



Happy Diwali

TOP PICKS REPORT

Diwali Special - October 2017

*May this auspicious
festival bring you
Crackers of Joy,
Chants of Bliss,
Lights of Success &
Colors of Prosperity*

Happy Diwali



Dear Friends,

Let me wish you all a very Happy Diwali and a Prosperous New Year!

This has been an eventful year for the markets with Sensex and Nifty trading above 32,000 and 10,000 levels respectively.

As I expected last year, interest rates have come down and with weak inflationary forces, I do not see any reason why interest rates should go up. The monsoons have been satisfactory for last two years and oil price has remained stable at the low level since January-2015. RBI's foreign exchange reserves have crossed \$400bn mark and rupee has been strengthening, for the most part, since December-2016. Even on the reforms front too, government has implemented GST which will be a long term positive for our economy.

Overall, our macro environment has continued to strengthen and I believe that Indian economy should start doing well from the second half of this year. It should be noted that reforms are not quick fix of the economy, but long term solution to our problems. I have no doubts that our vibrant economy has potential to grow at 8-9% rate in the coming years. I continue to believe that we have rich demographics that can deliver this growth.

Consumption remains a key sector which has an immense potential. We are talking of building 1.2cr affordable houses over next five years which will create huge consumption demand. And what about the rural economy which is strengthening since last year's normal monsoon. There will be a great consumption story unfolding in the coming years. Look at the automobile numbers which are reflecting this.

Globally too, growth is stable with 2-3% GDP growth expectations. This I believe will drive the global demand which will also be positive for Indian companies from commodity and exports sector. Together consumption, housing and infrastructure sectors are setting a stage for double digit growth in corporate earnings.

This makes equities even more attractive as interest rates are slated to remain low for long. This is a positive atmosphere for the equity investing which has been correctly identified by the retail investors who have been continually putting their faith in the Indian equities. Our MF inflows in this year have crossed ₹61,000cr mark by August-2017 and I am confident that this year too, our MF inflows will remain better like previous three years. Cumulatively, domestic investors have put 3.3x more money in the Indian markets than the foreign investors since FY15. This is a very exciting opportunity to invest in equities and maximize the wealth.

So, this Diwali, let's continue this exciting journey while celebrating the auspicious occasion. Happy Diwali one again!

Best regards,
Dinesh Thakkar



Top Picks

Company	CMP (₹)	TP (₹)
Banking/NBFC		
Dewan Housing	526	650
GIC Housing Finance	516	655
Karur Vysa Bank	143	180
Consumption		
Asian Granito	473	570
Blue Star	748	850
Siyaram Silk Mill	2,179	2,500
Media/Automobiles		
Maruti Suzuki	7,734	8,658
Music Broadcast	379	434
TV Today	340	402
Real Estate/Infra/Logistics/Power		
KEI Industries	312	371
Navkar Corp.	183	265
Pharma		
Alkem Labs	1,846	2,079

Source: Angel Research;

Note: CMP as of Sep. 27, 2017

Top performing stocks in Angel Top Picks

Stocks	Returns	Months
Dewan Housing	178%	18
KEI Industries	149%	9
Siyaram Silk Mills	134%	23
Blue Star	109%	22
Asian Granito	77%	12

*Since October, 2015

Primed For Growth

Over the last 3 years, Indian macros have seen a remarkable improvement such as shrinking of the twin deficits, acceleration in foreign exchange reserves, rupee appreciation, etc. With low interest rates, equities continue to remain an attractive asset class against fixed income, moving huge inflows in the equity markets. As domestic inflows have continued to surge, Sensex has appreciated by 22% in the last two years and with our superior stock picking approach, Angel's Top Picks portfolio has continued to outperform Sensex with 54% returns in the same period.

Low interest rate regime to continue

With the inflation firmly in control and crude prices remaining low, India is currently going through the period of sustainable low interest rate regime. While recently, inflation has shown pick-up, it should be noted that at 3.36%, it is far from the level which can alter the course of the interest rates. This implies that lower rate regime is here to stay longer.

Consumption remains resilient, thrust from rural economy expected

While there has been mild slowdown in the economy, indicated by the 1QFY18 GDP numbers, data collected by us suggests that consumption sector has continued to grow in several pockets. The strengthening of the rural economy after good monsoons and recent MSP hikes will benefit the consumption sector.

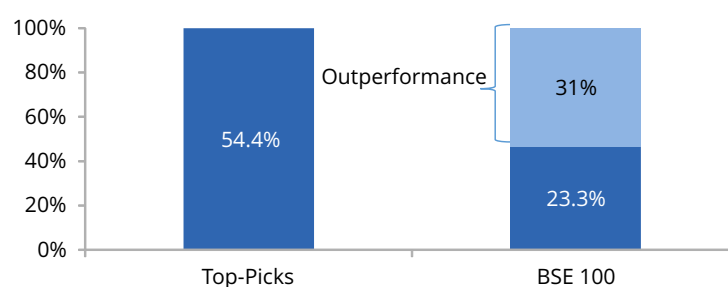
Domestic inflows continue to surge

Domestic MF inflows surged by 3.3x yoy from ₹18,490cr to ₹61,421cr in April-August 2017. The retail participation has also continued to increase with domestic MF inflows at 9.3x of foreign inflows in FY18 so far. With sustained low interest rates, we believe that investors will continue to invest in equities than fixed income.

Valuations reflect double digit earnings growth expectations

Sensex is currently trading at 18.8x of its FY2019E earnings which is ~8% premium to its 10 year average PE of 17.4x. We believe that the Indian economy is primed for sustained growth momentum with strong macros and improving rural economy. As interest rates are likely to remain lower, equities will remain attractive asset class and domestic inflows will be supportive of liquidity and valuations. We continue our bottom-up stock picking approach and recommend stocks which will benefit from affordable housing scheme, consumption pick-up, banking, etc.

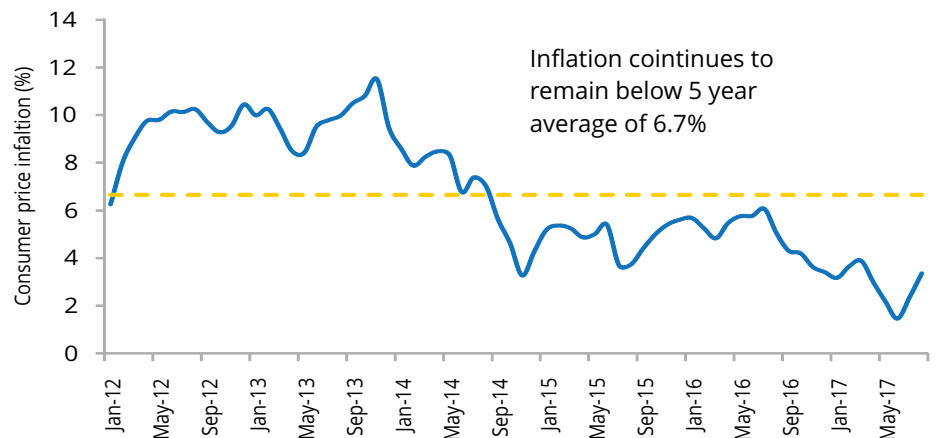
2 Year performance of Angel Top Picks



Multi-year sustainable low interest regime is on: India is currently witnessing a 2nd sustainable low interest regime in the recent past. Last time we saw such sustainable low rates was during 2002-04 which acted as key growth catalyst leading to a period of high GDP growth of the country (9% growth each in 2005 and 2006). The current low rate regime started in January 2014 which is fuelled by low inflation, thanks to the government policies of giving lower MSP hikes, weakened crude oil cartel and normal monsoon in the last year. Owing to this, RBI got much required headroom to cut the interest rates and has delivered a 200bps repo rate cuts since January 2014.

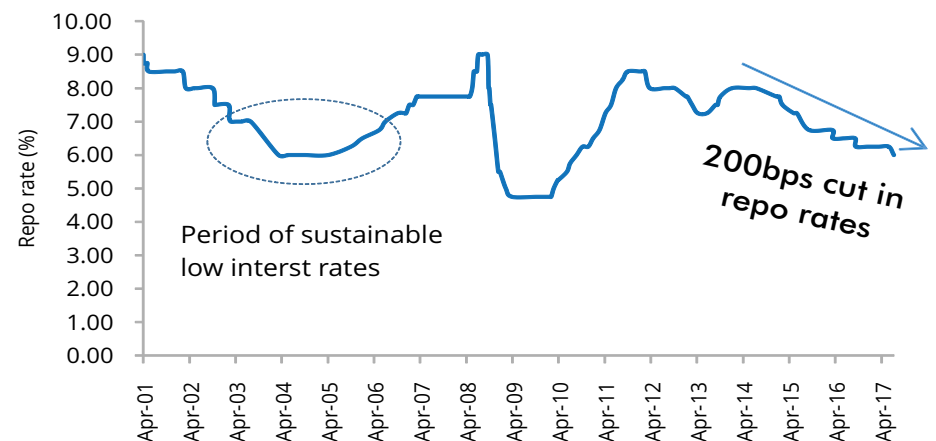
While inflation has started to pick-up in the last two months, it remains well below historical average of 6.7% in the last five years. Last time we saw rise in the repo rates was in FY14 when inflation was well above 7-8%. India's CPI inflation in August was at 3.36% which we believe is not likely to trigger any immediate hike in the repo rates. Moreover, if inflation continues to remain below 4% then it may create further room for RBI to cut the interest rates. So there is strong rationale to believe that interest rates are expected to remain low for multiple years which will be a boon for the economy as it will make equities more attractive than fixed income and in turn increasing the inflows of household savings in the equities.

Exhibit 1: Inflation remains below historical average



Source: Bloomberg, Angel Research

Exhibit 2: 200bps rate cut since January 2014



Source: RBI, Angel Research

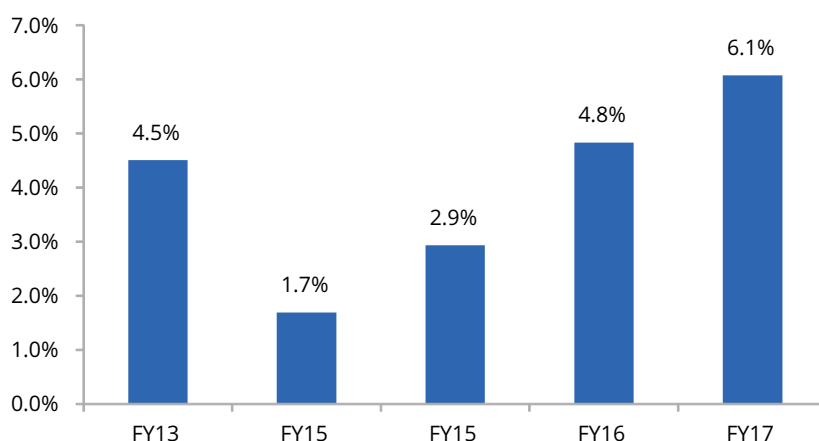
Recent reforms are likely to accelerate the formalization of the economy: While the short term benefits of demonetisation are questionable, it has helped the economy by increasing the tax base. This is reflected in the 17.5% yoy growth in the direct tax collection for 5MFY18 to ₹2.24 lakh crore. The number of tax return filers have also grew by 24.7% compared to March-2017 showing widening tax base. The GST regime too is expected to improve tax compliance as more businesses will come under the tax net. Overall, in our view, recent reforms are helping to formalize the economy by increasing the tax base which will increase the government revenue.

The GST regime is also expected to benefit the organized sector as with the higher tax compliance, cost advantage enjoyed by the unorganized players over organized players will vanish. This will help the branded and tax compliant players to gain the market share.

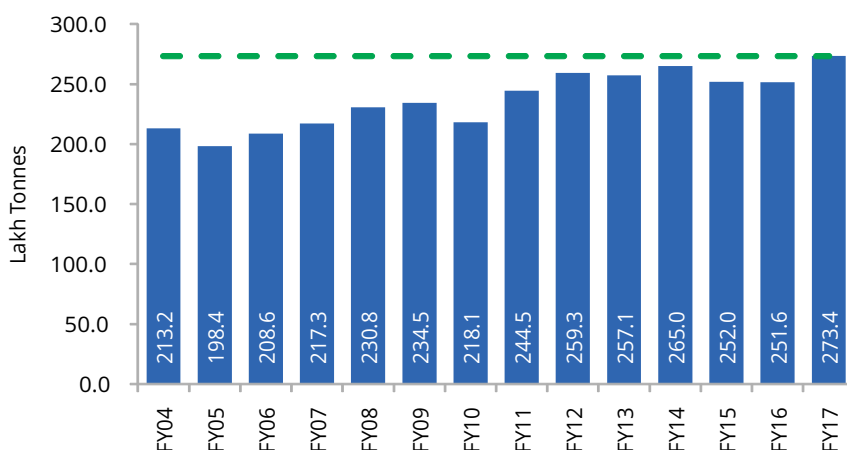
Rural economy set for revival: The rural economy was impacted due to the poor monsoon in FY15 and FY16. This scenario is however set to change with the normal monsoon season in 2016. While the 2017 monsoon has been slightly below (~6%) the normal level, the southwest monsoon is expected to be heavy which is expected to fill-up the 6% deficit. Even if we consider the 94% to the normal in 2017, a draught like situation is averted which will help to strengthen the rural economy.

The draughts in the earlier two years had led to a decline in the agricultural produce impacting the farm income. The normal monsoons however are helping to reshape the rural economy. This recovery will be further accelerated due to 1) recent farm loan waivers by several state governments and 2) best MSP hikes in the last five years. The accelerated recovery in the rural economy will show up in the increased demand in consumption sectors such as automobiles, FMCG, durables, fertilizers, etc.

Exhibit 3: Best MSP hike in last five years



Source: Ministry Of Agriculture And Farmers Welfare

Exhibit 4: Highest ever food grain production


Source: Ministry Of Agriculture And Farmers Welfare

Consumption continues to show resilience despite moderated economic activity:

We continue to maintain our stance that consumption continues to remain a dominant theme in India. This can be seen in the recent trends in various pockets of the economy, highlighting that consumption oriented economy remains resilient despite recently implemented short term disruptive reforms.

Exhibit 5: Cross section of recent growth trends in various pockets of the economy

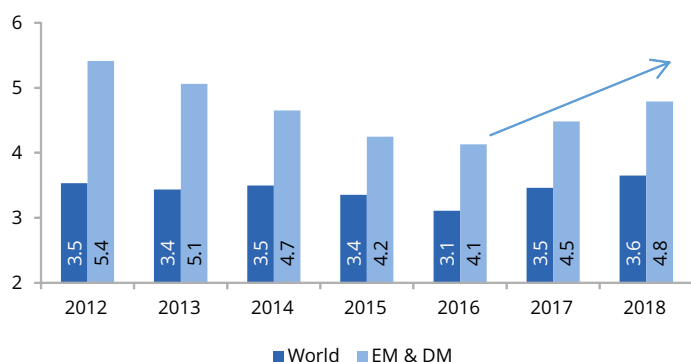
Sector	Description	Data/Growth	Period	Source
Automobile	2W	15%	August-17	Auto companies
	Premium bikes	22%	August-17	Auto companies
	Passenger vehicle	17%	August-17	Auto companies
	Utility vehicle volumes	20%	August-17	Auto companies
	Commercial vehicle volumes	18%	August-17	Auto companies
	Tractor volumes	19%	August-17	Auto companies
Roads & Highways	Roads of length 8,231 km were constructed in Fy17 (22.6km/day). This pace has accelerated to 25.14km/day in 1QFY18 with total length of road constructed going up by 17.5% yoy in 1QFY18.	17%	1QFY18	MoRTH, CMIE
	Road projects worth ₹5 lakh crore to be launched in Rajasthan over next 5 years	₹5 lakh crore	Fy18 -FY23	MoRTH

Exhibit 6: Cross section of recent growth trends in various pockets of the economy continued

Sector	Description	Data/Growth	Period	Source
Indian Smartphone vendors	Indian Smartphone vendors registered 18% QoQ growth in 1QFY18 after continuous decline in the earlier three quarters.	18%	1QFY18	IDC Asia
Monthly Wireless Data Consumption	Total wireless data consumption has grown from <200 mn GB in June 2016 to ~1300 mn GB in March 2017	9.0x	4QFY17	Kleiner Perkins
Broadband subscribers	Total broadband subscribers grew by 88% from 159.8 mn in June-16 to 300.8mn by June-17	88%	June 2017	Telecom Regulatory Authority of India
Urban Infra	Total 26.13lakh houses worth ₹1.4lakh crore sanctioned in PMAY	₹1.4 lakh crore	2QFY18	Ministry of Housing & Urban Affair
Retail loan growth	Combined retail credit of top 5 private banks grew by 23.3% in 1QFY18	23.3%	1QFY18	Individual Banks
Equity MF	Equity MF inflow in April-August 2017 was at ₹61,421cr vs. ₹18,490cr during April-August 2016.	3.3x	Apr-Aug'17	AMFI
Aviation	Domestic passenger traffic increased by 16.2% yoy in Apr- July 2017.	16%	Jan-July'17	Directorate General of Civil Aviation
India foreign tourist arrivals (FTA)	Total 56.74 lakh FTAs arrived in India during January-July 2017 showing a growth of 15.7% vs. 9.6% growth in FTAs in January- July 2016.	16%	Jan-July'17	Ministry of Tourism
Exports	Exports continue to show recovery with 9% yoy growth	9%	Apr-June'17	Commerce ministry

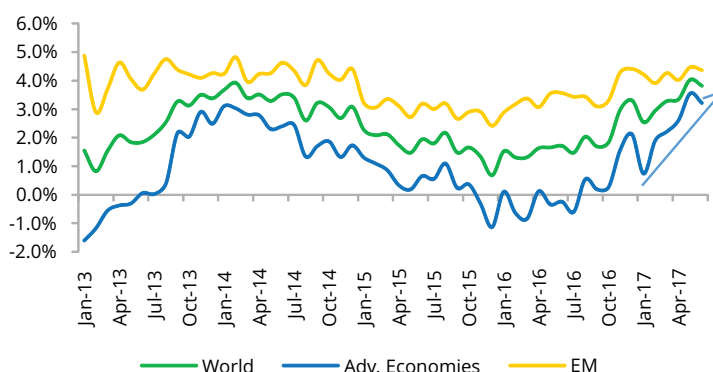
Developed markets out of woods: Until the last year, global economy was weak and recovery was fragile. With US reaching full employment and completely out of the woods, the global economy has gathered a growth momentum. Over the next two years, world economy is expected to grow by 3.5% and 3.6% respectively for 2017 and 2018 (IMF estimates). The Fed has also maintained the confidence in the US economy. This is also evident from the data that shows industrial production is showing a consistent growth for the last 18 and 11 months respectively in global and developed markets.

Exhibit 7: Global GDP growth gathering momentum



Source: IMF, Angel Research

Exhibit 8: Expansion in the industrial production



Source: CPB Netherlands Bureau for Economic Policy Analysis, Angel research

The capital expenditure is also picking up with the capex in the United States growing from 19% of GDP in 2012 to 20% of GDP in 2016. This is very significant as US is the driving force of the global economy and higher industrial production there would have a positive impact on the global economy including India.

These, we believe, are the signs that the developed world is in the beginning of the capex driven growth which is likely to fuel the global demand. The growth in the capex and housing sector led the global growth between 2003 and 2007 and brought one of the best periods of expansion in the global economy and strong returns on the investments. We believe that the firming up of the commodity prices clearly reflect the global economy is moving in the right direction with the period of sustainable economic growth expected going ahead.

Domestic capex cycle is bottoming out: In order to grow by 8-9% going ahead, India needs a revival in the capex cycle which for the most part of the last decade has remained muted. Between FY04-08, domestic capex grew in double digits, however for the last five years; there has not been significant growth in the capex. Though government has been playing its part to spur the capex growth, private sector has refrained itself from large capacity expansion during this period due to excess capacity and sluggish demand environment.

Exhibit 9: Capex as % of GDP is at a decade low



Source: RBI, Angel Research

This is reflected in India's investment to GDP ratio which is currently at 12 year low. While utilization levels remain comfortable as per the RBI data (74% in 4QFY17), we believe that the government is likely to continue its spending agenda until the private sector capex cycle picks-up. The government revenue is expected to grow in FY18E with the new indirect tax regime and improving tax compliance. This will provide cushion for the government spending in sectors like road transport, railways, defense, etc. While these are long gestation plans, in the near term, affordable housing scheme is expected to play a big part in the capex revival. The affordable housing scheme is expected to set the tone for sustainable growth in the corporate earnings going ahead.

Affordable Housing – a game changer scheme for capex revival: India currently has a shortage of 1.9cr homes and 95% of this shortage is for the affordable houses. The environment has also become conducive for pick-up in the demand for affordable houses due to the lower interest rates and soft real estate prices for

some time now. In this favorable environment, government has set an aim to build ~1.2cr houses by 2022 under Pradhan Mantri Awas Yojana (PMAY).

There is a large scope to believe that PMAY will help in lifting the demand in several sectors. While supply for new home launches remains soft, supply of affordable housing is seeing a big jump. In 1QFY18, home sales in top 8 cities grew by 4% YoY and 6% QoQ. Affordable housing contribution to sales grew by 100bps QoQ to 17% in the quarter. In 1HCY2017, ~71% of new launches in the top 8 cities comprised of affordable homes indicating that supply situation for affordable homes is good.

Overall, affordable housing has potential to revive the real estate sector which can provide a much required impetus to the economy over next decade which will lead to 1) create millions of new jobs, 2) increase the demand for commodities like Cement, Steel, etc. 3) create a huge lending opportunity for the housing finance companies 4) boost the demand for consumer durables like TVs, Electrical goods, furniture, paints, sanitary wares, tiles, etc. PMAY is expected to have a huge multiplier effect on Indian economy.

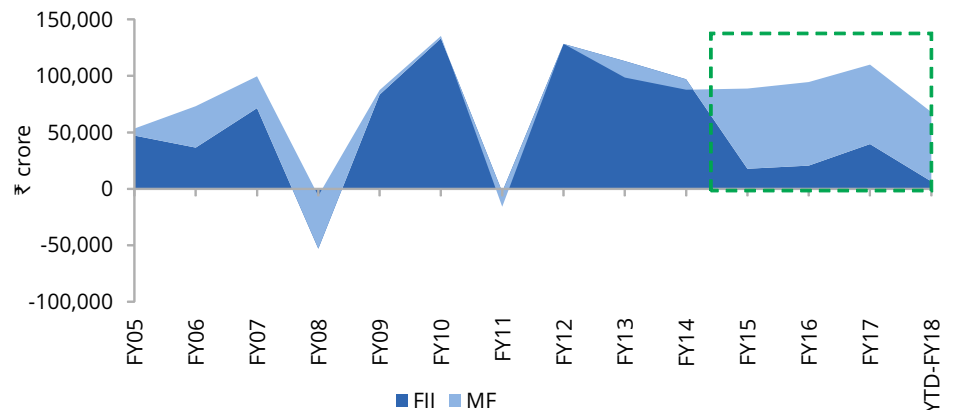
Exhibit 10: PMAY – Total 1.2cr houses by 2022E



Source: National Real Estate Development Council, Angel Research

Sticky domestic inflows continue to support the liquidity: The domestic investors have continued to pump money in the Indian equities with sustained low interest rates. We witnessed a huge traction in the domestic MF inflows with the combined inflows reaching to ₹2.15lakh crore between FY15-FY17 (2.8x of the FII inflows during the same period). This has also continued in FY18 with total MF inflows growing by 3.3x yoy from ₹18,490cr to ₹61,421cr during April-August 2017. The trend of increased retail participation vs. foreign investment has also continued with total domestic inflows at ~9.3x of the foreign inflows in FY18 so far. Unlike the earlier rallies which were fuelled by FIIs, the current rally in the equities is fuelled by the domestic inflows. With the interest rate remaining low, domestic inflows are expected to remain strong going ahead. Hence we believe that this rally will have more legs in coming years.

Exhibit 11: The current rally is driven by domestic liquidity

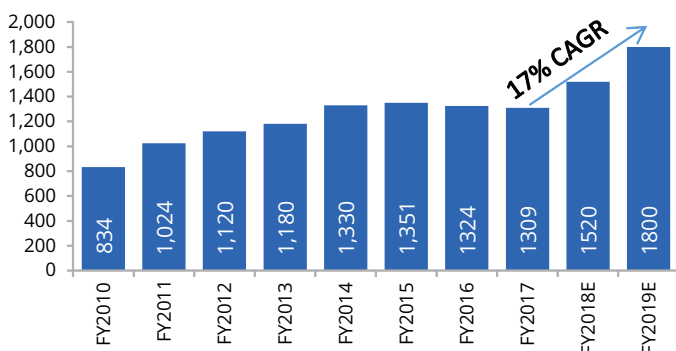


Source: CDSL, AMFI, Angel Research

Valuations high but not expensive: The Sensex in CY2017YTD has appreciated by ~22%, and has outperformed major global indices. On the valuation front, Sensex is currently trading at 18.8x of its FY2019E earnings which is ~8% premium to its 10 year average PE of 17.4x. Over last one year, multiples in the Indian markets have been re-rated, however this is in line with the global markets which also have seen re-rating over the expectation of earnings growth in the coming years. As for Sensex, we are expecting ~17% CAGR in earnings over next two years which justifies our current valuation.

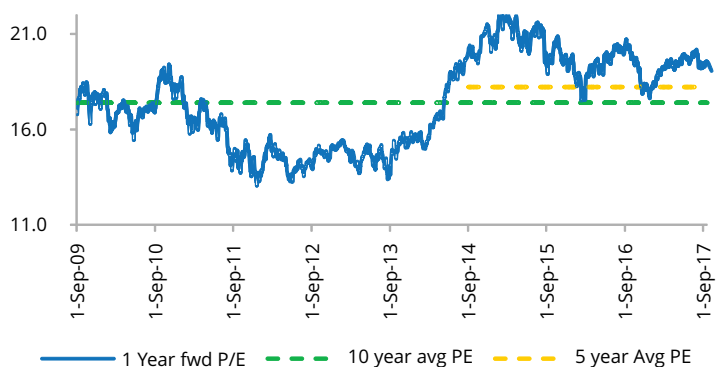
Solid improvement in our macros, rupee appreciation, continued momentum in sticky domestic inflows, recovery in the global economy and growth in the corporate earnings is expected to see markets going for new highs. This is an opportunity to invest in companies from sectors like housing, consumer durables, building materials, private banking, automobiles, etc.

Exhibit 12: Sensex EPS estimate



Source: Angel Research

Exhibit 13: Exhibit 1: Sensex P/E ratio

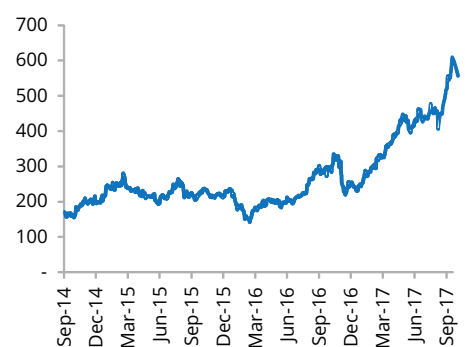


Source: Angel Research

Top Picks

Stock Info	
CMP	526
TP	650
Upside	23.6%
Sector	Financials
Market Cap (₹ cr)	16,490
Beta	1.9
52 Week High / Low	651 / 214

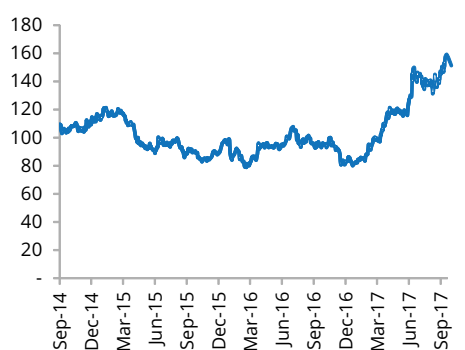
3 year-Chart



Source: Company, Angel Research

Stock Info	
CMP	143
TP	180
Upside	25.9%
Sector	Banking
Market Cap (` cr)	8,669
Beta	1.4
52 Week High / Low	161 / 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 23% 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 ₹1,969 cr to its net worth and increases its CAR by 400 bps, to 19.3% which should fuel growth for next 2-3 years.
- **Asset quality has been strong:** Strong NIM 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 and we expect the trend to continue.
- **Outlook:** We expect the company's loan growth to remain 23% over next two years and earnings growth is likely to be more than 28%.The stock currently trades at 1.6x FY2019E ABV. **We maintain an Accumulate rating on the stock, with a target price of ₹650.**

Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2018E	2,279	2.4	1,171	37.4	268	1.3	13.8	14.1	1.8
FY2019E	2,927	2.7	1,556	49.7	305	1.5	16.2	10.6	1.6

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. While in Q1FY18 we saw some pressure on asset quality, it still remained fairly under control.
- **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 KVB to post a strong loan book & earnings CAGR of 11% & 22% over FY2017-19E. The stock currently trades at 1.4x FY2019E ABV. **We have a BUY rating on the stock, with a target price of ₹180.**

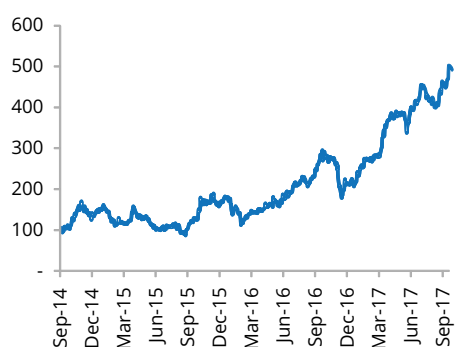
Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2018E	3,289	3.7	660	10.8	75.0	1.0	12.5	13.2	1.6
FY2019E	3,630	3.9	858	14.1	85.7	1.2	14.7	10.2	1.4

Source: Company, Angel Research

Stock Info	
CMP	473
TP	570
Upside	21%
Sector	Sanitary ware
Market Cap (₹ cr)	1,424
Beta	1.9
52 Week High / Low	517 / 175

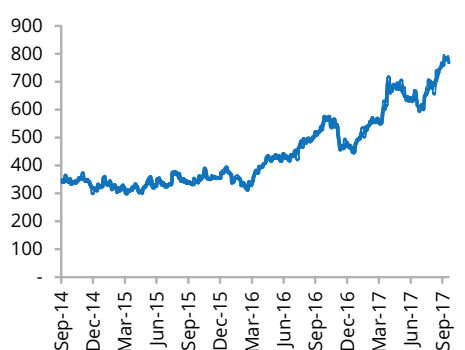
3 year-Chart



Source: Company, Angel Research

Stock Info	
CMP	748
TP	850
Upside	14%
Sector	Cons. Durable
Market Cap (₹ cr)	7,160
Beta	0.8
52 Week High / Low	813 / 435

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 (35-36% in FY17). 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 ~9.9% to ~₹1,286cr and net profit CAGR of ~23% to ₹59cr over FY2017-19E. On the EV/Sales, AGIL is trading at 1.2x compared to 3.2x of Kajaria Ceramics. **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)
FY2018E	1,169	12.5	48	16.0	10.7	29.6	3.1	11.5	1.5
FY2019E	1,286	12.5	59	19.7	11.6	24.0	2.7	10.2	1.3

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 11% at present). This has resulted in the Cooling Products Division (CPD)'s share in overall revenues increasing from ~23% in FY2010 to ~45% in FY2017 (expected to improve to ~47-48% in FY2018E). With strong brand equity and higher share in split ACs, we expect the CPD to continue to drive growth.
- Aided by increasing contribution from the Unitary Products, we expect the overall top-line to post a revenue CAGR of ~19% over FY2017-19E and margins to improve from 5.8% in FY2017 to 6.6% in FY2019E. **We recommend an accumulate rating on the stock.**

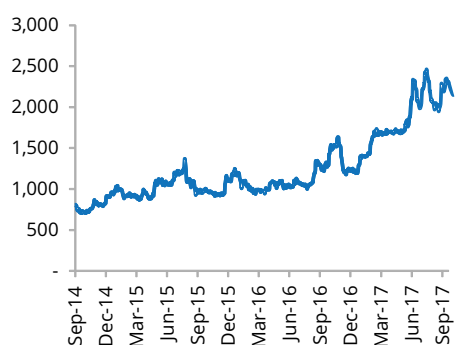
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2018E	5,220	6.3	161	16.8	19.9	44.5	8.8	22.7	1.3
FY2019E	6,207	6.6	214	22.3	23.3	36.6	7.8	18.2	1.1

Source: Company, Angel Research

Stock Info	
CMP	2,179
TP	2,500
Upside	15%
Sector	Textile
Market Cap (₹ cr)	2,043
Beta	0.9
52 Week High / Low	2,499/1,135

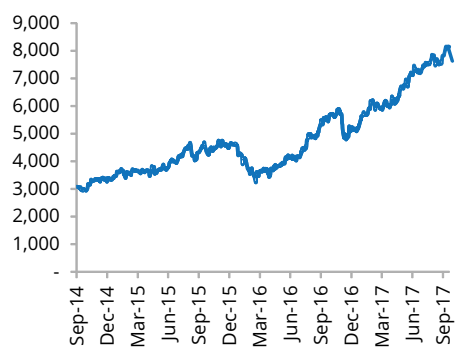
3 year-Chart



Source: Company, Angel Research

Stock Info	
CMP	7,734
TP	8,658
Upside	12 %
Sector	Automobiles
Market Cap (₹ cr)	2,33,626
Beta	1.3
52 Week High / Low	8,200/4,769

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 ~12% to ~₹1,981cr and adj.net profit CAGR of ~16% to ₹123cr over FY2017-19E on back of market leadership in blended fabrics, strong brand building, wide distribution channel, strong presence in tier II and tier III cities and emphasis on latest designs and affordable pricing points. At the current market price, SSML trades at an inexpensive valuation. **We have a buy rating on the stock.**

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	1,769	12.7	106	113.1	15.5	19.3	3.0	10.4	1.3
FY2019E	1,981	12.7	123	131.1	15.5	16.6	2.6	9.1	1.2

Source: Company, Angel Research

Maruti Suzuki

- The Automobile sector is expected to benefit from the lower interest rates and recovery in rural economy. 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 ~50% 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%. With the 3-4 months of waiting period on these models, strong demand and GST led price decrease; we believe that this pie is expected to grow to ~20% in FY19E.
- Due to the favorable business mix, company has also been seeing improvement in the margins. Company has already moved from ~11-12% EBITDA margin range to current ~14-15% margin ranges. Together with higher operating leverage at Gujarat plant and improving business mix, we believe that company has further room to improve its margins. **We have an accumulate rating on the stock.**

Key Financials

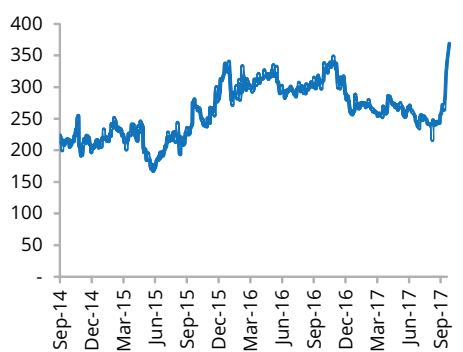
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2018E	81,888	15.0	8,653	283.5	21.9	27.3	6.0	16.6	2.5
FY2019E	101,345	15.0	10,895	356.0	22.4	25.5	4.8	12.8	2.0

Source: Company, Angel Research

Stock Info

CMP	340
TP	402
Upside	18%
Sector	Media
Market Cap (₹ cr)	2,028
Beta	0.7
52 Week High / Low	361 /211

3 year-Chart

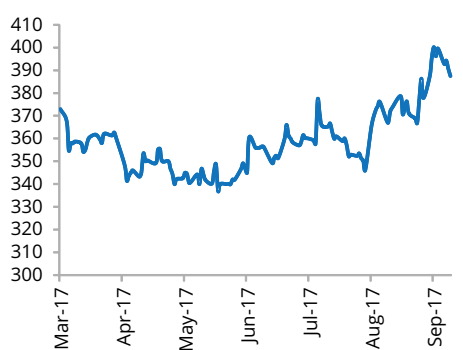


Source: Company, Angel Research

Stock Info

CMP	379
TP	434
Upside	15%
Sector	Media
Market Cap (₹ cr)	2,162
Beta	0.4
52 Week High / Low	420/332.9

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.
- TTNL is a play of higher operating leverage that would be visible as advertisement revenues gain traction. Going ahead, we expect EBITDA margins would improve.
- We expect TTNL to report a net revenue CAGR of ~9% to ~₹727cr and net profit CAGR of ~14% to ₹121cr over FY2017-19E. **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)
FY2018E	667	27.7	111	18.6	15.6	18.3	2.9	9.3	2.6
FY2019E	727	27.7	121	20.1	17.3	17.0	2.9	8.6	2.4

Source: Company, Angel Research

Music Broadcast

- Radio Industry is protected by licenses for 15 years, thereby restricting the entry of new players. This would support the existing companies to strengthen their position and maintain a healthy growth rate.
- It has grabbed the Number 1 position in Mumbai, Bengaluru and Delhi in terms of number of listener. This is helping MBL to charge premium rate, which resulting into higher EBITDA margin (33.6%) compare to 22% of ENIL.
- MBL outperformed its closest peer with 18.4% CAGR in revenue over FY2013-17 (ENIL reported 13.2% CAGR in revenue). On the profitability front too, MBL, with 32.3% CAGR in PAT over FY2013-17, has performed much better than ENIL (-5.2% CAGR in PAT). Moreover, Radio City posted a six year CAGR of 12.1% v/s. 9.1% of industry owing to higher advertising volumes.
- Capex for 39 licenses have been done for the next 15 years, hence no heavy incremental Capex requirement would emerge. Moreover, the maintenance Capex would be as low as ₹5-10cr. This would leave sufficient cash flow to distribute as dividend. **We have a Buy recommendation on the stock and target price of ₹434.**

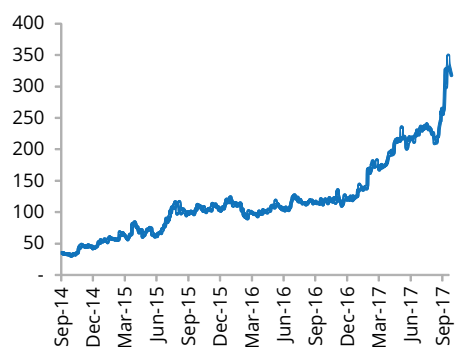
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2018E	317	34.4	56	9.8	9.3	38.6	3.6	18.1	6.2
FY2019E	372	34.9	80	14.0	12.0	27.1	3.2	14.6	5.1

Source: Company, Angel Research

Stock Info	
CMP	312
TP	371
Upside	19%
Sector	Cable
Market Cap (₹ cr)	2,425
Beta	0.9
52 Week High / Low	367 / 99

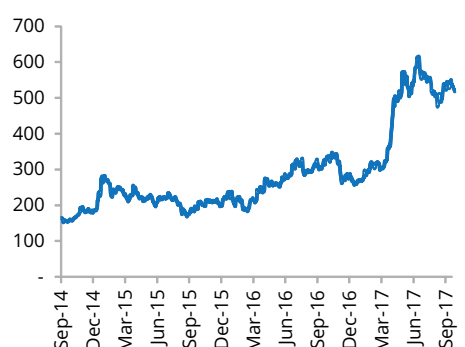
3 year-Chart



Source: Company, Angel Research

Stock Info	
CMP	516
TP	655
Upside	26.9%
Sector	Financials
Market Cap (₹ cr)	2,776
Beta	1.7
52 Week High / Low	623 / 251

3 year-Chart



Source: Company, Angel Research

KEI Industries

- KEI's current order book (OB) stands at ₹2,780cr (segmental break-up: ₹1,990cr in EPC, ₹560cr in Cable & ₹230cr in 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 FY17 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 (increased from ₹2cr in FY13 to ₹7.5cr in FY17 and expected to spend).
- KEI's export (FY17 – 8-10% of revenue) is expected to reach a level of ~14-15% in next two years with higher order execution from current OB and participation in various international tenders. We expect a strong ~26% growth CAGR over FY2017-19 in exports. We expect KEI to report net revenue CAGR of ~14% to ~₹3,392cr and net profit CAGR of ~13% to ₹125cr over FY2017-19E. **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)
FY2018E	3,001	10.0	100	13.0	18.2	24.0	4.4	9.7	1.0
FY2019E	3,392	10.0	125	16.1	18.7	19.3	3.6	9.1	0.9

Source: Company, Angel Research

GIC Housing Finance Ltd

- Backed by the new management, GICHF is aiming for 2.0x growth in the loan book over the period of FY16-FY19E to ₹16,000cr. GICHF has healthy capital adequacy, and is seeing an increase in demand for home loans. GICHF's loan book is expected to report 24.3% loan growth over next two years.
- GICHF is consistently decreasing bank borrowing and increasing high yield loan book which is expected to boost its Net Interest Margin. The share of bank borrowing was 75% in FY15, which fell to 55% in FY17. In our opinion, the impetus on lower bank borrowings and increasing high yield loan book is likely to result in 17bps NIM over FY16-FY19E.
- GICHF's asset quality is on the higher side compared to other HFCs (As on FY17 GNPA-2.3% and NPA-0.3%). This is primarily due to GICHF has not written off any bad asset and has not sold any bad assets to ARC. New Management is expediting asset quality improvement.
- We expect the GICHF's loan growth to grow at a CAGR of 24.3% over next two years and RoA/RoE to improve from 1.7%/19.0% in FY17 to 2.0%/23.0% in FY19E. The stock is currently trading at 2.4x FY2019E ABV. **We have a Buy rating on the stock, with a target price of ₹655.**

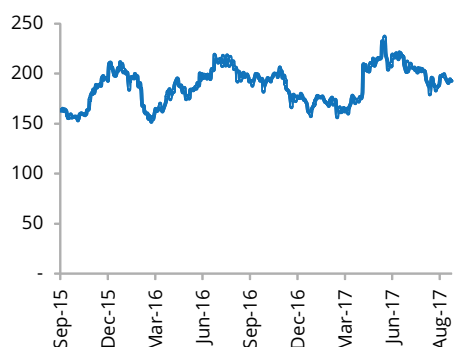
Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2018E	376	3.6	180	33	184	1.7	20	15.6	2.8
FY2019E	477	3.7	214	40	218	1.9	23	12.9	2.4

Source: Company, Angel Research

Stock Info	
CMP	183
TP	265
Upside	45%
Sector	Logistics
Market Cap (₹ cr)	2,605
Beta	0.8
52 Week High / Low	247 / 155

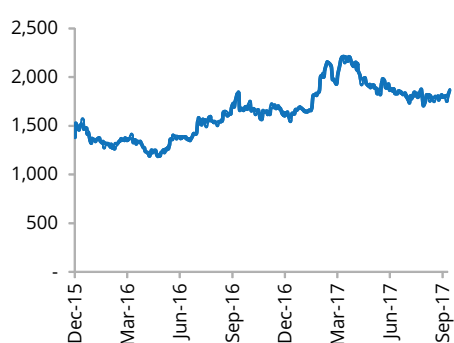
3 year-Chart



Source: Company, Angel Research

Stock Info	
CMP	1,846
TP	2,079
Upside	13.0%
Sector	Pharmaceutical
Market Cap (₹ cr)	21,071
Beta	0.9
52 Week High / Low	2,238 / 1,400

3 year-Chart



Source: Company, Angel Research

Navkar Corp.

- 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)
FY2018E	450	41.5	124	8.7	8.4	21.0	1.7	15.6	6.5
FY2019E	617	41.5	181	12.7	11.0	14.4	1.5	11.3	4.7

Source: Company, Angel Research

Alkem Laboratories

- Alkem is 5th largest pharma company in the domestic market and also has presence in US. It derives 73% of its revenues from the Indian markets while rest come from the other countries. Alkem has leadership position in the domestic anti infective segment and it is ranked #3 in Gastro-Intestinal and Pain/Analgesics segments. Company holds ~3.5% and ~7.9% market share in the formulations and overall prescriptions in the country.
- In the domestic market, company operates in acute and chronic segments. It is a prominent player in acute segment has forayed in chronic segment from which it expects faster growth. Alkem has been outperforming the domestic industry growth which is likely to continue. Company is focusing on monetization of its pipeline (92 ANDAs) in the US with annually high single digit ANDAs launches to grow the US revenues at ~20% CAGR from FY17-FY19E.
- We estimate ~13% CAGR in the bottom-line and 9% in the topline over the next two years. **We have 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)
FY2018E	6,320	17.5	869	72.7	16.9	25.4	4.5	19.2	3.4
FY2019E	7,341	19.8	1,155	96.6	19.0	19.1	3.8	14.3	2.9

Source: Company, Angel Research

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Agri / Agri Chemical																		
Rallis	Neutral	207	-	4,032	1,873	2,099	15.0	15.0	9.5	10.5	21.8	19.7	3.3	3.0	15.8	16.0	2.0	1.8
United Phosphorus	Accumulate	771	820	39,172	18,922	21,949	18.0	18.5	36.2	45.6	21.3	16.9	4.5	3.7	22.7	23.8	2.2	1.9
Auto & Auto Ancillary																		
Ashok Leyland	Accumulate	112	127	32,821	23,339	27,240	10.1	10.8	4.6	6.2	24.1	18.0	4.8	4.2	20.0	23.6	1.4	1.1
Bajaj Auto	Neutral	3,028	-	87,615	23,936	27,955	19.5	20.1	142.7	167.3	21.2	18.1	4.6	4.1	21.7	22.8	3.2	2.7
Bharat Forge	Neutral	1,216	-	28,315	7,637	8,755	21.7	23.2	36.1	47.3	33.7	25.7	6.0	5.2	18.5	20.8	3.6	3.0
Eicher Motors	Neutral	30,470	-	82,948	19,043	22,837	19.4	19.9	835.4	1,019.0	36.5	29.9	13.6	10.5	40.9	37.8	4.2	3.5
Gabriel India	Neutral	200	-	2,877	1,782	2,033	9.7	10.2	7.1	8.9	28.2	22.6	5.7	4.8	21.0	22.2	1.6	1.3
Hero Motocorp	Accumulate	3,732	4,129	74,535	32,239	36,878	16.0	15.6	184.4	206.5	20.2	18.1	6.4	5.6	31.3	30.7	2.1	1.8
Jamna Auto Industries	Neutral	251	-	1,999	1,441	1,662	14.4	14.8	13.9	17.6	18.0	14.3	4.9	4.0	30.0	31.0	1.4	1.2
Mahindra and Mahindra	Neutral	1,231	-	76,460	46,971	53,816	13.6	14.0	67.7	79.8	18.2	15.4	2.6	2.3	15.0	15.9	1.5	1.3
Maruti	Accumulate	7,734	8,658	233,626	81,825	101,245	15.0	15.0	283.5	356.0	27.3	21.7	6.0	4.9	21.8	22.3	2.5	1.9
Minda Industries	Neutral	822	-	7,104	4,328	5,084	11.0	11.9	27.3	36.4	30.2	22.6	6.4	5.0	23.1	25.6	1.7	1.5
Motherson Sumi	Neutral	332	-	69,934	55,937	64,445	10.8	11.4	16.9	21.1	19.7	15.8	4.4	4.5	25.2	25.4	1.3	1.1
Tata Motors	Neutral	404	-	116,620	303,167	343,649	11.8	13.7	33.1	54.7	12.2	7.4	2.0	1.6	16.9	23.0	0.4	0.4
TVS Motor	Neutral	645	-	30,624	13,992	16,216	9.0	9.4	17.1	20.3	37.8	31.8	10.0	7.8	29.7	27.7	2.1	1.8
Amara Raja Batteries	Buy	711	858	12,150	6,140	7,122	14.3	15.6	29.3	39.0	24.3	18.2	4.1	3.5	17.1	19.0	2.0	1.7
Exide Industries	Neutral	203	-	17,242	8,689	9,854	15.1	15.2	9.7	11.0	21.0	18.4	3.7	3.3	15.7	16.1	1.7	1.5
Apollo Tyres	Neutral	242	-	12,318	15,739	17,326	13.2	14.6	20.4	26.7	11.9	9.1	1.4	1.3	20.4	26.7	1.0	0.9
Ceat	Neutral	1,670	-	6,754	6,661	7,717	11.1	14.2	116.2	178.2	14.4	9.4	2.5	2.1	15.2	21.3	1.1	1.0
JK Tyres	Neutral	143	-	3,243	8,318	9,239	16.2	16.4	21.0	27.5	6.8	5.2	1.3	1.1	19.1	20.4	0.8	0.7
Swaraj Engines	Neutral	1,981	-	2,460	788	889	16.4	16.5	71.6	81.0	27.7	24.5	8.0	7.4	29.6	31.0	2.8	2.4
Subros	Neutral	225	-	1,350	1,855	2,135	11.5	11.8	10.3	14.7	22.0	15.4	3.3	2.9	15.8	19.1	0.9	0.8
Financials																		
Axis Bank	Accumulate	506	580	121,198	32,558	35,843	3.5	3.2	27.8	41.0	18.2	12.3	2.0	1.73	11.4	14.9	-	-
Bank of Baroda	Neutral	139	-	31,936	22,533	26,079	2.4	2.4	12.0	20.9	11.5	6.6	0.7	0.7	6.6	11.0	-	-
Canara Bank	Neutral	315	-	18,839	17,925	20,235	2.0	2.1	18.5	36.5	17.0	8.6	0.6	0.6	3.4	6.2	-	-
Can Fin Homes	Neutral	2,600	-	6,920	586	741	3.5	3.5	107.8	141.0	24.1	18.4	5.3	4.3	24.1	25.6	-	-
Cholamandalam Inv. & Fin. Co.	Buy	1,059	1,230	16,549	2,826	3,307	6.3	6.3	53.6	64.6	19.7	16.4	3.4	2.9	18.3	18.9	-	-
Dewan Housing Finance	Buy	526	650	16,490	2,676	3,383	2.4	2.7	37.4	49.7	14.1	10.6	1.8	1.6	13.8	16.2	-	-
Equitas Holdings	Buy	155	235	5,251	1,125	1,380	9.6	9.8	1.5	6.0	103.3	25.8	2.3	2.2	2.4	8.2	-	-
Federal Bank	Accumulate	111	125	21,535	4,896	5,930	2.8	3.1	5.4	7.6	20.6	14.6	1.7	1.6	8.5	11.0	-	-
GIC Housing	Buy	516	655	2,776	376	477	3.6	3.7	33.0	40.0	15.6	12.9	2.8	2.4	20.0	23.0	-	-
HDFC Bank	Neutral	1,776	-	458,365	55,236	63,253	4.5	4.4	68.9	82.4	25.8	21.5	4.5	3.73	18.7	18.5	-	-
ICICI Bank	Accumulate	276	315	177,246	42,361	51,378	3.6	3.9	18.4	25.7	15.0	10.7	1.6	1.6	11.3	15.0	-	-
Karur Vysya Bank	Buy	143	180	8,669	3,289	3,630	3.7	3.9	10.8	14.1	13.2	10.2	1.6	1.4	12.5	14.7	-	-
LIC Housing Finance	Neutral	607	-	30,618	4,895	6,332	3.4	3.7	50.7	66.8	12.0	9.1	2.4	2.0	21.7	23.8	-	-

Company Name	Reco	CMP	Target	Mkt Cap (₹ cr)	Sales (₹cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
		(₹)	Price (₹)		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Punjab Natl.Bank	Neutral	133	-	28,259	23,708	25,758	2.1	2.1	5.9	16.4	22.6	8.1	0.7	0.6	3.0	8.3	-	-
RBL Bank	Neutral	501	-	20,694	2,309	2,888	2.6	2.5	16.4	19.1	30.6	26.3	3.8	3.4	13.3	13.8	-	-
Repco Home Finance	Buy	601	825	3,758	495	597	4.4	4.2	38.5	48.7	15.6	12.3	2.8	2.3	19.5	20.6	-	-
South Ind.Bank	Neutral	28	-	5,034	3,195	3,567	3.0	3.1	3.0	3.8	9.2	7.3	0.9	0.8	10.5	11.9	-	-
St Bk of India	Neutral	250	-	216,190	105,827	121,056	2.4	2.5	16.1	25.6	15.6	9.8	1.2	1.1	6.6	9.9	-	-
Union Bank	Neutral	127	-	9,189	14,650	16,225	2.3	2.3	23.1	32.5	5.5	3.9	0.4	0.4	7.1	9.2	-	-
Yes Bank	Neutral	353	-	80,922	11,088	13,138	3.0	2.9	84.0	99.3	4.2	3.6	0.6	0.6	16.3	16.8	-	-
Capital Goods																		
BEML	Neutral	1,643	-	6,841	4,286	5,194	7.1	8.2	42.9	58.1	38.3	28.3	3.1	2.9	7.6	8.7	1.7	1.3
Bharat Electronics	Neutral	177	-	39,613	10,258	12,470	19.6	19.5	7.3	8.6	24.3	20.6	0.5	0.4	20.4	21.9	3.3	2.7
Voltas	Neutral	511	-	16,903	6,778	8,004	9.6	11.0	17.1	22.4	29.9	22.8	7.1	6.2	17.7	19.8	2.2	1.8
BHEL	Neutral	125	-	30,497	33,200	39,167	6.8	9.5	6.2	11.2	20.1	11.1	0.9	0.9	4.6	8.0	0.5	0.4
Blue Star	Accumulate	748	850	7,160	5,220	6,207	6.3	6.6	16.8	22.3	44.5	33.5	8.8	7.8	19.9	23.3	1.3	1.1
CG Power and Industrial Solutions	Neutral	76	-	4,779	6,555	7,292	7.5	7.5	0.0	0.8	7,625.0	95.3	1.2	1.2	0.1	1.2	0.8	0.7
Greaves Cotton	Neutral	135	-	3,308	1,778	1,993	14.7	15.1	8.1	9.1	16.7	14.9	3.8	3.5	21.8	23.6	1.6	1.4
KEC International	Buy	301	350	7,733	9,779	11,113	9.4	9.8	14.2	18.2	21.2	16.5	4.1	3.3	21.1	22.1	1.0	0.9
KEI Industries	Buy	312	371	2,425	3,001	3,391	10.0	10.0	13.0	16.1	24.0	19.3	4.4	3.6	18.2	18.7	1.0	0.9
Thermax	Neutral	881	-	10,499	4,125	4,747	10.3	10.8	26.7	31.5	33.0	28.0	3.7	3.4	11.2	12.0	2.3	2.0
VATech Wabag	Accumulate	599	681	3,269	3,867	4,126	9.6	10.0	34.9	39.8	17.2	15.0	2.8	2.4	17.7	17.5	0.9	0.8
Cement																		
ACC	Neutral	1,592	-	29,904	12,255	13,350	13.5	14.3	58.0	66.2	27.5	24.1	3.2	3.0	11.5	12.2	2.4	2.2
Ambuja Cements	Neutral	262	-	51,954	10,250	11,450	17.5	19.0	7.2	8.3	36.3	31.5	2.6	2.5	7.0	7.8	4.8	4.3
India Cements	Neutral	166	-	5,103	6,135	6,750	14.8	15.2	8.5	11.5	19.5	14.4	1.0	0.9	4.8	6.2	1.2	1.0
JK Cement	Neutral	963	-	6,736	4,150	4,775	19.2	20.0	49.0	63.5	19.7	15.2	3.1	2.7	17.0	18.5	2.1	1.7
J K Lakshmi Cement	Neutral	386	-	4,539	3,422	3,757	15.5	17.0	13.5	23.2	28.6	16.6	3.0	2.6	10.8	15.5	1.7	1.5
Orient Cement	Neutral	152	-	3,113	2,215	3,233	16.8	17.0	5.9	6.9	25.8	22.0	2.0	1.8	10.8	10.1	2.4	1.6
UltraTech Cement	Neutral	3,799	-	104,286	28,250	35,150	20.2	23.5	77.5	122.2	49.0	31.1	4.1	3.7	9.6	14.8	4.2	3.3
Construction																		
KNR Constructions	Neutral	205	-	2,878	1,846	2,203	14.5	14.5	12.1	13.7	16.9	15.0	0.9	0.8	17.5	16.7	1.6	1.3
Larsen & Toubro	Neutral	1,139	-	159,529	95,787	109,476	10.2	11.6	44.5	50.8	25.6	22.4	3.2	2.9	12.9	13.1	2.2	2.0
Gujarat Pipavav Port	Neutral	135	-	6,534	739	842	61.6	62.7	5.1	6.2	26.5	22.0	3.3	3.2	12.7	14.9	8.3	7.2
PNC Infratech	Accumulate	136	143	3,481	2,040	2,935	13.0	13.0	6.4	9.0	21.2	15.1	0.5	0.5	9.7	12.2	1.7	1.2
Simplex Infra	Neutral	441	-	2,182	6,012	6,619	11.6	11.7	21.1	31.0	21.0	14.3	1.5	1.3	6.5	8.6	0.9	0.8
Sadbhav Engineering	Neutral	285	-	4,891	3,823	4,426	10.7	10.8	10.3	11.8	27.7	24.2	3.3	2.9	10.1	10.5	1.6	1.4
NBCC	Neutral	208	-	18,675	9,099	12,706	6.4	6.4	7.3	9.6	28.5	21.7	1.3	1.0	27.5	30.5	1.9	1.4
MEP Infra	Neutral	91	-	1,474	2,403	2,910	18.3	16.8	2.4	6.1	38.5	14.9	14.6	9.9	35.2	55.8	1.8	1.5
SIPL	Neutral	90	-	3,175	2,060	2,390	46.8	47.7	(5.8)	(3.1)	-	-	3.4	3.9	(14.2)	(2.3)	6.3	5.9
Engineers India	Neutral	151	-	10,159	1,795	2,611	21.1	22.4	5.9	8.1	25.6	18.6	1.8	1.8	12.9	16.1	4.0	2.6

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
FMCG																		
Akzo Nobel India	Neutral	1,794	-	8,602	3,164	3,607	13.8	13.7	58.6	67.9	30.6	26.4	7.5	6.6	24.5	25.1	2.6	2.2
Asian Paints	Neutral	1,161	-	111,363	17,603	20,615	18.6	18.6	2,128.9	2,543.3	0.5	0.5	11.5	9.7	28.0	28.9	6.1	5.2
Britannia	Neutral	4,293	-	51,538	9,690	11,278	14.8	15.4	84.0	101.0	51.1	42.5	18.6	14.8	40.6	39.0	5.3	4.5
Colgate	Neutral	1,062	-	28,875	4,420	5,074	24.9	25.3	28.6	32.8	37.1	32.4	14.6	11.8	43.8	40.5	6.3	5.4
Dabur India	Neutral	306	-	53,832	8,346	9,344	19.6	19.9	7.8	9.0	39.2	34.0	7.9	7.1	25.2	24.8	6.0	5.3
GlaxoSmith Con*	Neutral	4,923	-	20,704	5,072	5,760	18.2	18.4	176.3	199.2	27.9	24.7	5.9	5.4	21.2	21.7	3.4	2.9
Godrej Consumer	Neutral	908	-	61,858	10,171	11,682	20.8	21.5	21.7	27.1	41.8	33.5	9.4	8.1	22.3	23.4	6.2	5.3
HUL	Neutral	1,207	-	261,252	37,077	41,508	20.3	21.8	5,189.9	6,318.5	0.2	0.2	36.8	31.4	74.8	82.0	6.9	6.2
ITC	Neutral	259	-	314,983	44,588	49,853	37.0	37.3	9.6	11.0	26.9	23.5	6.6	6.3	25.1	27.3	6.5	5.8
Marico	Neutral	314	-	40,501	6,788	7,766	18.5	19.2	7.1	8.5	44.2	36.9	15.5	13.2	36.9	38.0	5.8	5.1
Nestle*	Neutral	7,100	-	68,457	10,083	11,182	20.0	20.9	119.7	141.3	59.3	50.2	209.1	191.1	36.7	39.8	6.5	5.8
Tata Global	Neutral	199	-	12,534	7,121	7,641	11.9	12.3	6.9	8.0	28.8	24.8	1.9	1.8	6.8	7.2	1.6	1.4
Procter & Gamble Hygiene	Neutral	8,400	-	27,267	3,034	3,579	27.1	27.7	167.7	198.8	50.1	42.3	13.4	11.6	28.8	29.5	8.4	7.0
IT																		
HCL Tech^	Buy	875	1,014	124,840	52,342	57,053	20.9	20.9	62.8	67.6	13.9	12.9	3.1	2.7	22.4	20.6	2.1	1.8
Infosys	Buy	899	1,179	206,417	73,963	80,619	26.0	26.0	64.4	69.3	14.0	13.0	2.7	2.5	19.7	19.6	2.2	2.0
TCS	Accumulate	2,490	2,651	490,666	127,403	138,870	27.6	27.6	144.5	156.0	17.2	16.0	5.1	4.8	29.7	29.8	3.5	3.2
Tech Mahindra	Buy	450	533	43,906	31,015	33,496	15.0	15.0	35.6	38.1	12.6	11.8	2.1	2.0	17.0	16.3	1.2	1.0
Wipro	Neutral	289	-	140,453	58,536	61,858	20.3	20.3	18.2	19.1	15.9	15.1	2.5	2.1	14.6	13.4	2.3	2.2
Media																		
D B Corp	Neutral	372	-	6,850	2,404	2,625	30.5	31.5	23.7	26.9	15.7	13.8	3.7	3.2	23.5	22.8	2.7	2.4
HT Media	Neutral	93	-	2,167	2,589	2,830	15.1	15.4	8.3	10.9	11.2	8.5	0.9	0.8	8.4	10.4	0.4	0.2
Jagran Prakashan	Buy	177	225	5,775	2,541	2,835	28.5	28.7	12.7	14.1	13.9	12.5	2.9	2.5	21.3	21.4	2.1	1.8
Sun TV Network	Neutral	745	-	29,367	3,238	3,789	51.9	55.1	30.9	38.0	24.1	19.6	6.9	6.0	30.0	31.0	8.6	7.2
Hindustan Media Ventures	Neutral	255	-	1,868	1,002	1,074	23.3	23.5	29.2	33.8	8.7	7.5	1.4	1.2	15.6	15.4	0.9	0.6
TV Today Network	Buy	340	402	2,028	667	727	27.7	27.7	18.6	20.1	18.3	16.9	2.8	2.9	15.6	17.3	2.6	2.4
Music Broadcast Limited	Accumulate	379	434	2,162	271	317	91.0	109.0	6.0	10.0	63.1	37.9	3.9	3.6	6.5	9.3	7.6	6.2
Metals & Mining																		
Coal India	Neutral	261	-	161,982	82,301	91,235	17.0	18.0	17.1	20.5	15.3	12.7	2.9	2.7	45.0	55.0	1.6	1.5
Hind. Zinc	Neutral	293	-	123,760	22,108	24,555	57.0	58.0	22.1	26.3	13.3	11.1	4.3	3.5	32.0	35.0	4.6	3.8
Hindalco	Neutral	233	-	52,366	102,350	105,355	13.5	14.5	21.5	24.5	10.9	9.5	1.5	1.3	15.0	15.2	1.1	1.0
JSW Steel	Neutral	237	-	57,240	64,500	68,245	21.1	21.5	20.1	21.2	11.8	11.2	2.2	1.8	-	-	1.6	1.5
NMDC	Neutral	118	-	37,413	10,209	11,450	47.0	48.0	11.1	12.1	10.7	9.8	1.5	1.4	-	-	3.2	2.9
SAIL	Neutral	54	-	22,406	54,100	63,555	3.0	10.0	(10.0)	1.5	-	36.2	0.7	0.7	-	-	1.4	1.2
Vedanta	Neutral	310	-	115,363	81,206	87,345	28.0	29.0	26.5	33.5	11.7	9.3	2.7	2.3	-	-	2.2	1.9
Tata Steel	Neutral	648	-	62,969	121,445	126,500	16.2	17.2	65.4	81.3	9.9	8.0	1.6	1.3	-	-	1.0	0.9

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Oil & Gas																		
GAIL	Neutral	398	-	67,382	53,115	52,344	14.2	15.3	30.0	31.1	13.3	12.8	1.7	1.5	-	-	1.0	1.0
ONGC	Neutral	170	-	218,422	83,111	84,934	44.2	44.9	16.4	16.9	10.4	10.1	1.3	1.2	-	-	2.5	2.5
Indian Oil Corp	Neutral	396	-	192,124	396,116	432,560	8.5	8.8	40.1	42.2	9.9	9.4	1.7	1.5	-	-	0.6	0.6
Reliance Industries	Neutral	799	-	519,394	257,711	267,438	17.0	18.2	89.1	89.5	9.0	8.9	0.8	0.8	-	-	1.7	1.6
Pharmaceuticals																		
Alembic Pharma	Buy	498	600	9,381	3,903	4,584	18.2	19.2	21.8	27.2	22.8	18.3	4.2	3.5	19.8	20.6	2.4	2.1
Alkem Laboratories Ltd	Accumulate	1,846	2,079	22,071	6,320	7,341	17.5	19.8	72.7	96.6	25.4	19.1	4.5	3.8	16.7	18.7	3.4	2.9
Aurobindo Pharma	Buy	690	823	40,400	17,086	19,478	22.1	22.0	44.7	51.4	15.4	13.4	3.4	2.8	24.7	22.7	2.5	2.2
Aventis*	Neutral	4,040	-	9,305	2,508	2,862	16.8	16.8	139.9	153.8	28.9	26.3	4.2	3.4	23.5	25.8	3.3	2.7
Cadila Healthcare	Reduce	454	426	46,473	11,584	13,228	20.3	20.4	18.7	21.3	24.3	21.3	5.4	4.4	24.6	22.9	3.8	3.3
Cipla	Sell	570	458	45,851	16,619	19,437	15.4	16.2	19.7	24.3	28.9	23.4	3.3	2.9	12.0	13.2	2.9	2.5
Dr Reddy's	Neutral	2,308	-	38,257	15,844	17,973	17.6	18.2	91.7	111.0	25.2	20.8	2.9	2.6	11.9	13.0	2.6	2.3
GSK Pharma*	Neutral	2,394	-	20,276	3,260	3,651	15.0	18.0	46.1	58.6	51.9	40.8	10.7	11.0	20.0	26.5	6.1	5.6
Indoco Remedies	Sell	205	153	1,889	1,154	1,310	14.9	14.9	11.3	12.7	18.1	16.1	2.6	2.3	15.0	15.0	1.8	1.5
Ipca labs	Accumulate	497	540	6,272	3,593	4,022	14.5	15.5	19.4	25.2	25.6	19.7	2.3	2.1	9.5	11.2	1.8	1.6
Lupin	Buy	998	1,467	45,105	18,657	21,289	21.3	23.3	52.8	66.7	18.9	15.0	2.9	2.4	16.3	17.5	2.4	2.0
Natco Pharma	Neutral	769	-	13,412	1,836	1,946	31.8	28.9	22.1	20.6	34.8	37.3	7.0	6.2	20.1	16.7	7.1	6.7
Sun Pharma	Accumulate	495	558	118,751	32,899	36,451	26.9	25.4	31.6	32.3	15.7	15.3	2.8	2.4	18.7	18.8	3.2	2.8
Syngene International	Accumulate	489	557	9,772	1,402	1,823	32.7	36.0	15.9	20.7	30.8	23.7	5.7	4.7	18.7	20.0	6.9	5.3
Power																		
Tata Power	Neutral	78	-	21,138	32,547	33,806	20.5	20.5	4.7	5.4	16.6	14.6	1.6	1.4	10.5	10.5	1.6	1.6
NTPC	Neutral	165	-	136,009	86,070	101,246	28.3	30.7	12.9	16.2	12.8	10.2	1.3	1.2	10.6	12.4	2.9	2.6
Power Grid	Accumulate	207	223	108,529	29,183	32,946	89.7	90.0	18.0	20.8	11.6	10.0	1.9	1.7	17.7	18.2	7.7	7.1
Real Estate																		
Prestige Estate	Neutral	267	-	10,014	4,607	5,146	21.0	22.2	7.9	9.8	33.8	27.3	2.1	1.9	10.3	12.0	3.3	3.0
MLIFE	Accumulate	468	522	2,399	487	590	12.3	17.8	21.0	31.2	22.3	15.0	1.2	1.1	5.2	7.4	3.6	3.0
Bharti Airtel	Neutral	385	-	154,040	97,903	105,233	36.0	36.3	9.3	11.1	41.4	34.9	2.0	1.9	5.0	5.6	2.5	2.3
Idea Cellular	Neutral	75	-	27,196	35,012	37,689	27.1	27.7	(4.4)	(2.7)	-	-	1.2	1.2	(6.8)	(4.6)	2.1	1.9
Others																		
Abbott India	Neutral	4,167	-	8,854	3,244	3,723	14.9	16.1	167.5	209.4	24.9	19.9	5.5	4.6	23.7	24.8	2.4	2.0
Asian Granito	Buy	473	570	1,424	1,169	1,286	12.5	12.5	16.0	19.7	29.6	24.0	3.2	2.8	10.7	11.6	1.4	1.3
Bajaj Electricals	Accumulate	355	395	3,608	4,646	5,301	6.7	7.6	16.1	22.3	22.1	15.9	3.6	3.1	16.4	19.2	0.8	0.7
Banco Products (India)	Neutral	205	-	1,469	1,530	1,695	13.2	12.7	19.0	20.0	10.8	10.3	1.7	1.5	0.2	0.1	0.9	96.4
Coffee Day Enterprises Ltd	Neutral	211	-	4,355	3,494	3,913	17.4	18.0	4.7	5.7	-	37.1	1.9	1.8	0.0	0.0	1.7	1.5
Elecon Engineering	Neutral	52	-	584	171	201	15.0	16.2	36.0	43.0	1.4	1.2	0.1	0.1	0.1	0.1	2.8	2.4
Garware Wall Ropes	Neutral	852	-	1,864	928	1,003	15.2	15.2	39.4	43.2	21.6	19.7	3.6	3.0	16.5	15.4	1.9	1.7
Goodyear India*	Neutral	806	-	1,860	1,717	1,866	11.8	12.3	47.9	49.8	16.8	16.2	2.6	2.3	15.6	15.7	0.8	111.4

Company Name	Reco	CMP	Target	Mkt Cap (₹ cr)	Sales (₹cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
		(₹)	Price (₹)		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Hitachi	Neutral	1,854	-	5,042	2,355	2,715	10.3	10.8	49.0	60.9	37.8	30.4	8.9	7.0	0.2	0.2	2.2	1.9
HSIL	Neutral	387	-	2,795	2,240	2,670	14.6	15.0	17.0	22.0	22.7	17.6	1.9	1.8	0.1	0.1	1.5	1.2
Interglobe Aviation	Neutral	1,057	-	38,230	22,570	27,955	14.2	15.0	63.6	81.8	16.6	12.9	8.7	7.4	0.5	0.6	1.4	1.0
Jyothy Laboratories	Neutral	383	-	6,962	1,781	2,044	14.1	15.0	9.4	10.5	41.0	36.5	8.7	8.2	0.2	0.2	4.1	3.5
Linc Pen & Plastics	Neutral	226	-	335	420	462	9.3	9.3	15.3	17.1	14.8	13.2	2.5	2.6	16.9	19.5	0.8	0.8
M M Forgings	Neutral	617	-	745	542	642	20.1	21.0	41.6	56.8	14.8	10.9	2.0	1.7	0.1	0.2	1.8	1.6
Mirza International	Neutral	156	-	1,877	1,148	1,285	18.0	18.0	8.0	9.4	19.4	16.7	3.2	2.7	16.3	16.1	1.8	1.6
Navkar Corporation	Buy	183	265	2,605	450	617	41.5	41.5	8.7	12.7	21.0	14.4	1.7	1.5	8.4	11.3	6.5	4.7
Nilkamal	Neutral	1,548	-	2,310	2,317	2,525	11.4	11.1	96.0	105.0	16.1	14.7	2.7	2.4	0.2	0.2	1.0	0.9
Parag Milk Foods	Neutral	236	-	1,982	1,987	2,379	7.6	9.0	12.4	18.3	19.0	12.9	2.7	2.3	8.2	13.2	1.1	0.9
Radico Khaitan	Neutral	154	-	2,044	1,811	1,992	13.2	13.2	8.1	8.8	19.0	17.4	1.9	2.1	10.1	12.0	1.5	1.3
Relaxo Footwears	Neutral	494	-	5,929	1,981	2,310	13.7	14.5	12.0	15.5	41.1	31.8	8.0	6.5	0.2	0.2	3.1	2.6
Siyaram Silk Mills	Accumulate	2,179	2,500	2,043	1,769	1,981	12.7	12.7	113.1	131.1	19.3	16.6	3.0	2.6	15.5	15.5	1.3	1.2
Styrolution ABS India*	Neutral	846	-	1,488	1,800	1,980	8.0	8.1	42.0	46.2	20.1	18.3	2.3	2.0	0.1	0.1	0.9	0.9
Surya Roshni	Neutral	292	-	1,279	4,870	5,320	7.7	7.8	22.8	28.1	12.8	10.4	1.7	1.5	0.1	0.1	0.5	0.4
TVS Srichakra	Neutral	3,114	-	2,385	2,729	2,893	12.7	12.5	248.5	265.0	12.5	11.8	3.6	2.9	0.3	0.2	0.9	0.8
Visaka Industries	Neutral	580	-	921	1,104	1,214	12.1	12.6	31.0	37.9	18.7	15.3	2.3	2.0	0.1	0.1	1.1	0.9
VIP Industries	Buy	241	300	3,402	1,450	1,693	10.4	10.5	6.5	7.8	36.8	30.8	7.8	6.8	21.1	22.1	2.3	2.0
Navin Fluorine	Accumulate	659	730	3,248	945	1,154	22.4	22.6	28.7	34.8	23.0	19.0	3.8	3.2	-	-	3.0	2.3

Note: CMP as of Sep. 27, 2017





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

But (<15%)

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



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