

**Top Picks**

Company	CMP (₹)	TP (₹)
<b>Banking/NBFC</b>		
Dewan Housing	431	520
Karur Vysa Bank	127	160
<b>Consumption</b>		
Asian Granito	400	447
Blue Star	643	760
Siyaram Silk Mills	2117	2376
<b>Media</b>		
Jagran Prakashan	182	225
TV Today	268	344
<b>Real Estate/Infra/Logistics/Power</b>		
KEI Industries	218	258
Mahindra Lifespace	424	522
Navkar Corp.	217	265
<b>Pharma</b>		
Alkem Lab.	1,954	2,161

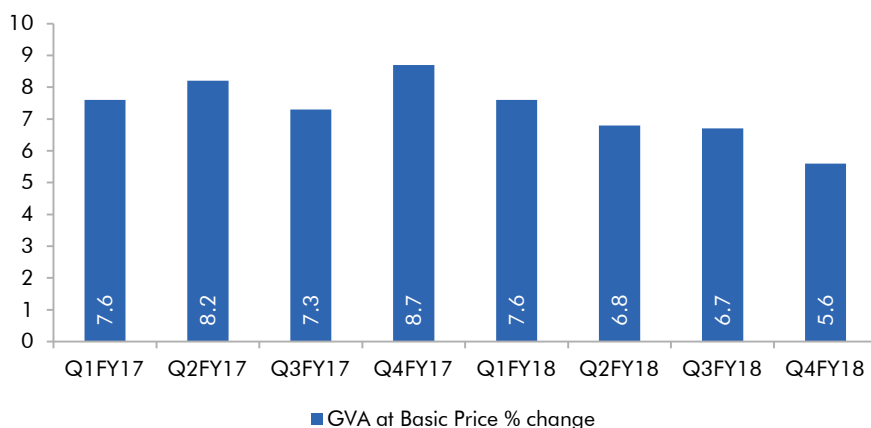
Source: Angel Research;

Note: CMP as of June 5, 2017

The GDP data released for 4QFY17 reflects the impact of the demonetization on the economy, primarily on construction, real estate and financial services. However this impact is not expected to spill over into FY18E. We believe that GST is likely to show positive results from 2HFY18E and market in this anticipation is seeing strong rally. We continue to maintain a positive view on economy and markets.

**Demonetization impacts 4QFY17 GDP:** India's 4QFY17 GDP grew by 6.1% vs. consensus of 7.1%. The full year FY17 GDP grew by 7.1% vs. revised FY16 GDP growth of 8%. The 4QFY17 gross valued added (GVA) was at 5.6%, vs. 3QFY17 GVA of 6.7% and 4QFY16 GVA of 8.7%. The softer 4Q numbers were mainly due to slowdown in the construction, real estate and financial services affected the 4Q numbers. Overall, in FY17, government expenditure, public utilities, trade, hotel and transport services were the main driver of GVA.

The data for 4QFY17 clearly indicates that the economy struggled in the 4<sup>th</sup> quarter, which was mainly due to demonetization. Our take on this is that the numbers were expected to be soft for the 4<sup>th</sup> quarter as 3<sup>rd</sup> quarter of FY17 had not shown full impact of demonetization. Having said this, we also see a rebound in the automobile sales, which we treat as an indicator of recovery in the economy and consumption sector. Also considering a bumper crop production in FY17, we continue to believe that economy is expected to do well in FY18E. En route, a temporary disruption in terms of GST implementation remains, however 2HFY18E should support full year GDP numbers on the back of lower base and clarity over the GST to the corporate.

**Exhibit 1: GVA growth slows in 4QFY17**


Source: MOSPI, Angel Research

**Markets reach new high, macro story continues:** As expected by us in May-2017 Top Picks note, Indian markets have continued to scale new highs over continued inflows, reforms momentum and normal monsoon projections. While there was concern regarding sustainability of valuations, it should be noted that the stock prices have been going up gradually and sentiment is also constantly tested by events like demonetization, Brexit, etc. In our opinion, this market rally is backed by fundamentals like economic reforms, macro stability and anticipated revival in corporate earnings and not just by the liquidity. We also believe that market is taking the GST implementation positively which is driving the sentiment at the moment. While it's not expected to be a smooth ride, we expect 2HFY18E to be much better as we will get more understanding GST and its impact.

**4QFY17 results, a mixed bag, improvement expected in FY18E:** The 4Q results of India Inc have given mixed signals. The 4QFY17 was a one-off quarter due to the demonetization and we do not expect large spillover of it into FY18E. Below is the result review and FY18E outlook of the sectors that we track.

**Exhibit 2:**

Sector	Commentary	FY18E Outlook
FMCG	Volume and price growth witnessed in 4Q	Positive, key trigger is sustained growth in consumption and normal monsoon forecast for CY17
Automobiles	2W- Slower volume growth, lower realizations due to higher BS-III related discounts and lower margins due to higher RM costs. PV – Premiumization continued, new launches driving the volumes, lower realizations due to higher RM costs. CV - Demand subdued due to the BSIV transition and demonetization.	2W and PV positive year expected CV – 1HFY18E sales volumes expected to be subdued due to GST and BSIV transition, 2HFY18E expected to be better than 1HFY18E
Pharma	Subdued results posted by the pharma companies due to pricing pressure and delayed launches in the US, on domestic turf, addition of drugs in price control list led to slower growth, regulatory environment remains tough in US.	Domestic growth expected to pick-up, exports to US likely remain subdued as several facilities remain impacted due to USFDA observations, select pharma companies to do well
IT	Overall weak results but in line with expectations, guidance indicates better prospects for FY18E over FY17	Selectively positive on the sector
Realty	Sales recovering, sequential revenue / PAT growth at ~7-8% and ~9-10%	Expect better year on likely RERA implementation and realization of budgetary benefits.
Construction	Sequential improvement in 4Q numbers on the back of better execution. Project awarding is gathering the momentum, order book growth expected	Expect higher revenue growth on the back of strong order book and sustained momentum in project awarding
Banking	Top seven private sector banks under our coverage have reported encouraging set of numbers. While the combined loan book grew by 14%, the PAT growth was higher at 22% backed by 20% decline in provisions	Outlook for the private banks remains positive in the quarters to come.

Source: Angel Research

Overall, we view the recovery in FMCG, automobiles, construction and real estate sectors as a positive sign for FY18E. The FY17 numbers in number of sectors were influenced by demonetization and hence, with the expected recovery in major sectors, FY18E numbers are likely to be better than that in FY17.

Owing to this, we remain positive view on sectors like real estate (Mahindra Lifespace, Asian Granito), BFSI (Karur Vysya Bank, Dewan Housing), Consumption (Blue Star), etc. We also maintain positive view on Alkem, Jagaran Prakashan, TV Today, etc.

## Top Picks

### Stock Info

CMP	431
TP	520
Upside	21%
Sector	Financials
Market Cap (₹ cr)	13,398
Beta	1.9
52 Week High / Low	455 / 186

### 3 year-Chart

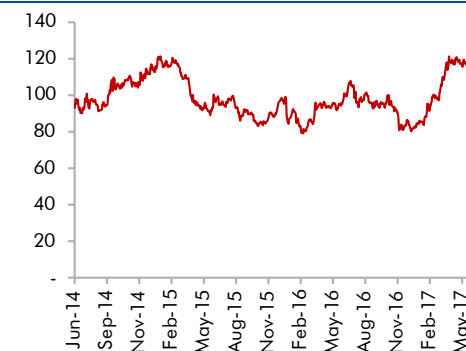


Source: Company, Angel Research

### Stock Info

CMP	127
TP	160
Upside	26%
Sector	Banking
Market Cap (₹ cr)	7,675
Beta	1.4
52 Week High / Low	128 / 80

### 3 year-Chart



Source: Company, Angel Research

## Dewan Housing

- **Loan growth to remain strong going ahead:** Backed by healthy capital adequacy and increasing demand for home loans DHFL's loan book is expected to report 20% loan growth over next two three years.
- **Strong Capital adequacy lends visibility for growth:** DHFL sold 50% stake held by it in DFHFL Pramerica Life Insurance Co Ltd which added ₹1969 cr to its net worth and increases its CAR by 400 bps, to 19.3% which should fuel growth for next 2-3 years.
- **Lower cost of funds will help maintain NIM:** DHFL has replaced high cost bank loans with the NCDs raised and it will continue to reduce its dependence on banks as its source of funding. This should help it maintain its NIM of 2.9%-3.0%. The recent capital received via stake sale should also aid to the NIM.
- **Outlook:** We expect the company's loan growth to remain 20% over next two years and earnings growth also is likely to be more than 20%.The stock currently trades at 1.5x FY2018E ABV. **We maintain Buy on the stock, with a target price of ₹520.**

### Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2017	2,050	2.9	923	29.5	189	1.2	16.3	14.6	2.3
FY2018E	2,500	2.9	1,145	36.6	281	1.2	14.8	11.8	1.5

Source: Company, Angel Research

## Karur Vysa Bank

- **Loan growth to pick up from FY18 onwards:** KVB had a fairly strong loan CAGR of 14.9% over FY11-17.However, FY17 was year of consolidation and loan book grew by only 4.7%. We expect loan growth to pick up to 11% over FY17-19. Deposit growth is expected at 9% during the period.
- **Asset quality likely to stabilize going ahead:** KVB's slippages remained high during FY17 and hence GNPA's % went up to 3.58% vs 1.3%. However, large part of the troubled accounts has been classified as NPAs and hence gradually we expect the asset quality to improve.
- **NIM likely to see further improvement:** There were 25 bps improvements in NIM during FY17, with share of CASA growing and cost of fund coming down NIM is expected to improve further going ahead.
- **Outlook:** We expect the bank to post a strong loan book & earnings CAGR of 11% & 22% over FY2017-19E. The stock currently trades at 1.4x FY2019E ABV. **We recommend Buy on the stock, with a target price of ₹160.**

### Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2018E	3,169	3.7	769	12.6	78.2	1.2	14.4	10.1	1.6
FY2019E	3,598	3.9	907	14.9	89.3	1.3	15.2	8.5	1.4

Source: Company, Angel Research

### Stock Info

CMP	400
TP	447
Upside	12%
Sector	Cons. Durable
Market Cap (₹ cr)	1,205
Beta	1.9
52 Week High / Low	408 / 165

### 3 year-Chart



Source: Company, Angel Research

## Asian Granito

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

### Key Financials

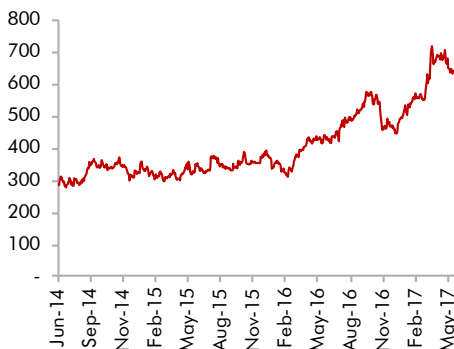
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017	1,060	11.6	39	13.0	9.7	30.8	3.0	12.3	1.4
FY2018E	1,169	12.5	48	16.0	10.7	25.0	2.7	10.1	1.3

Source: Company, Angel Research

### Stock Info

CMP	643
TP	760
Upside	18%
Sector	Cons. Durable
Market Cap (₹ cr)	6,143
Beta	0.8
52 Week High / Low	725 / 403

### 3 year-Chart



Source: Company, Angel Research

## Blue Star

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

### Key Financials

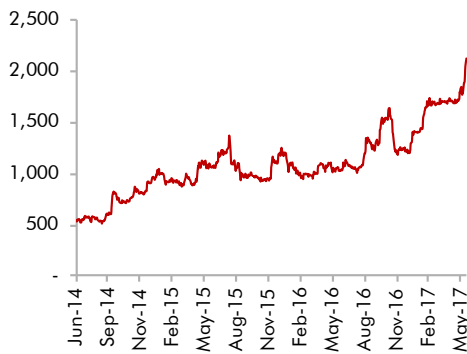
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017	4,283	5.9	141	14.9	20.4	45.3	8.8	28.5	1.6
FY2018E	5,077	7.3	211	22.1	26.4	30.5	7.4	20.5	1.3

Source: Company, Angel Research

### Stock Info

CMP	2,117
TP	2,376
Upside	12%
Sector	Textile
Market Cap (₹ cr)	1,990
Beta	0.9
52 Week High / Low	2,150/994

### 3 year-Chart



Source: Company, Angel Research

### Stock Info

CMP	182
TP	225
Upside	24%
Sector	Media
Market Cap (₹ cr)	5,960
Beta	0.5
52 Week High / Low	213/162

### 3 year-Chart



Source: Company, Angel Research

## Siyaram Silk Mills

- SSML has strong brands which cater to premium as well as popular mass segments of the market. Further, SSML entered the ladies' salwar kameez and ethnic wear segment. Going forward, we believe that the company would be able to leverage its brand equity and continue to post strong performance.
- The company has a nationwide network of about 1,600 dealers and business partners. It has a retail network of 160 stores and plans to add another 300-350 stores going forward. Further, the company's brands are sold across 3,00,000 multi brand outlets in the country.
- Going forward, we expect SSML to report a net sales CAGR of ~4% to ~₹1,948cr and adj.net profit CAGR of ~10% to ₹106cr over FY2016-18E on back of market leadership in blended fabrics, strong brand building, wide distribution channel, strong presence in tier II and tier III cities and emphasis on latest designs and affordable pricing points. At the current market price, SSML trades at an inexpensive valuation. **We have an Accumulate recommendation on the stock and target price of ₹2,376.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017	1,574	12.5	91	97.1	15.4	21.8	3.4	11.7	1.5
FY2018E	1,769	12.7	106	113.1	15.5	18.7	2.9	10.2	1.3

Source: Company, Angel Research

## Jagran Prakashan

- We expect JPL to register a net sales CAGR of ~10% over FY2016-18E, on back of (a) strong growth in advertising revenue due to improvement in GDP growth, and (b) improvement in circulation revenue owing to combination of increase in cover price and volume growth.
- Further the acquisition of Radio City would also boost the company's revenue going ahead. Radio City has ~20 stations across 7 states in the country and is second only to ENIL in all its operating circles, ie Delhi, Mumbai, Bengaluru, Chennai, Ahmedabad, Hyderabad, Pune and Lucknow. The company covers ~51% (~66mn people) of the total radio population.
- Raw material prices have been in a declining trend. Thus, considering lower news print costs, healthy sales, and higher margins in the radio business, we expect an adj. net profit CAGR of ~10% over FY2016-18E to ₹400cr.
- Considering Dainik Jagran's strong presence in the rapidly growing Hindi markets, we expect JPL to benefit from an eventual recovery in the Indian economy. **Hence, we maintain a Buy rating on the stock with a target price of ₹225.**

### Key Financials

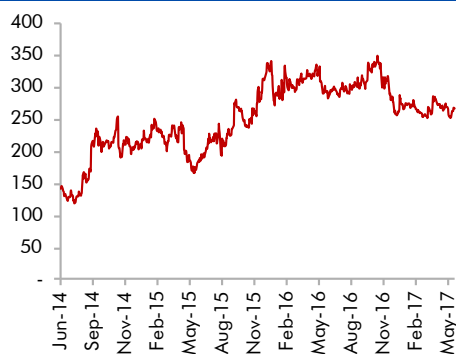
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017	2,283	28.0	348	10.6	21.4	17.1	3.7	9.3	2.6
FY2018E	2,555	28.0	400	12.2	21.4	14.9	3.2	8.2	2.3

Source: Company, Angel Research

### Stock Info

CMP	268
TP	344
Upside	28%
Sector	Media
Market Cap (₹ cr)	1,598
Beta	0.7
52 Week High / Low	360 / 248

### 3 year-Chart

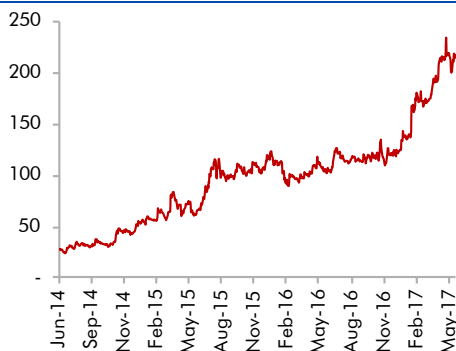


Source: Company, Angel Research

### Stock Info

CMP	218
TP	258
Upside	18%
Sector	Cable
Market Cap (₹ cr)	1,697
Beta	1.3
52 Week High / Low	238/ 94

### 3 year-Chart



Source: Company, Angel Research

### TV Today Network

- TTNL enjoys a strong viewership ranking in the Hindi and English news channel categories. The company's Hindi news channel – Aaj Tak has maintained its market leadership position occupying the No.1 rank for several consecutive years in terms of viewership. Its English news channel - India Today too has been continuously gaining viewership; it has now captured the No. 2 ranking from No. 4 earlier. Its other channels like Dilli Aaj Tak and Tez are also popular among viewers.
- Out of the 7 radio stations, TTNL has sold off 4 (Jodhpur, Amritsar, Patiala and Shimla) for ₹4cr. The remaining 3 stations are in the process of getting sold off to ENIL but the sale will have to wait until concerns raised by the MIB are resolved. Going forward, we expect them to be sold off and this would prop up the company's profitability.
- We expect TTNL to report a net revenue CAGR of ~10% to ~₹667cr and net profit CAGR of ~10% to ₹115cr over FY2016-18E. **We have a Buy recommendation on the stock and target price of ₹344.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017	608	21.5	99	15.7	16.1	17.1	2.6	8.5	2.2
FY2018E	667	22.3	115	19.2	16.0	13.9	2.2	6.9	1.9

Source: Company, Angel Research

### KEI Industries

- Healthy order book indicates strong revenue visibility: KEI's current order book (OB) stands at ₹3,233cr (segmental break-up: ₹2,154cr in EPC, ₹667cr in Cable, ₹200cr in EHV, ₹49cr in Substation, rest in EPC L1 business). Its OB grew by ~28% in the last 3 years due to strong order inflows from State Electricity Boards, Power grid, etc.
- Strengthening distribution network and higher ad Spend to increase B2C business: KEI's consistent effort to increase its retail business from 30% of revenue in FY16 to 40-45% of revenue in the next 2-3 years on the back of strengthening distribution network (currently 926 which is expected to increase ₹1,500 by FY19) and higher ad spend (increased from ₹2cr in FY13 to ₹7cr in FY16 and expected to spend).
- Exports to continue its growth momentum: KEI's export (FY16 - 8% of revenue) is expected to reach a level of ~14-15% in next two years with higher order execution from current OB of ~₹180cr and participation in various international tenders worth ₹500cr. We expect a strong ~26% growth CAGR over FY2016-19 in exports. We expect KEI to report net revenue CAGR of ~13% to ~₹3,392cr and net profit CAGR of ~26% to ₹124cr over FY2016-19E. **Hence 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)
FY2017	2,633	10.4	98	12.7	21.4	17.1	3.0	7.3	0.7
FY2018E	3,001	10.0	100	13.0	18.2	16.8	2.5	6.5	0.6

Source: Company, Angel Research

### Stock Info

CMP	424
TP	522
Upside	23%
Sector	Real Estate
Market Cap (₹ cr)	2,178
Beta	0.9
52 Week High / Low	493 / 319

### 3 year-Chart

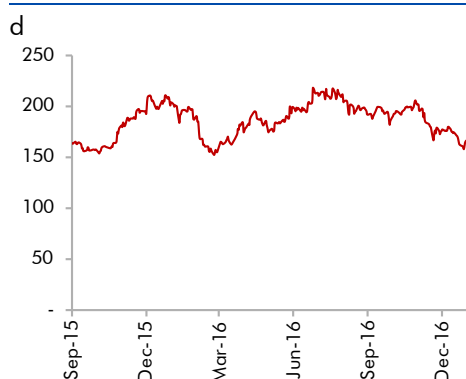


Source: Company, Angel Research

### Stock Info

CMP	217
TP	265
Upside	22%
Sector	Logistics
Market Cap (₹ cr)	3,091
Beta	0.8
52 Week High / Low	247 / 155

### 3 year-Chart



Source: Company, Angel Research

## Mahindra Lifespace

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

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017	1,152	22.7	75	29.9	7.6	14.9	1.1	10.4	2.3
FY2018E	1,300	24.6	138	35.8	8.6	12.4	1.0	7.5	1.9

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)
FY2017	371	37.3	86	6.0	7.4	36.2	2.2	25.2	9.4
FY2018E	561	42.3	164	11.5	10.5	18.8	2.0	14.7	6.2

Source: Company, Angel Research

### Stock Info

CMP	1,954
TP	2,161
Upside	11%
Sector	Pharma
Market Cap (₹ cr)	23,358
Beta	0.3
52 Week High / Low	2,238/ 1,334

### 3 year-Chart



Source: Company, Angel Research

### Alkem Laboratories

- **Alkem** is 5<sup>th</sup> largest pharma company in the domestic market. It has presence in India, US and a few other countries. The 73% of its revenues come from the Indian markets while 20% come from the US and rest from the other countries. The company has leadership position in the anti infective segment in India and it is ranked as no. 3 in Gastro-Intestinal and Pain/Analgesics segments. Overall it holds ~3.6% market share in the domestic formulations business and ~7.9% share in overall prescriptions in country.
- In the domestic market, company operates in acute and chronic segments. It is a prominent player in acute segment but still an entrant in chronic segment. It has aggressively hired sales force in last three years to increase its sales from chronic segment. Alkem has a strong track record of growth in the domestic market which is likely to continue. In the US, company is focusing on monetization of its ANDA pipeline. As of March 2017, company has a pipeline of 91 ANDAs of which 39 are approved. Company expects to launch ~7-8 ANDAs each year and improve its filing rate as well. Overall US revenues are expected to grow at ~26% growth rate from FY17-FY19E. Alkem's all manufacturing facilities are current with USFDA.
- Overall outlook remains strong with 15.8% CAGR in the topline and 15.4% CAGR in the bottom-line. **We have Accumulate rating on the stock.**

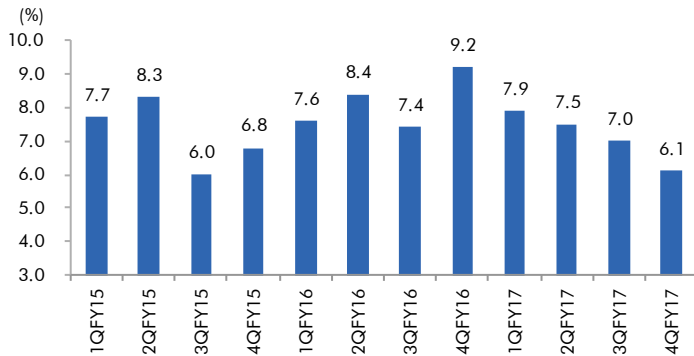
### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2018E	7,009	20.0	1,099	92.0	21.6	21.6	4.7	16.7	3.3
FY2019E	8,252	20.0	1,285	107.5	21.4	18.5	4.0	14.2	2.8

Source: Company, Angel Research

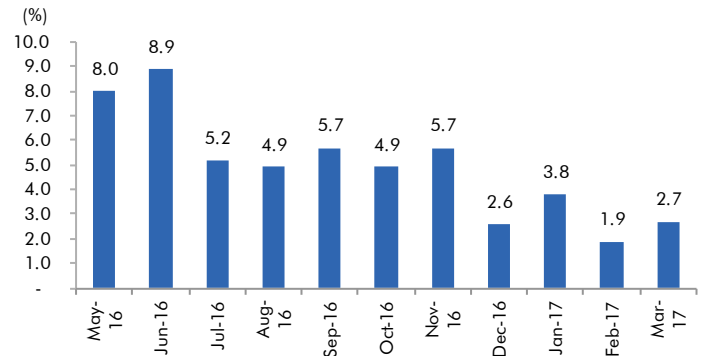
## Macro watch

**Exhibit 3: Quarterly GDP trends**



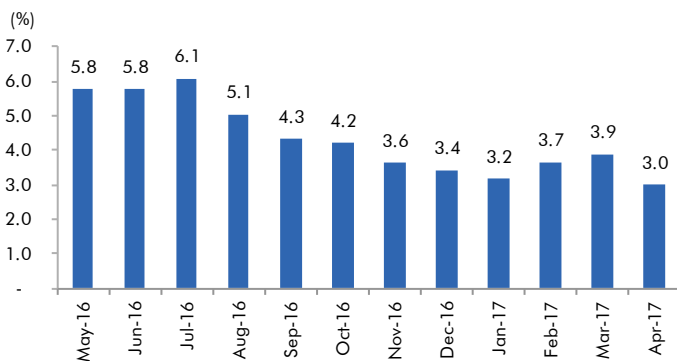
Source: CSO, Angel Research

**Exhibit 4: IIP trends**



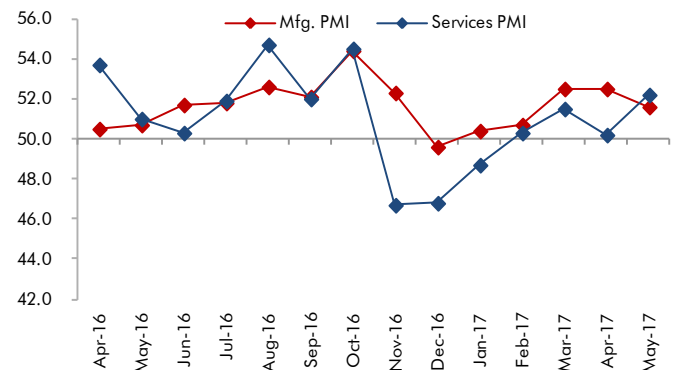
Source: MOSPI, Angel Research

**Exhibit 5: Monthly CPI inflation trends**



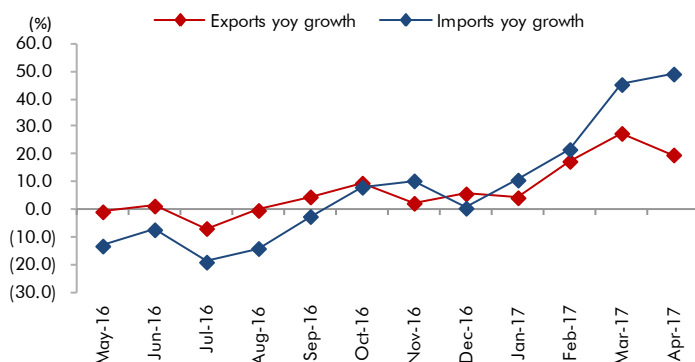
Source: MOSPI, Angel Research

**Exhibit 6: Manufacturing and services PMI**



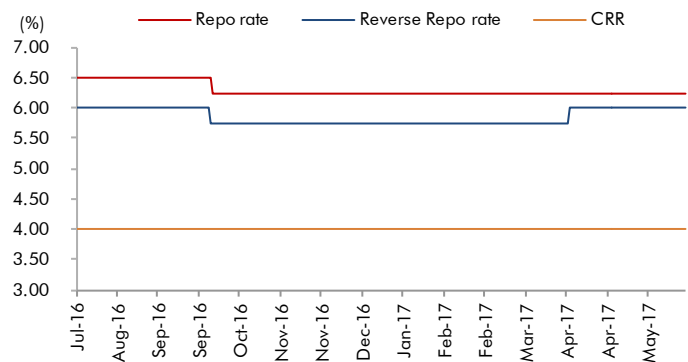
Source: Market, Angel Research; Note: Level above 50 indicates expansion

**Exhibit 7: Exports and imports growth trends**



Source: Bloomberg, Angel Research

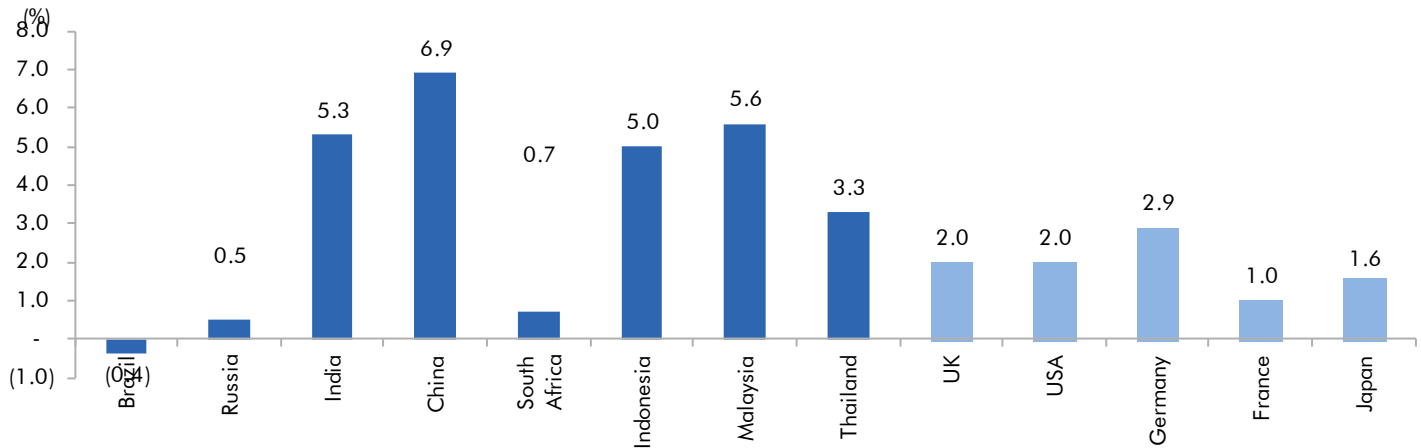
**Exhibit 8: Key policy rates**



Source: RBI, Angel Research

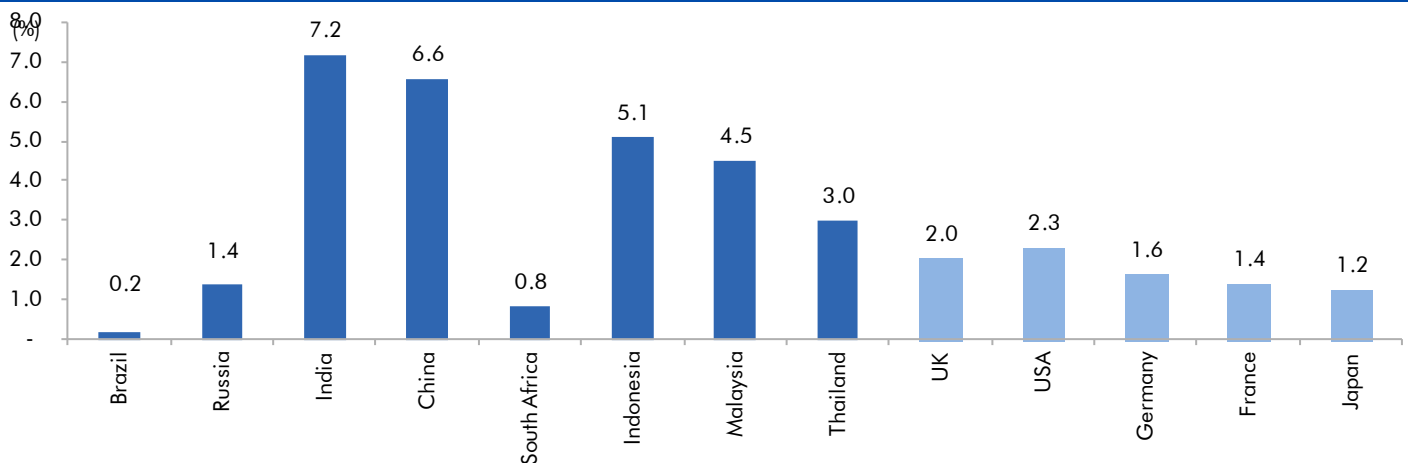
## Global watch

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



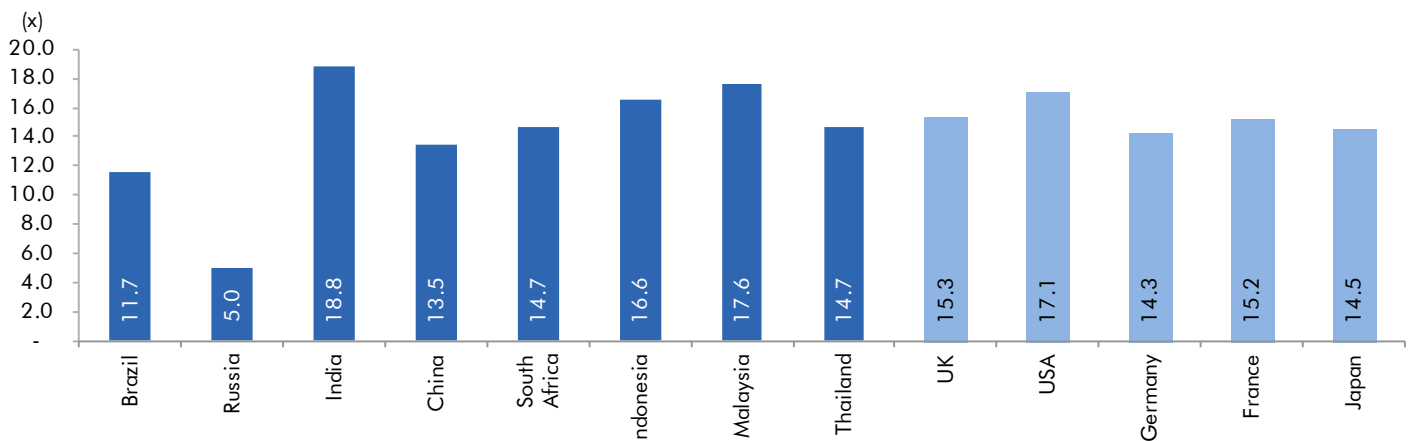
Source: Bloomberg, Angel Research

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



Source: IMF, Angel Research

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



Source: IMF, Angel Research

**Exhibit 11: Relative performance of indices across globe**

Country	Name of index	Closing price	Returns (%)		
			1M	3M	1YR
Brazil	Bovespa	62,511	(5.4)	(6.7)	27.5
Russia	Micex	1,882	(6.7)	(7.6)	(1.8)
India	Nifty	9,654	3.7	8.7	18.0
China	Shanghai Composite	3,106	(1.6)	(3.8)	10.6
South Africa	Top 40	46,523	(0.8)	4.6	(3.0)
Mexico	Mexbol	49,317	0.4	5.3	7.4
Indonesia	LQ45	961	1.6	7.8	19.4
Malaysia	KLCI	1,777	(0.1)	3.6	8.9
Thailand	SET 50	990	(0.3)	1.5	10.8
USA	Dow Jones	21,206	1.2	1.0	19.1
UK	FTSE	7,548	4.1	3.9	20.3
Japan	Nikkei	20,177	5.1	5.5	20.3
Germany	DAX	12,823	2.4	6.3	27.1
France	CAC	5,343	0.8	7.7	24.1

Source: Bloomberg, Angel Research

## Stock Watch

# Top Picks Report

June 06, 2017



Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
<b>Agri / Agri Chemical</b>																		
Rallis	Neutral	252	-	4,892	1,937	2,164	13.3	14.3	9.0	11.0	28.0	22.9	4.9	4.3	18.4	19.8	2.6	2.3
United Phosphorus	Neutral	873	-	44,321	15,176	17,604	18.5	18.5	37.4	44.6	23.3	19.6	4.6	3.8	21.4	21.2	3.0	2.6
<b>Auto &amp; Auto Ancillary</b>																		
Amara Raja Batteries	Buy	877	1,009	14,982	5,305	6,100	16.0	16.3	28.4	34.0	30.9	25.8	6.0	5.0	19.3	19.3	2.8	2.5
Apollo Tyres	Neutral	248	-	12,629	12,877	14,504	14.3	13.9	21.4	23.0	11.6	10.8	1.8	1.6	16.4	15.2	1.1	1.1
Ashok Leyland	Buy	93	111	26,467	20,021	21,915	11.6	11.9	4.5	5.3	20.7	17.5	4.2	3.8	20.6	21.5	1.3	1.1
Bajaj Auto	Neutral	2,901	-	83,937	25,093	27,891	19.5	19.2	143.9	162.5	20.2	17.9	5.7	4.9	30.3	29.4	3.1	2.7
Bharat Forge	Neutral	1,186	-	27,601	7,726	8,713	20.5	21.2	35.3	42.7	33.6	27.8	6.2	5.6	18.9	20.1	3.6	3.2
Ceat	Neutral	1,870	-	7,564	7,524	8,624	13.0	12.7	131.1	144.3	14.3	13.0	2.6	2.2	19.8	18.6	1.1	0.9
Eicher Motors	Neutral	29,326	-	79,830	16,583	20,447	17.5	18.0	598.0	745.2	49.0	39.4	16.8	12.8	41.2	38.3	4.6	3.7
Exide Industries	Neutral	227	-	19,325	7,439	8,307	15.0	15.0	8.1	9.3	28.1	24.5	3.9	3.5	14.3	16.7	2.2	2.0
Gabriel India	Neutral	137	-	1,974	1,544	1,715	9.0	9.3	5.4	6.3	25.4	21.8	4.8	4.3	18.9	19.5	1.2	1.1
Hero Motocorp	Neutral	3,827	-	76,418	28,083	30,096	15.3	15.7	171.8	187.0	22.3	20.5	7.8	6.5	30.1	27.9	2.5	2.3
Indag Rubber	Neutral	207	-	542	286	326	19.8	16.8	11.7	13.3	17.7	15.5	3.0	2.8	17.8	17.1	1.6	1.4
Jamna Auto Industries	Neutral	264	-	2,102	1,486	1,620	9.8	9.9	15.0	17.2	17.6	15.3	3.9	3.3	21.8	21.3	1.5	1.3
JK Tyres	Neutral	176	-	3,989	7,455	8,056	15.0	15.0	21.8	24.5	8.1	7.2	1.7	1.4	22.8	21.3	0.7	0.6
L G Balakrishnan & Bros	Neutral	737	-	1,157	1,302	1,432	11.6	11.9	43.7	53.0	16.9	13.9	2.4	2.2	13.8	14.2	1.0	0.9
Mahindra and Mahindra	Neutral	1,423	-	88,409	46,534	53,077	11.6	11.7	67.3	78.1	21.2	18.2	3.4	3.0	15.4	15.8	1.9	1.6
Maruti	Neutral	7,127	-	215,280	67,822	83,288	16.0	16.4	253.8	312.4	28.1	22.8	6.5	5.2	23.0	22.9	2.8	2.2
Minda Industries	Neutral	626	-	5,408	2,728	3,042	9.0	9.1	68.2	86.2	9.2	7.3	2.1	1.7	23.8	24.3	2.0	1.8
Motherson Sumi	Neutral	455	-	63,805	45,896	53,687	7.8	8.3	13.0	16.1	34.9	28.2	11.2	9.0	34.7	35.4	1.5	1.2
Rane Brake Lining	Neutral	1,274	-	1,008	511	562	11.3	11.5	28.1	30.9	45.3	41.2	6.9	6.3	15.3	15.0	2.1	1.9
Setco Automotive	Neutral	40	-	538	741	837	13.0	13.0	15.2	17.0	2.7	2.4	0.4	0.4	15.8	16.3	1.1	1.0
Subros	Neutral	261	-	1,565	1,488	1,681	11.7	11.9	6.4	7.2	40.8	36.4	4.3	3.9	10.8	11.4	1.3	1.1
Swaraj Engines	Neutral	1,907	-	2,368	660	810	15.2	16.4	54.5	72.8	35.0	26.2	10.9	9.9	31.5	39.2	3.4	2.8
Tata Motors	Neutral	478	-	138,015	300,209	338,549	8.9	8.4	42.7	54.3	11.2	8.8	1.8	1.5	15.6	17.2	0.6	0.5
TVS Motor	Neutral	542	-	25,757	13,390	15,948	6.9	7.1	12.8	16.5	42.5	32.8	10.6	8.4	26.3	27.2	2.0	1.6
<b>Capital Goods</b>																		
ACE	Neutral	66	-	656	709	814	4.1	4.6	1.4	2.1	47.4	31.6	2.0	1.8	4.4	6.0	1.1	1.0
BEML	Neutral	1,239	-	5,158	3,451	4,055	6.3	9.2	31.4	57.9	39.5	21.4	2.4	2.2	6.3	10.9	1.6	1.4
BGR Energy	Neutral	161	-	1,159	16,567	33,848	6.0	5.6	7.8	5.9	20.6	27.2	1.2	1.1	4.7	4.2	0.2	0.1



# Top Picks Report

June 06, 2017



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Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr )		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Capital Goods																		
Bharat Electronics	Neutral	170	-	37,972	8,137	9,169	16.8	17.2	58.7	62.5	2.9	2.7	0.5	0.4	44.6	46.3	3.6	3.3
BHEL	Neutral	140	-	34,205	28,797	34,742	-	2.8	2.3	6.9	60.8	20.3	1.0	1.0	1.3	4.8	0.8	0.6
Blue Star	Buy	643	760	6,143	4,283	5,077	5.9	7.3	14.9	22.1	43.2	29.0	8.4	7.1	20.4	26.4	1.5	1.2
CG Power and Industrial Solutions	Neutral	85	-	5,299	5,777	6,120	5.9	7.0	3.3	4.5	25.6	18.8	1.1	1.1	4.4	5.9	0.9	0.7
Greaves Cotton	Neutral	160	-	3,901	1,755	1,881	16.8	16.9	7.8	8.5	20.5	18.8	4.1	3.8	20.6	20.9	1.9	1.7
Inox Wind	Neutral	142	-	3,159	5,605	6,267	15.7	16.4	24.8	30.0	5.7	4.8	1.6	1.2	25.9	24.4	0.6	0.5
KEC International	Neutral	266	-	6,844	9,294	10,186	7.9	8.1	9.9	11.9	26.9	22.4	3.9	3.4	15.6	16.3	1.0	0.9
KEI Industries	Buy	218	258	1,697	2,633	3,001	10.4	10.0	12.7	13.0	17.1	16.8	3.7	3.1	21.4	18.2	0.8	0.7
Thermax	Neutral	977	-	11,646	5,421	5,940	7.3	7.3	25.7	30.2	38.0	32.4	4.6	4.2	12.2	13.1	2.0	1.9
VATech Wabag	Neutral	678	-	3,701	3,136	3,845	8.9	9.1	26.0	35.9	26.1	18.9	3.3	2.8	13.4	15.9	1.1	0.9
Voltas	Neutral	495	-	16,379	6,511	7,514	7.9	8.7	12.9	16.3	38.4	30.4	6.9	6.1	16.7	18.5	2.3	1.9
Cement																		
ACC	Neutral	1,645	-	30,884	11,225	13,172	13.2	16.9	44.5	75.5	37.0	21.8	3.5	3.2	11.2	14.2	2.8	2.3
Ambuja Cements	Neutral	240	-	47,655	9,350	10,979	18.2	22.5	5.8	9.5	41.4	25.3	3.5	3.1	10.2	12.5	5.1	4.3
India Cements	Neutral	214	-	6,581	4,364	4,997	18.5	19.2	7.9	11.3	27.1	19.0	2.0	1.9	8.0	8.5	2.3	2.0
J K Lakshmi Cement	Neutral	498	-	5,858	2,913	3,412	14.5	19.5	7.5	22.5	66.4	22.1	4.1	3.4	12.5	18.0	2.6	2.2
JK Cement	Neutral	1,091	-	7,630	4,398	5,173	15.5	17.5	31.2	55.5	35.0	19.7	4.2	3.6	12.0	15.5	2.3	1.9
Orient Cement	Neutral	154	-	3,155	2,114	2,558	18.5	20.5	8.1	11.3	19.0	13.6	2.8	2.4	9.0	14.0	2.1	1.7
UltraTech Cement	Neutral	4,189	-	114,985	25,768	30,385	21.0	23.5	111.0	160.0	37.7	26.2	4.8	4.2	13.5	15.8	4.6	3.8
Construction																		
Engineers India	Neutral	159	-	10,704	1,725	1,935	16.0	19.1	11.4	13.9	13.9	11.4	1.9	1.9	13.4	15.3	5.1	4.6
Gujarat Pipavav Port	Neutral	147	-	7,126	705	788	52.2	51.7	5.0	5.6	29.5	26.3	2.9	2.6	11.2	11.2	9.8	8.2
ITNL	Neutral	102	-	3,339	8,946	10,017	31.0	31.6	8.1	9.1	12.5	11.2	0.5	0.5	4.2	5.0	3.7	3.4
KNR Constructions	Neutral	211	-	2,966	1,385	1,673	14.7	14.0	41.2	48.5	5.1	4.4	1.0	0.8	14.9	15.2	2.2	1.8
Larsen & Toubro	Neutral	1,805	-	168,423	111,017	124,908	11.0	11.0	61.1	66.7	29.5	27.0	3.6	3.3	13.1	12.9	2.6	2.3
MEP Infra	Neutral	92	-	1,500	1,877	1,943	30.6	29.8	3.0	4.2	30.8	22.0	14.9	10.0	0.6	0.6	2.2	2.0
Nagarjuna Const.	Neutral	87	-	4,845	8,842	9,775	9.1	8.8	5.3	6.4	16.4	13.6	1.3	1.2	8.2	9.1	0.7	0.6
NBCC	Neutral	201	-	18,104	7,428	9,549	7.9	8.6	8.2	11.0	24.5	18.3	1.2	1.0	28.2	28.7	2.2	1.6
PNC Infratech	Neutral	146	-	3,751	2,350	2,904	13.1	13.2	9.0	8.8	16.2	16.6	0.6	0.5	15.9	13.9	1.7	1.4
Power Mech Projects	Neutral	587	-	864	1,801	2,219	12.7	14.6	72.1	113.9	8.1	5.2	1.5	1.3	16.8	11.9	0.5	0.4
Sadbhav Engineering	Neutral	317	-	5,430	3,598	4,140	10.3	10.6	9.0	11.9	35.2	26.6	3.7	3.2	9.9	11.9	1.8	1.5

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# Top Picks Report

June 06, 2017



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Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
<b>Construction</b>																		
Simplex Infra	Neutral	465	-	2,299	6,829	7,954	10.5	10.5	31.4	37.4	14.8	12.4	1.5	1.4	9.9	13.4	0.8	0.6
SIPL	Neutral	109	-	3,823	1,036	1,252	65.5	66.2	(8.4)	(5.6)			4.1	4.6	(22.8)	(15.9)	11.9	9.9
<b>Financials</b>																		
Axis Bank	Accumulate	513	580	122,965	46,932	53,575	3.5	3.4	32.4	44.6	15.9	11.5	2.0	1.8	13.6	16.5	-	-
Bank of Baroda	Neutral	179	-	41,198	19,980	23,178	1.8	1.8	11.5	17.3	15.6	10.3	1.8	1.5	8.3	10.1	-	-
Can Fin Homes	Neutral	2,776	-	7,390	420	526	3.5	3.5	86.5	107.8	32.1	25.8	6.9	5.7	23.6	24.1	-	-
Canara Bank	Neutral	363	-	21,673	15,225	16,836	1.8	1.8	14.5	28.0	25.0	13.0	1.7	1.4	5.8	8.5	-	-
Cholamandalam Inv. & Fin. Co.	Buy	1,046	1,230	16,353	2,012	2,317	6.3	6.3	42.7	53.6	24.5	19.5	3.9	3.3	16.9	18.3	-	-
Dewan Housing Finance	Buy	431	520	13,498	2,225	2,688	2.9	2.9	29.7	34.6	14.5	12.5	2.3	1.5	16.1	14.8	-	-
Equitas Holdings	Buy	160	235	5,411	939	1,281	11.7	11.5	5.8	8.2	27.6	19.5	2.4	2.1	10.9	11.5	-	-
Federal Bank	Accumulate	114	125	19,674	8,259	8,995	3.0	3.0	4.3	5.6	26.5	20.4	2.2	2.1	8.5	10.1	-	-
HDFC	Neutral	1,606	-	255,245	11,475	13,450	3.4	3.4	45.3	52.5	35.5	30.6	6.8	6.0	20.2	20.5	-	-
HDFC Bank	Neutral	1,636	-	420,194	46,097	55,433	4.5	4.5	58.4	68.0	28.0	24.1	4.9	4.1	18.8	18.6	-	-
ICICI Bank	Neutral	320	-	186,283	42,800	44,686	3.1	3.3	18.0	21.9	17.8	14.6	2.4	2.2	11.1	12.3	-	-
Karur Vysya Bank	Accumulate	127	140	7,675	5,640	6,030	3.3	3.2	8.9	10.0	14.3	12.7	1.5	1.4	11.2	11.4	-	-
Lakshmi Vilas Bank	Neutral	189	-	3,620	3,339	3,799	2.7	2.8	11.0	14.0	17.2	13.5	1.8	1.6	11.2	12.7	-	-
LIC Housing Finance	Neutral	739	-	37,277	3,712	4,293	2.6	2.5	39.0	46.0	18.9	16.1	3.6	3.0	19.9	20.1	-	-
Punjab Natl.Bank	Neutral	153	-	32,622	23,532	23,595	2.3	2.4	6.8	12.6	22.5	12.2	3.5	2.5	3.3	6.5	-	-
RBL Bank	Neutral	544	-	20,446	1,783	2,309	2.6	2.6	12.7	16.4	42.8	33.1	4.7	4.2	12.8	13.3	-	-
Repco Home Finance	Accumulate	779	825	4,870	388	457	4.5	4.2	30.0	38.0	26.0	20.5	4.3	3.6	18.0	19.2	-	-
South Ind.Bank	Neutral	29	-	5,140	6,435	7,578	2.5	2.5	2.7	3.1	10.6	9.2	1.4	1.1	10.1	11.2	-	-
St Bk of India	Neutral	287	-	233,037	88,650	98,335	2.6	2.6	13.5	18.8	21.3	15.3	2.0	1.8	7.0	8.5	-	-
Union Bank	Neutral	160	-	11,030	13,450	14,925	2.3	2.3	25.5	34.5	6.3	4.7	0.9	0.8	7.5	10.2	-	-
Yes Bank	Neutral	1,520	-	69,460	8,978	11,281	3.3	3.4	74.0	90.0	20.5	16.9	3.9	3.3	17.0	17.2	-	-
<b>FMCG</b>																		
Akzo Nobel India	Neutral	1,788	-	8,575	2,955	3,309	13.3	13.7	57.2	69.3	31.3	25.8	10.2	8.6	32.7	33.3	2.7	2.4
Asian Paints	Neutral	1,162	-	111,464	17,128	18,978	16.8	16.4	19.1	20.7	60.8	56.1	21.2	20.0	34.8	35.5	6.4	5.8
Britannia	Neutral	3,639	-	43,671	9,594	11,011	14.6	14.9	80.3	94.0	45.3	38.7	18.6	14.4	41.2	-	4.4	3.8
Colgate	Neutral	1,021	-	27,760	4,605	5,149	23.4	23.4	23.8	26.9	42.9	37.9	23.7	18.6	64.8	66.8	6.0	5.3
Dabur India	Accumulate	286	304	50,371	8,315	9,405	19.8	20.7	8.1	9.2	35.3	31.1	9.8	8.2	31.6	31.0	5.7	5.0
GlaxoSmith Con*	Neutral	5,406	-	22,737	4,350	4,823	21.2	21.4	179.2	196.5	30.2	27.5	8.0	6.8	27.1	26.8	4.6	4.1

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# Top Picks Report

June 06, 2017



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Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
<b>FMCG</b>																		
Godrej Consumer	Neutral	1,815	-	61,814	10,235	11,428	18.4	18.6	41.1	44.2	44.2	41.1	9.8	8.3	24.9	24.8	6.1	5.4
HUL	Neutral	1,098	-	237,570	35,252	38,495	17.8	17.8	20.7	22.4	53.2	49.0	50.8	43.6	95.6	88.9	6.6	6.0
ITC	Neutral	318	-	385,679	40,059	44,439	38.3	39.2	9.0	10.1	35.4	31.3	9.9	8.6	27.8	27.5	9.1	8.2
Marico	Neutral	324	-	41,798	6,430	7,349	18.8	19.5	6.4	7.7	50.6	42.1	15.3	12.9	33.2	32.5	6.3	5.5
Nestle*	Neutral	6,725	-	64,837	10,073	11,807	20.7	21.5	124.8	154.2	53.9	43.6	22.1	19.9	34.8	36.7	6.2	5.3
Procter & Gamble Hygiene	Neutral	7,736	-	25,113	2,939	3,342	23.2	23.0	146.2	163.7	52.9	47.3	13.4	11.1	25.3	23.5	8.1	7.0
Tata Global	Neutral	155	-	9,779	8,675	9,088	9.8	9.8	7.4	8.2	20.9	18.9	1.7	1.6	7.9	8.1	1.0	1.0
<b>IT</b>																		
HCL Tech ^	Buy	858	1,014	122,457	46,723	52,342	22.1	20.9	60.0	62.8	14.3	13.7	3.6	3.1	25.3	22.4	2.4	2.0
Infosys	Buy	960	1,179	220,553	68,484	73,963	26.0	26.0	63.0	64.0	15.2	15.0	3.2	2.9	20.8	19.7	2.9	2.5
TCS	Neutral	2,601	-	512,518	117,966	127,403	27.5	27.6	134.3	144.5	19.4	18.0	5.8	5.4	29.8	29.7	4.0	3.7
Tech Mahindra	Buy	403	533	39,248	29,141	31,051	14.4	15.0	32.3	35.6	12.5	11.3	2.1	1.9	17.1	17.0	1.2	1.1
Wipro	Neutral	556	-	135,175	55,421	58,536	20.3	20.3	35.1	36.5	15.8	15.2	2.7	2.4	19.2	14.6	1.9	1.6
<b>Media</b>																		
D B Corp	Neutral	370	-	6,809	2,297	2,590	27.4	28.2	21.0	23.4	17.6	15.8	4.1	3.6	23.7	23.1	2.8	2.4
Hindustan Media Ventures	Neutral	281	-	2,059	1,016	1,138	24.3	25.2	27.3	30.1	10.3	9.3	2.0	1.7	16.2	15.8	1.4	1.2
HT Media	Neutral	81	-	1,884	2,693	2,991	12.6	12.9	7.9	9.0	10.3	9.0	0.9	0.8	7.8	8.3	0.3	0.2
Jagran Prakashan	Buy	182	225	5,960	2,283	2,555	28.0	28.0	10.6	12.3	17.1	14.9	3.7	3.2	21.4	21.4	2.6	2.3
Sun TV Network	Neutral	840	-	33,091	2,850	3,265	70.1	71.0	26.2	30.4	32.1	27.6	8.2	7.2	24.3	25.6	11.2	9.6
TV Today Network	Buy	268	344	1,598	608	667	21.5	22.3	15.7	19.2	17.1	13.9	2.6	2.2	16.1	16.0	2.2	1.9
<b>Metals &amp; Mining</b>																		
Coal India	Neutral	264	-	164,062	84,638	94,297	21.4	22.3	24.5	27.1	10.8	9.8	4.5	4.3	42.6	46.0	1.5	1.3
Hind. Zinc	Neutral	234	-	98,978	14,252	18,465	55.9	48.3	15.8	21.5	14.8	10.9	2.4	2.1	17.0	20.7	6.9	5.4
Hindalco	Neutral	197	-	44,194	107,899	112,095	7.4	8.2	9.2	13.0	21.4	15.2	1.0	1.0	4.8	6.6	0.9	0.9
JSW Steel	Neutral	191	-	46,048	53,201	58,779	16.1	16.2	130.6	153.7	1.5	1.2	0.2	0.2	14.0	14.4	1.6	1.4
NMDC	Neutral	113	-	35,625	6,643	7,284	44.4	47.7	7.1	7.7	15.9	14.6	1.4	1.3	8.8	9.2	3.1	2.8
SAIL	Neutral	57	-	23,603	47,528	53,738	(0.7)	2.1	(1.9)	2.6		22.0	0.6	0.6	(1.6)	3.9	1.4	1.2
Tata Steel	Neutral	491	-	47,706	121,374	121,856	7.2	8.4	18.6	34.3	26.4	14.3	1.7	1.5	6.1	10.1	1.0	1.0
Vedanta	Neutral	229	-	85,272	71,744	81,944	19.2	21.7	13.4	20.1	17.1	11.4	1.5	1.3	8.4	11.3	1.6	1.2
<b>Oil &amp; Gas</b>																		
GAIL	Neutral	398	-	67,297	56,220	65,198	9.3	10.1	27.1	33.3	14.7	12.0	1.3	1.3	9.3	10.7	1.4	1.2
Indian Oil Corp	Neutral	422	-	204,943	373,359	428,656	5.9	5.5	54.0	59.3	7.8	7.1	1.2	1.1	16.0	15.6	0.7	0.6
ONGC	Neutral	176	-	225,223	137,222	152,563	15.0	21.8	19.5	24.1	9.0	7.3	0.8	0.7	8.5	10.1	1.9	1.7

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Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr )		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Oil & Gas																		
Reliance Industries	Neutral	1,329	-	432,083	301,963	358,039	12.1	12.6	87.7	101.7	15.2	13.1	1.6	1.4	10.7	11.3	1.9	1.6
Pharmaceuticals																		
Alembic Pharma	Buy	547	648	10,317	3,101	3,966	19.7	20.5	21.4	25.5	25.6	21.5	5.4	4.4	23.0	22.8	3.3	2.4
Alkem Laboratories Ltd	Accumulate	1,954	2,161	23,358	5,853	6,901	17.1	18.4	74.6	85.0	26.2	23.0	5.5	4.6	21.1	20.2	4.0	3.4
Aurobindo Pharma	Buy	593	823	34,740	14,845	17,086	21.5	22.1	39.4	44.7	15.1	13.3	3.7	2.9	27.6	24.7	2.5	2.1
Aventis*	Neutral	4,041	-	9,306	2,206	2,508	16.6	16.8	128.9	139.9	31.4	28.9	5.4	4.2	21.6	23.5	4.0	3.3
Cadila Healthcare	Neutral	491	-	50,215	9,220	11,584	18.4	20.3	14.5	18.7	33.8	26.2	7.2	5.9	23.5	24.6	5.8	4.4
Cipla	Reduce	534	465	42,955	15,378	18,089	15.7	16.8	19.3	24.5	27.7	21.8	3.2	2.9	12.3	13.9	3.0	2.5
Dishman Pharma	Sell	301	143	4,859	1,718	1,890	22.7	22.8	9.5	11.3	31.7	26.6	3.1	2.8	10.1	10.9	3.3	2.9
Dr Reddy's	Neutral	2,535	-	41,998	14,081	15,937	16.1	18.6	72.6	105.9	34.9	23.9	3.4	3.1	9.6	13.6	3.2	2.8
GSK Pharma*	Neutral	2,469	-	20,916	2,927	3,290	11.8	16.2	34.4	49.6	71.8	49.8	10.4	10.8	13.9	21.3	6.9	6.2
Indoco Remedies	Buy	197	240	1,814	1,112	1,289	16.2	18.2	11.6	16.0	17.0	12.3	2.7	2.3	17.0	20.1	1.8	1.5
Ipca labs	Buy	511	613	6,451	3,258	3,747	12.8	15.3	12.1	19.2	42.3	26.6	2.6	2.4	6.4	9.5	2.1	1.8
Lupin	Buy	1,159	1,809	52,334	15,912	18,644	26.4	26.7	58.1	69.3	19.9	16.7	3.9	3.2	21.4	20.9	3.4	2.7
Natco Pharma	Accumulate	966	1,060	16,836	2,065	1,988	33.1	33.7	27.9	25.7	34.6	37.6	10.1	8.6	29.2	22.9	8.2	8.3
Sun Pharma	Buy	512	847	122,937	31,129	35,258	32.0	32.9	30.2	35.3	17.0	14.5	2.8	2.3	20.0	20.1	3.5	2.9
Power																		
NTPC	Neutral	163	-	134,030	86,605	95,545	17.5	20.8	11.8	13.4	13.8	12.1	1.4	1.3	10.5	11.1	2.9	2.9
Power Grid	Accumulate	205	223	107,300	25,315	29,193	88.2	88.7	14.2	17.2	14.5	12.0	2.2	1.9	15.2	16.1	8.9	8.0
Tata Power	Neutral	81	-	21,909	36,916	39,557	17.4	27.1	5.1	6.3	15.9	12.9	1.4	1.3	9.0	10.3	1.6	1.4
Real Estate																		
MLIFE	Buy	424	522	2,178	1,152	1,300	22.7	24.6	29.9	35.8	14.2	11.9	1.1	1.0	7.6	8.6	2.6	2.2
Prestige Estate	Neutral	253	-	9,476	4,707	5,105	25.2	26.0	10.3	13.0	24.5	19.4	2.0	1.8	10.3	10.2	3.2	2.8
Telecom																		
Bharti Airtel	Neutral	372	-	148,843	105,086	114,808	34.5	34.7	12.2	16.4	30.5	22.7	2.1	1.9	6.8	8.4	2.3	2.0
Idea Cellular	Neutral	82	-	29,405	40,133	43,731	37.2	37.1	6.4	6.5	12.7	12.6	1.1	1.0	8.2	7.6	1.8	1.5
zOthers																		
Abbott India	Neutral	4,209	-	8,944	3,153	3,583	14.1	14.4	152.2	182.7	27.7	23.0	135.8	116.0	25.6	26.1	2.5	2.2
Asian Granito	Accumulate	400	447	1,205	1,066	1,169	11.6	12.5	13.0	16.0	30.8	25.1	3.0	2.7	9.5	10.7	1.4	1.3
Bajaj Electricals	Accumulate	357	395	3,617	4,801	5,351	5.7	6.2	10.4	13.7	34.3	26.1	4.2	3.8	12.4	14.5	0.8	0.7
Banco Products (India)	Neutral	224	-	1,600	1,353	1,471	12.3	12.4	14.5	16.3	15.4	13.7	21.3	19.2	14.5	14.6	1.1	120.7
Coffee Day Enterprises Ltd	Neutral	247	-	5,094	2,964	3,260	20.5	21.2	4.7	8.0	-	30.9	2.9	2.6	5.5	8.5	2.1	1.9
Competent Automobiles	Neutral	202	-	129	1,137	1,256	3.1	2.7	28.0	23.6	7.2	8.6	38.8	35.1	14.3	11.5	0.1	0.1
Elecon Engineering	Neutral	65	-	724	1,482	1,660	13.7	14.5	3.9	5.8	16.6	11.1	3.9	3.6	7.8	10.9	0.8	0.7



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Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr )		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
zOthers																		
Finolex Cables	Neutral	506	-	7,733	2,883	3,115	12.0	12.1	14.2	18.6	35.6	27.2	18.9	16.6	15.8	14.6	2.4	2.2
Garware Wall Ropes	Neutral	819	-	1,793	863	928	15.1	15.2	36.4	39.4	22.5	20.8	4.1	3.5	17.5	15.9	2.0	1.8
Goodyear India*	Neutral	851	-	1,963	1,598	1,704	10.4	10.2	49.4	52.6	17.2	16.2	79.5	69.8	18.2	17.0	0.9	129.8
Hitachi	Neutral	2,131	-	5,795	2,081	2,433	8.8	8.9	33.4	39.9	63.8	53.4	51.5	42.9	22.1	21.4	2.8	2.3
HSIL	Neutral	342	-	2,475	2,384	2,515	15.8	16.3	15.3	19.4	22.4	17.7	22.2	19.1	7.8	9.3	1.2	1.1
Interglobe Aviation	Neutral	1,135	-	41,023	21,122	26,005	14.5	27.6	110.7	132.1	10.3	8.6	61.4	43.8	168.5	201.1	1.9	1.5
Jyothy Laboratories	Neutral	368	-	6,686	1,440	2,052	11.5	13.0	8.5	10.0	43.3	36.8	10.5	9.7	18.6	19.3	4.9	3.4
Kirloskar Engines India Ltd	Neutral	388	-	5,604	2,554	2,800	9.9	10.0	10.5	12.1	36.9	32.0	15.4	14.6	10.7	11.7	1.8	1.6
Linc Pen & Plastics	Neutral	269	-	398	382	420	9.3	9.5	13.5	15.7	20.0	17.1	3.4	3.0	17.1	17.3	1.1	1.0
M M Forgings	Neutral	609	-	736	546	608	20.4	20.7	41.3	48.7	14.8	12.5	83.5	73.9	16.6	17.0	1.2	1.1
Manpasand Bever.	Neutral	799	-	4,572	836	1,087	19.6	19.4	16.9	23.8	47.3	33.6	5.7	5.0	12.0	14.8	5.2	3.9
Mirza International	Neutral	143	-	1,717	963	1,069	17.2	18.0	6.1	7.5	23.3	19.0	3.6	3.0	15.0	15.7	2.0	1.8
MT Educare	Neutral	65	-	260	366	417	17.7	18.2	9.4	10.8	7.0	6.1	1.6	1.4	22.2	22.3	0.6	0.5
Narayana Hrudaya	Neutral	335	-	6,851	1,873	2,166	11.5	11.7	2.6	4.0	126.8	84.6	7.8	7.0	6.1	8.3	3.8	3.2
Navkar Corporation	Buy	217	265	3,091	347	371	43.2	37.3	6.7	6.0	32.5	36.2	2.2	2.0	6.2	10.6	10.0	9.4
Navneet Education	Neutral	185	-	4,323	1,062	1,147	24.0	24.0	6.1	6.6	30.4	27.9	6.2	5.5	20.6	19.8	4.2	3.8
Nilkamal	Neutral	2,085	-	3,112	1,995	2,165	10.7	10.4	69.8	80.6	29.9	25.9	119.2	103.5	16.6	16.5	1.6	1.4
Page Industries	Neutral	14,485	-	16,157	2,450	3,124	20.1	17.6	299.0	310.0	48.5	46.7	322.6	246.3	47.1	87.5	6.6	5.2
Parag Milk Foods	Neutral	238	-	2,001	1,919	2,231	9.3	9.6	9.5	12.9	25.2	18.4	3.9	3.2	15.5	17.5	1.2	1.0
Quick Heal	Neutral	216	-	1,516	408	495	27.3	27.0	7.7	8.8	27.9	24.6	2.6	2.6	9.3	10.6	2.9	2.4
Radico Khaitan	Buy	124	147	1,649	1,667	1,824	13.0	13.2	6.7	8.2	18.6	15.1	1.7	1.5	9.0	10.2	1.4	1.2
Relaxo Footwears	Neutral	491	-	5,902	2,085	2,469	9.2	8.2	7.6	8.0	65.0	61.8	25.2	21.5	17.9	18.8	2.9	2.5
S H Kelkar & Co.	Neutral	281	-	4,062	1,036	1,160	15.1	15.0	6.1	7.2	46.0	39.1	4.9	4.5	10.7	11.5	3.8	3.3
Siyaram Silk Mills	Accumulate	2,117	2,376	1,984	1,574	1,769	12.5	12.7	97.1	113.1	21.8	18.7	3.4	2.9	15.4	15.5	1.5	1.3
Styrolution ABS India*	Neutral	777	-	1,366	1,440	1,537	9.2	9.0	40.6	42.6	19.1	18.2	48.9	44.4	12.3	11.6	0.9	0.8
Surya Roshni	Neutral	289	-	1,265	3,342	3,625	7.8	7.5	17.3	19.8	16.7	14.6	31.7	25.5	10.5	10.8	0.6	0.6
Team Lease Serv.	Neutral	1,200	-	2,052	3,229	4,001	1.5	1.8	22.8	32.8	52.7	36.5	5.7	4.9	10.7	13.4	0.5	0.4
The Byke Hospitality	Neutral	190	-	760	287	384	20.5	20.5	7.6	10.7	24.9	17.7	5.2	4.2	20.7	23.5	2.7	2.0
Transport Corporation of India	Neutral	329	-	2,516	2,671	2,911	8.5	8.8	13.9	15.7	23.7	21.0	3.2	2.9	13.7	13.8	1.0	1.0

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		( ₹ )	Price ( ₹ )	( ₹ cr )	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
zOthers																		
TVS Srichakra	Neutral	4,050	-	3,101	2,304	2,614	13.7	13.8	231.1	266.6	17.5	15.2	455.0	358.3	33.9	29.3	1.3	1.2
UFO Moviez	Neutral	378	-	1,044	619	685	33.2	33.4	30.0	34.9	12.6	10.9	1.8	1.5	13.8	13.9	1.4	1.1
Visaka Industries	Neutral	416	-	660	1,051	1,138	10.3	10.4	21.0	23.1	19.8	18.0	53.3	49.9	9.0	9.2	0.9	0.8
VRL Logistics	Neutral	327	-	2,987	1,902	2,119	16.7	16.6	14.6	16.8	22.5	19.5	4.9	4.3	21.9	22.2	1.7	1.5
Wonderla Holidays	Neutral	371	-	2,096	287	355	38.0	40.0	11.3	14.2	32.8	26.1	4.7	4.1	21.4	23.9	7.0	5.7
VIP Industries	Accumulate	199	218	2,808	1,270	1,450	10.4	10.4	5.6	6.5	35.5	30.6	7.4	6.4	20.7	21.1	2.2	1.9
Navin Fluorine	Buy	3,063	3,650	2,999	789	945	21.1	22.4	120.1	143.4	25.5	21.4	4.1	3.5	17.8	18.5	3.7	3.0

Source: Company, Angel Research; Note: \*December year end; #September year end; &October year end; Price as on June 05, 2017

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

Buy (> 15%)

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

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