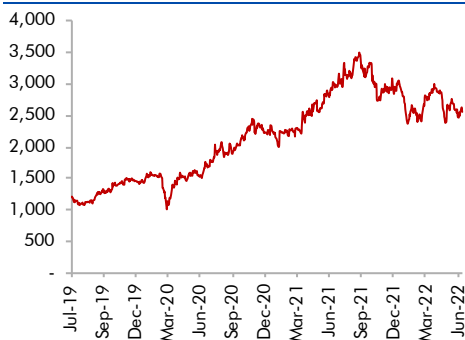
**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	2,794	14.4	221	16.0	19.2	20.7	3.7	1.8
FY2024E	3,132	14.8	266	19.2	22.8	17.3	4.1	1.7

Source: Company, Angel Research

**Stock Info**

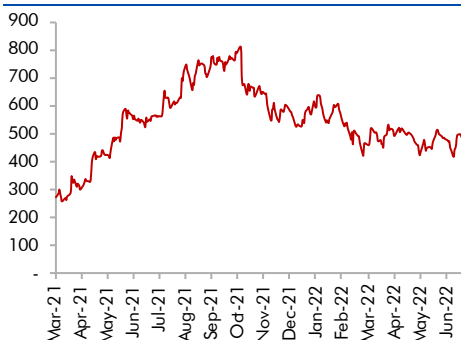
CMP	2645
TP	3440
Upside	30%
Sector	Chemical
Market Cap (₹cr)	40,646
Beta	0.9
52 Week High / Low	3533/2334

**3-Year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	495
TP	700
Upside	41%
Sector	Chemical
Market Cap (₹ cr)	7,813
Beta	1.7
52 Week High / Low	878/401

**15-Months-Chart**


Source: Company, Angel Research

**PI Industries**

- PI Industries is a leading player in providing Custom synthesis and manufacturing solutions (CSM) to global agrochemical players. The CSM business accounted for over 70% of the company's revenues in FY22 and is expected to be the key growth driver for the company in future.
- The company has been increasing its share of high margin CSM business driven by strong relationship with global agrochemical players. PI is leveraging its chemistry skill sets and is looking to diversify its CSM portfolio to electronic chemicals, Pharma API, fluoro chemicals, etc. which will help drive business.
- We expect PI Industries to post revenue/PAT CAGR of 17%/24% between FY22-FY24 driven by 20% growth in the CSM business over the next 2-3 years. Moreover foray into new segments like electronic chemicals and APIs will also help drive growth over next 3-4 years for the company

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	6,181	23.0	1064.1	70.0	15.0	37.8	5.7	6.2
FY2024E	7,194	23.8	1299.3	85.5	15.6	30.9	4.9	5.2

Source: Company, Angel Research

**Jubilant Ingrev.**

- Jubilant Ingrevia, was formed by spinning off the chemical and life science ingredients of Jubilant Life Sciences Ltd. The company has a vast array of products across its three divisions and is one of the top two producers of Pyridine - Beta and vitamin B3 globally.
- The company derives 56% of its revenues from the life science chemicals division while the specialty chemicals and nutrition & health solution business account for 28% and 15% of revenues respectively.
- At current levels the stock is trading at P/E multiple of ~13.5x FY24 EPS which is at a significant discount to other chemical companies. Therefore, we believe that there is value in the stock at current levels and hence rate it a BUY.

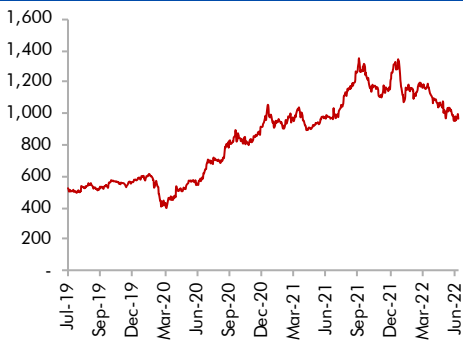
**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	5,020	17.0	544.1	34.2	19.9	14.5	2.9	1.6
FY2024E	5,572	17.4	632.8	39.7	19.5	12.5	2.4	1.4

Source: Company, Angel Research

**Stock Info**

CMP	982
TP	1348
Upside	37%
Sector	IT
Market Cap (₹ cr)	268,042
Beta	0.8
52 Week High / Low	1377/944

**3-Year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	555
TP	805
Upside	45%
Sector	Others
Market Cap (₹cr)	1,827
Beta	0.8
52 Week High / Low	1135/472

**16-Months-Chart**


Source: Company, Angel Research

**HCL Technologies**

- HCL Tech (HCLT) is amongst the top four IT services companies based out of India and provides a vast gamut of services like ADM, Enterprise solutions, Infrastructure management services etc.
- IT services witnessed robust growth of over 5% QoQ CC in Q4FY22 which was offset by seasonal de-growth of ~24% QoQ CC in the product business. New deal TCV at USD 2.3bn was up by 6% QoQ and included many large deals. Strong deal wins will help drive growth in the services business, which should make up for the continued softness in the product business.
- At CMP the stock is trading at a significant discount to the other large cap IT companies like Infosys and TCS and offers tremendous value at current levels given market leader status in Infrastructure management.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	98,780	22.7	15,302	56.5	22.7	17.4	4.2	2.7
FY2024E	1,08,963	22.9	17,516	64.7	24.5	15.2	3.9	2.4

Source: Company, Angel Research

**Stove Kraft**

- Stove Kraft Ltd (SKL) is engaged in the business of manufacturing & selling Kitchen & Home appliances products like pressure cookers, LPG stoves, non-stick cookware etc. under the brand name of 'Pigeon' and 'Gilma'.
- In the Pressure Cookers and Cookware segment, over the last two years, the company has outperformed Industry and its peers. Post Covid, organized players are gaining market share from unorganized players which would benefit the player like SKL.
- Going forward, we expect SKL to report healthy top-line & bottom-line growth on the back of new product launches, strong brand name and wide distribution network.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	1,341	8.4	62.6	19.2	14.7	28.9	4.2	1.3
FY2024E	1,582	9.1	86.0	26.4	16.8	21.0	3.5	1.1

Source: Company, Angel Research



**Stock Info**

CMP	580
TP	750
Upside	29%
Sector	Others
Market Cap (₹cr)	5,574
Beta	1.2
52 Week High / Low	1045/480

**3-Year-Chart**


Source: Company, Angel Research

**Sobha**

- Company operates in Residential & Commercial real estate along with Contractual business. Companies 64% of residential pre-sales come from the Bangalore market which is one of the IT hubs in India, we expect new hiring by the IT industry will increase residential demand in the South India market.
- Ready to move inventory and under construction, inventory levels have moved down to its lowest levels. Customers are now having preference towards the branded players like Sobha Developers.
- Company expected new projects/phase spread over 13.53mn sqft across 7 cities. Majority of launches will be coming from existing land banks. Company having land bank of approx. 200mn Sqft of salable area.

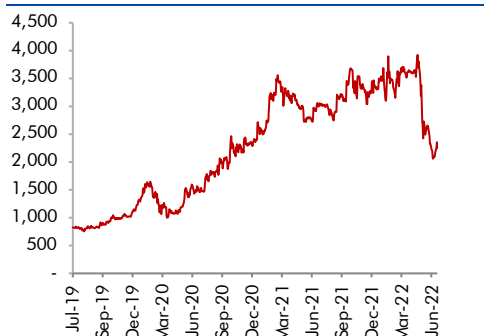
**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	3,350	58.0	457.0	48.1	15.6	12.1	1.7	1.9
FY2024E	3,752	59.0	524.0	55.4	16.2	10.5	1.5	1.7

Source: Company, Angel Research

**Stock Info**

CMP	2335
TP	3850
Upside	65%
Sector	Others
Market Cap (₹cr)	7,824
Beta	0.5
52 Week High / Low	4024/2030

**3-Year-Chart**


Source: Company, Angel Research

**Amber Enterp.**

- Amber Enterprises India Ltd. (Amber) is the market leader in the room air conditioners (RAC) outsourced manufacturing space in India. Amber would outperform the industry due to dominant position in Room AC contract manufacturer, increase in share of business in existing customers and new client additions
- Amber plans to increase revenues from components (by increasing product offerings, catering to newer geographies, adding new clients) and exports (already started in the Middle east). In the past 2-3 year, Amber has acquired companies like IL JIN Electronics, Ever and Sidwal Refrigeration Industries, which would help in backward integration and help the company to foray in different segments like railway, metro and defense.
- Going forward, we expect healthy profitability on back of foray into the Commercial AC segment, entry into export markets, and participation in the PLI scheme.

**Key Finances**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	5,522	7.4	208.1	61.8	16.4	37.8	4.4	1.5
FY2024E	6,850	8.0	304.0	90.2	18.8	25.9	4.1	1.2

Source: Company, Angel Research

**Stock Info**

CMP	764
TP	1000
Upside	31%
Sector	Others
Market Cap (₹cr)	28,005
Beta	1.5
52 Week High / Low	1052/638

**3-Year-Chart**


Source: Company, Angel Research

**Stock Info**

CMP	163
TP	219
Upside	34%
Sector	Others
Market Cap (₹cr)	19,517
Beta	1.4
52 Week High / Low	199/108

**10-Month-Chart**


Source: Company, Angel Research

**Oberoi Realty**

- Oberoi Realty is a real-estate company, focusing on the MMR region. Company having business vertices of residential and commercial real-estate.
- Company has reported a strong set of numbers in Q4FY22, we expect residential real-estate growth momentum to continue for the next couple of quarters as in Q1FY23 company has launched Elysian Tower B in Goregon along with this upcoming launch of Thane in current year.
- We have seen good consolidation in across India towards top-10 players. Top-10 players now holds 11.2% market share as compared to 5.4% in 2017. We believes that top-10 players will continue to gain market share.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	3,621	59.0	1502	41.2	12.9	18.5	2.6	8.6
FY2024E	4,055	59.2	1550	42.6	13.1	17.9	2.6	8.2

Source: Company, Angel Research

**Devyani Intl.**

- Devyani International Ltd. (DIL) is Yum! Brands' largest franchisee in India, with more than 800 stores including KFC, Pizza Hut and Costa Coffee. Currently, DIL operates 339 KFC stores, 391 Pizza Hut stores, 50 Costa Coffee stores in India and balance stores from other brands and from international locations.
- QSR industry is expected to grow ~23% CAGR over FY20-25 which would benefit the player like DIL. Going ahead, We expect DIL would add 200 stores per annum (at least 3-4 year) which would drive strong revenue growth.
- Lower capex (shifted its strategy to smaller & delivery-focused stores) and improving store-level economics would boost the operating margin going ahead. Going forward, we expect DIL to report strong top-line growth & improvement in operating on the back of aggressive store addition, improving store unit economics and strong brand.

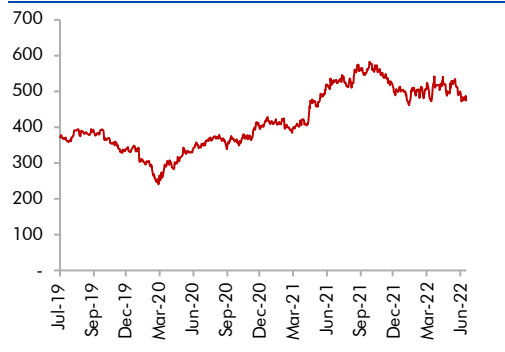
**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	2,990	23.0	258.0	2.4	27.3	67.9	20.5	5.9
FY2024E	3,947	23.4	410.0	3.9	30.3	41.8	14.3	5.2

Source: Company, Angel Research

**Stock Info**

CMP	493
TP	600
Upside	22%
Sector	Others
Market Cap (₹ cr)	63,845
Beta	1.2
52 Week High / Low	606/456

**3-Year-Chart**


Source: Company, Angel Research

**Marico**

- Marico is one of the major FMCG companies present in hair oil, edible oil, foods & personal care segment. Major brands include Parachute, Saffola, Nihar, Hair & Care, Set Wet, Livon & Beardo.
- Marico's products have strong brand recall coupled with an extensive distribution reach of more than 5mn outlets and direct reach of ~1 million outlets. Parachut flagship brand gained market share by 170 bps in FY22 & expected to performance better going ahead.
- In the medium term, the company aspires to grow revenue at 13-15% with 8-10% volume growth. Marico has a strong balance sheet along with free cash flow and higher profitability. We expect Marico to report healthy bottom-line CAGR of ~11% over FY2022-24E due to better volume growth on the back of strong brand, wide distribution network.

**Key Finance**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2023E	10,368	17.9	1,287.0	10.2	30.3	48.3	15.3	6.2
FY2024E	11,301	18.8	1,478.0	11.7	28.0	42.1	12.3	5.6

Source: Company, Angel Research

**Stock bought in last 12 Months**

<b>Stock</b>	<b>Date</b>	<b>Reco</b>	<b>Price</b>
HDFC Bank	5-Aug-21	BUY	1,490
Sona BLW Precis.	25-Aug-21	BUY	484
Bajaj Electrical	27-Aug-21	BUY	1,189
Sobha	31-Aug-21	BUY	627
P I Industries	9-Sep-21	BUY	3,420
Amber Enterp.	14-Sep-21	BUY	3243.00
Sobha	22-Sep-21	BUY	729.00
Lemon Tree Hotel	23-Sep-21	BUY	43.25
Whirlpool India	29-Sep-21	BUY	2,299
Ramkrishna Forg.	13-Oct-21	BUY	244
HCL Technologies	20-Dec-21	BUY	1,159
Jubilant Ingrev.	31-Dec-21	BUY	565
Oberoi Realty	7-Jan-22	BUY	922
Devyani Intl.	9-Feb-22	BUY	175.00
Marico	14-Jun-22	BUY	498.00

Source: Company, Angel Research

**Stock sold in last 12 Months**

<b>Stock</b>	<b>Date</b>	<b>Reco</b>	<b>Price</b>
IDFC First Bank	5-Aug-21	EXIT	47
Galaxy Surfact.	18-Aug-21	EXIT	2,997
Jindal Steel	23-Aug-21	EXIT	362
Godrej Propert.	25-Aug-21	EXIT	1,437
Escorts	31-Aug-21	EXIT	1,348
Sobha	7-Sep-21	EXIT	780
Crompton Gr. Con	14-Sep-21	EXIT	484.00
Dalmia BharatLtd	22-Sep-21	EXIT	2,143
Bajaj Electrical	24-Sep-21	EXIT	1,499
L & T Infotech	27-Sep-21	EXIT	5,950
GNA Axles	19-Oct-21	EXIT	1,076
Whirlpool India	3-Nov-21	EXIT	2,074
Shri.City Union.	6-Dec-21	EXIT	2,066
Lemon Tree Hotel	17-Dec-21	EXIT	47.25
Safari Inds.	10-Feb-22	EXIT	942.00
Carborundum Uni.	28-Feb-22	EXIT	813

Source: Company, Angel Research

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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%)*

*Hold (Fresh purchase not recommended)*