



Ek Nayi Shuruaat

**Angel One
Ke Saath**

Stock Picks

For the Year 2022

Top Picks

Company	CMP (₹)	TP (₹)
Auto		
Ashok Leyland	123	175
Sona BLW Precis.	706	959
Ramkrishna Forg.	935	1545
Suprajit Engg.	420	520
Banking		
Federal Bank	81	135
HDFC Bank	1450	1859
AU Small Finance	1006	1520
Chemical		
P I Industries	2892	3440
IT		
HCL Technologies	1267	1363
Others		
Carborundum Uni.	921	1100
Stove Kraft	957	1288
Safari Inds.	869	1126
Sobha	864	1050
Amber Enterp.	3332	4150

Source: Company, Angel Research
CMP as on 27th Dec'21

The Indian economy had staged a V-shaped recovery post the second Covid wave in Q1FY2022 due to the quick reopening of the economy. Moreover strong festive demand also helped the recovery process. The manufacturing PMI for November hit a 10-month high of 56.3 while services PMI at 58.1 for November point to a continued solid pace of expansion in the services sector. While we expect the economic recovery to continue, high global inflation and aggressive tightening by the US Fed will be key issues in CY2022, though the impact of Omicron variant should be transient and limited to 1QCY2022. We are positive on banking and Consumer-facing sectors as we do not see any long lasting impact from Omicron and expect strong rebound in earnings for the sectors in FY2023. We also remain positive on Chemicals and IT sector given high medium-term growth visibility for both the sectors.

High-frequency indicators point to continued economic recovery

High-frequency indicators like PMI numbers, GST collection, and E-way bill generation, etc. continue to point to a quicker than expected recovery in the economy. Strong festive demand also contributed to the recovery process. The manufacturing PMI for November hit a 10-month high of 56.3 and points to a continued strong rebound in the manufacturing sector. Services PMI at 58.1 for November also point to a continued solid pace of expansion post reading of 58.4 in October. GST collection for Nov'21 was up by 25% Yoy to ₹1.31 lakh Cr. and corroborates the economic recovery.

Accelerated tapering and Omicron strain contributing to uncertainties

Markets turned volatile from the second half of November due to the emergence of Omicron strain of Coronavirus in South Africa (RSA) and accelerated tapering timelines by the US Fed. In the Dec'21 FOMC meeting, the US Fed has accelerated the timeline for tapering to Mar'22 from Jun'22 while the dot plots indicate at least three rate hikes by the end of 2022. Accelerated tapering by the US Fed and the rapid spread of Omicron globally has led to selloff by FII's thus leading to increased volatility in the markets.

High vaccination coverage should limit fallout from any potential third wave

India's vaccination coverage has increased significantly over the past few months with over 60%/41% of the total population being partially/fully vaccinated. Moreover, anecdotal evidence suggests that though the Omicron strain is highly contagious it doesn't cause serious illness like the Delta variant. Increased vaccination coverage and low severity should help in limiting the fallout from any potential third wave due to the new Omicron strain.

Banking, Consumer-facing sectors to do well along with Chemicals & IT

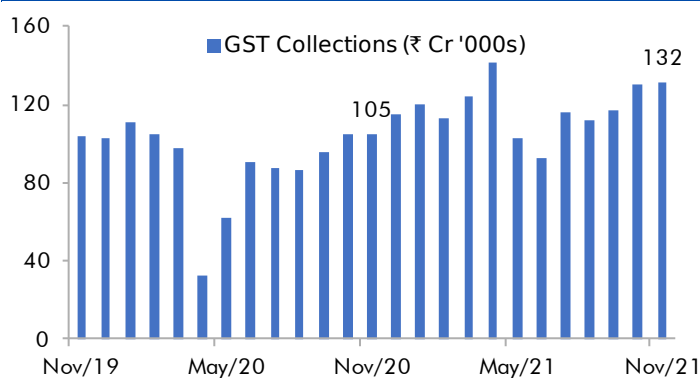
Given the aggressive tightening by the US Fed, there will be a slowdown in FII flows next year though domestic flows should remain robust and make up for any shortfall in FII flow. From a sector perspective, we are positive on Banking, and consumer-facing sectors given expectations of strong earnings growth in FY2023E. We also remain positive on Chemicals and IT sector given high medium-term growth visibility for both the sectors.

Indian Economy has bounced back strongly post the second wave

Indian economy witnessed good momentum in Q2-Q3 FY22 in anticipation of demand recovery as the festive season approached. For the second straight month in Dec'21, gross GST collection crossed ₹1.30 lakh crore and was at second highest levels ever, second only to April 2021 which gets influenced due to year-end and requirement for quarterly filings. E-way Bills generated too showed strong trends before cooling off in November post the peak of the festive season. The data for December till-date is encouraging, with numbers improving on a weekly average basis against November 2021 indicating a pickup in economic activity.

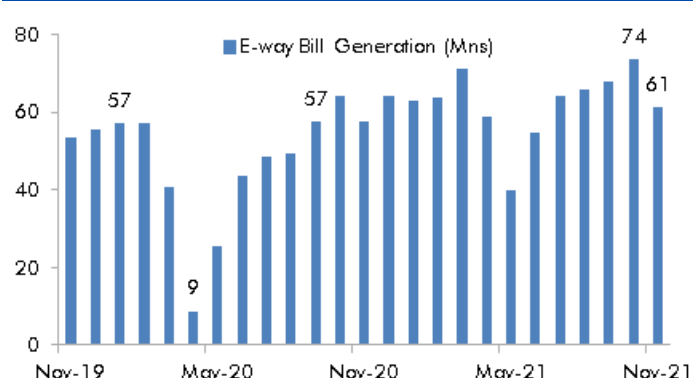
GST collection in Nov '21 was as at second highest levels ever since introduction of GST

Exhibit 1: GST Collections are trending higher



Source: Angel Research, Bloomberg, Gol

Exhibit 2: E-way Bill Generation also indicates pick-up

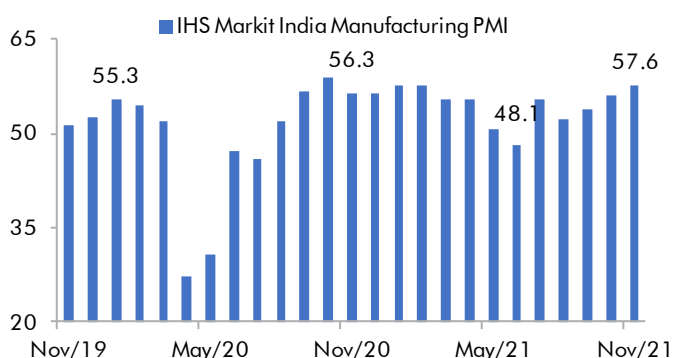


Source: Company, Angel Research, Bloomberg, Gol

Manufacturing has remained strong and should carry the momentum in CY2022

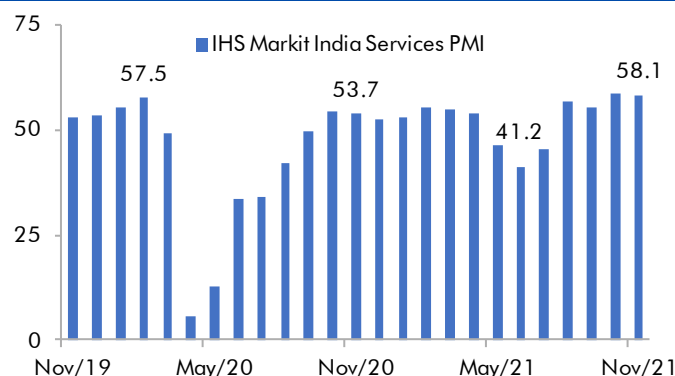
As for the data from the IHS Markit survey, the manufacturing PMI hit a 10-month high of 57.6 in Nov'21, pointing to a continued expansion in manufacturing activities. Inflationary pressures are a cause of concern as they may impact demand but factors like shipping rates and input prices like Crude, Coal, Iron Ore, etc. have started to cool off post hitting their peaks during Sep-Oct 2021.

Exhibit 3: Manufacturing led initial recovery



Source: Angel Research, Bloomberg, IHS Markit

Exhibit 4: Services bounced back strongly in Q3FY22



Source: Angel Research, Bloomberg, IHS Markit

Services have rebounded strongly but inflationary pressures may impact sentiment

Services PMI which is expanding since Aug'21 came in at 58.1 for Nov'21 (58.4 for Oct'21) which was the second fastest rise in business activity in nearly a decade. The outlook remains optimistic but continued inflationary pressures may weigh down on business confidence going ahead.

US Fed has accelerated timelines for tapering due to sustained high inflation levels

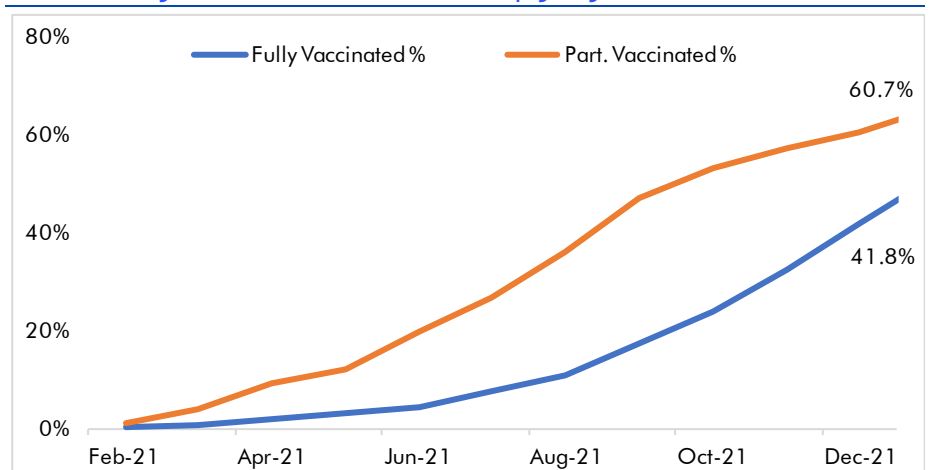
Increased vaccination coverage should provide fallout from possible third wave

Tapering and Omicron have led to increased volatility in markets

The US Fed in its latest FOMC meeting has accelerated the timeline for tapering to Mar'22 from Jun'22 and now expects at least three rate hikes by the end of 2022 as compared to expectations of one rate hike in the Oct'21 meeting. The accelerated tapering timeline by the US Fed combined with the rapid spread of the Omicron strain in South Africa (RSA) towards the end of Nov'21 led to a sharp selloff in the markets.

The Omicron strain has spread rapidly from South Africa to the rest of the world with countries like the UK and the USA reporting a surge in new cases in the past few weeks. While it is expected that the Omicron variant will spread in India, our vaccination coverage has increased significantly over the past few months with over 60%/41% of the total population being partially/fully vaccinated. Moreover, anecdotal evidence suggests that though the Omicron strain is highly contagious it does not cause serious illness like the Delta variant. Therefore we expect the impact of Omicron variant should be transient and limited to 1QCY2022 given increased vaccination coverage and low severity.

Exhibit 5: High vaccination rates should help going forward



Source: Government of India, Angel Research,

Market view and outlook

Given the aggressive tightening by the US Fed, there will be a slowdown in FII flows next year though domestic flows should remain robust and make up for any shortfall in FII flow. Nifty P/E based on consensus rolling one year forward multiples have come down from ~23.0x to 20.7x, though it's still at a 10% premium to 5 year historical average of 18.6x. Given premium valuations and likely slowdown in FII flows, we believe that we are unlikely to witness a broad-based rally like last year, and hence bottom-up stock picking will be the key to generating alpha going forward.

We are positive on banking, building material, chemicals, consumption, IT, and real estate sector

From a sector perspective, we are positive on Banking, and Consumer-facing sectors given expectations of strong earnings growth in FY2023. We Also remain positive on Chemicals and IT sector given high medium-term growth visibility for both sectors. We are also positive on Building Materials and Real Estate Sectors given low interest rates and the Government's focus on housing & construction.

New Year Picks

Stock Info

CMP	81
TP	135
Upside	66%
Sector	Banking
Market Cap (₹ cr)	17,079
Beta	1.4
52 Week High / Low	108/61

3-Year-Chart



Source: Company, Angel Research

Federal Bank

- Federal Bank is one of India's largest old generation private sector banks. At the end of H2FY2022 the bank had total assets of ₹2.06 lakh cr. with deposits of ₹1.72 lakh cr. and a loan book of ₹1.34 lakh cr.
- Federal Bank has posted a good set of numbers for Q2FY2022 as NII/advances increased by 7.2%/9.5% YoY. Provisioning for the quarter was down by 58.6% YoY because of which PAT was up by 49.6% YoY. GNPA and NNPA ratio improved to 3.25% and 1.12% while restructuring went up by ~75bps qoq to 2.6% of advances.
- Overall asset quality for the quarter improved in Q2FY2022, which was better than our expectations. We expect asset quality to improve further in H2FY2022 given continued opening up of the economy. We expect the Federal bank to post NII/PPOP/PAT CAGR of 22.8%/23.7%/23.2% between FY2020-23 and remain positive on the bank.

Key Finances

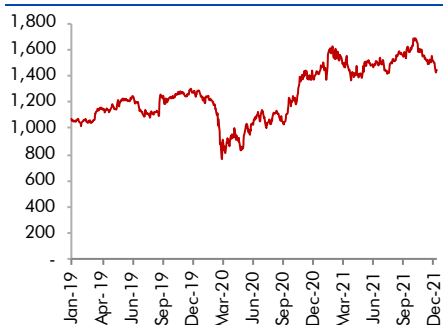
Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹cr)	(%)	(₹cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2022E	6,472	3.0	2,094.6	10.0	83.9	1.0	11.9	8.2	1.0
FY2023E	8,562	3.4	3,409.8	16.2	99.1	1.4	16.5	5.1	0.8

Source: Company, Angel Research

Stock Info

CMP	1,450
TP	1,859
Upside	28%
Sector	Banking
Market Cap (₹ cr)	8,03,731
Beta	1.1
52 Week High / Low	1724/1342

3-Year-Chart



Source: Company, Angel Research

HDFC Bank

- HDFC Bank is India's largest private sector bank with a loan book of ₹12 lakh crore in H2FY2022 and deposit base of ₹14 lakh crore. The bank has a very well spread-out book with wholesale constituting ~54% of the asset book while retail accounted for the remaining 46% of the loan book.
- Q2FY2022 numbers were better than expected as GNPA/ NNPA reduced by 12/8bps QoQ to 1.35% and 0.40% of advances. Restructured advances at the end of the quarter stood at 1.5% of advances. The bank posted NII/PPOP/PAT growth of 12.5%/14.4%/17.6% for the quarter on the back of strong loan growth of 15.5% YoY. NIMs for the quarter were stable sequentially at 4.1%.
- The management has indicated that there will be maximum impact of 10-20bps on asset quality from the restructured pool. Given the best in class asset quality and expected rebound in growth from H2 FY2022 we are positive on the bank given reasonable valuations at 2.9x FY23 adjusted book which is at a discount to historical averages.

Key Finances

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(%)	(%)	(x)	(x)
FY2022E	74521	4.0	37667	68.0	416	2.0	17.5	21.2	3.5
FY2023E	88221	4.1	45076	81.4	496	2.1	17.7	17.7	2.9

Source: Company, Angel Research

Stock Info

CMP	1,006
TP	1,520
Upside	51%
Sector	Banking
Market Cap (₹ cr)	31,573
Beta	1.5
52 Week High / Low	1389/841

3-Year-Chart



Source: Company, Angel Research

AU Small Finance

- AU Small Finance Bank (AU SFB) is one of the leading Small Finance Banks with AUM of ~₹34,688 Cr. at the end of Q1FY2022. It has a well-diversified geographical presence across India. Wheels (auto) and SBL-MSME segments account for 37% and 39% of the AUM respectively.
- Q2FY2022 numbers were better than expected as GNPA/ NNPA reduced by 123/61bps QoQ to 3.16% and 1.65% of advances. Restructured advances at the end of the quarter stood at 3.6% of advances. The bank posted NII growth of 34% for the quarter on the back of strong AUM growth of 24% YoY while NIMs for the quarter stood at 6.0%
- We expect AU SFB to post a robust NII/PPOP/ PAT CAGR of 21.7%/25.1%/26.4% between FY2020-23 on the back of AUM CAGR of 23.6%. Reducing cost of funds will also help NIM expansion going forward. We believe that the worst is over for the bank in terms of asset quality and expect significant improvement in asset quality in H2FY2022 which should lead to a rerating.

Key Finances

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹cr)	(%)	(₹cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2022E	3052	5.4	1344	32.0	209.8	1.8	14.8	32.6	4.8
FY2023E	3899	5.6	1582	44.0	253.8	2.0	17.2	23.8	4.0

Source: Company, Angel Research

Stock Info

CMP	123
TP	175
Upside	42%
Sector	Auto
Market Cap (₹ cr)	36,063
Beta	1.5
52 Week High / Low	153/92

3-Year-Chart

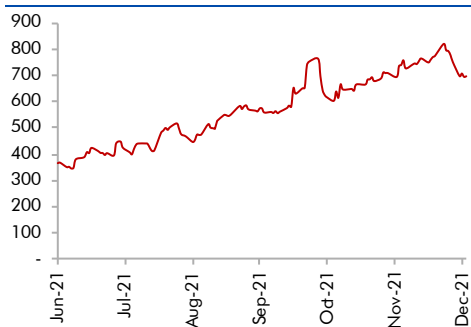


Source: Company, Angel Research

Stock Info

CMP	706
TP	959
Upside	36%
Sector	Auto
Market Cap (₹ cr)	41,247
Beta	1.2
52 Week High / Low	839/295

7-Months-Chart



Source: Company, Angel Research

Ashok Leyland

- The Ashok Leyland Ltd (ALL) is one of the leading players in the Indian CV industry with a ~28% market share in the MHCV segment in FY21. The company also has a presence in the fast-growing LCV segment where it is witnessing market share gains.
- CV segment has held up well in the current year despite challenges. Improvement in business sentiments along with spending on infrastructure are likely to drive demand in the medium term. The bus segment is also likely to bounce back going ahead with improvement in activities for the end-users.
- FY21 MHCV industry production volumes have been at the lowest levels seen in ~12 years and we believe that the company is ideally placed to capture the growth revival in the CV segment. We believe that ALL will be the biggest beneficiary of the Government's voluntary scrappage policy and hence rate the stock a BUY.

Key Finances

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	21,316	7.0	353	1.2	4.8	104.8	4.8	1.8
FY2023E	30,241	10.5	1642	5.6	20.9	22.5	4.2	1.3

Source: Company, Angel Research

Sona BLW Precis.

- Sona BLW is one of India's leading automotive technology companies that derives ~40% of its revenues from Battery Electric Vehicles (BEV) and Hybrid Vehicles. It supplies EV differential assemblies and gears, BSG systems, and EV traction motors to global customers. ~75% of their income from the sale of goods in FY21 came from end-use in the overseas markets. This global BEV segment has been fastest growing and is expected to maintain high growth rates, which are positive for Sona BLW.
- Sona BLW has a strong market share ranging from 55-90% for differential gears for PV, CV, and tractor OEMs in India. The company's combined motor and driveline capabilities have enabled them to gain market share across its products especially for products related to EV/BEV.
- Given the traction in the BEV/Hybrid Vehicle space, we believe that Sona BLW will continue to command a higher multiple, which is justified by ~49% earnings CAGR over FY21-24E.

Key Finances

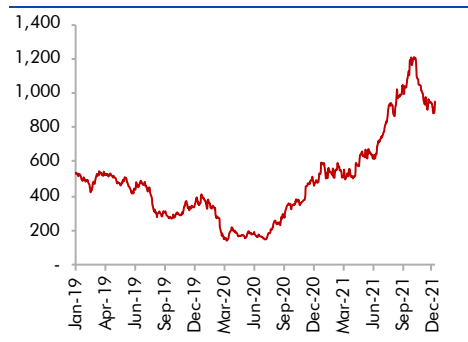
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	2,171	26.9	335	5.7	23.0	122.5	29.2	21.8
FY2023E	2,997	28.3	500	8.6	28.3	81.2	24.6	15.8

Source: Company, Angel Research

Stock Info

CMP	935
TP	1,545
Upside	65%
Sector	Auto
Market Cap (₹ cr)	2,993
Beta	1.0
52 Week High / Low	1260/451

3-Year-Chart



Source: Company, Angel Research

Ramkrishna Forg.

- Ramkrishna Forgings (RKFL), a leading forging player in India and among a select few having heavy press, stands to benefit from a favorable demand outlook for the Medium & Heavy Commercial Vehicle (M&HCV) industry in domestic and other key geographies in the near term.
- The company has phased out its CAPEX over the past few years during which it was impacted by industry slowdown in certain periods. With the end to the CAPEX cycle, the favorable outlook in the medium term, and with sufficient capacity in place, we believe RKFL volumes would be able to post volume CAGR of 29% over FY21-23E.
- RKFL has been able to add new products, which have higher value addition. Better mix along with operating leverage is expected to result in ~550 YoY bps EBITDA margin improvement in FY22E.

Key Finances

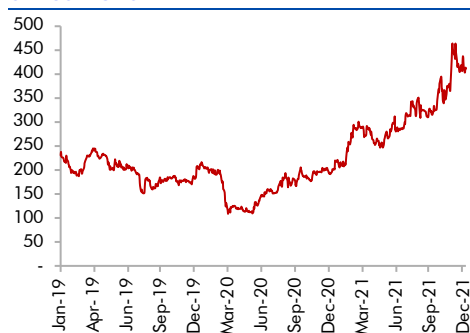
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	2,213	23.5	216.0	63.4	19.5	15.0	3.5	2.0
FY2023E	2,595	23.9	293.0	83.0	21.5	11.5	2.8	1.6

Source: Company, Angel Research

Stock Info

CMP	420
TP	520
Upside	24%
Sector	Auto
Market Cap (₹ cr)	5,813
Beta	1.1
52 Week High / Low	475/190

3-Year-Chart



Source: Company, Angel Research

Suprajit Engg.

- Suprajit Engineering (SEL), is the largest supplier of automotive cables to the domestic OEMs with a presence across both 2Ws and PVs. Over the years, SEL has evolved from a single product/client company in India to have a diversified exposure which coupled with its proposition of low-cost player has enabled it to gain market share and more business from existing customers.
- SEL has outperformed the Indian Auto industry in recent years (posting positive growth vs low double-digit declines for the domestic 2W and PV industry in FY21). The company believes that consolidation of vendors and new client additions would help in maintaining the trend of market/wallet share gains.
- SEL has grown profitably over the years and as a result, it boasts a strong balance sheet (net cash). We believe SEL is a prime beneficiary of a ramp-up in production by OEMs across the globe and is well insulated from the threat of EV (is developing new products). Its premium valuations are justified in our opinion owing to its strong outlook and top-grade quality of earnings.

Key Finances

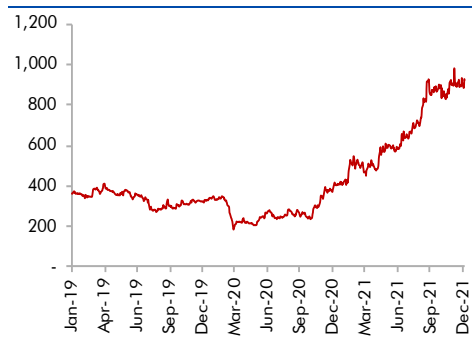
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	1,969	14.8	168	12.2	16.2	33.5	5.3	3.2
FY2023E	2,916	15.3	268	19.3	22.9	21.2	4.6	2.1

Source: Company, Angel Research

Stock Info

CMP	921
TP	1,100
Upside	19%
Sector	Others
Market Cap (₹ cr)	17,485
Beta	0.7
52 Week High / Low	1008/368

3-Year-Chart



Source: Company, Angel Research

Carborundum Universe

- Carborundum Universal (CUMI) is a leading manufacturer of abrasives, industrial ceramics, refractories, and electro minerals (EMD) in India having application across diversified user industries. CUMI is expected to benefit from improving demand scenarios across its end-user industries such as auto, auto components, engineering, basic metals, infrastructure, and power.
- CUMI has shown good execution in recent quarters with a strong performance in Abrasives and EMD segments. Within Abrasive, the company is gaining market share (supply chain issues/preference for Indian suppliers) and should benefit from a good end-user industry demand. EMD performance is likely to sustain owing to strong pricing and volumes (due to the China+1 strategy of its customers).
- Overseas operations have also improved and operations are expected to be at normal levels. We believe that CUMI's leadership position in the domestic abrasives market, well-diversified presence, launches of value-added products, and healthy cost advantages would sustain the improvement in profitability and enhance cash generation.

Key Finances

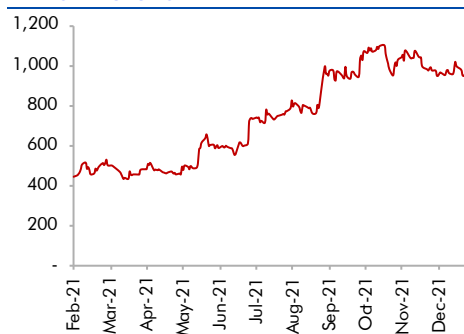
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	3,247	19.5	432	22.8	18.6	40.5	6.8	5.0
FY2023E	3,851	19.2	516	27.2	19.0	33.9	5.8	4.1

Source: Company, Angel Research

Stock Info

CMP	957
TP	1,288
Upside	35%
Sector	Others
Market Cap (₹ cr)	3,134
Beta	1.0
52 Week High / Low	1135/400

11-Months-Chart



Source: Company, Angel Research

Stove Kraft

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

Key Finances

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	1160.2	10.8	75.3	23.1	20.0	41.3	8.3	4.7
FY2023E	1369.0	11.7	105.3	32.3	21.8	29.5	6.5	3.5

Source: Company, Angel Research

Stock Info

CMP	869
TP	1,126
Upside	30%
Sector	Others
Market Cap (₹ cr)	1,946
Beta	0.6
52 Week High / Low	985/503

3-Year-Chart



Source: Company, Angel Research

Safari Inds.

- Safari Industries (India) Ltd (SIIL) is amongst the leading luggage players with a market share of ~18% market share in the organized sector. Being a market leader in the mass segment as well as a shift from unorganized to organized sectors would benefit SIIL.
- Over the last three years, the company has outperformed luggage Industries in terms of sales growth. The company has a wide distribution network which would support growth going ahead. Focused product strategy and diversified product portfolio are likely to boost growth.
- Going forward, we expect SIIL to report strong top-line and bottom-line growth on the back of strong growth in the organized sector, wide distribution network, strong brand and promoter initiatives.

Key Finances

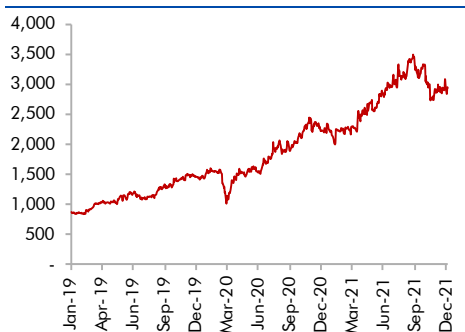
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	652.0	8.5	27.0	11.9	13.2	71.4	9.5	3.1
FY2023E	1024.0	10.3	63.0	28.3	24.4	30.0	7.4	2.0

Source: Company, Angel Research

Stock Info

CMP	2,892
TP	3,440
Upside	19%
Sector	Chemical
Market Cap (₹ cr)	43,873
Beta	0.8
52 Week High / Low	3533/1982

3-Year-Chart



Source: Company, Angel Research

PI Industries

- PI Industries is a leading player in providing Custom Synthesis and Manufacturing Solutions (CSM) to global Agrochemical players. The CSM business accounted for over 70% of the company's revenues in FY21 and is expected to be the key growth driver for the company in the future.
- The company has been increasing its share of high-margin CSM business driven by strong relationship with global agrochemical players. PI is leveraging its chemistry skill sets and is looking to diversify its CSM portfolio to Electronic Chemicals, Pharma API, Fluoro Chemicals, etc. which will help drive business.
- We expect PI Industries to post Revenue/PAT CAGR of 20.0%/22.5% between FY21-FY24 driven by 20% growth in the CSM business over the next 2-3 years. Moreover, foray into new segments like Electronic Chemicals and APIs will also help drive growth over the next 3-4 years for the company.

Key Finances

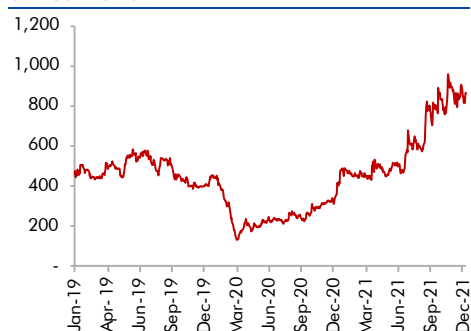
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	5602.9	23.0	932.4	61.3	15.1	47.9	3.6	7.4
FY2023E	6695.9	23.3	1133.7	74.6	15.8	39.4	3.1	6.1

Source: Company, Angel Research

Stock Info

CMP	864
TP	1,050
Upside	22%
Sector	Others
Market Cap (₹ cr)	8,194
Beta	1.3
52 Week High / Low	977/320

3-Year-Chart



Source: Company, Angel Research

Sobha

- The company operates in Residential and Commercial real-estate along with Contractual business. 70% of residential pre-sales for Sobha comes from the Bangalore market which is the main IT hub in India and we expect new hiring by the IT industry will increase residential demand in the South India market.
- Ready to move inventory and under construction inventory levels have moved down to their lowest levels. Customers are now having a preference towards branded players like Sobha Developers.
- The company expects to launch 17 new projects/phases spread over 12.56mn sqft across various geographies. The majority of launches will be coming from the existing land bank of approximately. 200mn Sqft of salable area.

Key Finances

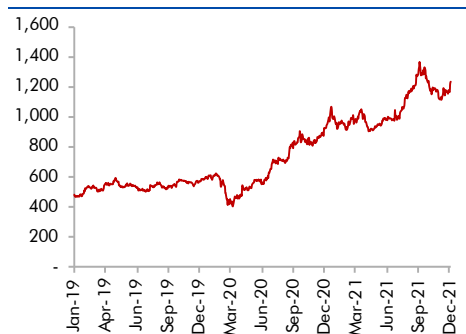
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	2706.2	0.6	201.0	21.2	7.8%	40.4	3.1	2.8
FY2023E	3597.5	0.6	749.0	79.0	23.1%	10.9	2.5	2.1

Source: Company, Angel Research

Stock Info

CMP	1,267
TP	1,363
Upside	8%
Sector	IT
Market Cap (₹ cr)	3,43,740
Beta	0.8
52 Week High / Low	1377/890

3-Year-Chart



Source: Company, Angel Research

HCL Technologies

- HCL Tech (HCLT) is amongst the top four IT services companies based out of India and provides a vast gamut of services like ADM, Enterprise Solutions, Infrastructure Management Services etc.
- IT Services witnessed robust growth of 5.2% QoQ CC in Q2FY22. New deal TCV at USD 2.3bn was up by 38% YoY and included 4 large deals. Strong deal wins will help drive growth in the services business which should make up for any shortfall in the product business due to the delays in deal signing.
- At CMP the stock is trading at a significant discount to the other large-cap IT companies like Infosys and TCS and offers tremendous value at current levels given market leader status in Infrastructure Management Services.

Key Finances

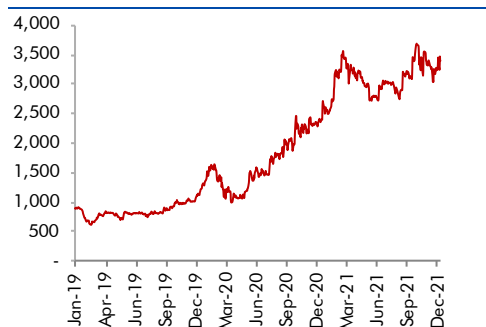
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	84,844	19.3	13,234	48.1	19.0	25.5	10.0	3.8
FY2023E	97,991	19.4	15,007	54.5	19.0	22.5	8.8	3.2

Source: Company, Angel Research

Stock Info

CMP	3,332
TP	4,150
Upside	25%
Sector	Others
Market Cap (₹ cr)	11,225
Beta	0.5
52 Week High / Low	3788/2287

3-Year-Chart



Source: Company, Angel Research

Amber Enterp.

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

Key Finances

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)
FY2022E	4004.0	7.1	150.4	45.4	8.6	74.7	6.3	2.7
FY2023E	5620.0	8.6	262.7	78.9	13.1	43.0	5.5	2.0

Source: Company, Angel Research

Stock bought in Last 6 Month

Stock	Date	Reco	Price
Galaxy Surfact.	7-Jul-21	BUY	3,135
AU Small Finance	9-Jul-21	BUY	1,148
Dalmia BharatLtd	15-Jul-21	BUY	2,218
Safari Inds.	19-Jul-21	BUY	742
HDFC Bank	5-Aug-21	BUY	1,490
Sona BLW Precis.	25-Aug-21	BUY	484
Bajaj Electrical	27-Aug-21	BUY	1,189
Sobha	31-Aug-21	BUY	627
P I Industries	9-Sep-21	BUY	3,420
Amber Enterp.	14-Sep-21	BUY	3243.00
Sobha	22-Sep-21	BUY	729.00
Lemon Tree Hotel	23-Sep-21	BUY	43.25
Whirlpool India	29-Sep-21	BUY	2,299
Ramkrishna Forg.	13-Oct-21	BUY	1,220
HCL Technologies	20-Dec-21	BUY	1,159

Source: Company, Angel Research

Stock sold in last 6 Month

Stock	Date	Reco	Price
Quess Corp	15-Jul-21	EXIT	751
Apollo Hospitals	27-Jul-21	EXIT	4,100
IDFC First Bank	5-Aug-21	EXIT	47
Galaxy Surfact.	18-Aug-21	EXIT	2,997
Jindal Steel	23-Aug-21	EXIT	362
Godrej Propert.	25-Aug-21	EXIT	1,437
Escorts	31-Aug-21	EXIT	1,348
Sobha	7-Sep-21	EXIT	780
Crompton Gr. Con	14-Sep-21	EXIT	484.00
Dalmia BharatLtd	22-Sep-21	EXIT	2,143
Bajaj Electrical	24-Sep-21	EXIT	1,499
L & T Infotech	27-Sep-21	EXIT	5,950
GNA Axles	19-Oct-21	EXIT	1,076
Whirlpool India	3-Nov-21	EXIT	2,074
Shri.City Union.	6-Dec-21	EXIT	2,066
Lemon Tree Hotel	17-Dec-21	EXIT	47.25

Source: Company, Angel Research

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Over 12 months investment period)* Buy (> 15%)

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Reduce (-5% to -15%)
Hold (Fresh purchase not recommended)

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

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