



TOP PICKS REPORT

NOVEMBER 2016



Top Picks

Company	CMP (₹)	TP (₹)
Banking/NBFC		
Dewan Housing	317	350
Equitas Holdings	176	235
Consumption		
Amara Raja	1,029	1,218
Asian Granito	267	351
Bajaj Electricals	261	306
Blue Star	557	634
Mirza International	91	113
Siyaram Silk Mills	1,554	1,714
IT		
HCL Tech	764	1,000
Infosys	981	1,249
Media		
Jagran Prakashan	195	225
TV Today	349	385
Real Estate/infra/Logistics		
Mahindra Lifespace	421	522
Navkar Corp.	203	265

Source: Angel Research;
 Note: CMP as of Nov 2, 2016

Ongoing earning season confirms revival in domestic consumption

In October 2016 Top Picks report, we had shown faith in the India's consumption story. The ongoing earning season confirms our bias as companies in the consumption sector have reported decent set of numbers so far. Most notably, companies in automobile sector have emerged as beneficiary of the ongoing recovery in the consumer demand. The management commentary of following the results indicated that some green shots of recovery are seen in rural market and more growth will be visible in the next few quarters. We also observe improving sales and operating margins of some companies from food processing, pesticide, paint, and plastic industries. As the consumer demand strengthens, corporate earnings are also expected to pick-up.

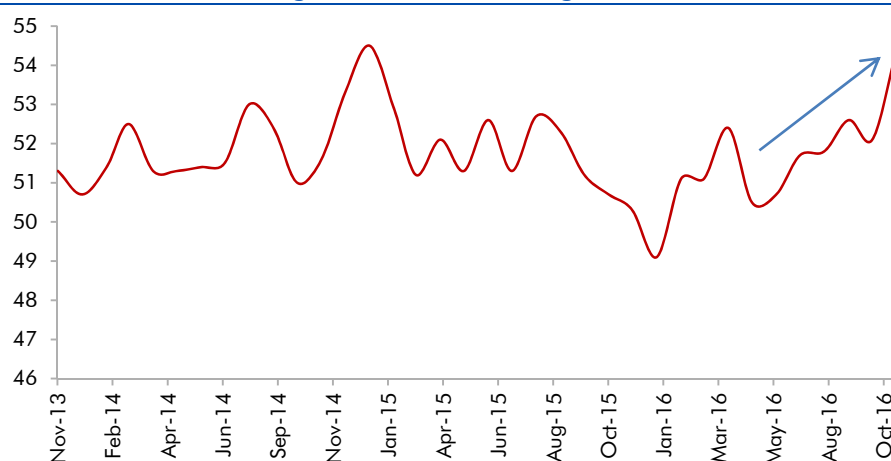
Exhibit 1: Revival trends in Q2FY17 in consumption sectors

Sector	Observations
Automobile	Strong volume and earnings growth, rural volumes picking up
Building materials, home furnishing	Improving sales of ceramic tiles, plastic pipes, plywoods, laminates etc.
Entertainment/ Media	Increasing traction in Ad spending by corporates
Consumer durables	Increase in domestic appliances and AC sales, 20% rise in sales reported by E-commerce sites (Flipkart, Amazon and Snapdeal) in 1 st week of October

Source: Company, Angel Research

Latest PMI suggests manufacturing sector is gathering steam

Our confidence also stems from the October reading of Nikkei India Manufacturing PMI, which stood at 54.4%, highest in the last 22 months suggesting that domestic manufacturing sector is undergoing recovery on the back of healthy increase in orders and output.

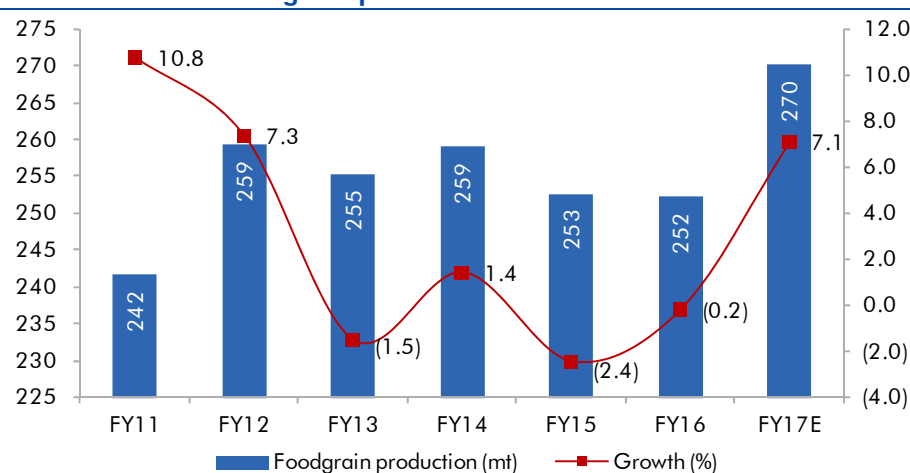
Exhibit 2: Manufacturing PMI at 22 month high


Source: Angel Research

Record food grain production to pave way for further rate cut

Thanks to the monsoon this year, a record food grain production is expected in FY17. This will further help to curb the food inflation in the country. On this backdrop, RBI may cut the interest rates which will decline bond yields further. Due to low yields, equity has emerged as an attractive asset class and this can clearly be seen from the negative FII inflows in the debt this year so far. In the earlier instances when FII inflows in debt were negative, equity generated strong returns in the subsequent year. The falling bond yields and improving macros are possibly indicating that we will see a strong equity market next year and inflows will also remain strong.

Exhibit 3: Record food grain production on cards



Source: Angel Research

Liquidity support to continue

As the economy is gearing for a GDP growth of 7-8% in next two years, equity markets look bit concerned over possible rate hike by the Federal Reserve (Fed) which may cause some liquidity tightening. There is, however, good scope to believe that liquidity may sustain going forward. Last year, the Fed increased the interest rate after a gap of 7 years and there haven't been any further hikes so far. Even though Fed has given green signal for December hike, we believe that rate hike will be gradual which will avoid any tremors in the financial markets. The Bank of Japan and European Central Bank continue to provide liquidity support through their liquidity oriented monetary policies. So, there is a strong room to believe that ample liquidity will remain in the markets in near future.

Overall, this year we are seeing a lot of positive things happening in the Indian economy. However, there could also be some challenges if Fed goes for accelerated interest rate hikes instead of gradual hikes. Despite this, we believe that India remains an attractive market for investors due to recovery in consumer demand and improving macros.

Our top-picks are focused on companies that will benefit from strong consumption and low interest rates. This includes stocks from interest sensitive sectors like Dewan Housing, Mahindra Lifespace, etc., and consumption sector like Bajaj Electrical, Amara Raja, Blue Star, Asian Granito, Mirza International, etc.

Top Picks

Stock Info

CMP	317
TP	350
Upside	10.4%
Sector	Financials
Market Cap (₹ cr)	9,984
Beta	1.6
52 Week High / Low	337 / 141

3 year-Chart

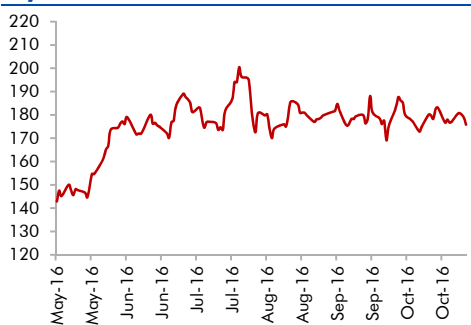


Source: Company, Angel Research

Stock Info

CMP	176
TP	235
Upside	33.5%
Sector	Financials
Market Cap (₹ cr)	5,989
Beta	0.9
52 Week High / Low	206 / 134

3 year-Chart



Source: Company, Angel Research

Dewan Housing

- **3rd largest private sector housing finance company:** We expect DHFL's AUM to grow at a CAGR of 21% over FY2016-18, as demand for housing in the middle and low income group picks up, while PAT CAGR is expected to be 23%.
- **Seasoned and granular loan book with stable asset quality:** Individual borrowers account for 72%, while the high yielding loan against property (LAP) +SME and projects loans account for 19% and 9% of advances respectively. Despite strong loan growth, the GNPA's and NNPA's are likely to be at ~1.17% and 0.82%, respectively, for FY2017. We don't expect any major deterioration in the asset quality going ahead.
- **Lower cost of funds will help maintain NIM:** Nearly 70% of the bank borrowings are due for maturity over the next three years and recently DHFL was able to raise large sum ~ Rs14, 000 cr via NCDs at a competitive rates and this should help maintain its NIM at ~2.9%.
- **Outlook:** We expect the company to post a healthy loan book CAGR of 21% over FY2015-18E, which is likely to translate in an earnings CAGR of 23%, over the same period. The stock currently trades at 1.5x FY2018E ABV. **We have an Accumulate stand on the stock, with a target price of ₹350.**

Key Financials

Y/E	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
March									
FY2017E	2,050	2.9	879	28.1	187.8	1.2	15.6	11.3	1.7
FY2018E	2,500	2.9	1,111	35.5	216.4	1.2	16.5	8.9	1.5

Source: Company, Angel Research

Equitas Holdings

- **Early mover advantage in the SFB category:** Equitas was one of the ten NBFCs to get the license to start a small finance bank (SFB). As the entire book of Equitas qualifies for PSL, meeting the 75% PSL target will not be a challenge. Sizeable and diversified loan book will keep it ahead of other upcoming SFBs.
- **Asset quality and return ratios are likely to remain stable:** Equitas will have to maintain CRR & SLR going ahead; hence yield on total assets is likely to come down. However, as a bank it will be able to raise deposits and hence there will be reduction in cost of funds. As a result, spreads may not decline much which in turn will help in maintaining the ROE & ROA which although could undergo a marginal decline. Also we don't expect any major deterioration in the asset quality going ahead.
- **NIM likely to remain healthy:** After conversion to SFB the company has started raising deposits at a lower cost vs borrowings leading to better cost of funds. Hence we expect the NIM to remain strong at ~10-11%, going ahead.
- **Outlook:** We expect the company to post a strong loan book & earnings CAGR of 38% & 37% over FY2016-18E. The stock currently trades at 2.3x FY2018E BV. **We maintain Buy on the stock, with a target price of ₹235.**

Key Financials

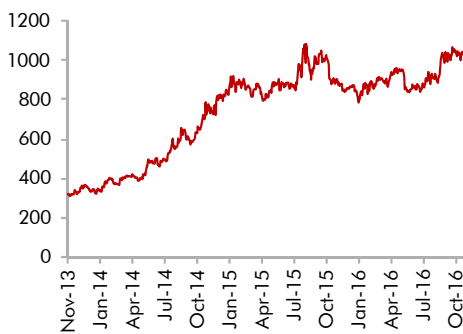
Y/E	Op. Inc (₹ cr)	NIM (%)	PAT (₹ cr)	EPS (₹)	ABV (₹)	ROA (%)	ROE (%)	P/E (x)	P/ABV (x)
March									
FY2017E	1,076	11.7	224	6.7	68.2	2.8	12.4	26.3	2.6
FY2018E	1,465	11.4	315	9.4	77.6	2.8	12.9	18.7	2.3

Source: Company, Angel Research

Stock Info

CMP	1,029
TP	1,218
Upside	18.4%
Sector	Auto Ancillary
Market Cap (₹ cr)	17,571
Beta	0.8
52 Week High / Low	1,077 / 773

3 year-Chart



Source: Company, Angel Research

Stock Info

CMP	267
TP	351
Upside	31.4%
Sector	Ceramics
Market Cap (₹ cr)	799
Beta	1.4
52 Week High / Low	304 / 109

3 year-Chart



Source: Company, Angel Research

Amara Raja Batteries

- Amara Raja Batteries Ltd (ARBL) is the second largest lead acid storage battery manufacturer in the country. It has been outpacing market leader Exide (ARBL grew at a 21% CAGR over FY2010-16 as compared to standalone Exide's growth of 7%), leading to its market share improving from 25% in FY10 to about 35% currently. ARBL's outperformance has been mainly on back of its association with global battery leader Johnson Controls Inc (which also holds 26% stake in ARBL) for manufacturing ducts.
- With the automotive OEMs following a policy of having multiple vendors and with ARBL's products enjoying a strong brand recall in the replacement segment, the company is well poised to gain further market share. Given the economic recovery and market share gains, the company is expected to grow at a CAGR of 18% over the next two years as against industry growth of 10-12%.
- ARBL is a well diversified auto ancillary player having presence across the automotive and the industrial segment. It has a broad OEM as well as replacement customer base. We believe ARBL is a high quality stock to play the auto sector revival. **We maintain our 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)
FY2017E	5,429	17.5	604	35.3	25.3	29.5	6.7	15.8	3.1
FY2018E	6,471	17.6	742	43.5	24.8	23.7	5.4	13.0	2.5

Source: Company, Angel Research

Asian Granito

- AGIL's current, vitrified sales (35%) are lower as compared to its peers like Somany Ceramics (47%) and Kajaria Ceramics (61%). Recently, AGIL has launched various products in premium segment. Going forward, we expect AGIL's profit margin to improve due to increase in focus for higher vitrified product sales, which is a high margin business.
- AGIL is continuously putting efforts to increase the B2C sales from the current level (35% in FY16). It is expected to reach up to 50% in next 2-3 years on the back of various initiatives taken by AGIL to increase direct interaction with customers like strengthening distribution network, participation in key trade exhibition, etc.
- In July FY2016, AGIL acquired Artistique Ceramic which has a better margin profile. Going forward, we expect the company to improve its operating margin from 7.5% in FY16 (excluding merger) to 12-12.5% in coming financial year. Artistique Ceramics has a contract with RAS GAS to supply quality natural gas at a discounted rate of 50% to current market rate, which would reduce the overall power & fuel cost of the company.
- We expect AGIL to report a net revenue CAGR of ~9% to ~₹1,182cr and net profit CAGR of ~39% to ₹48cr over FY2016-18E. **We have a Buy rating on the stock and target price of ₹351.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,071	12.1	38	12.7	9.5	21.0	2.0	8.2	1.0
FY2018E	1,182	12.4	48	16.0	10.7	16.7	1.8	7.2	0.9

Source: Company, Angel Research

Stock Info

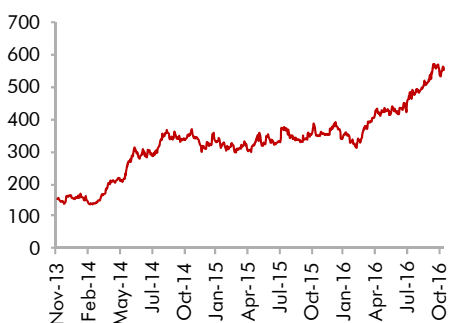
CMP	261
TP	306
Upside	17.2%
Sector	Cons. Durable
Market Cap (₹ cr)	2,632
Beta	0.9
52 Week High / Low	280 / 155

3 year-Chart


Source: Company, Angel Research

Stock Info

CMP	557
TP	634
Upside	13.8%
Sector	Cons. Durable
Market Cap (₹ cr)	5,307
Beta	0.6
52 Week High / Low	581 / 306

3 year-Chart


Source: Company, Angel Research

Bajaj Electricals

- The company is among the top 4 players in the consumer durables space across all its product categories (leader in small appliances; number-4 in fans and lighting). It has a strong distribution reach with 4,000 distributors reaching out to 400,000 retailers.
- In the 3 years preceding FY2016, the company's E&P segment had been underperforming owing to cost overruns and delays in project executions. However, the segment has turned around in FY2016 on the profitability front and delivered a healthy EBIT margin of ~6% for the year. Currently the segment's order book stands at ₹2,480cr.
- With expectation of timely execution of new projects in the E&P segment and with the Lighting and Consumer Durables segments expected to benefit from an improvement in consumer sentiments going forward, we expect the company's top-line to grow at a CAGR of ~12% to ₹5,805cr and bottom-line to grow at a CAGR of 24% to ₹147cr over FY2016-FY2018E. **We recommend a Buy rating on the stock.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	5,099	5.6	115	11.4	13.4	22.9	3.1	9.5	0.5
FY2018E	5,805	5.9	147	14.6	15.1	17.9	2.7	7.9	0.5

Source: Company, Angel Research

Blue Star

- BSL is one of the largest air-conditioning companies in India. With a mere 3% penetration level of ACs vs 25% in China, the overall outlook for the room air-conditioner (RAC) market in India is favourable.
- BSL's RAC business has been outgrowing the industry by ~10% points over the last few quarters, resulting in the company consistently increasing its market share (~7% in FY2014 to 10.5% at present). This has resulted in the Cooling Products Division (CPD)'s share in overall revenues increasing from ~23% in FY2010 to ~42% in FY2016 (expected to improve to ~47% in FY2018E). With strong brand equity and higher share in split ACs, we expect the CPD to continue to drive growth.
- Aided by increasing contribution from the CPD, we expect the overall top-line to post a revenue CAGR of ~16% over FY2016-18E and margins to improve from 5.3% in FY2015 to 7.3% in FY2018E. Moreover, the merger of Blue Star Infotech has infused cash and strengthened the balance sheet. **We have an Accumulate recommendation 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)
FY2017E	4,283	5.9	141	14.9	20.4	37.4	7.3	20.1	1.3
FY2018E	5,077	7.3	211	22.1	26.4	25.2	6.1	13.6	1.1

Source: Company, Angel Research

Stock Info

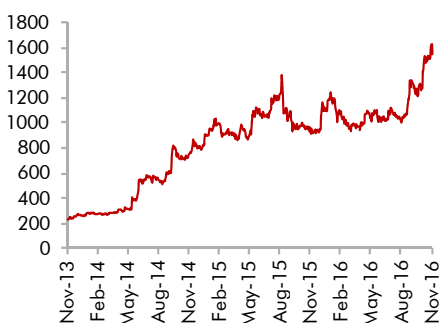
CMP	91
TP	113
Upside	24.2 %
Sector	Footwear
Market Cap (₹ cr)	1,095
Beta	1.5
52 Week High / Low	145 / 84

3 year-Chart


Source: Company, Angel Research

Stock Info

CMP	1,554
TP	1,714
Upside	10.2%
Sector	Textile
Market Cap (₹ cr)	1,457
Beta	0.8
52 Week High / Low	1,690/912

3 year-Chart


Source: Company, Angel Research

Mirza International

- In the branded domestic segment, we expect the company to report a ~24% CAGR over FY2016-18E to ₹346cr. We anticipate strong growth for the company on the back of (a) the company's wide distribution reach through its 1,000+ outlets including 120 exclusive brand outlets (EBOs) in 35+ cities and the same are expected to reach 200 over the next 2-3 years and (b) strong branding (Red Tape) in the shoes segment.
- MIL's major export revenue comes from the UK (73%), followed by the US (14%) and the balance from ROW. Export constitutes ~75% of the company's total revenue. We expect the company to report healthy growth over the next 2-3 years on back of recovery in the UK market, strong growth in the US market and with it tapping newer international geographies like the Middle East countries.
- In FY2016, the company acquired Genesis Footwear which has a better margin profile than it. The deal resulted in MIL's EPS increasing by ~4% and ROE improving from 15.9% to 17.5%. Further, due to this merger, the company's capacity has increased from 5.4mn to 6.4mn units.
- We expect MIL to report a net revenue CAGR of ~11% to ~₹1,148cr and net profit CAGR of ~11% to ₹97cr over FY2016-18E. **We have a Buy rating on the stock and target price of ₹113.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,024	18.0	83	6.9	16.6	13.2	2.2	7.3	1.3
FY2018E	1,148	18.0	97	8.0	16.2	11.4	1.9	6.4	1.1

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 ~₹2,040cr and adj.net profit CAGR of ~14% to ₹115cr over FY2016-18E on back of market leadership in blended fabrics, strong brand building, wide distribution channel, strong presence in tier II and tier III cities and emphasis on latest designs and affordable pricing points. At the current market price, SSML trades at an inexpensive valuation. **We have an Accumulate recommendation on the stock and target price of ₹1,714.**

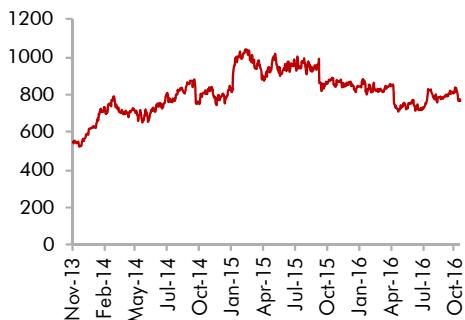
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,799	11.6	98	104.9	16.4	14.8	2.4	8.5	1.0
FY2018E	2,040	11.7	115	122.4	16.4	12.7	2.1	7.4	0.9

Source: Company, Angel Research

Stock Info

CMP	764
TP	1,000
Upside	30.8%
Sector	IT
Market Cap (₹ cr)	1,07,831
Beta	0.6
52 Week High / Low	890 / 707

3 year-Chart


Source: Company, Angel Research

HCL Technologies

- Healthy pipeline:** Company's engineering services has been seeing lumpy growth over the last few quarters. This is however largely a function of the timing of large transformational deals. 6-8 of the large deals signed a few quarters ago will aid the company to continue to post industry leading growth. We expect HCL Tech to post a USD and INR revenue CAGR of 16.3% and 18.0%, respectively, over FY2016–18E (inclusive of the acquisition of Geometric Software and the Volvo deal).
- Robust outlook:** For FY2017 revenues are expected to grow between 12.0-14.0% in CC. Revenue guidance is based on FY2016 (April to March'2016) average exchange rates. The above constant currency guidance translates to 11.2% to 13.2% growth in US\$ terms.
- Outlook and Valuations:** The stock is attractively valued at the current market price and hence we maintain our Buy with a price target of ₹1,000.

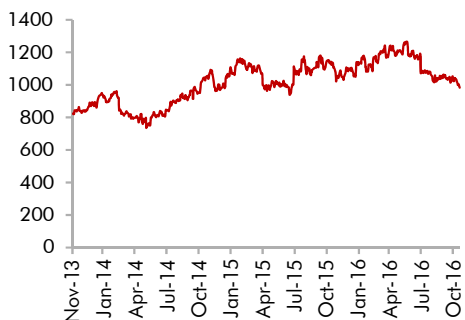
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
June	(₹cr)	(%)	(₹cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	49,242	20.5	7,862	55.7	20.3	13.7	3.0	10.0	2.0
FY2018E	57,168	20.5	9,037	64.1	17.9	11.9	2.3	8.0	1.7

Source: Company, Angel Research

Stock Info

CMP	981
TP	1,249
Upside	27.3%
Sector	IT
Market Cap (₹ cr)	2,25,353
Beta	0.8
52 Week High / Low	1,278 / 980

3 year-Chart


Source: Company, Angel Research

Infosys

- Revenue guidance for FY17:** The Management has lowered its guidance for FY2017, to 8-9% in CC terms and 9.2-10.2% in INR terms (exchange rate as on March 31, 2016). For FY2016, the company posted a 13.3% growth in CC terms V/s a guidance of 12.8-13.2% growth (in CC). We expect the company to post ~9.0% USD revenue growth in FY2017.
- Aims to be US\$20bn company by FY20:** Company expects its revenue to rise to US\$20bn by FY2020, up from US\$8.7bn in FY2015, as it focuses on acquisitions and winning more new technology services, implying a 14% CAGR over the period. Over the near term, we expect Infosys to post a 9.0% USD revenue growth in FY2017. Over FY2016-18E, we expect USD and INR revenue to grow at a CAGR of 9.0% and 9.5%, respectively.
- Outlook and Valuations:** The stock trades at a valuation of 14.1x FY2018E earnings. We recommend Buy on the stock with a price target of ₹1,249.

Key Financials

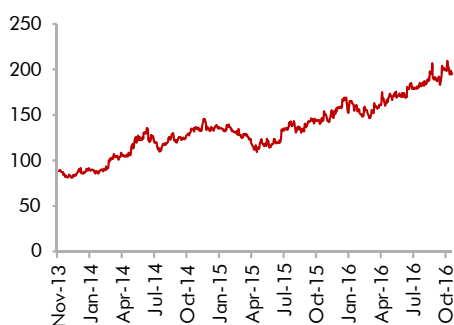
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	68,350	27.0	14,354	62.5	21.3	15.7	3.3	10.8	2.9
FY2018E	77,236	27.0	15,928	69.4	21.6	14.1	3.1	9.4	2.5

Source: Company, Angel Research

Stock Info

CMP	195
TP	225
Upside	15.4%
Sector	Media
Market Cap (₹ cr)	6,378
Beta	0.6
52 Week High / Low	213/139

3 year-Chart

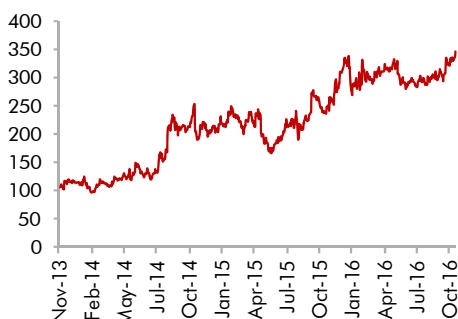


Source: Company, Angel Research

Stock Info

CMP	349
TP	385
Upside	10.3%
Sector	Media
Market Cap (₹ cr)	2,079
Beta	1.3
52 Week High / Low	360 /230

3 year-Chart



Source: Company, Angel Research

Jagran Prakashan

- We expect JPL to register a net sales CAGR of ~12% over FY2016-18E, on back of (a) strong growth in advertising revenue due to improvement in GDP growth, and (b) improvement in circulation revenue owing to combination of increase in cover price and volume growth.
- Further the acquisition of Radio City would also boost the company's revenue going ahead. Radio City has ~20 stations across 7 states in the country and is second only to ENIL in all its operating circles, ie Delhi, Mumbai, Bengaluru, Chennai, Ahmedabad, Hyderabad, Pune and Lucknow. The company covers ~51% (~66mn people) of the total radio population.
- Raw material prices have been in a declining trend. Thus, considering lower news print costs, healthy sales, and higher margins in the radio business, we expect an adj. net profit CAGR of ~12% over FY2016-18E to ₹409cr.
- Considering Dainik Jagran's strong presence in the rapidly growing Hindi markets, we expect JPL to benefit from an eventual recovery in the Indian economy. **Hence, we maintain a Buy rating on the stock with a target price of ₹225.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	2,355	28.0	353	10.8	21.7	18.1	3.9	10.0	2.7
FY2018E	2,635	28.0	409	12.5	21.7	15.6	3.4	8.7	2.4

Source: Company, Angel Research

TV Today Network

- TTNL enjoys a strong viewership ranking in the Hindi and English news channel categories. The company's Hindi news channel – Aaj Tak has maintained its market leadership position occupying the No.1 rank for several consecutive years in terms of viewership. Its English news channel - India Today too has been continuously gaining viewership; it has now captured the No. 2 ranking from No. 4 earlier. Its other channels like Dilli Aaj Tak and Tez are also popular among viewers.
- Out of the 7 radio stations, TTNL has sold off 4 (Jodhpur, Amritsar, Patiala and Shimla) for ₹4cr. The remaining 3 stations are in the process of getting sold off to ENIL but the sale will have to wait until concerns raised by the MIB are resolved. Going forward, we expect them to be sold off and this would prop up the company's profitability.
- We expect TTNL to report a net revenue CAGR of ~16% to ~₹743cr and net profit CAGR of ~16% to ₹128cr over FY2016-18E. **We have an Accumulate recommendation on the stock and target price of ₹385**

Key Financials

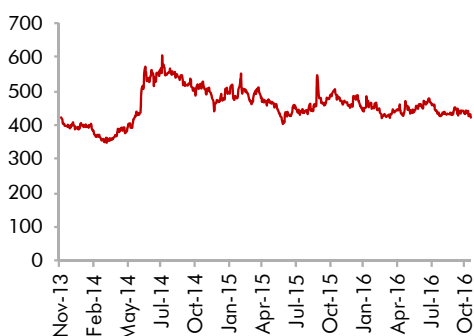
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	637	27.5	110	18.4	17.4	19.0	3.3	9.7	2.9
FY2018E	743	27.5	128	21.4	17.2	16.3	2.8	7.9	2.4

Source: Company, Angel Research

Stock Info

CMP	421
TP	522
Upside	24.0%
Sector	Real Estate
Market Cap (₹ cr)	1,728
Beta	0.4
52 Week High / Low	518 / 415

3 year-Chart

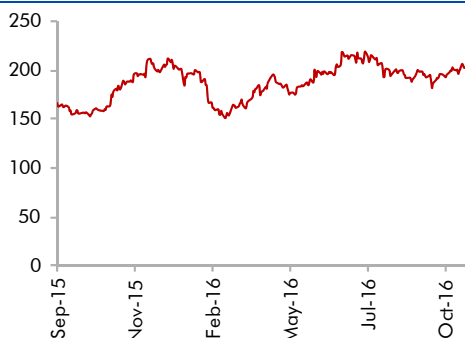


Source: Company, Angel Research

Stock Info

CMP	203
TP	265
Upside	30.5%
Sector	Logistics
Market Cap (₹ cr)	2,893
Beta	0.6
52 Week High / Low	224 / 151

3 year-Chart



Source: Company, Angel Research

Mahindra Lifespace

- MLF has 13 projects under implementation across cities. MLF has exhibited fast completion of projects compared to others. Sales cycle in ~65% of projects is faster than execution cycle, contrary to industry trends. This fast execution and sales is optimal, as it helps MLF in revenue recognition, inventory cycle (better than Oberoi, DLF), cash flows and profitability. This translates in creating a virtuous cycle of continuous fast growth.
- MLF as of 4QFY2016 is pursuing ~4.0mn sq. ft. of sale of the total ~15.0mn sq. ft. of saleable area. Having sold ~60% of ongoing projects, we expect MLF to launch ~2.8mn sq.ft. of saleable area in rational way during 4QFY2016-2QFY2018E, across 6 cities. Maturity at existing projects, new launches give better revenue visibility for medium-term. Further, MLF is sitting on land bank of 11.0mn sq.ft across 4 cities, which allays any concern over long-term revenue growth.
- With Real Estate Regulatory Bill closer to reality, MLF should be minimally impacted, given their strong parentage and ethically implemented processes. In the longer-term organized, professionally run, well funded players would enjoy strong trust due to their reliable and fast execution strategies. With improvement in company's fundamentals, strong earnings growth visibility and long-term growth outlook, at current valuations of 1.1x FY2017E P/BV, MLF looks attractive. **We maintain BUY on MLF with target price of ₹522.**

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	1,152	22.7	75	29.9	7.6	14.6	1.0	15.7	2.2
FY2018E	1,300	24.6	138	35.8	8.6	11.8	1.0	10.1	1.9

Source: Company, Angel Research

Navkar

- NCL is one of the largest and one of the three CFS at JNPT with rail connectivity, helping it garner high market share at the port. NCL is in a massive expansion mode where it is increasing its capacity by 234% to 1,036,889 TEUs at JNPT and coming up with an ICD at Vapi (with Logistics Park).
- The ICD with rail link should benefit from first mover advantage in a region that has huge market potential and accounts for ~27% of volumes at JNPT. The ICD should be able to capture the EXIM volumes from the region through rail link that till now was being custom cleared at JNPT (Import) or being transported via road and consolidated at JNPT (Export). South Gujarat volumes will now head straight to the Vapi ICD; thus the company can now cater to bulk commodities and domestic traffic that it had been rejecting owing to capacity constraints at CFS.
- We expect NCL to successfully use its rail advantage and scale up its utilizations at both JNPT and Vapi ICD. **We have a Buy rating on the stock.**

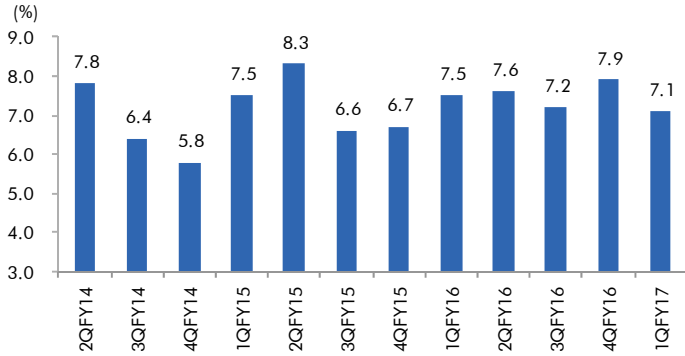
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2017E	408	42.9	97	6.8	6.9	30.0	2.1	18.8	8.0
FY2018E	612	42.3	164	11.5	10.5	17.6	1.9	12.7	5.3

Source: Company, Angel Research

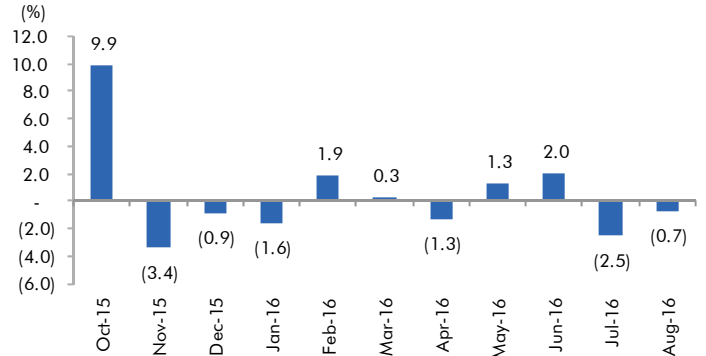
Macro watch

Exhibit 4: Quarterly GDP trends



Source: CSO, Angel Research

Exhibit 5: IIP trends



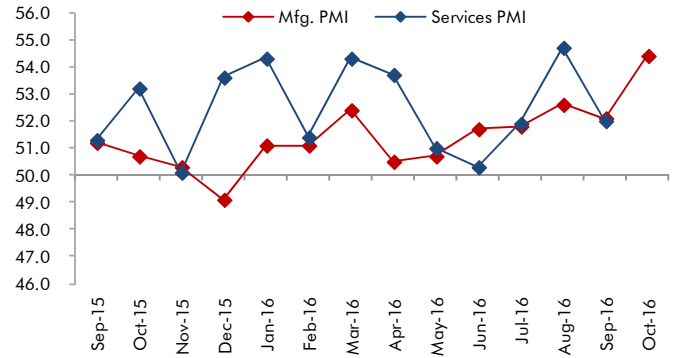
Source: MOSPI, Angel Research

Exhibit 6: Monthly CPI inflation trends



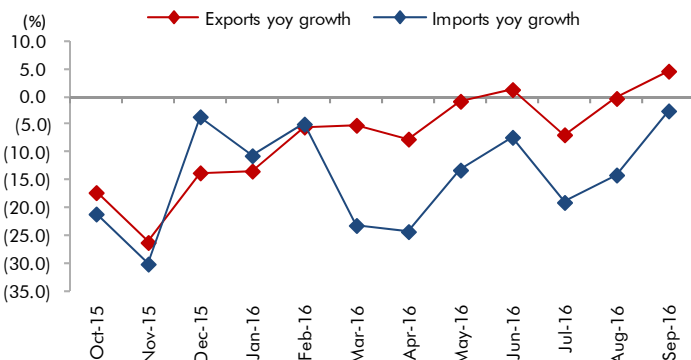
Source: MOSPI, Angel Research

Exhibit 7: Manufacturing and services PMI



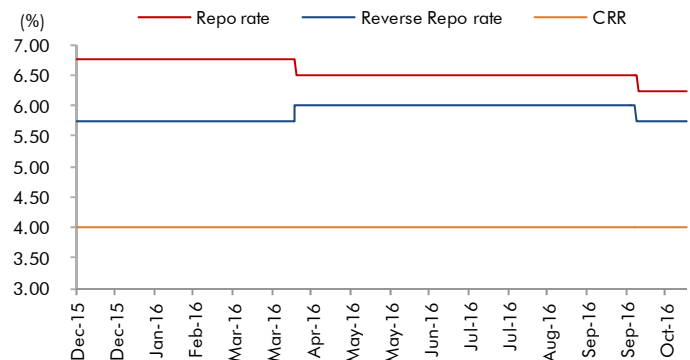
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 8: Exports and imports growth trends



Source: Bloomberg, Angel Research

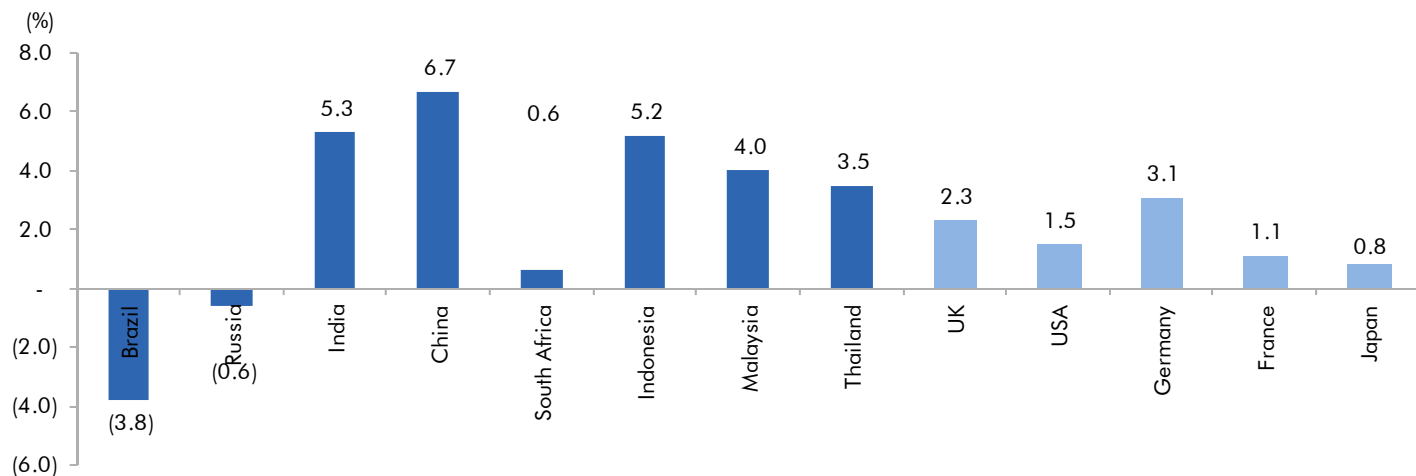
Exhibit 9: Key policy rates



Source: RBI, Angel Research

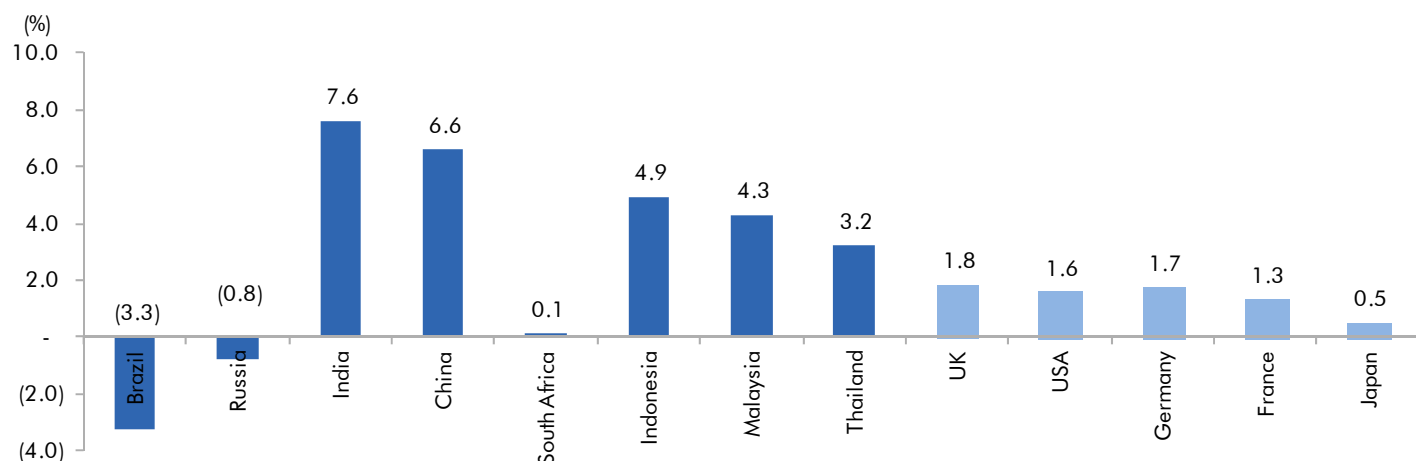
Global watch

Exhibit 10: Latest quarterly GDP Growth (% yoy) across select developing and developed countries



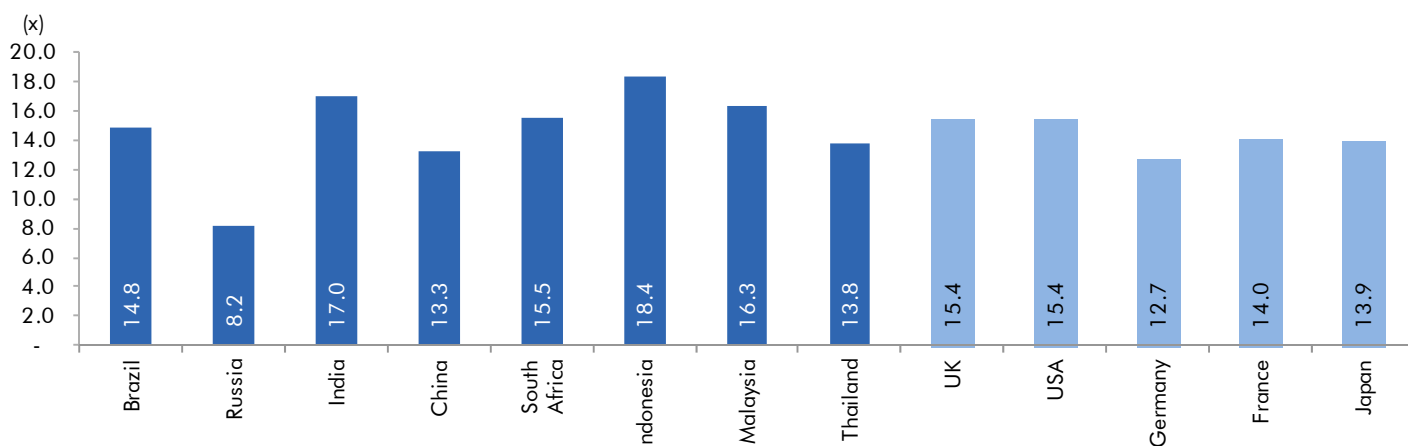
Source: Bloomberg, Angel Research

Exhibit 11: 2016 GDP Growth projection by IMF (% yoy) across select developing and developed countries



Source: IMF, Angel Research

Exhibit 12: One year forward P-E ratio across select developing and developed countries



Source: IMF, Angel Research

Exhibit 13: Relative performance of indices across globe

Country	Name of index	Closing price	Returns (%)		
			1M	3M	1YR
Brazil	Bovespa	63,326	8.5	11.6	34.6
Russia	Micex	1,969	(0.1)	2.1	14.4
India	Nifty	8,514	(0.9)	(1.8)	3.1
China	Shanghai Composite	3,103	4.1	1.7	(9.1)
South Africa	Top 40	43,835	(2.9)	(3.9)	(9.4)
Mexico	Mexbol	47,303	0.1	1.6	4.3
Indonesia	LQ45	925	(2.0)	(0.2)	14.9
Malaysia	KLCI	1,660	0.4	0.4	(2.8)
Thailand	SET 50	938	(0.7)	(0.8)	2.6
USA	Dow Jones	17,960	(1.5)	(1.5)	0.7
UK	FTSE	6,845	(2.0)	3.2	7.5
Japan	Nikkei	17,135	4.2	3.4	(9.0)
Germany	DAX	10,371	(0.6)	2.7	(4.0)
France	CAC	4,415	(0.3)	2.1	(10.4)

Source: Bloomberg, 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)		
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E
Agri / Agri Chemical																			
Rallis	Neutral	216	-	4,208	1,937	2,164	13.3	14.3	9.0	11.0	24.0	19.7	4.2	3.7	18.4	19.8	2.2	1.9	
United Phosphorus	Neutral	680	-	34,470	15,176	17,604	18.5	18.5	37.4	44.6	18.2	15.2	3.6	3.0	21.4	21.2	2.4	2.0	
Auto & Auto Ancillary																			
Ashok Leyland	Buy	90	111	25,556	22,407	26,022	10.6	10.6	5.2	6.4	17.2	14.0	3.9	3.3	23.6	24.7	1.2	1.0	
Bajaj Auto	Neutral	2,818	-	81,533	25,093	27,891	19.5	19.2	143.9	162.5	19.6	17.3	5.5	4.7	30.3	29.3	3.0	2.6	
Bharat Forge	Neutral	852	-	19,838	7,726	8,713	20.5	21.2	35.3	42.7	24.1	20.0	4.5	4.0	18.9	20.1	2.6	2.3	
Eicher Motors	Neutral	24,780	-	67,305	16,583	20,447	17.5	18.0	598.0	745.2	41.4	33.3	14.2	10.8	41.2	38.3	3.9	3.1	
Gabriel India	Accumulate	121	130	1,739	1,544	1,715	9.0	9.3	5.4	6.3	22.4	19.2	4.2	3.7	18.9	19.5	1.1	1.0	
Hero Motocorp	Accumulate	3,324	3,541	66,381	30,958	34,139	15.7	15.7	193.6	208.3	17.2	16.0	6.7	5.6	34.2	30.5	2.0	1.8	
Jamna Auto Industries	Neutral	225	-	1,794	1,486	1,620	9.8	9.9	15.0	17.2	15.0	13.1	3.3	2.8	21.8	21.3	1.3	1.2	
L G Balakrishnan & Bros	Neutral	684	-	1,074	1,302	1,432	11.6	11.9	43.7	53.0	15.7	12.9	2.2	2.0	13.8	14.2	0.9	0.8	
Mahindra and Mahindra	Neutral	1,369	-	85,049	46,534	53,077	11.6	11.7	67.3	78.1	20.3	17.5	3.3	2.9	15.4	15.8	1.8	1.5	
Maruti	Neutral	5,799	-	175,164	69,186	82,217	14.7	14.4	198.5	241.4	29.2	24.0	5.7	4.6	20.2	19.9	2.2	1.8	
Minda Industries	Neutral	384	-	3,050	2,728	3,042	9.0	9.1	68.2	86.2	5.6	4.5	1.3	1.0	23.8	24.3	1.2	1.0	
Motherson Sumi	Neutral	323	-	45,358	45,896	53,687	7.8	8.2	13.0	16.1	24.8	20.1	8.0	6.4	34.7	35.4	1.1	0.9	
Rane Brake Lining	Neutral	1,084	-	858	511	562	11.3	11.5	28.1	30.9	38.6	35.1	5.9	5.3	15.3	15.0	1.8	1.7	
Setco Automotive	Neutral	42	-	562	741	837	13.0	13.0	15.2	17.0	2.8	2.5	0.5	0.4	15.8	16.3	1.1	1.0	
Tata Motors	Neutral	514	-	148,402	300,209	338,549	8.9	8.4	42.7	54.2	12.0	9.5	1.9	1.6	15.6	17.2	0.6	0.5	
TVS Motor	Neutral	401	-	19,030	13,390	15,948	6.9	7.1	12.8	16.5	31.4	24.2	7.8	6.2	26.3	27.2	1.5	1.2	
Amara Raja Batteries	Buy	1,029	1,218	17,571	5,429	6,471	17.5	17.6	35.3	43.5	29.1	23.6	6.7	5.4	25.3	24.8	3.1	2.5	
Exide Industries	Neutral	197	-	16,749	7,439	8,307	15.0	15.0	8.1	9.3	24.3	21.2	3.4	3.0	14.3	16.7	1.9	1.7	
Apollo Tyres	Buy	199	235	10,145	12,877	14,504	14.3	13.9	21.4	23.0	9.3	8.7	1.4	1.3	16.4	15.2	0.9	0.9	
Ceat	Buy	1,204	1,450	4,869	7,524	8,624	13.0	12.7	131.1	144.3	9.2	8.3	1.7	1.4	19.8	18.6	0.7	0.6	
Indag Rubber	Neutral	189	-	497	286	326	19.8	16.8	11.7	13.3	16.2	14.2	2.7	2.6	17.8	17.1	1.4	1.2	
JK Tyres	Neutral	143	-	3,246	7,455	8,056	15.0	15.0	21.8	24.5	6.6	5.8	1.4	1.1	22.8	21.3	0.6	0.5	
Swaraj Engines	Neutral	1,375	-	1,708	660	810	15.2	16.4	54.5	72.8	25.2	18.9	7.9	7.1	31.5	39.2	2.4	1.9	
Subros	Neutral	167	-	999	1,488	1,681	11.7	11.9	6.4	7.2	26.0	23.2	2.7	2.5	10.8	11.4	0.9	0.8	
Banking																			
Axis Bank	Buy	476	630	113,538	46,932	53,575	3.5	3.4	32.3	44.6	14.7	10.7	1.9	1.64	13.6	16.5	-	-	
Bank of Baroda	Neutral	150	-	34,539	19,980	23,178	1.8	1.8	11.5	17.3	13.0	8.7	1.5	1.2	8.3	10.1	-	-	
Canara Bank	Neutral	294	-	15,972	15,225	16,836	1.8	1.8	14.5	28.0	20.3	10.5	1.4	1.1	5.8	8.5	-	-	
Dewan Housing Finance	Accumulate	317	350	9,926	2,225	2,688	2.9	2.9	29.7	34.6	10.7	9.2	1.7	1.5	16.1	16.8	-	-	
Equitas Holdings	Buy	176	235	5,894	939	1,281	11.7	11.5	5.8	8.2	30.3	21.4	2.6	2.3	10.9	11.5	-	-	
Federal Bank	Neutral	79	-	13,642	9,353	10,623	2.9	2.9	4.4	5.8	18.0	13.7	1.7	1.5	9.5	11.0	-	-	
HDFC	Neutral	1,404	-	221,952	11,475	13,450	3.4	3.4	45.3	52.5	31.0	26.7	6.0	5.3	20.2	20.5	-	-	
HDFC Bank	Accumulate	1,246	1,350	315,468	46,097	55,433	4.5	4.5	58.4	68.0	21.3	18.3	3.7	3.13	18.8	18.6	-	-	
ICICI Bank	Neutral	272	-	158,194	39,029	45,903	3.3	3.3	16.7	16.3	16.3	16.7	2.0	1.8	10.1	12.4	-	-	
LIC Housing Finance	Accumulate	573	630	28,930	3,712	4,293	2.6	2.5	39.0	46.0	14.7	12.5	2.8	2.4	19.9	20.1	-	-	

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)		
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	
Punjab Natl.Bank	Neutral	137	-	29,100	23,532	23,595	2.3	2.4	6.8	12.6	20.1	10.9	3.1	2.2	3.3	6.5	-	-	
RBL Bank	Neutral	382	-	14,129	1,783	2,309	2.6	2.6	12.7	16.4	30.1	23.3	3.3	2.9	12.8	13.3	-	-	
South Ind.Bank	Neutral	23	-	3,112	6,435	7,578	2.5	2.5	2.7	3.1	8.5	7.4	1.1	0.9	10.1	11.2	-	-	
St Bk of India	Neutral	251	-	195,079	88,650	98,335	2.6	2.6	13.5	18.8	18.6	13.4	1.8	1.6	7.0	8.5	-	-	
Union Bank	Neutral	139	-	9,562	13,450	14,925	2.3	2.3	25.5	34.5	5.5	4.0	0.8	0.7	7.5	10.2	-	-	
Yes Bank	Neutral	1,211	-	50,974	8,978	11,281	3.3	3.4	74.0	90.0	16.4	13.5	3.1	2.6	17.0	17.2	-	-	
Capital Goods																			
ACE	Neutral	56	-	551	709	814	4.1	4.6	1.4	2.1	39.8	26.5	1.6	1.5	4.4	6.0	0.9	0.8	
BEML	Neutral	916	-	3,813	3,451	4,055	6.3	9.2	31.4	57.9	29.2	15.8	1.8	1.6	6.3	10.9	1.2	1.0	
BGR Energy	Neutral	119	-	858	16,567	33,848	6.0	5.6	7.8	5.9	15.3	20.2	0.9	0.8	4.7	4.2	0.1	0.1	
Bharat Electronics	Accumulate	1,302	1,414	31,244	8,137	9,169	16.8	17.2	58.7	62.5	22.2	20.8	3.4	3.1	44.6	46.3	2.8	2.5	
BHEL	Neutral	137	-	33,606	28,797	34,742	-	2.8	2.3	6.9	59.7	19.9	1.0	1.0	1.3	4.8	0.8	0.6	
Blue Star	Accumulate	557	634	5,307	4,283	5,077	5.9	7.3	14.9	22.1	37.4	25.1	7.3	6.1	20.4	26.4	1.3	1.1	
Crompton Greaves	Neutral	77	-	4,835	5,777	6,120	5.9	7.0	3.3	4.5	23.4	17.1	1.0	1.0	4.4	5.9	0.8	0.7	
Greaves Cotton	Neutral	137	-	3,351	1,755	1,881	16.8	16.9	7.8	8.5	17.6	16.1	3.5	3.3	20.6	20.9	1.6	1.4	
Inox Wind	Neutral	218	-	4,827	5,605	6,267	15.7	16.4	24.8	30.0	8.8	7.3	2.4	1.8	25.9	24.4	0.9	0.8	
KEC International	Neutral	123	-	3,160	9,294	10,186	7.9	8.1	9.9	11.9	12.4	10.3	1.8	1.6	15.6	16.3	0.6	0.5	
Thermax	Neutral	851	-	10,137	5,421	5,940	7.3	7.3	25.7	30.2	33.1	28.2	4.0	3.7	12.2	13.1	1.7	1.6	
VATech Wabag	Buy	489	681	2,664	3,136	3,845	8.9	9.1	26.0	35.9	18.8	13.6	2.4	2.0	13.4	15.9	0.7	0.6	
Voltas	Accumulate	373	407	12,347	6,511	7,514	7.9	8.7	12.9	16.3	28.9	22.9	5.2	4.6	16.7	18.5	1.6	1.4	
Cement																			
ACC	Neutral	1,491	-	27,995	11,225	13,172	13.2	16.9	44.5	75.5	33.5	19.7	3.2	2.9	11.2	14.2	2.5	2.1	
Ambuja Cements	Neutral	241	-	47,775	9,350	10,979	18.2	22.5	5.8	9.5	41.5	25.3	3.5	3.1	10.2	12.5	5.1	4.4	
India Cements	Neutral	155	-	4,763	4,364	4,997	18.5	19.2	7.9	11.3	19.6	13.7	1.4	1.4	8.0	8.5	1.8	1.6	
JK Cement	Neutral	909	-	6,356	4,398	5,173	15.5	17.5	31.2	55.5	29.1	16.4	3.5	3.0	12.0	15.5	2.0	1.7	
J K Lakshmi Cement	Buy	482	565	5,676	2,913	3,412	14.5	19.5	7.5	22.5	64.3	21.4	4.0	3.3	12.5	18.0	2.5	2.1	
Orient Cement	Buy	171	215	3,503	2,114	2,558	18.5	20.5	8.1	11.3	21.1	15.1	3.1	2.6	9.0	14.0	2.3	1.8	
UltraTech Cement	Neutral	3,895	-	106,892	25,768	30,385	21.0	23.5	111.0	160.0	35.1	24.3	4.5	3.9	13.5	15.8	4.2	3.5	
Construction																			
Engineers India	Neutral	262	-	8,840	1,725	1,935	16.0	19.1	11.4	13.9	23.0	18.9	3.2	3.1	13.4	15.3	4.0	3.6	
Gujarat Pipavav Port	Neutral	168	-	8,127	705	788	52.2	51.7	5.0	5.6	33.6	30.0	3.3	3.0	11.2	11.2	11.2	9.5	
ITNL	Neutral	105	-	3,467	8,946	10,017	31.0	31.6	8.1	9.1	13.0	11.6	0.5	0.5	4.2	5.0	3.7	3.4	
KNR Constructions	Accumulate	722	802	2,032	1,385	1,673	14.7	14.0	41.2	48.5	17.5	14.9	3.3	2.8	14.9	15.2	1.5	1.3	
Larsen & Toubro	Buy	1,446	1,700	134,801	67,665	77,249	10.7	11.5	57.3	71.2	25.2	20.3	2.3	2.2	12.6	14.3	2.2	1.9	
MEP Infra	Neutral	41	-	674	1,877	1,943	30.6	29.8	3.0	4.2	13.8	9.9	6.7	4.5	0.6	0.6	1.7	1.6	
Nagarjuna Const.	Neutral	89	-	4,953	8,842	9,775	9.1	8.8	5.3	6.4	16.8	13.9	1.3	1.2	8.2	9.1	0.7	0.6	
NBCC	Neutral	240	-	14,373	7,428	9,549	7.9	8.6	8.2	11.0	29.2	21.8	1.5	1.1	28.2	28.7	1.6	1.2	
PNC Infratech	Buy	120	143	3,087	2,350	2,904	13.1	13.2	9.0	8.8	13.4	13.7	0.5	0.4	15.9	13.9	1.4	1.2	
Power Mech Projects	Neutral	495	-	728	1,801	2,219	12.7	14.6	72.1	113.9	6.9	4.3	1.3	1.1	16.8	11.9	0.4	0.3	

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)		
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E
Sadbhav Engineering	Accumulate	269	298	4,606	3,598	4,140	10.3	10.6	9.0	11.9	29.8	22.6	3.1	2.7	9.9	11.9	1.6	1.3	
Simplex Infra	Neutral	322	-	1,592	6,829	7,954	10.5	10.5	31.4	37.4	10.2	8.6	1.1	1.0	9.9	13.4	0.7	0.6	
SIPL	Neutral	100	-	3,513	1,036	1,252	65.5	66.2	(8.4)	(5.6)	-	-	3.7	4.3	(22.8)	(15.9)	11.6	9.7	
FMCG																			
Asian Paints	Neutral	1,062	-	101,872	17,128	18,978	16.8	16.4	19.1	20.7	55.6	51.3	19.3	18.2	34.8	35.5	5.9	5.3	
Britannia	Accumulate	3,303	3,626	39,622	9,795	11,040	14.6	14.9	80.3	94.0	41.1	35.1	16.9	13.1	41.2	-	3.9	3.4	
Colgate	Neutral	956	-	26,011	4,605	5,149	23.4	23.4	23.8	26.9	40.2	35.6	22.2	17.4	64.8	66.8	5.6	5.0	
Dabur India	Neutral	294	-	51,772	8,315	9,405	19.8	20.7	8.1	9.2	36.3	32.0	10.1	8.4	31.6	31.0	5.9	5.2	
GlaxoSmith Con*	Neutral	5,943	-	24,992	4,350	4,823	21.2	21.4	179.2	196.5	33.2	30.2	8.8	7.5	27.1	26.8	5.1	4.5	
Godrej Consumer	Neutral	1,563	-	53,227	10,235	11,428	18.4	18.6	41.1	44.2	38.0	35.4	8.4	7.1	24.9	24.8	5.3	4.7	
HUL	Neutral	841	-	182,110	35,252	38,495	17.8	17.8	20.6	22.4	40.8	37.6	38.9	33.4	95.6	88.9	5.0	4.6	
ITC	Buy	237	284	286,440	40,059	44,439	38.3	39.2	9.0	10.1	26.4	23.4	7.4	6.4	27.8	27.5	6.6	6.0	
Marico	Accumulate	269	300	34,648	6,430	7,349	18.8	19.5	6.4	7.7	42.0	34.9	12.7	10.7	33.2	32.5	5.2	4.5	
Nestle*	Neutral	6,749	-	65,067	10,073	11,807	20.7	21.5	124.8	154.2	54.1	43.8	22.2	20.0	34.8	36.7	6.3	5.3	
Procter & Gamble	Neutral	7,160	-	23,243	2,939	3,342	23.2	23.0	146.2	163.7	49.0	43.7	109.7	105.1	25.3	23.5	7.4	6.5	
Tata Global	Neutral	135	-	8,517	8,675	9,088	9.8	9.8	7.4	8.2	18.2	16.5	2.1	2.0	7.9	8.1	0.9	0.8	
IT																			
HCL Tech ^	Buy	764	1,000	107,803	49,242	57,168	20.5	20.5	55.7	64.1	13.7	11.9	2.8	2.1	20.3	17.9	2.0	1.7	
Infosys	Buy	981	1,249	225,353	68,350	77,326	27.0	27.0	62.5	69.4	15.7	14.1	3.3	3.1	21.3	21.6	2.7	2.4	
TCS	Accumulate	2,304	2,620	454,075	119,025	133,308	27.6	27.6	131.2	145.5	17.6	15.8	5.7	5.2	32.4	33.1	3.6	3.2	
Tech Mahindra	Buy	430	600	41,740	29,673	32,937	15.5	17.0	32.8	39.9	13.1	10.8	2.6	2.2	19.6	20.7	1.1	1.0	
Wipro	Buy	458	590	111,315	55,440	60,430	18.1	18.1	35.9	39.9	12.8	11.5	2.3	2.1	19.0	19.3	1.7	1.6	
Media																			
D B Corp	Neutral	381	-	7,005	2,297	2,590	27.4	28.2	21.0	23.4	18.2	16.3	4.2	3.7	23.7	23.1	2.8	2.5	
Hindustan Media Ven.	Neutral	301	-	2,209	1,016	1,138	24.3	25.2	27.3	30.1	11.0	10.0	2.1	1.9	16.2	15.8	1.5	1.3	
HT Media	Neutral	86	-	2,000	2,693	2,991	12.6	12.9	7.9	9.0	10.9	9.6	0.9	0.9	7.8	8.3	0.3	0.2	
Jagran Prakashan	Buy	195	225	6,378	2,355	2,635	28.0	28.0	10.8	12.5	18.1	15.6	3.9	3.4	21.7	21.7	2.7	2.4	
Sun TV Network	Neutral	534	-	21,048	2,850	3,265	70.1	71.0	26.2	30.4	20.4	17.6	5.2	4.6	24.3	25.6	7.0	6.0	
TV Today Network	Accumulate	349	385	2,079	637	743	27.5	27.5	18.4	21.4	19.0	16.3	3.3	2.8	17.4	17.2	2.9	2.4	
Metal																			
Coal India	Neutral	328	-	206,987	84,638	94,297	21.4	22.3	24.5	27.1	13.4	12.1	5.6	5.3	42.6	46.0	2.0	1.8	
Hind. Zinc	Neutral	270	-	113,957	14,252	18,465	55.9	48.3	15.8	21.5	17.1	12.5	2.8	2.4	17.0	20.7	8.0	6.2	
Hindalco	Neutral	156	-	32,286	107,899	112,095	7.4	8.2	9.2	13.0	17.0	12.0	0.8	0.8	4.8	6.6	0.8	0.8	
JSW Steel	Neutral	1,634	-	39,494	53,201	58,779	16.1	16.2	130.6	153.7	12.5	10.6	1.7	1.5	14.0	14.4	1.5	1.3	
NMDC	Neutral	138	-	54,852	6,643	7,284	44.4	47.7	7.1	7.7	19.5	18.0	1.7	1.6	8.8	9.2	6.0	5.4	
SAIL	Neutral	51	-	21,229	47,528	53,738	(0.7)	2.1	(1.9)	2.6	-	19.8	0.6	0.5	(1.6)	3.9	1.3	1.2	
Tata Steel	Neutral	414	-	40,174	121,374	121,856	7.2	8.4	18.6	34.3	22.2	12.1	1.4	1.3	6.1	10.1	1.0	0.9	
Vedanta	Neutral	218	-	64,704	71,744	81,944	19.2	21.7	13.4	20.1	16.3	10.9	1.4	1.3	8.4	11.3	1.3	1.0	

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)		
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E
Oil & Gas																			
Cairn India	Neutral	241	-	45,184	9,127	10,632	4.3	20.6	8.8	11.7	27.4	20.6	0.9	0.9	3.3	4.2	6.4	5.3	
GAIL	Neutral	429	-	54,392	56,220	65,198	9.3	10.1	27.1	33.3	15.8	12.9	1.4	1.3	9.3	10.7	1.2	1.0	
Indian Oil Corp	Neutral	316	-	153,495	373,359	428,656	5.9	5.5	54.0	59.3	5.9	5.3	0.9	0.8	16.0	15.6	0.6	0.5	
ONGC	Neutral	277	-	237,287	137,222	152,563	15.0	21.8	19.5	24.1	14.2	11.5	1.2	1.1	8.5	10.1	2.0	1.8	
Reliance Industries	Neutral	1,024	-	332,043	301,963	358,039	12.1	12.6	87.7	101.7	11.7	10.1	1.2	1.1	10.7	11.3	1.6	1.3	
Pharmaceuticals																			
Alembic Pharma	Neutral	673	-	12,679	3,483	4,083	20.2	21.4	24.3	30.4	27.7	22.1	6.3	5.0	25.5	25.3	3.6	3.0	
Aurobindo Pharma	Accumulate	789	877	46,170	15,720	18,078	23.7	23.7	41.4	47.3	19.1	16.7	5.0	3.9	29.6	26.1	3.2	2.7	
Cadila Healthcare	Neutral	405	-	41,503	11,126	13,148	22.0	22.0	17.1	20.0	23.7	20.3	6.1	4.8	28.8	26.6	3.7	3.1	
Cipla	Neutral	559	-	44,903	15,378	18,089	17.4	18.4	21.6	27.2	25.9	20.5	3.3	2.9	13.7	15.2	3.1	2.6	
Dishman Pharma	Neutral	245	-	3,961	1,718	1,890	22.7	22.8	9.5	11.3	25.8	21.7	2.5	2.3	10.1	10.9	2.8	2.4	
Dr Reddy's	Neutral	3,258	-	53,991	16,043	18,119	23.1	24.7	126.0	157.8	25.9	20.6	3.8	3.3	15.7	17.1	3.3	2.9	
GSK Pharma*	Neutral	2,813	-	23,824	3,528	3,811	16.6	18.8	51.8	59.4	54.3	47.4	14.5	14.5	26.3	30.6	6.5	6.1	
Indoco Remedies	Neutral	282	-	2,597	1,112	1,289	18.2	18.2	13.2	15.6	21.3	18.1	3.8	3.2	19.2	19.2	2.4	2.1	
Ipsca labs	Neutral	596	-	7,520	3,303	3,799	15.3	15.3	17.3	19.7	34.5	30.3	3.0	2.7	9.1	9.4	2.4	2.1	
Lupin	Buy	1,496	1,809	67,423	15,912	18,644	26.4	26.7	58.1	69.3	25.7	21.6	5.0	4.1	21.4	20.9	4.3	3.5	
Sanofi India*	Neutral	4,256	-	9,802	2,357	2,692	17.3	17.3	153.5	169.2	27.7	25.2	4.7	3.8	25.8	28.4	3.8	3.1	
Sun Pharma	Buy	715	944	172,006	31,129	35,258	30.0	30.9	28.0	32.8	25.5	21.8	3.9	3.3	18.7	18.9	5.1	4.3	
Power																			
NTPC	Neutral	156	-	128,712	86,605	95,545	17.5	20.8	11.8	13.4	13.2	11.6	1.3	1.3	10.5	11.1	2.8	2.8	
Power Grid	Neutral	175	-	91,631	25,763	29,762	74.3	73.1	14.8	17.3	11.8	10.1	1.8	1.6	16.9	17.5	7.8	7.4	
Tata Power	Neutral	77	-	20,839	36,916	39,557	17.4	27.1	5.1	6.3	15.1	12.2	1.3	1.2	9.0	10.3	1.6	1.4	
Real Estate																			
MLIFE	Buy	421	522	1,728	1,152	1,300	22.7	24.6	29.9	35.8	14.1	11.8	1.0	1.0	7.6	8.6	2.2	1.9	
Telecom																			
Bharti Airtel	Neutral	310	-	123,720	105,086	114,808	34.5	34.7	12.2	16.4	25.4	18.9	1.7	1.6	6.8	8.4	2.1	1.8	
Idea Cellular	Neutral	74	-	26,754	40,133	43,731	37.2	37.1	6.4	6.5	11.6	11.4	1.0	0.9	8.2	7.6	1.7	1.4	
Others																			
Abbott India	Neutral	4,798	-	10,196	3,153	3,583	14.1	14.4	152.2	182.7	31.5	26.3	154.8	132.2	25.6	26.1	2.9	2.5	
Asian Granito	Buy	267	351	799	1,071	1,182	12.1	12.4	12.7	16.0	21.0	16.7	2.0	1.8	9.5	10.7	1.0	0.9	
Bajaj Electricals	Buy	261	306	2,632	5,099	5,805	5.6	5.9	11.4	14.6	22.9	17.9	3.1	2.7	13.4	15.1	0.5	0.4	
Banco Products (India)	Neutral	215	-	1,540	1,353	1,471	12.3	12.4	14.5	16.3	14.8	13.2	20.5	18.5	14.5	14.6	1.1	1.0	
Coffee Day Enterprises	Neutral	222	-	4,567	2,964	3,260	20.5	21.2	4.7	8.0	-	27.7	2.6	2.3	5.5	8.5	1.9	1.7	
Competent Automobiles	Neutral	193	-	118	1,137	1,256	3.1	2.7	28.0	23.6	6.9	8.2	37.0	33.5	14.3	11.5	0.1	0.1	
Elecon Engineering	Neutral	64	-	702	1,482	1,660	13.7	14.5	3.9	5.8	16.5	11.1	3.9	3.6	7.8	10.9	0.8	0.7	
Finolex Cables	Neutral	440	-	6,732	2,883	3,115	12.0	12.1	14.2	18.6	31.0	23.7	16.5	14.4	15.8	14.6	2.0	1.8	
Garware Wall Ropes	Neutral	549	-	1,201	873	938	12.9	13.1	30.9	34.9	17.8	15.7	2.8	2.4	15.7	15.2	1.3	1.2	
Goodyear India*	Neutral	788	-	1,817	1,598	1,704	10.4	10.2	49.4	52.6	15.9	15.0	73.6	64.6	18.2	17.0	0.8	0.7	

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM (%)		EPS (₹)		PER (x)		P/BV (x)		RoE (%)		EV/Sales (x)	
					FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Hitachi	Neutral	1,510	-	4,106	2,081	2,433	8.8	8.9	33.4	39.9	45.2	37.8	36.5	30.4	22.1	21.4	2.0	1.6
HSIL	Neutral	346	-	2,503	2,384	2,515	15.8	16.3	15.3	19.4	22.6	17.8	22.5	19.3	7.8	9.3	1.2	1.1
Interglobe Aviation	Neutral	940	-	33,870	21,122	26,005	14.5	27.6	110.7	132.1	8.5	7.1	50.8	36.3	168.5	201.1	1.6	1.2
Jyothy Laboratories	Neutral	354	-	6,432	1,440	2,052	11.5	13.0	8.5	10.0	41.7	35.4	10.1	9.3	18.6	19.3	4.7	3.3
Kirloskar Engines India	Neutral	345	-	4,996	2,554	2,800	9.9	10.0	10.5	12.1	32.9	28.5	13.8	13.0	10.7	11.7	1.6	1.4
Linc Pen & Plastics	Neutral	257	-	380	382	420	9.3	9.5	13.5	15.7	19.1	16.4	3.3	2.8	17.1	17.3	1.1	0.9
M M Forgings	Neutral	455	-	549	546	608	20.4	20.7	41.3	48.7	11.0	9.3	62.3	55.2	16.6	17.0	0.8	0.8
Manpasand Bever.	Neutral	709	-	4,057	836	1,087	19.6	19.4	16.9	23.8	42.0	29.8	5.0	4.4	12.0	14.8	4.6	3.4
Mirza International	Buy	91	113	1,095	1,024	1,148	18.0	18.0	6.9	8.0	13.2	11.4	2.2	1.9	16.6	16.2	1.3	1.1
MT Educare	Neutral	132	-	525	366	417	17.7	18.2	9.4	10.8	14.1	12.2	3.1	2.7	22.2	22.3	1.3	1.2
Narayana Hrudaya	Neutral	342	-	6,993	1,873	2,166	11.5	11.7	2.6	4.0	129.4	86.3	7.9	7.2	6.1	8.3	3.8	3.3
Navkar Corporation	Buy	203	265	2,893	408	612	42.9	42.3	6.8	11.5	30.0	17.6	2.1	1.9	6.9	10.5	8.0	5.3
Navneet Education	Neutral	109	-	2,591	1,062	1,147	24.0	24.0	6.1	6.6	17.9	16.4	3.7	3.2	20.5	19.8	2.5	2.3
Nilkamal	Neutral	1,704	-	2,543	1,995	2,165	10.7	10.4	69.8	80.6	24.4	21.1	97.4	84.6	16.6	16.5	1.3	1.1
Page Industries	Neutral	16,144	-	18,007	2,450	3,124	20.1	17.6	299.0	310.0	54.0	52.1	359.6	274.5	47.1	87.5	7.4	5.8
Parag Milk Foods	Neutral	312	-	2,606	1,919	2,231	9.3	9.6	9.4	12.9	33.0	24.1	5.1	4.2	15.5	17.5	1.5	1.3
Quick Heal	Neutral	247	-	1,731	408	495	27.3	27.0	7.7	8.8	31.9	28.1	3.0	3.0	9.3	10.6	3.4	2.8
Radico Khaitan	Neutral	139	-	1,853	1,659	1,802	13.0	13.2	6.3	7.4	22.0	18.9	1.9	1.8	8.6	9.3	1.6	1.4
Relaxo Footwears	Neutral	429	-	5,146	2,085	2,469	9.2	8.2	7.6	7.9	56.7	53.9	22.0	18.8	17.9	18.8	2.6	2.2
S H Kelkar & Co.	Neutral	311	-	4,498	1,036	1,160	15.1	15.0	6.1	7.2	50.9	43.3	5.4	5.0	10.7	11.5	4.2	3.7
Siyaram Silk Mills	Accumulate	1,554	1,714	1,457	1,799	2,040	11.6	11.7	104.9	122.4	14.8	12.7	2.4	2.1	16.4	16.4	1.0	0.9
Styrolution ABS India*	Neutral	636	-	1,119	1,440	1,537	9.2	9.0	40.6	42.6	15.7	14.9	40.0	36.4	12.3	11.6	0.7	0.6
Surya Roshni	Neutral	232	-	1,018	3,342	3,625	7.8	7.5	17.3	19.8	13.4	11.8	25.5	20.5	10.5	10.8	0.6	0.5
Team Lease Serv.	Neutral	994	-	1,699	3,229	4,001	1.5	1.8	22.8	32.8	43.7	30.3	4.7	4.1	10.7	13.4	0.4	0.3
The Byke Hospitality	Neutral	188	-	755	287	384	20.5	20.5	7.6	10.7	24.8	17.6	5.2	4.2	20.7	23.5	2.6	2.0
Transport Corporation	Neutral	183	-	1,399	2,671	2,911	8.5	8.8	13.9	15.7	13.2	11.7	1.8	1.6	13.7	13.8	0.6	0.6
TVS Srichakra	Neutral	3,792	-	2,903	2,304	2,614	13.7	13.8	231.1	266.6	16.4	14.2	426.1	335.5	33.9	29.3	1.3	1.1
UFO Moviez	Neutral	481	-	1,327	619	685	33.2	33.4	30.0	34.9	16.0	13.8	2.2	1.9	13.8	13.9	1.8	1.5
Visaka Industries	Neutral	219	-	349	1,051	1,138	10.3	10.4	21.0	23.1	10.4	9.5	28.1	26.3	9.0	9.2	0.6	0.6
VRL Logistics	Neutral	281	-	2,566	1,902	2,119	16.7	16.6	14.6	16.8	19.3	16.7	4.2	3.7	21.9	22.2	1.5	1.3
Wonderla Holidays	Neutral	375	-	2,121	287	355	38.0	40.0	11.3	14.2	33.2	26.4	4.8	4.2	21.4	23.9	7.1	5.7

Source: Company, Angel Research, Note: *December year end; ^September year end; &October year end; ^ June year end; Price as of November 2, 2016

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

Buy (> 15%)

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

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



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