Top Picks

Company	CMP (₹)	TP (₹)
Banking/NBFC		
Aditya Birla Capital	104	130
ICICI Bank	419	490
HDFC Bank	2,454	2,660
RBL Bank	692	775
Shriram Transport Finance	1,166	1,470
Consumption		
Amber Enterprises	838	910
Bata India	1,375	1,643
Blue Star	799	867
Safari Industries	672	1,000
Parag Milk Foods	242	330
TTK Prestige	7,220	7,708
Media/Automobiles		
Maruti Suzuki	7,050	8,552
M&M	651	1,050
Real Estate/Infra/Logistics/Power		
GMM Pfaudler	1,261	1,400
Jindal Steel	162	250
KEI Industries	500	612
Pharmaceutical		
Aurobindo Laboratories	654	890

Source: Angel Research;
Note: CMP as of 04 June, 2019

Indian stock market managed to close the month in the green despite heightened volatility in the run up to the election results on the 23rd of May'19. BSE 100 index was up by 1.5% for the month of May while returns for the calander year 2019 is 7.9%. Our top picks have generated a total return of 64.0% since inception, an outperformance of 17.0% over BSE100.

Extreme volatility during in the run up to election results - Major indices like the Sensex and Nifty 50 had touched all-time highs by the first week of May'19 on the back of strong FII inflows. However all indices came under pressure during the first half of the month and traders used the rally to book profits before the last phase of the elections got over on the 19th of May'19. Even FII flows turned negative as FII's sold equities worth ₹4,786 cr. till the 17th of May'19 before the exits polls were announced on the 19th of May'19 evening.

Markets staged strong recovery post exits polls were announced – All major Indices reversed sharply post the results if the exit polls on the 19th of May and were trading at all time highs by the end of the month as the election outcome were better than markets expectations. FII flows also turned positive as FII's bought stocks worth ₹11,579 crore. post exit polls till the end of the month. FII's have been net buyers in Indian equities to the extent of ₹76,051 crore in CY2019 till May versus outflow of ₹33,000 crore in CY2018.

Policy action expected by new Government and RBI to boost growth - There has been a sharp slowdown in economic activity post the IL&FS crisis induced slowdown which is reflected in high frequency data like the IIP and Auto sales numbers. GDP growth for Q4FY19 has also collapsed to 5.8%, much lower than street estimates. However some of the slowdown in CY19 could be attributed to postponement of decisions prior to the elections which are now expected to reverse. We also expect the Government and the RBI to try and stimulate growth through various policy measures.

Top pick's overview

We recommend our top picks as it has outperformed the benchmark BSE 100 significantly since inception. All of our top picks are backed by sound business model and are likely to do well in coming years. We continue to remain positive on consumer (both discretionary and non discretionary) space and private sector banks (both corporate and retail).
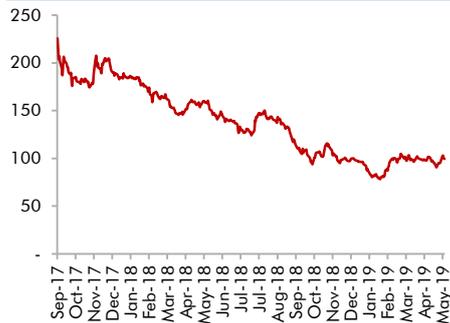
Exhibit 1: Top Picks Performance

	Return Since Inception (30th Oct, 2015)
Top Picks Return	64.00%
BSE 100	47.00%
Outperformance	17.00%

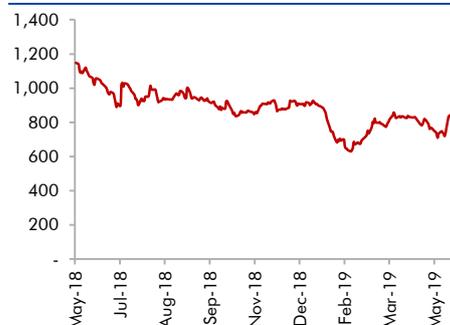*Source: Company, Angel Research*

Top Picks

Stock Info

CMP	104
TP	130
Upside	25.1%
Sector	Financials
Market Cap (₹ cr)	22,873
Beta	1.6
52 Week High / Low	152/77

2 year-Chart

Source: Company, Angel Research

Aditya Birla Capital

■ Aditya Birla Capital (ABCL) is one of the most diversified financial services entities, with a presence in non-bank financing, asset management, housing finance, insurance and advisory businesses.

■ ABFL (NBFC) business contributes highest value in our SOTP valuation. It has recorded a strong CAGR of 32% over FY14-19. Despite aggressive growth in lending and migration to 90dpd for NPA recognition, GNPA has remained at ~1%. Banka Tie up with HDFC bank has gaining traction which is visible in improvement in VNB margin (FY18–4.5%, FY19-9.5%) and new business premium.

■ We expect financialization of savings, increasing penetration in Insurance & Mutual funds would ensure steady growth. Further, Banca tie-up with HDFC Bank, DBS and LVB should restore insurance business. **We recommend a Buy rating on the stock, with a price target of ₹130.**

Key Financials

Y/E March	Op. Inc (₹ cr)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROE (%)	P/E (x)	P/ABV (x)	Op. Inc (₹ cr)	PAT (₹ cr)
FY2020E	2,368	1,281	5.8	49.1	12	17	2.0	2,368	1,281
FY2021E	3,032	1,699	7.7	56.8	14	13	1.7	3,032	1,699

Source: Company, Angel Research

Stock Info

CMP	838
TP	910
Upside	8.6%
Sector	Electronics
Market Cap (₹ cr)	2,636
Beta	0.9
52 Week High / Low	1,121/621

1 year-Chart

Source: Company, Angel Research

Amber Enterpries

■ 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 2 acquisitions in the printed circuit board (PCB) manufacturing space over the last 1 year which will boost its manufacturing capabilities.

■ We expect Amber to report consolidated revenue/PAT CAGR of 23%/41% respectively over FY2018-20E. Its growing manufacturing capabilities and scale put it in a sweet spot to capture the underpenetrated RAC market in India.
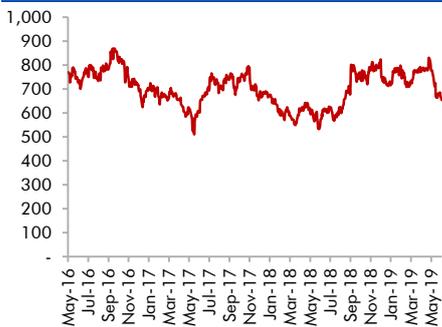
Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	2,752	8.1	93.6	29.7	9.8	28.0	2.67	12.67	1.03
FY2020E	3125	7.5	114.4	36.4	10.7	23.0	1.94	8.26	0.62

Source: Company, Angel Research

Stock Info

CMP	654
TP	890
Upside	36.1%
Sector	Pharmaceuticals
Market Cap (₹ cr)	38,325
Beta	1.2
52 Week High / Low	838/527

3 year-Chart

Source: Company, Angel Research

Aurobindo Pharma

- Aurobindo Pharmaceuticals is an India-based leading global generic company. It's predominately formulations Export Company, with USA & Europe contributing ~80% of sales (FY2018).

- Recently it acquired dermatology and oral solids businesses from Sandoz Inc., USA. With this acquisition, Aurobindo adds sales of US$0.9bn and would become the 2nd largest generic player in the US by number of prescriptions.

- Aurobindo has a robust pipeline (has filed 519 ANDA's; second highest amongst Indian companies) & is investing to enhance its foray into complex generic (mainly injectables, ophthalmic etc.) & biosimilar, which will drive its next leg of growth.

- We expect Aurobindo to report net revenue CAGR of ~22% & net profit to grow at ~19% CAGR during FY2018-20E, aided by acquisitions. Valuations of the company are cheap V/s its peers and own fair multiples of 17-18x. We recommend BUY rating.

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	19,226	20.4	2,365	41.5	17.10	16.2	2.76	11.0	2.2
FY2020E	24,234	21.9	3,438	58.9	22.2	11.1	2.96	7.69	1.7

Source: Company, Angel Research

Stock Info

CMP	1,375
TP	1,643
Upside	19.4%
Sector	Footwear
Market Cap (₹ cr)	17,670
Beta	0.9
52 Week High / Low	1,478 / 740

3 year-Chart

Source: Company, Angel Research

Bata India

- Bata India Ltd (BIL) is the largest footwear retailer in India, offering footwear, accessories and bags across brands like Bata, Hush Puppies, Naturalizer, Power, etc. BIL's ~70% revenue is derived from Men & Kids segment and balance from women's segment. BIL has over 1,400 Bata retail stores across India.

- Further, over the last 3 years, the company has added 135 stores (net addition). Going forward, the company has plans to open 500 stores (already identified 435 cities) mainly in tier-II and tier-III cities over the next 4-5 years.

- We expect BIL to report net revenue CAGR of ~16% to ~₹3,497cr over FY2018-20E mainly due increasing brand consciousness amongst Indian consumers, new product launches and focus on women's segment (high growth segment). Further, on the bottom-line front, we expect CAGR of ~19% to ₹358cr over the same period on the back of margin improvement (increasing premium product sales).
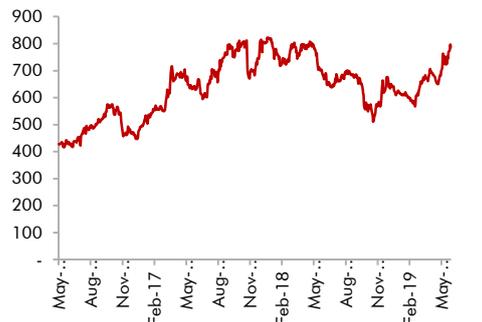
Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	2,931	18.6	328	25.6	19.6	51.7	10.8	33.8	6.0
FY2020E	3,497	16.4	358	27.9	17.6	49.3	10.3	28.1	4.6

Source: Company, Angel Research

Stock Info

CMP	799
TP	867
Upside	8.6%
Sector	Cons.Durable
Market Cap (₹ cr)	7,692
Beta	0.2
52 Week High / Low	810/507

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 favorable.

- 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. This has resulted in the Cooling Products Division (CPD)'s share in overall revenues increasing from~23% in FY2010 to ~50% in FY2018 (expected to improve to ~50-55% in FY20E). With strong brand equity and higher share in split ACs, we expect the CPD to continue to drive growth.

- Going Aided by increasing contribution from the Unitary Products, we expect the overall top-line to post revenue CAGR of ~13% over FY2018-20E and margins to improve from 5.8% in FY2018 to 6.2% in FY2020E. **We recommend a Buy rating on the stock.**
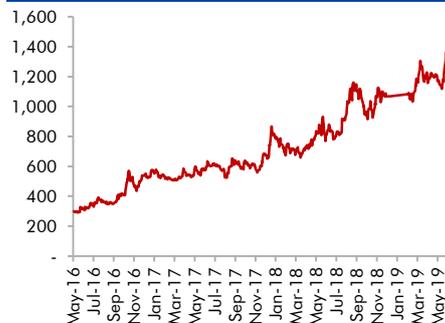
Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	5,235	7.17	190.06	19.5	22.3	41.3	8.81	21.22	1.5
FY2020E	5,891	6.5	205	21.3	20.9	32	5.67	20	1.1

Source: Company, Angel Research

Stock Info

CMP	1,261
TP	1,400
Upside	11.1%
Sector	Machinery
Market Cap (₹ cr)	1,843
Beta	0.7
52 Week High / Low	1,425/754

3 year-Chart

Source: Company, Angel Research

GMM Pfaudler Ltd.

- 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 to 50% by 2020.

- GMM is likely to maintain the 20%+ growth trajectory over FY18-20 backed by capacity expansion and cross selling of non-GL products to its clients.

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	502	16.99	50.5	34.6	19.0	36.5	6.85	20.6	3.5
FY2020E	591	17.1	69.0	47.3	20.4	26.7	4.84	16.6	2.8

Source: Company, Angel Research

HDFC Bank

Stock Info

CMP	2,454
TP	2,660
Upside	8.4%
Sector	Banking
Market Cap (₹ cr)	668,726
Beta	0.8
52 Week High / Low	2,463/1,884

3 year-Chart

Source: Company, Angel Research

- Bank has planned to improve business with digital platform and engaging with mid market client. Banks next leg of growth road map 1) increasing branch opening number from 300 current to 600 annually in non urban area. 2) Increase POS 4x to 4mn by FY21 and double the virtual relationship manager client in 3 years.

- **Asset quality has been strong:** Strong and steady NIM of 4.4% on the back of lower cost of funds and lower credit cost will ensure healthy return ratios for the company. Despite strong growth, the company has maintained stable asset quality (GNPA/NPA – 1.3%/0.4%).

- **Subsidiaries:** HDFC bank's subsidiaries, HDB Financial Services (HDBFS) and HDFC Securities continue to contribute well to the banks overall growth. Strong loan book, well-planned product line and clear customer segmentation aided this growth

- **Outlook:** We expect the company's loan growth to remain 22% over next two years and earnings growth is likely to be more than 21%.

Key Financials

Y/E March	NII (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
FY2020E	58,049	4.4	25,611	94.0	605	1.9	16.5	25.8	4.0
FY2021E	70,343	4.4	31,312	115.0	701	1.9	17.5	21.1	3.5

Source: Company, Angel Research

ICICI Bank

Stock Info

CMP	419
TP	490
Upside	17.1%
Sector	Banking
Market Cap (₹ cr)	270,176
Beta	1.7
52 Week High / Low	438/257

3 year-Chart
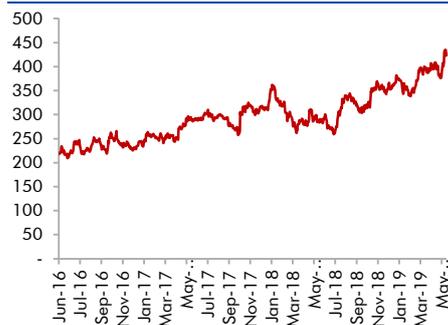
Source: Company, Angel Research

- ICICI bank has taken a slew of steps to strengthen its balance sheet. Measures such as 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 60% (Q4FY19) from 38% in FY12.

- ICICI bank's slippages remained high during FY18 and hence GNPA went up to 8.8% vs. 5.8% in FY16. We expect 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 recovery of bad loans would reduce credit costs that would help to improve return ratio. The strength of the liability franchise, shift in loan mix towards retail assets and better rated companies, and improvement in bad loans would be a key trigger for multiple expansion. **We recommend a Buy rating on the stock, with a price target of ₹490.**
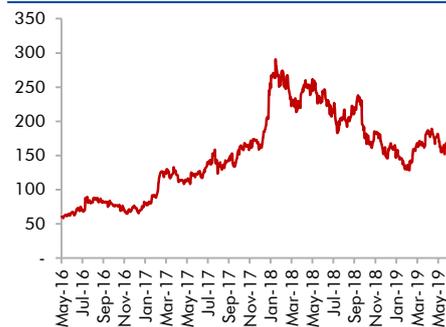
Key Financials

Y/E March	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
FY2020E	31,749	3.4	12,600	20	169	1.2	11	21	2.5
FY2021E	37,524	3.5	15,448	24	188	1.3	12	18	2.2

Source: Company, Angel Research

Stock Info

CMP	162
TP	250
Upside	53.7%
Sector	Steel & Power
Market Cap (₹ cr)	16,423
Beta	2.6
52 Week High / Low	251/123

3 year-Chart

Source: Company, Angel Research

Jindal Steel & Power Ltd.

- The company has increased its crude steel capacity more than double in last five years from 3.6 MTPA to 8.6 MTPA and currently running at ~65% utilization.

- Owing to continuous demand of steel from infrastructure, housing and auto sectors along with limited addition of steel capacity in near term and favorable government policies augur well for JSPL to perform well going forward, we expect JSPL's utilization to improve to 80-85% by FY20 along with reduction in debt led by improving in profitability.

- From April 2019, power segment has seen improvement in PLF and now producing 1,700 megawatts, up from the average 1,400 megawatts, this will lead improvement in PLF from 34% to 50%.

- Expect 515MW of PPA from NHPC currently, JPL emerged as L1 bidder.

- JSPL is trading at attractive valuation to its peer, we value the stock based on asset based approach of Steel segment on EV/Tone basis and Power segment on EV/MW basis.

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2020E	45,561	22.4	2,076	21	7	7	0.52	4.5	1.01
FY2021E	47,450	24.1	3,239	33	9	5	0.45	3.7	0.89

Source: Company, Angel Research

Stock Info

CMP	500
TP	612
Upside	22.5%
Sector	cable
Market Cap (₹ cr)	3,943
Beta	1.3
52 Week High / Low	532/248

3 year-Chart

Source: Company, Angel Research

KEI Industries

- KEI's current order book (OB) stands at `3,866cr (segmental break-up: out which EPC is around ₹1,508cr and balance from cables, substation & EHV). Its OB grew by ~28% in the last 3 years due to strong order inflows from State Electricity Boards, Power grid, etc.

- KEI's consistent effort to increase its retail business from 30-32% of revenue in FY18 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 FY19) and higher ad spend.

- KEI's export (FY18 – 16% of revenue) is expected to reach a level 20% in next two years with higher order execution from current OB and participation in various international tenders. We expect a strong ~25% growth CAGR over FY2018-20 in exports. We expect KEI to report net revenue CAGR of ~18% to ~₹4,946cr and net profit CAGR of ~19% to ₹236cr over FY2018-20E. **Hence we have a Buy rating on the stock.**

Key Financials

Y/E March	Sales (` cr)	OPM (%)	PAT (` cr)	EPS (`)	ROE (%)	P/E (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	4,227	10.5	180	23.3	23.3	21.5	9.39	1.0
FY2020E	4,946	10.5	236	30.6	23.9	17.4	8.25	0.87

Source: Company, Angel Research

Stock Info

CMP	7,050
TP	8,552
Upside	21.3%
Sector	Automobile
Market Cap (₹ cr)	212,954
Beta	1.0
52 Week High / Low	9,923/6,324

3 year-Chart

Source: Company, Angel Research

Maruti Suzuki

- The Automobile sector is expected to benefit from the GST implementation. The sector has seen a pick up in the volumes in FY17 as there were several positive factors like normal monsoon and lower interest rates.

- Maruti Suzuki continues to hold ~52% market share in the passenger vehicles. The launch of exciting models has helped the company to ride on the premiumization wave that is happening in the country. In the last two years, company has seen improvement in the business mix with the pie of the utility vehicles growing from ~4% to current 15%. The 2-3 months of waiting period of new models, launch of Swift Hatchback in January, 2018 and headroom for more capacity utilization at Gujarat plant is the near term earning triggers.

- Due to the favorable business mix, company has also been seeing improvement in the margins. Company has already moved from ~11-12% Together with higher operating leverage at Gujarat plant, increasing Nexa outlets, and improving business mix, we believe that company has further room to improve its margins. **We have a Buy rating on the stock.**

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	83,039	13.5	7,649	253.21	16.3	27.11	4.52	15.52	2.6
FY2020E	94,790	14.2	8,670	287.1	16.7	23.2	3.78	12.67	1.8

Source: Company, Angel Research

Stock Info

CMP	651
TP	1,050
Upside	61.4%
Sector	Automobile
Market Cap (₹ cr)	80,895
Beta	0.8
52 Week High / Low	992/598

3 year-Chart
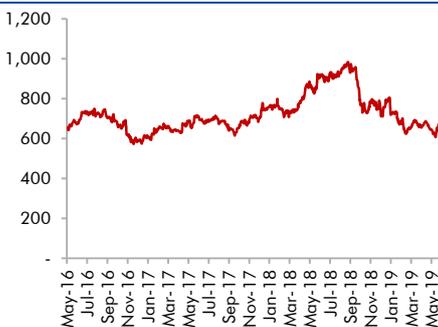
Source: Company, Angel Research

Mahindra & Mahindra Ltd.

- M&M is an India-based company, operating in nine segments: automotive, farm equipment, IT services, financial services, steel trading & processing, infrastructure, hospitality, Systech and Others (comprising logistics, after-market, two wheelers and investment).

- IMD has predicted a near normal monsoon for 2019 for the third consecutive year which should be a strong trigger for tractor sales growth. In our view, strong growth in tractor industry would benefit M&M the most due to strong brand recall and leadership position in farm tractor.

- We expect M&M to report net revenue CAGR of ~12% to ~₹60,634cr over FY2018-20E mainly due to healthy growth in automobile segment like Utility Vehicles (on the back of new launches and facelift of some models) and strong growth in Tractors segment driven by strong brand recall and improvement in rural sentiment. Further on the bottom-line front, we expect CAGR of ~16% to ₹5,429cr over the same period on the back of margin improvement.
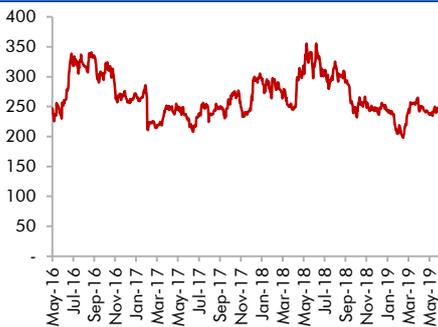
Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	53,614	15.48	4,796	38.76	14.3	16.79	2.36	8.6	1.1
FY2020E	60,634	12.7	5,429	45.6	14.2	14.1	1.98	7.9	1

Source: Company, Angel Research

Stock Info

CMP	242
TP	330
Upside	36.1%
Sector	Dairy
Market Cap (₹ cr)	2,039
Beta	1.1
52 Week High / Low	365/197

3 year-Chart

Source: Company, Angel Research

Parag Milk Foods

■ Parag Milk Foods (PARAG) is one of the leading dairy products companies in India. The company has been successful in creating strong brands like GO, Gowardhan and in introducing new products like Whey Protein. It has become the 2nd player in processed cheese (after Amul) in a short span of 10 years and commands 33% market share.

■ Value Added Products like cheese, whey protein enjoy higher gross margins of 25-45% versus 6-8% entailed in liquid milk. VAP forms ~66% to its revenue (the highest among the listed players versus 25-30% for others). Driven by recently launched products and higher share of VAP, its operating margins would improve in next few years.

■ Thus we expect PARAG to report net revenue/PAT CAGR of 17%/35% respectively over FY2018-20E.

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2019	2,395	9.7	120.7	14.35	16.2	16.8	2.4	9.5	0.9
FY2020E	2,822	10.6	150.7	17.9	14.9	13.5	2.1	6.6	0.7

Source: Company, Angel Research

Stock Info

CMP	692
TP	775
Upside	12.1%
Sector	Banking
Market Cap (₹ cr)	29,567
Beta	0.9
52 Week High / Low	716/439

2 year-Chart

Source: Company, Angel Research

RBL Bank

■ RBL Bank (RBK) has grown its loan book at healthy CAGR of 53% over FY10-19. We expect it to grow at 35% over FY19-21E. With adequately diversified, well capitalised B/S, RBK is set to grab market share from corporate lenders (esp.PSUs).

■ The retail loan portfolio grew 57% YoY to ₹16,467cr and now constitutes 30% of the loan book (18% share in 4QFY17).NIM has expanded to 4.23%, up 25bps YoY, despite a challenging interest rate scenario on the back of a changing portfolio mix and lower cost of deposits. The management stated that the bank is slated to breach 4% NIM early in FY19.

■ RBL Bank currently trades at 2.9x its FY2021E price to book value, which we believe is reasonable for a bank in a high growth phase with stable asset quality.
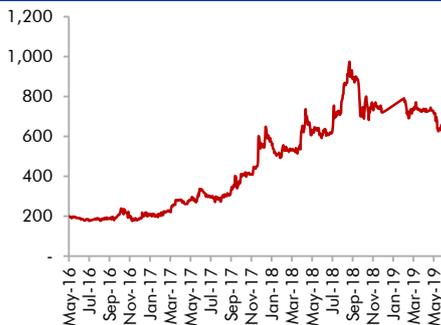
Key Financials

Y/E March	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
FY2020E	3,500	3.9	1,291	31	200	1.4	16	22	3.4
FY2021E	4,804	4.0	1,861	44	235	1.5	20	15	2.9

Source: Company, Angel Research

Stock Info

CMP	672
TP	1,000
Upside	48.7%
Sector	Luggage
Market Cap (₹ cr)	1,501
Beta	0.3
52 Week High / Low	1,005/580

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 9.8% in FY2018, 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 ~37%/49% in revenue/ earnings over FY2018-20E on the back of growth in its recently introduced new products.

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/Sales (x)	Sales (₹ cr)
FY2019	577	9.3	26.9	12.0	13.9	55.6	7.5	2.8	577.6
FY2020E	785	10.4	47.0	21.1	19.1	34.5	7.35	2	785.1

Source: Company, Angel Research

Stock Info

CMP	1,166
TP	1,470
Upside	26.1%
Sector	Financials
Market Cap (₹ cr)	26,449
Beta	0.9
52 Week High / Low	1,529/904

3 year-Chart
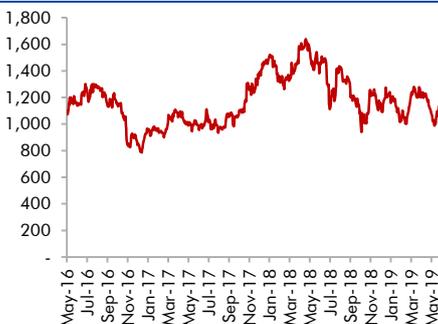
Source: Company, Angel Research

Shriram Transport Finance

- SHTF's primary focus is on financing pre-owned commercial vehicles. We expect AUM to grow at CAGR of 15% over FY2018-20E led by pick up in infra/ construction Post 2019 elections, macro revival and Ramping up in rural distribution.

- In last three year SHTF, GNPA and credit cost has been increased primarily due to the transition of NPA recognition from 180DPD to 90DPD (Q4FY18). Q1FY19 onwards asset quality started witnessing steady improvement, and we expect this trend to continue.

- We expect STFC to report RoA/RoE to2.7%/17.6% in FY2021E respectively. At CMP, the stock is trading at 1.4x FY2021E ABV and 7x FY2021E EPS, which we believe is reasonable for differentiated business model with return ratios. **We recommend a BUY on the stock with a Target Price of ₹1,470.**

Key Financials

Y/E March	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
FY2020E	8,804	8.2	2,910	128	813	2.6	17	9	1.7
FY2021E	10,305	8.3	3,531	156	953	2.7	18	7	1.4

Source: Company, Angel Research

Stock Info

CMP	7,220
TP	7,708
Upside	6.8%
Sector	Houseware
Market Cap (₹ cr)	10,008
Beta	1.2
52 Week High / Low	7,738/4,581

3 year-Chart

Source: Company, Angel Research

TTK Prestige

- TTK Prestige (TTK) is the leading brands in kitchen appliances with 40%+ market share in organized market. It has successfully transformed from a single product company to a multi product company offering an entire gamut of kitchen and home appliances (600+ products).

- It has also launched a economy range – 'Judge Cookware' to capture the untapped demand especially at the bottom end of the pyramid. It is expecting good growth in cleaning solution.

- It expects to double its revenue in the next five years backed by revival in consumption demand, new 6 cr LPG connections under the Ujjawala Scheme, inorganic expansion and traction in exports. We expect TTK to report a CAGR of 16%/22% in revenue/PAT respectively over FY2018-20E.

Key Financials

Y/E March	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/Sales (x)
FY2019	2,106	15.1	192.4	138.7	16.7	51.4	8.6	4.74
FY2020E	2,648	14.3	246.3	213.4	17.7	33.8	5.94	3.15

Source: Company, Angel Research

Exhibit 2: Changes in Recommendation

Effective Date	Stock	CMP	Change in recommantaion	
		(₹)	From	To
06-06-2019	Ashok Leyland	93	Buy	Hold
06-06-2019	GIC Housing	263	Buy	Hold
06-06-2019	Inox Wind	72.2	Buy	Hold
06-06-2019	Music Broadcast	59	Buy	Hold
06-06-2019	Siyaram Silk Mills	338	Buy	Hold

Source: Angel Research

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DISCLAIMER

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)