



# TOP PICKS REPORT

## FEBRUARY 2016



## Angel Top Picks – February 2016

Benchmark indices have seen a sharp fall year to date largely on account of global factors such as the slowdown in the Chinese economy, currency devaluations and fall in crude oil prices. Domestic macro indicators, however, continue to remain favourable, with 3QFY2016 GDP growth exceeding expectations at 7.3%. For consumption growth and inflation, key monitorables will be the seventh pay commission impact and likelihood of good monsoons.

A key trigger for the markets would be if the government is able to present a budget focused on growth and increasing investment spending, while staying firm on the fiscal consolidation path. The sharp reduction in crude prices has offered the Government a windfall that will be diverted towards investments in infrastructure, urban development and welfare schemes. With the backdrop of the budget, we believe select plays focused on infrastructure and housing would be key beneficiaries going ahead.

While global headwinds continue to affect liquidity, India will remain a key beneficiary of lower commodity prices and any delays in US rate hikes. With the correction, markets are now trading at 13.5x FY2017E earnings, which is quite reasonable. In our view this remains a bottom-up stock pickers market, with quality stocks now trading at attractive valuations, which investors can start accumulating at current levels.

### Large Cap

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)	EPS		PER		EV/Sales		ROE	
						FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Amara Raja	Auto & Auto Ancill.	Buy	861	1,040	20.8	28.8	37.1	28.5	23.2	3.0	2.5	23.4	24.1
Ashok Leyland	Auto & Auto Ancill.	Buy	81	111	37.0	3.4	4.7	23.9	17.3	1.2	1.0	17.7	22.2
BEL	Capital Goods	Buy	1,124	1,414	25.8	54.0	61.5	20.8	18.3	2.6	2.2	39.3	45.6
HCL Tech	IT	Buy	809	1,038	28.3	51.1	57.7	15.8	14.0	2.2	1.8	21.5	18.8
HDFC Bank	Financials	Buy	976	1,262	29.3	49.3	61.1	19.8	16.0	-	-	18.5	19.7
Infosys	IT	Buy	1,081	1,347	24.6	59.4	65.7	18.2	16.5	3.3	2.8	21.2	20.1
LIC Housing Finance	Financials	Buy	406	592	45.8	33.0	40.2	12.3	10.1	-	-	19.7	20.5
NBCC	Construction	Buy	839	1,089	29.7	29.6	39.8	28.3	21.1	1.5	1.1	24.1	26.7
TVS Motors	Auto & Auto Ancill	Buy	278	330	18.7	9.2	15.0	30.3	18.5	1.2	1.1	22.7	29.6

Source: Angel Research

### Mid Cap

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)	EPS		PER		EV/Sales		ROE	
						FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Blue Star	Cons. Durable	Buy	329	439	33.6	13.7	17.2	24.0	19.2	0.9	0.8	26.1	25.4
Jagran Prakashan	Media	Buy	156	189	21.2	8.9	9.9	17.6	15.8	2.3	2.1	20.9	20.5
Navkar Corp.	Logistics	Buy	174	265	52.3	5.6	5.9	30.8	29.6	7.6	6.5	6.3	6.1
Radico Khaitan	Breweries & Distilleries	Buy	98	156	59.2	5.8	7.1	16.8	13.7	1.3	1.2	8.6	9.6
Siyaram Silk Mills	Textile	Buy	997	1,354	35.8	89.9	104.1	11.1	9.6	0.7	0.7	17.9	17.8

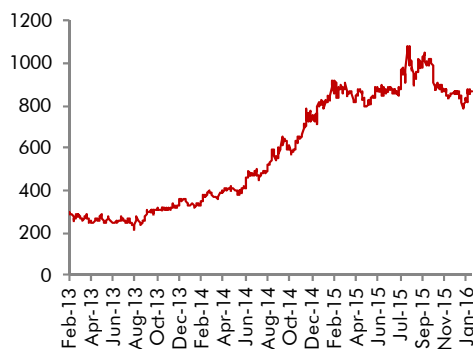
Source: Angel Research

## Top Picks - Large Cap

### Stock Info

CMP	861
TP	1,040
Upside	20.8%
Sector	Auto Ancillary
Market Cap (₹ cr)	14,707
Beta	0.8
52 Week High / Low	1,132 / 773

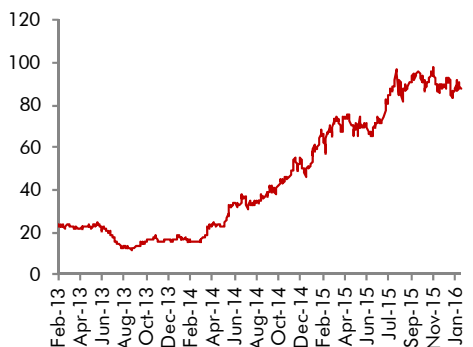
### 3 year-Chart



### Stock Info

CMP	81
TP	111
Upside	37.0%
Sector	Automobile
Market Cap (₹ cr)	23,080
Beta	1.2
52 Week High / Low	100 / 56

### 3 year-Chart



## Amara Raja Batteries

- Amara Raja Batteries Ltd (ARBL) is the second largest lead acid storage battery manufacturer. ARBL has been outpacing market leader Exide (ARBL grew 24% CAGR over FY2010-15 as compared to Exide's growth of 13%), leading to market share improving from 25% in FY10 to about current 35%. ARBL's outperformance is mainly due to of ducts developed with from global battery leader Johnson Controls Inc (which also holds 26% stake in ARBL).
- With the automotive OEM policy of having multiple vendors and a strong brand recall in the replacement segment, ARBL is well poised to further gain market share. Given the economic recovery and market share gains, 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 and a broad OEM as well as replacement customer base. We believe ARBL is a high quality stock to play the auto sector revival. **We assign a P/E multiple of 28x to FY2017E earnings and arrive at a target price of ₹1,040/share.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	4,892	17.4	493	28.8	23.4	28.5	6.9	16.9	3.0
FY2017E	5,871	17.6	634	37.1	24.1	23.2	5.5	14.1	2.5

Source: Company, Angel Research

## Ashok Leyland

- Ashok Leyland Ltd (ALL) is the second largest medium and heavy commercial vehicle (MHCV) manufacturer in the country, commanding a market share of about 28%. The MHCV industry is expected to remain in an uptrend (we expect 15% growth over the next two years) given the better economic growth, improvement in fleet operators profitability on account of firm freight rates and decline in diesel prices and increased infrastructure investments.
- In order to reduce cyclical, ALL is also focusing on increasing light commercial vehicles (LCVs) and exports. ALL-Nissan JV developed LCV - "Dost" has been received well and has captured a market share of 6% within three years of its launch. Also, ALL is targeting new markets in Africa and Middle East to increase export contribution from the current 15% to 33% over the next five years.
- ALL's margins are likely to improve by 400bp yoy over FY2015-17 period on account of double-digit growth in MHCVs and reduced discounting.
- We are positive on ALL, given the cyclical upturn in MHCVs and additional growth avenues. **We assign a multiple of 13x to FY2017E EBITDA to arrive at a target price of ₹111/share.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	17,995	11.4	979	3.4	17.7	23.9	4.2	12.3	1.2
FY2017E	21,544	11.6	1,331	4.7	22.2	17.3	3.8	10.0	1.0

Source: Company, Angel Research

### Stock Info

CMP	1,124
TP	1,414
Upside	25.8%
Sector	Capital Goods
Market Cap (₹ cr)	26,977
Beta	1.2
52 Week High / Low	1,417 / 974

### 3 year-Chart



## Bharat Electronics (BEL)

- (1) High priority of Defense sector in government's 'Make in India' campaign, with emphasis on indigenization, (2) increase in FDI limits from 26% to 49%, and (3) \$47bn worth of projects cleared by Defense Acquisition Council (DAC) in last 20 months, indicate that we are at inflexion point where Indian Defense capex cycle is entering new era of growth. Current bid pipeline, could lead to strong award activity for next few years and BEL could emerge as beneficiary.
- BEL in FY2015 had 37% market share in defense electronics space. Considering (1) bid-pipeline of Indian Airforce and Navy's platform projects, which have high Defense Electronic component, (2) BEL's in-house R&D capabilities, and (3) zero debt status, all point that BEL would maintain its strong market positioning in Defense Electronics space.
- We expect BEL to trade at premium to its historical valuations on account of uptick in investment cycle. Current low competitive intensity and the contention of it justifiably commanding scarcity premium, being largest listed defense player, makes the stock more attractive. We assign 1-year forward P/E multiple of 23.0x to arrive at price target of ₹1,414/share. **Given the upside, we recommend BUY.**

### Key Financials

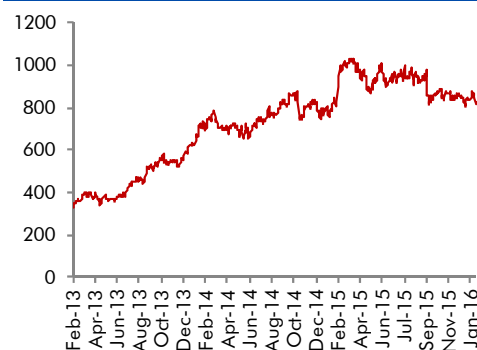
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	7,737	16.8	1,296	54.0	39.3	20.8	3.0	15.5	2.6
FY2017E	8,634	17.2	1,475	61.5	45.6	18.3	2.6	12.9	2.2

Source: Company, Angel Research

### Stock Info

CMP	809
TP	1,038
Upside	28.3%
Sector	IT
Market Cap (₹ cr)	1,14,071
Beta	0.6
52 Week High / Low	1,058 / 798

### 3 year-Chart



## HCL Technologies

- **Healthy pipeline:** In terms of order flow in FY2015, HCL Tech has signed 58 transformational engagements with US\$5bn+ of TCV. During 2QFY2016, the company has signed in excess of US\$1bn in TVC, including 8 transformational deals. The broad-based business wins, across service lines and industry verticals were driven by the company's next-generation offerings. Thus, on back of strong order book, the company expects 2HFY2016 to be better than 1HFY2016.
- **Robust outlook:** We expect HCL Tech to post a USD and INR revenue CAGR of 13.0% and 13.2%, respectively, over FY2015-17E. On the operating front, HCL Tech's EBIT margin has been around 22.3% in FY2015. Going ahead, the Management expects EBIT margins to sustain at 21-22%. We expect the EBIT and PAT to post a 7.7% and 6.0% CAGR, respectively, over FY2015-17E.
- **Outlook and Valuations:** At current valuations, the stock is attractively valued and hence we maintain our buy with a price target of ₹1,038.

### Key Financials

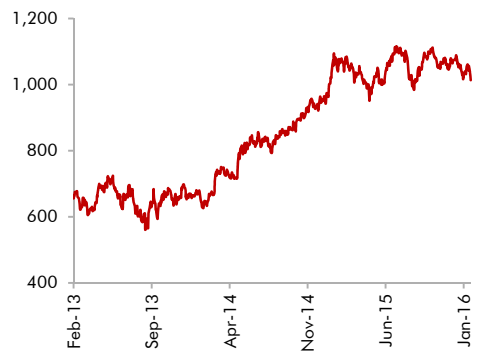
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	42,038	21.2	7,216	51.1	21.5	15.8	3.4	10.5	2.2
FY2017E	47,503	21.5	8,142	57.7	18.8	14.0	2.6	8.2	1.8

Source: Company, Angel Research

### Stock Info

CMP	976
TP	1,262
Upside	29.3%
Sector	Financials
Market Cap (₹ cr)	2,46,559
Beta	0.84
52 Week High / Low	1,128 / 944

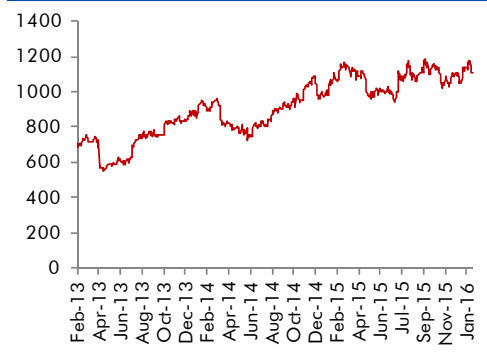
### 3 year-Chart



### Stock Info

CMP	1,081
TP	1,347
Upside	24.6%
Sector	IT
Market Cap (₹ cr)	2,48,334
Beta	0.7
52 Week High / Low	1,219 / 933

### 3 year-Chart



## HDFC Bank

- **Strong capital adequacy, expanding network, to sustain traction in market share:** HDFC Bank's capital adequacy ratio as of 3QFY2016 stood strong at 15.9%, with Tier1 ratio at 13.2%, which positions the bank to continue on its growth path and increase its market share.
- **Asset quality rock-solid:** The bank has been able to maintain its asset quality consistently. Asset quality continued to remain healthy with the Gross NPA ratio and the Net NPA ratio at 0.97% and 0.29%, respectively, as of 3QFY2016, in a challenging macro environment.
- **Outlook:** Credit and deposit growth beat the industry growth rate, driven by strong retail business, healthy CASA and continued network expansion. This provides strong visibility for a robust 20% earnings trajectory, coupled with high quality of earnings. This in our view justifies a premium valuation multiple. At the current market price, the bank is trading at 2.9x FY2017E ABV. **We recommend a Buy rating on the stock, with a target price of ₹1,262.**

### Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2016E	38,309	4.3	12,363	49.3	285.4	1.9	18.5	19.8	3.4
FY2017E	47,302	4.3	15,302	61.0	332.2	1.9	19.7	16.0	2.9

Source: Company, Angel Research

## Infosys

- **Guidance – upgraded to 12.8-13.2% CC growth in FY2016:** During 3QFY2016 Infosys has upgraded its USD revenue growth guidance to 12.8-13.2% V/s from 10-12% on CC basis earlier for FY2016. In INR terms, the company expects a 16.2-16.6% growth for FY2016. We expect the company to post ~12.7% USD revenue growth in FY2016.
- **Aims to be US\$20bn company by FY2020:** Company expects its revenue to rise to US\$20bn by FY2020, up from US\$8.7bn now, as it focuses on acquisitions and win more new technology services, implying a 14% CAGR over the period. Over the near term, we expect Infosys to post a 12.7% USD revenue growth in FY2016. Over FY2015-17E, we expect USD and INR revenue to grow at a CAGR of 12.9% and 14.5%, respectively.
- **Outlook and Valuations:** The stock trades at current valuations of 16.5x FY2017E earnings. **We recommend a Buy on the stock with a price target of ₹1,347.**

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	61,850	27.5	13,631	59.4	21.2	18.2	3.9	12.1	3.3
FY2017E	69,891	27.5	15,087	65.7	20.1	16.5	3.3	10.2	2.8

Source: Company, Angel Research

### Stock Info

CMP	406
TP	592
Upside	45.8%
Sector	Financials
Market Cap (₹ cr)	20,510
Beta	1.41
52 Week High / Low	526 / 389

### 3 year-Chart



### LIC Housing Finance

- **Significant under penetration of mortgages in India:** India is expected to witness a robust housing finance growth going forward as the mortgage penetration in India remains at very low levels at 9% to GDP as compared to the developed countries where it is in the range of 60-100%.
- **NIM expansion visible:** LIC Housing Finance is able to raise funds from low-cost NCDs due to its strong AAA credit rating and backing by strong promoters like LIC. In a declining interest rate environment, NBFC's like LIC Housing are well-placed to increase margins in our view.
- **Outlook:** For companies like LICHF, the funding environment has eased; thus it will lead to lower cost of borrowing, while outlook for growth in retail housing loans remains positive, going forward. We expect the company to post a healthy loan book CAGR of 18.7% over FY2015-17E, which is likely to reflect in an earnings CAGR of 21.0%, over the same period. The stock currently trades at 2.0x FY2017E ABV. **We maintain our Buy rating on the stock, with a target price of ₹592.**

### Key Financials

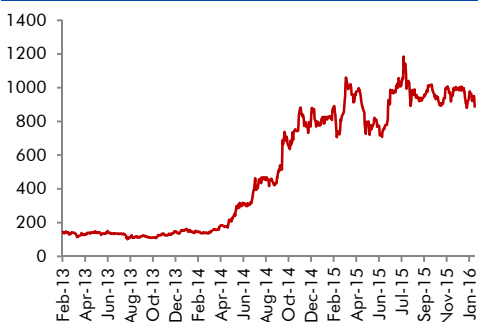
Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2016E	3,101	2.5	1,664	33.0	176.7	1.4	19.7	12.3	2.3
FY2017E	3,745	2.5	2,029	40.2	207.6	1.4	20.5	10.1	2.0

Source: Company, Angel Research

### Stock Info

CMP	839
TP	1,089
Upside	29.7%
Sector	Construction
Market Cap (₹ cr)	10,063
Beta	1.3
52 Week High / Low	1,215/ 699

### 3 year-Chart



### National Buildings Construction Corporation (NBCC)

- NBCC reported order book of over ₹35,000cr at 3QFY2016-end. Considering the bid pipeline for re-development works from Delhi and other State governments, and with 'Smart City' projects to take-off shortly, we expect NBCC's order-book to grow 3.5x during FY2015-18E to ₹59,440cr.
- We expect NBCC to report 26.7% revenue CAGR during FY2015-18E (to ₹9,506cr), mainly driven by 29.3% revenue CAGR from PMC segment, where re-development projects would contribute maximum. We expect NBCC to report 41.5% EBITDA CAGR during the same period, led by increased contribution from PMC segment, which is likely to experience margin expansion. Owing to lower other income growth assumption, we expect NBCC to report 32.9% PAT CAGR during FY2015-18E to ₹653cr.
- We have strong positive view on NBCC, given its growth prospects as reflected by its strong order book of ₹35,000cr (6.3x OB to LTM revenues). Also, emerging opportunities in re-development space, government's initiative of developing 'Smart Cities', and the company's cash rich status, should aid its growth. On assigning 20.0x P/E multiple to our FY2018E EPS of ₹54.4/share, we arrive at price target of ₹1,089. **Given the upside, we recommend BUY 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)
FY2016E	5,816	6.9	355	29.6	24.1	28.3	5.1	20.9	1.5
FY2017E	7,382	7.7	478	39.8	26.7	21.1	4.0	14.3	1.1

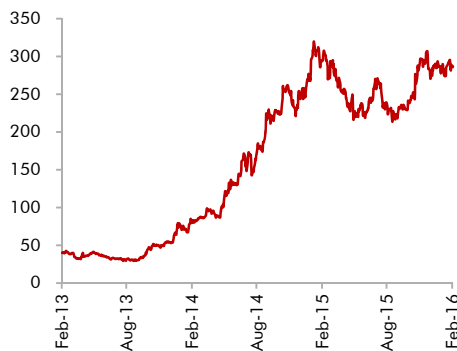
Source: Company, Angel Research



### Stock Info

CMP	278
TP	330
Upside	18.7%
Sector	Automobile
Market Cap (₹ cr)	13,205
Beta	1.0
52 Week High / Low	311/ 201

### 3 year-Chart



### TVS Motor Company (TVSM)

- TVS Motors (TVSM) is the third largest two wheeler manufacturer in the country having a market share of 14%. The two wheeler industry is expected to recover in FY2017 and return to long term CAGR of 8-10% on back of higher income due to better economic growth, implementation of Seventh Pay commission which boosts central government employees income and expectations of normal monsoon which would augment rural incomes.
- TVSM is likely to outpace industry growth (we expect 12% volume growth in FY2017) on back of new launches. Continued success in the scooter space (Jupiter) and relaunch of highly successful executive motorcycle "Victor" is likely to lead to market share gains for TVSM.
- TVSM margins are likely to improve over the next two years on back of operating leverage due to double digit volume growth and lower raw material costs due to renegotiation with vendors. TVSM has guided to reach the 10% margin level in FY2018 as against 6.8% in 9MFY2016.
- We are positive on TVSM given the market share gains and scope for margin improvement. We assign a multiple of 22x to FY2017 earnings to arrive at a target price of ₹330

### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	11,263	6.9	436	9.2	22.7	30.3	6.9	18.1	1.2
FY2017E	13,122	8.5	713	15.0	29.6	18.5	4.8	12.5	1.1

Source: Company, Angel Research

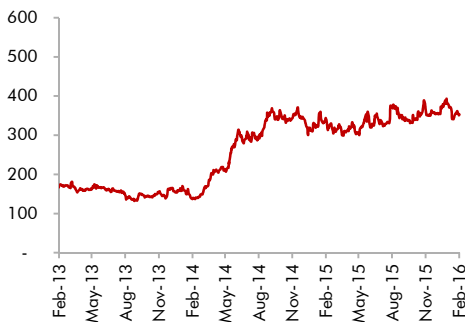


## Top Picks - Mid Cap

### Stock Info

CMP	329
TP	439
Upside	33.6%
Sector	Cons. Durable
Market Cap (₹ cr)	2,957
Beta	0.7
52 Week High / Low	398 / 274

### 3 year-Chart



### Blue Star

- BSL is one of the largest air-conditioning companies in India. With a mere 3% penetration level 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% at present). This has resulted in CPD's share in overall revenues increasing from ~23% in FY2010 to ~42% in FY2015 (expected to improve to ~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 CPD, we expect the overall top-line to post a revenue CAGR of 11.2% over FY2015-18E and margins to improve from 5.3% in FY2015 to 7.1% in FY2018E. Moreover, the proposed merger with Blue Star Infotech will provide cash influx and thus strengthen the balance sheet. **We maintain our Buy 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)
FY2016E	3,548	6.3	123	13.7	26.1	24.0	6.0	14.7	0.9
FY2017E	3,977	6.9	164	17.2	25.4	19.2	3.9	11.4	0.8

Source: Company, Angel Research

### Stock Info

CMP	156
TP	189
Upside	21.2%
Sector	Media
Market Cap (₹ cr)	5,110
Beta	0.6
52 Week High / Low	176/108

### 3 year-Chart



### Jagran Prakashan

- We expect JPL to register a net sales CAGR of ~15% over FY2015-17E, on back of (a) strong growth in advertising revenue due to improvement in GDP growth, (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 ~20% over FY2015-17E to ₹325cr.
- 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 an Accumulate rating on the stock with a target price of stock with a target price of ₹189.**

### Key Financials

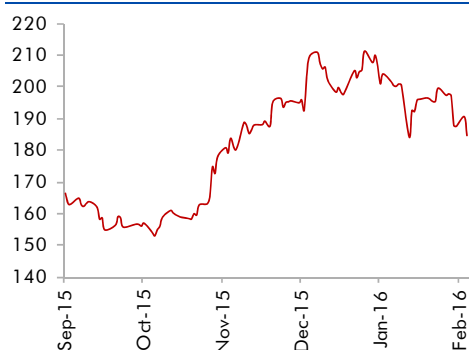
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	2,170	27.2	290	8.9	20.9	17.6	3.7	8.8	2.3
FY2017E	2,355	26.2	325	9.9	20.5	15.8	3.2	8.4	2.1

Source: Company, Angel Research

### Stock Info

CMP	174
TP	265
Upside	52.3%
Sector	Logistics
Market Cap (₹ cr)	2,477
Beta	0.6
52 Week High / Low	221 / 151

### 3 year-Chart



### Navkar

- NCL is one of the largest and one of the three CFS at JNPT with rail connectivity, helping 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). Although, South Gujarat volume will now head straight to Vapi ICD, 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 utilisations at both JNPT and Vapi ICD. **We have a Buy rating on the stock.**

### Key Financials

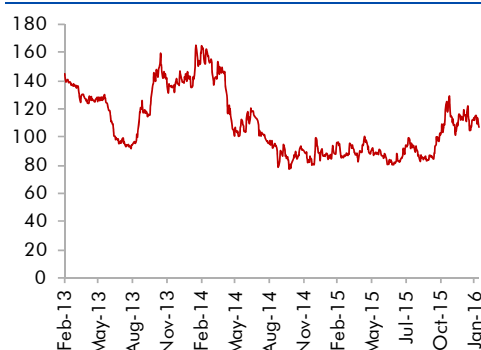
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	365	38.3	80	5.6	6.3	30.8	1.9	23.2	7.6
FY2017E	436	37.5	84	5.9	6.1	29.6	1.8	20.3	6.5

Source: Company, Angel Research

### Stock Info

CMP	98
TP	156
Upside	59.2%
Sector	Breweries & Distilleries
Market Cap (₹ cr)	1,298
Beta	0.8
52 Week High / Low	131/78

### 3 year-Chart



### Radico Khaitan

- The IMFL segment is under penetrated. Going forward, increase in income levels would lead to higher growth in IMFL brands. RKL has strong brands in the premium liquor category which reported a CAGR of ~26% over the last seven-year period. We expect the growth momentum to continue.
- We expect the price of ENA, a key raw material, to remain stable and potentially even decline going forward due to higher sugar production and lower demand for ethanol from Indian oil marketing companies
- We expect a significant hike in liquor prices in the coming financial year as there haven't been any significant ones in recent times. Also, we believe that industry leader - United Spirit would shift focus on profitability over volume growth considering the debt on its Balance Sheet, which in turn, would lead to increased scope for other liquor companies to hike prices.
- On valuation basis, Radico is trading at about 70% discount to its close peer, United Spirits.. **We have a Buy rating on the stock and target price of and target price of ₹156 (22x FY2017E EPS).**

### Key Financials

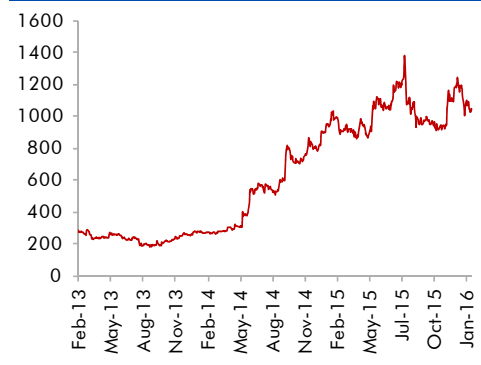
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	1,517	12.7	78	5.8	8.6	16.8	1.4	11.1	1.3
FY2017E	1,635	13.4	95	7.1	9.6	13.7	1.3	9.7	1.2

Source: Company, Angel Research

### Stock Info

CMP	997
TP	1,354
Upside	35.8%
Sector	Textile
Market Cap (₹ cr)	934
Beta	0.8
52 Week High / Low	1,400/857

### 3 year-Chart



### Siyaram Silk Mills

- SSML has strong brands which cater to premium as well as popular mass segments of the market. Further, in FY2014, 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 ~10% to ~₹1,815cr and adj.net profit CAGR of ~11% to ₹98cr over FY2015-17E 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 and target price of stock and target price of ₹1,354.**

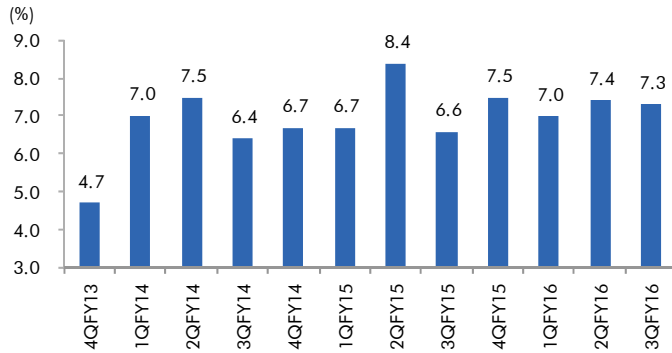
### Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2016E	1,636	11.5	84	89.9	17.9	11.1	1.8	7.0	0.7
FY2017E	1,815	11.5	98	104.1	17.8	9.6	1.6	6.3	0.7

Source: Company, Angel Research

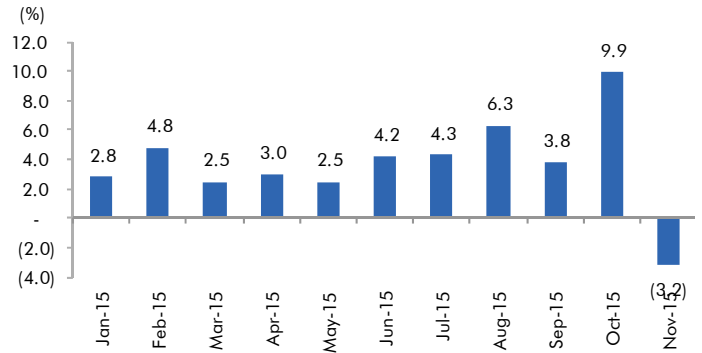
## Macro watch

**Exhibit 1: Quarterly GDP trends**



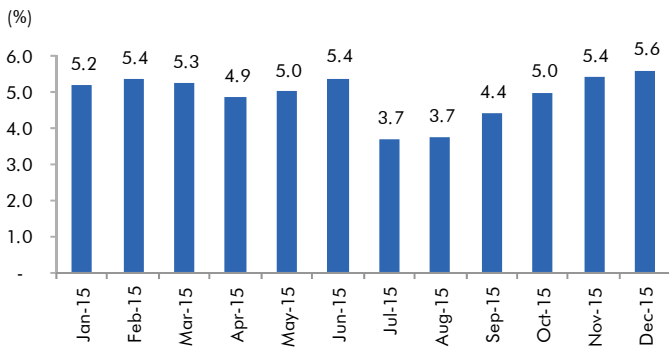
Source: CSO, Angel Research

**Exhibit 2: IIP trends**



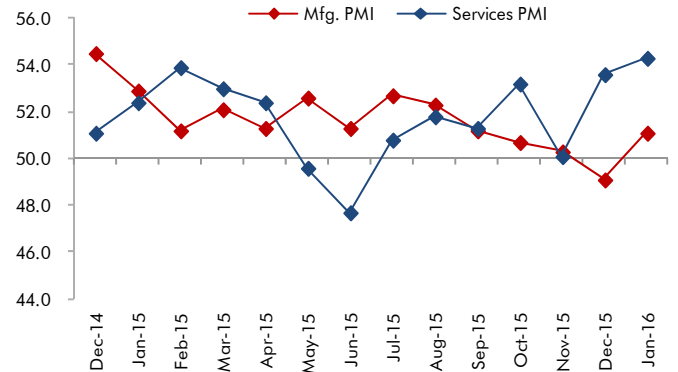
Source: MOSPI, Angel Research

**Exhibit 3: Monthly CPI inflation trends**



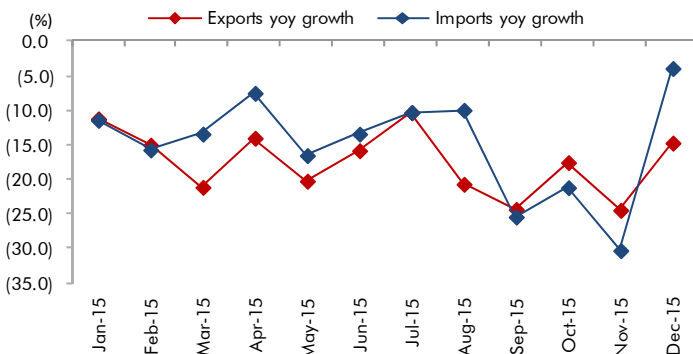
Source: MOSPI, Angel Research

**Exhibit 4: Manufacturing and services PMI**



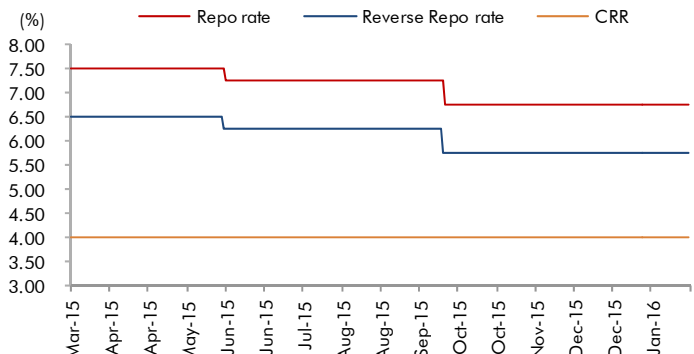
Source: Market, Angel Research; Note: Level above 50 indicates expansion

**Exhibit 5: Exports and imports growth trends**



Source: Bloomberg, Angel Research

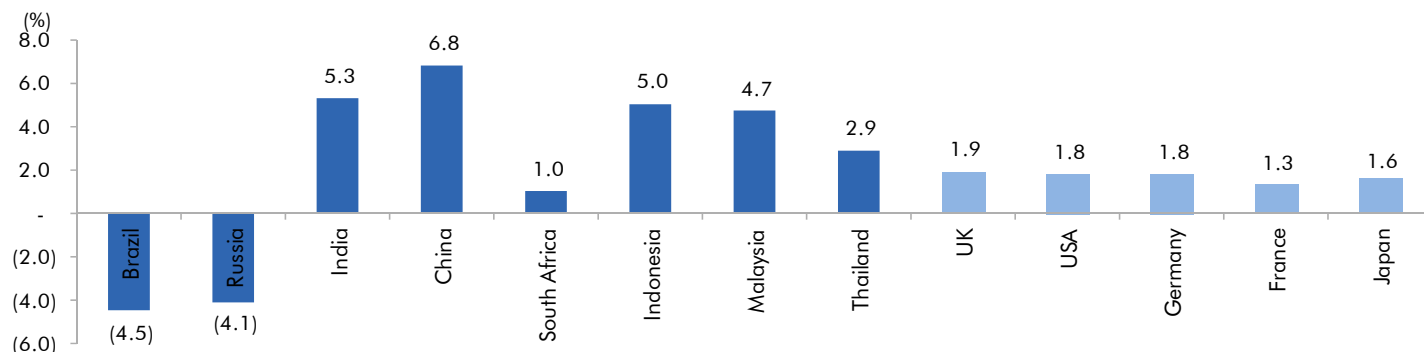
**Exhibit 6: Key policy rates**



Source: RBI, Angel Research

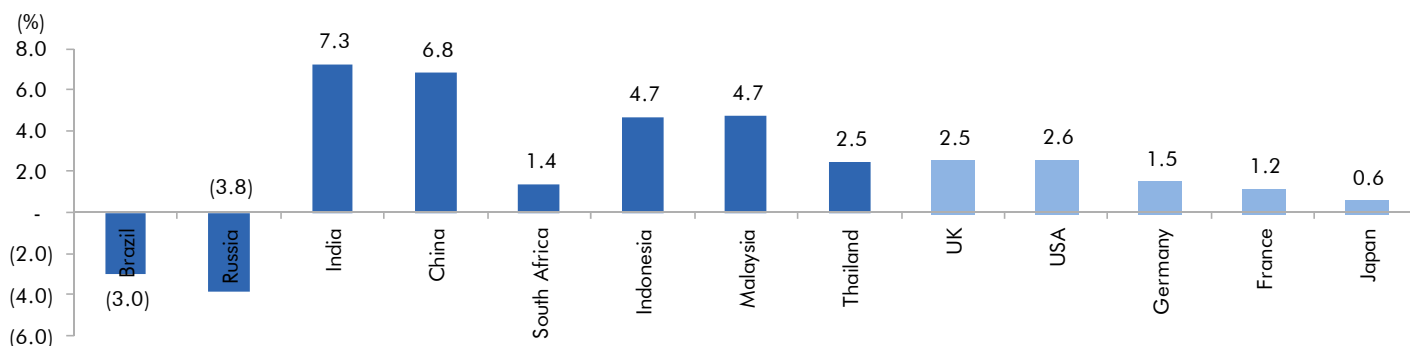
## Global watch

**Exhibit 1: Latest quarterly GDP Growth (% , yoy) across select developing and developed countries**



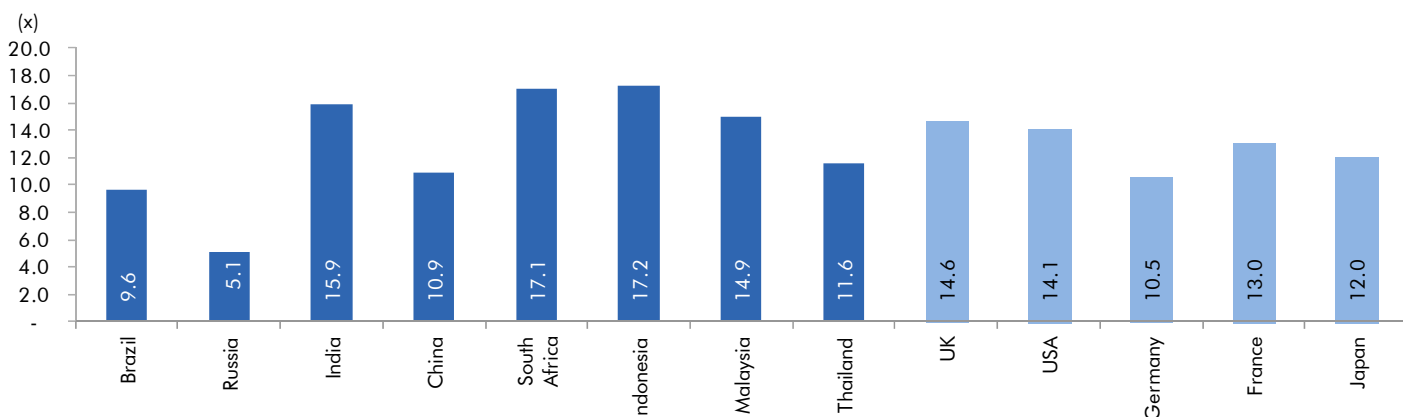
Source: Bloomberg, Angel Research

**Exhibit 2: 2015 GDP Growth projection by IMF (% , yoy) across select developing and developed countries**



Source: IMF, Angel Research

**Exhibit 3: One year forward P-E ratio across select developing and developed countries**



Source: IMF, Angel Research

**Exhibit 4: Relative performance of indices across globe**

Country	Name of index	Closing price	1M	Returns (%)	
				3M	1YR
Brazil	Bovespa	39,318	(3.4)	(18.2)	(16.2)
Russia	Micex	1,712	1.3	(2.3)	(1.8)
India	Nifty	6,976	(7.8)	(11.9)	(19.5)
China	Shanghai Composite	2,763	(17.8)	(23.0)	(16.4)
South Africa	Top 40	42,054	(3.3)	(10.9)	(8.4)
Mexico	Mexbol	42,359	4.1	(4.8)	1.0
Indonesia	LQ45	839	6.1	6.5	(8.1)
Malaysia	KLCI	1,644	(1.4)	(2.0)	(7.8)
Thailand	SET 50	805	2.3	(11.0)	(23.5)
USA	Dow Jones	15,660	(4.5)	(11.7)	(12.9)
UK	FTSE	5,537	(6.6)	(11.8)	(19.4)
Japan	Nikkei	15,713	(11.2)	(17.8)	(10.5)
Germany	DAX	8,753	(12.3)	(19.1)	(20.2)
France	CAC	3,897	(11.0)	(21.3)	(18.8)

Source: Bloomberg, Angel Research



## Stock Watch

Company Name	Reco	CMP	Target	Mkt Cap	Sales ( ₹ cr )		OPM(%)		EPS ( ₹ )		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Agri / Agri Chemical																		
Rallis	Neutral	152	-	2,955	2,097	2,415	14.4	14.4	9.5	11.0	16.0	13.8	3.2	2.8	21.1	21.3	1.5	1.2
United Phosphorus	Buy	387	480	16,606	12,500	14,375	18.3	18.3	29.8	35.9	13.0	10.8	2.4	2.0	20.0	20.3	1.4	1.2
Auto & Auto Ancillary																		
Ashok Leyland	Buy	81	111	23,080	17,995	21,544	11.4	11.6	3.4	4.7	23.9	17.3	4.2	3.8	17.7	22.2	1.2	1.0
Bajaj Auto	Buy	2,331	2,728	67,456	23,695	27,298	21.3	20.4	134.6	151.5	17.3	15.4	5.5	4.7	31.8	30.6	2.4	2.1
Bharat Forge	Buy	765	943	17,816	7,867	8,881	20.0	20.3	34.4	41.0	22.3	18.7	4.3	3.6	21.1	20.9	2.4	2.1
Eicher Motors	Accumulate	17,619	20,044	47,844	15,556	16,747	15.5	17.3	464.8	597.5	37.9	29.5	13.8	10.2	36.2	34.3	3.0	2.7
Gabriel India	Buy	80	101	1,150	1,415	1,544	8.7	9.0	4.6	5.4	17.4	14.8	3.2	2.8	18.1	18.9	0.8	0.7
Hero Motocorp	Accumulate	2,498	2,774	49,891	28,561	31,559	14.7	14.7	151.1	163.2	16.5	15.3	6.4	5.5	38.7	35.6	1.6	1.4
Jamna Auto Industries	Buy	122	160	976	1,281	1,473	11.2	11.5	7.6	9.2	16.1	13.3	4.1	3.3	25.4	25.2	0.8	0.7
L G Balakrishnan & Bros	Neutral	409	-	642	1,254	1,394	11.6	11.8	35.9	41.7	11.4	9.8	1.5	1.4	13.5	13.8	0.6	0.6
Mahindra and Mahindra	Buy	1,126	1,449	69,935	39,031	44,440	13.8	13.9	57.9	67.6	19.5	16.7	3.1	2.8	16.1	16.6	1.4	1.2
Maruti	Neutral	3,541	-	106,971	57,865	68,104	16.4	16.7	176.3	225.5	20.1	15.7	3.9	3.3	19.4	21.2	1.6	1.3
Minda Industries	Buy	782	1,047	1,241	2,523	2,890	8.7	9.0	55.0	65.4	14.2	12.0	2.7	2.2	19.3	18.7	0.6	0.5
Motherson Sumi	Buy	221	313	29,173	39,343	45,100	8.8	9.1	10.1	12.5	21.8	17.6	6.9	5.4	35.3	34.4	0.8	0.7
Rane Brake Lining	Buy	344	465	272	454	511	11.5	12.0	25.2	31.0	13.6	11.1	2.0	1.8	14.9	16.6	0.7	0.7
Setco Automotive	Neutral	30	-	405	594	741	12.7	13.7	1.7	3.2	17.9	9.5	1.9	1.6	10.4	16.9	1.1	0.9
Tata Motors	Buy	276	409	79,586	266,022	312,667	12.8	13.1	26.3	38.3	10.5	7.2	1.4	1.2	8.4	12.1	0.5	0.4
TVS Motor	Buy	278	330	13,205	11,263	13,122	6.9	8.5	9.2	15.0	30.2	18.5	6.9	5.5	22.7	29.6	1.2	1.0
Amara Raja Batteries	Buy	861	1,040	14,707	4,892	5,871	17.4	17.6	28.8	37.1	29.9	23.2	7.0	5.6	23.4	24.1	3.0	2.4
Exide Industries	Buy	127	162	10,787	6,950	7,784	14.4	14.8	6.6	7.3	19.2	17.4	2.4	2.2	12.6	12.8	1.3	1.1
Apollo Tyres	Accumulate	149	171	7,572	12,146	12,689	16.8	16.0	21.2	19.0	7.0	7.8	1.2	1.0	16.5	13.0	0.7	0.7
Ceat	Buy	900	1,119	3,639	6,041	6,597	14.1	13.7	99.5	111.9	9.0	8.0	1.8	1.5	19.6	18.5	0.8	0.6
JK Tyres	Neutral	82	-	1,852	7,446	7,669	15.2	14.0	19.6	18.4	4.2	4.4	1.1	0.9	25.2	19.5	0.6	0.6
Swaraj Engines	Accumulate	806	919	1,001	552	630	14.2	14.7	44.6	54.1	18.1	14.9	4.2	3.8	23.2	25.6	1.7	1.4
Subros	Neutral	78	-	467	1,293	1,527	11.8	11.9	4.2	6.7	18.5	11.6	1.4	1.3	7.7	11.5	0.7	0.6
Indag Rubber	Neutral	153	-	401	283	329	17.0	17.2	13.0	15.4	11.8	9.9	2.6	2.1	21.8	21.6	1.1	0.9
Capital Goods																		
ACE	Neutral	35	-	346	660	839	4.7	8.2	1.0	3.9	35.0	9.0	1.1	1.0	3.2	11.3	0.7	0.5
BEML	Neutral	969	-	4,036	3,277	4,006	6.0	8.9	29.2	64.3	33.2	15.1	1.9	1.7	5.7	11.7	1.3	1.0
Bharat Electronics	Buy	1,124	1,414	26,977	7,737	8,634	16.8	17.2	54.0	61.5	20.8	18.3	3.0	2.6	39.3	45.6	2.6	2.2

Company Name	Reco	CMP	Target	Mkt Cap	Sales ( ₹ cr )		OPM(%)		EPS ( ₹ )		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Capital Goods																		
Voltas	Buy	241	353	7,979	5,363	5,963	8.0	9.1	11.0	13.8	21.9	17.5	3.4	3.0	16.2	17.9	1.4	1.3
BGR Energy	Neutral	102	-	735	3,615	3,181	9.5	9.4	16.7	12.4	6.1	8.2	0.6	0.6	10.0	7.0	0.6	0.8
BHEL	Neutral	120	-	29,457	33,722	35,272	10.8	11.7	10.5	14.2	11.5	8.5	0.9	0.8	7.0	9.0	1.0	0.9
Blue Star	Buy	329	439	2,957	3,548	3,977	6.3	6.9	13.7	17.2	24.0	19.2	6.0	3.9	26.1	25.4	0.9	0.8
Crompton Greaves	Neutral	123	-	7,684	13,484	14,687	4.9	6.2	4.5	7.1	27.2	17.3	1.9	1.8	7.2	10.8	0.7	0.6
Greaves Cotton	Neutral	121	-	2,952	1,655	1,755	16.6	16.8	7.4	7.8	16.3	15.5	3.3	3.1	21.1	20.6	1.7	1.6
Inox Wind	Buy	244	458	5,416	4,980	5,943	17.0	17.5	26.6	31.6	9.2	7.7	2.7	2.0	35.0	30.0	1.2	1.0
KEC International	Neutral	102	-	2,612	8,791	9,716	6.1	6.8	5.4	8.2	18.8	12.4	1.9	1.7	10.0	14.0	0.5	0.5
Thermax	Neutral	767	-	9,136	6,413	7,525	7.4	8.5	30.5	39.3	25.1	19.5	3.9	3.4	15.0	17.0	1.4	1.1
Cement																		
ACC	Buy	1,234	1,630	23,173	13,151	14,757	16.4	18.3	63.9	83.4	19.3	14.8	2.5	2.3	13.3	16.1	1.6	1.3
Ambuja Cements	Buy	194	233	30,037	11,564	12,556	19.4	20.7	8.9	10.1	21.8	19.2	2.7	2.6	12.8	13.8	2.2	2.0
HeidelbergCement	Neutral	64	-	1,458	1,772	1,926	13.3	15.4	1.0	3.0	64.4	21.5	1.6	1.5	2.6	7.9	1.4	1.2
India Cements	Buy	72	112	2,199	4,216	4,840	18.0	19.5	4.0	9.9	17.9	7.2	0.7	0.7	4.0	9.5	0.9	0.7
JK Cement	Buy	437	744	3,057	3,661	4,742	10.1	15.8	18.0	61.0	24.3	7.2	1.8	1.6	7.5	22.9	1.3	1.0
J K Lakshmi Cement	Buy	266	430	3,124	2,947	3,616	16.7	19.9	11.5	27.2	23.1	9.8	2.2	1.9	9.8	20.8	1.5	1.2
Mangalam Cements	Neutral	157	-	420	1,053	1,347	10.5	13.3	8.4	26.0	18.7	6.1	0.8	0.7	4.3	12.5	0.8	0.6
Orient Cement	Buy	136	183	2,786	1,854	2,524	21.2	22.2	7.7	11.1	17.7	12.3	2.5	2.2	13.3	15.7	2.2	1.6
Ramco Cements	Neutral	369	-	8,789	4,036	4,545	20.8	21.3	15.1	18.8	24.5	19.6	3.0	2.7	12.9	14.3	2.7	2.3
Shree Cement ^	Neutral	10,255	-	35,725	7,150	8,742	26.7	28.6	228.0	345.5	45.0	29.7	6.6	5.6	15.7	20.3	4.8	3.8
UltraTech Cement	Buy	2,708	3,282	74,308	25,021	30,023	19.1	21.6	89.0	132.0	30.4	20.5	3.5	3.1	12.2	15.9	3.0	2.5
Construction																		
ITNL	Neutral	70	-	2,316	7,360	8,825	34.0	35.9	7.0	9.0	10.1	7.8	0.3	0.3	3.2	3.7	3.7	3.6
KNR Constructions	Buy	445	673	1,250	937	1,470	14.3	14.0	33.5	38.6	13.3	11.5	2.0	1.7	15.4	15.4	1.4	0.9
Larsen & Toubro	Buy	1,092	1,310	101,745	58,870	65,708	8.3	10.3	42.0	53.0	26.0	20.6	1.8	1.6	8.8	11.2	1.9	1.8
Gujarat Pipavav Port	Neutral	152	-	7,327	629	684	51.0	52.2	6.4	5.9	23.7	25.7	3.1	2.9	15.9	12.7	11.3	10.2
MBL Infrastructures	Buy	132	285	549	2,313	2,797	12.2	14.6	19.0	20.0	7.0	6.6	0.7	0.7	11.3	10.6	0.9	0.8
Nagarjuna Const.	Neutral	57	-	3,158	7,892	8,842	8.8	9.1	3.0	5.3	18.9	10.7	1.0	0.9	5.0	8.5	0.6	0.5
PNC Infratech	Accumulate	495	558	2,541	1,873	2,288	13.2	13.5	24.0	32.0	20.6	15.5	2.0	1.8	12.1	12.3	1.5	1.2
Simplex Infra	Neutral	245	-	1,213	5,955	6,829	10.3	10.5	16.0	31.0	15.3	7.9	0.8	0.7	5.3	9.9	0.7	0.6
Power Mech Projects	Neutral	577	-	849	1,539	1,801	12.8	12.7	59.0	72.1	9.8	8.0	1.5	1.2	18.6	16.8	0.6	0.5

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
					FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
<b>Construction</b>																		
Sadbhav Engineering	Neutral	263	-	4,512	3,481	4,219	10.7	10.8	8.0	12.0	32.9	21.9	3.1	2.7	10.3	13.5	1.6	1.3
NBCC	Buy	839	1,089	10,063	5,816	7,382	6.9	7.7	29.6	39.8	28.3	21.1	5.1	4.0	24.1	26.7	1.5	1.1
MEP Infra	Neutral	37	-	601	1,956	1,876	28.1	30.5	1.3	3.0	28.4	12.3	6.0	4.0	21.2	32.8	1.7	1.7
SIPL	Neutral	78	-	2,742	675	1,042	62.4	64.7	-	-			2.9	3.3	-	-	15.7	10.6
<b>Financials</b>																		
Allahabad Bank	Neutral	43	-	2,576	8,569	9,392	2.8	2.9	16.3	27.5	2.6	1.6	0.3	0.2	7.6	11.9	-	-
Axis Bank	Buy	378	494	89,849	26,473	31,527	3.5	3.6	35.7	43.5	10.6	8.7	1.8	1.5	17.9	18.9	-	-
Bank of Baroda	Neutral	116	-	26,717	18,485	21,025	1.9	2.0	13.5	21.1	8.6	5.5	0.7	0.6	7.3	10.6	-	-
Bank of India	Neutral	85	-	6,918	15,972	17,271	1.9	2.0	15.3	33.4	5.6	2.6	0.3	0.2	3.6	7.6	-	-
Canara Bank	Neutral	173	-	9,377	15,441	16,945	2.0	2.1	46.6	70.4	3.7	2.5	0.3	0.3	8.0	11.2	-	-
Dena Bank	Neutral	28	-	1,826	3,440	3,840	2.1	2.3	7.3	10.0	3.9	2.8	0.3	0.2	6.1	7.9	-	-
Federal Bank	Neutral	44	-	7,515	3,477	3,999	3.0	3.0	5.0	6.2	8.7	7.0	0.9	0.8	10.6	11.9	-	-
HDFC	Neutral	1,068	-	168,600	10,358	11,852	3.3	3.3	41.1	47.0	26.0	22.7	5.0	4.5	24.7	24.9	-	-
HDFC Bank	Buy	976	1,262	246,559	38,309	47,302	4.3	4.3	49.3	61.1	19.8	16.0	3.4	2.9	18.5	19.7	-	-
ICICI Bank	Buy	199	254	115,876	34,279	39,262	3.3	3.3	21.0	24.4	9.5	8.2	1.6	1.4	14.4	14.7	-	-
IDBI Bank	Neutral	52	-	9,880	9,625	10,455	1.8	1.8	8.5	14.2	6.1	3.7	0.4	0.3	5.9	9.3	-	-
Indian Bank	Neutral	80	-	3,857	6,160	6,858	2.5	2.5	24.5	29.8	3.3	2.7	0.3	0.2	7.7	8.6	-	-
LIC Housing Finance	Buy	406	592	20,510	3,101	3,745	2.5	2.5	33.0	40.2	12.3	10.1	2.3	2.0	19.7	20.5	-	-
Oriental Bank	Neutral	85	-	2,555	7,643	8,373	2.4	2.4	37.2	45.4	2.3	1.9	0.2	0.2	8.2	9.4	-	-
Punjab Natl.Bank	Neutral	77	-	15,071	23,638	26,557	2.8	2.8	17.9	27.2	4.3	2.8	0.4	0.4	8.5	12.0	-	-
South Ind.Bank	Neutral	17	-	2,309	1,965	2,185	2.5	2.5	2.5	3.3	6.9	5.2	0.7	0.6	9.5	11.7	-	-
St Bk of India	Buy	154	202	119,702	82,520	93,299	2.7	2.8	20.0	24.5	7.7	6.3	0.8	0.7	11.5	12.8	-	-
Union Bank	Neutral	119	-	8,167	12,646	14,129	2.3	2.4	31.0	39.1	3.8	3.0	0.4	0.4	9.8	11.4	-	-
Vijaya Bank	Neutral	31	-	2,620	3,536	3,827	1.9	1.9	5.5	6.7	5.5	4.6	0.5	0.4	7.8	8.8	-	-
Yes Bank	Accumulate	714	767	29,967	7,190	9,011	3.2	3.3	58.2	69.7	12.3	10.2	2.2	1.9	19.2	19.6	-	-
<b>FMCG</b>																		
Asian Paints	Neutral	855	-	82,040	16,553	19,160	16.0	16.2	17.7	21.5	48.4	39.8	12.8	11.6	29.4	31.2	4.8	4.1
Britannia	Neutral	2,637	-	31,635	8,065	9,395	9.6	10.2	47.2	65.5	55.9	40.3	18.6	17.5	38.3	41.2	3.8	3.2
Colgate	Neutral	828	-	22,523	4,836	5,490	19.5	19.7	48.5	53.2	17.1	15.6	12.5	10.9	99.8	97.5	4.5	4.0
Dabur India	Accumulate	238	267	41,912	9,370	10,265	17.1	17.2	7.3	8.1	32.5	29.4	9.8	8.0	33.7	30.6	4.4	4.0
GlaxoSmith Con*	Accumulate	5,793	6,118	24,362	4,919	5,742	17.2	17.4	168.3	191.2	34.4	30.3	9.8	8.3	28.8	28.9	4.5	3.8

Company Name	Reco	CMP	Target	Mkt Cap	Sales ( ₹ cr )		OPM(%)		EPS ( ₹ )		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
FMCG																		
Godrej Consumer	Neutral	1,187	-	40,425	10,168	12,886	16.1	16.1	32.1	38.4	37.0	30.9	7.5	6.9	19.7	21.0	4.1	3.2
HUL	Neutral	799	-	172,850	34,940	38,957	17.5	17.7	20.8	24.7	38.4	32.3	42.7	34.1	110.5	114.2	4.8	4.2
ITC	Buy	299	359	240,103	41,068	45,068	37.8	37.4	13.9	15.9	21.5	18.8	7.2	6.3	34.1	33.8	5.5	5.0
Marico	Neutral	229	-	29,493	6,551	7,766	15.7	16.0	10.4	12.5	22.0	18.3	6.4	5.3	33.2	32.4	4.4	3.7
Nestle*	Buy	5,224	6,646	50,371	11,291	12,847	22.2	22.3	158.9	184.6	32.9	28.3	17.2	15.5	55.0	57.3	4.3	3.7
Tata Global	Buy	105	144	6,643	8,635	9,072	9.8	9.9	6.5	7.6	16.2	13.9	1.6	1.6	6.8	7.4	0.7	0.7
IT																		
HCL Tech ^	Buy	809	1,038	114,028	42,038	47,503	21.2	21.5	51.5	57.7	15.7	14.0	3.4	2.6	21.5	18.8	2.3	1.9
Infosys	Buy	1,081	1,347	248,334	61,850	69,981	27.5	27.5	59.4	65.7	18.2	16.5	3.9	3.3	21.2	20.1	3.3	2.8
TCS	Buy	2,196	2,854	432,716	108,487	122,590	28.3	28.5	122.8	138.4	17.9	15.9	6.8	6.2	38.0	38.9	3.6	3.1
Tech Mahindra	Buy	431	646	41,702	25,566	28,890	16.0	17.0	26.3	31.9	16.4	13.5	3.0	2.5	17.9	18.6	1.4	1.2
Wipro	Buy	516	680	127,502	50,808	56,189	23.7	23.8	37.3	40.7	13.8	12.7	2.6	2.4	19.2	17.7	2.0	1.6
Media																		
D B Corp	Accumulate	314	356	5,763	2,241	2,495	27.8	27.9	21.8	25.6	14.4	12.3	3.8	3.3	26.7	28.5	2.5	2.2
HT Media	Neutral	76	-	1,761	2,495	2,603	11.2	11.2	7.3	8.6	10.4	8.8	0.8	0.7	7.4	8.1	0.2	0.2
Jagran Prakashan	Buy	156	189	5,110	2,170	2,355	27.2	26.2	8.9	9.9	17.6	15.8	3.7	3.2	20.9	20.5	2.3	2.1
Sun TV Network	Neutral	326	-	12,863	2,779	3,196	70.2	70.5	22.8	27.3	14.3	12.0	3.5	3.2	26.7	28.3	4.4	3.8
Hindustan Media Ventures	Neutral	260	-	1,907	920	1,031	20.0	20.0	19.2	20.9	13.5	12.5	2.2	1.9	16.4	15.3	1.6	1.4
Metals & Mining																		
Coal India	Buy	305	380	192,681	76,167	84,130	19.9	22.3	22.4	25.8	13.6	11.8	4.9	4.8	35.5	41.0	1.9	1.7
Hind. Zinc	Accumulate	162	175	68,345	14,641	14,026	50.4	50.4	17.7	16.0	9.2	10.1	1.4	1.3	16.2	13.2	2.3	2.1
Hindalco	Neutral	64	-	13,144	104,356	111,186	8.7	9.5	6.7	11.1	9.5	5.8	0.3	0.3	3.5	5.9	0.7	0.6
JSW Steel	Neutral	1,004	-	24,271	42,308	45,147	16.4	20.7	(10.3)	49.5		20.3	1.1	1.1	(1.0)	5.6	1.6	1.5
NMDC	Neutral	79	-	31,440	8,237	10,893	46.6	44.5	10.0	11.7	8.0	6.8	0.9	0.8	12.5	13.0	3.6	2.8
SAIL	Neutral	36	-	14,868	45,915	53,954	7.2	10.5	1.5	4.4	23.9	8.2	0.4	0.3	2.3	4.1	1.0	0.9
Vedanta	Neutral	62	-	18,470	71,445	81,910	26.2	26.3	12.9	19.2	4.8	3.3	0.3	0.3	7.2	8.9	0.7	0.5
Tata Steel	Neutral	225	-	21,852	126,760	137,307	8.9	11.3	6.4	23.1	35.4	9.8	0.7	0.7	2.0	7.1	0.8	0.7
Oil & Gas																		
Cairn India	Neutral	114	-	21,411	11,323	12,490	49.4	51.0	20.7	20.7	5.5	5.5	0.4	0.3	6.4	6.1	1.0	0.4
GAIL	Neutral	332	-	42,151	64,856	70,933	9.1	9.6	24.0	28.9	13.9	11.5	1.2	1.1	8.8	9.6	0.8	0.7
ONGC	Neutral	203	-	173,505	154,564	167,321	36.8	37.4	28.6	32.5	7.1	6.2	0.9	0.8	12.7	13.5	1.3	1.2
Petronet LNG	Neutral	246	-	18,424	29,691	31,188	5.8	6.2	12.8	13.4	19.2	18.3	2.9	2.6	15.8	14.8	0.7	0.7
Indian Oil Corp	Buy	372	455	90,368	359,607	402,760	5.9	6.1	42.5	48.7	8.8	7.6	1.2	1.0	14.1	14.4	0.4	0.3

Company Name	Reco	CMP	Target	Mkt Cap	Sales ( ₹ cr )		OPM(%)		EPS ( ₹ )		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
Oil & Gas																		
Reliance Industries	Buy	922	1,150	298,819	304,775	344,392	12.6	13.4	91.3	102.6	10.1	9.0	1.1	1.0	11.8	12.0	0.9	0.8
Pharmaceuticals																		
Alembic Pharma	Neutral	591	-	11,138	3,274	3,802	26.9	19.4	35.0	28.7	16.9	20.6	7.5	5.6	55.6	31.2	3.4	2.8
Aurobindo Pharma	Buy	642	856	37,522	14,923	17,162	22.0	23.0	35.7	42.8	18.0	15.0	5.3	4.0	34.0	30.2	2.9	2.5
Sanofi India	Neutral	4,154	-	9,566	2,082	2,371	17.4	20.8	118.2	151.5	35.1	27.4	5.1	4.1	19.9	25.5	4.3	3.5
Cadila Healthcare	Accumulate	320	352	32,724	10,224	11,840	21.0	22.0	14.6	17.6	21.9	18.2	6.0	4.7	30.8	29.0	3.3	2.7
Cipla	Buy	541	636	43,460	14,211	16,611	20.6	19.0	27.0	28.9	20.0	18.7	3.4	2.9	18.4	16.8	3.0	2.5
Dr Reddy's	Buy	2,887	3,933	49,234	16,838	19,575	25.0	23.1	167.5	178.8	17.2	16.2	3.6	3.0	23.1	20.4	2.9	2.4
Dishman Pharma	Neutral	297	-	2,396	1,733	1,906	21.5	21.5	17.0	19.9	17.5	14.9	1.8	1.6	10.5	11.2	1.9	1.6
GSK Pharma	Neutral	3,213	-	27,212	2,870	3,158	20.0	22.1	59.5	68.3	54.0	47.0	15.9	16.4	28.5	34.3	9.0	8.2
Indoco Remedies	Neutral	288	-	2,650	1,033	1,199	15.9	18.2	9.4	13.6	30.6	21.2	4.5	3.9	15.7	19.7	2.7	2.3
Ipca labs	Buy	606	900	7,645	3,363	3,909	12.9	18.6	13.4	28.0	45.2	21.6	3.2	2.8	7.4	14.0	2.6	2.2
Lupin	Neutral	1,793	-	80,796	13,092	16,561	25.0	27.0	50.4	68.3	35.6	26.3	7.4	5.8	22.8	24.7	5.9	4.5
Sun Pharma	Accumulate	831	950	199,977	28,163	32,610	25.8	30.7	17.4	26.9	47.8	30.9	4.5	3.9	13.0	16.6	6.6	5.5
Power																		
Tata Power	Neutral	56	-	15,227	35,923	37,402	22.6	22.8	4.1	5.2	13.9	10.9	1.1	1.0	7.5	9.3	1.4	1.3
NTPC	Buy	121	157	99,853	87,064	98,846	23.5	23.5	11.7	13.2	10.4	9.2	1.2	1.1	11.4	12.1	2.2	1.9
Power Grid	Buy	136	170	71,385	20,702	23,361	86.7	86.4	12.1	13.2	11.3	10.3	1.7	1.5	15.6	15.1	8.4	7.8
Telecom																		
Bharti Airtel	Neutral	309	-	123,360	101,748	109,191	32.1	31.7	12.0	12.5	25.7	24.7	1.8	1.7	6.9	6.7	1.8	1.7
Idea Cellular	Neutral	101	-	36,310	34,282	36,941	32.0	31.5	5.9	6.2	17.1	16.3	1.6	1.4	9.9	9.3	1.6	1.6
zOthers																		
Abbott India	Neutral	4,802	-	10,204	2,715	3,153	14.5	14.1	134.3	152.2	35.8	31.5	8.9	7.4	27.4	25.6	3.5	2.9
Bajaj Electricals	Buy	170	290	1,717	4,719	5,287	5.2	5.8	8.6	12.7	19.9	13.4	2.3	2.0	11.4	14.8	0.4	0.3
Finolex Cables	Neutral	219	-	3,355	2,520	2,883	12.2	12.0	12.7	14.2	17.3	15.5	2.4	2.1	13.6	13.5	1.1	0.9
Goodyear India*	Buy	485	582	1,118	1,800	1,600	11.7	11.5	58.7	52.9	8.3	9.2	1.9	1.6	24.6	18.7	0.4	0.4
Hitachi	Neutral	1,093	-	2,972	1,779	2,081	7.8	8.8	21.8	33.4	50.1	32.7	8.1	6.5	17.4	22.1	1.7	1.5
Jyothy Laboratories	Neutral	268	-	4,860	1,620	1,847	11.5	11.5	7.3	8.5	36.8	31.7	4.8	4.4	13.3	14.4	2.9	2.4
MRF	Buy	32,240	45,575	13,673	20,316	14,488	21.4	21.1	5,488.0	3,798.0	5.9	8.5	2.0	1.6	41.1	21.2	0.6	0.8
Page Industries	Neutral	10,878	-	12,133	1,929	2,450	19.8	20.1	229.9	299.0	47.3	36.4	20.9	14.5	52.1	47.1	6.3	5.0
Relaxo Footwears	Neutral	407	-	4,882	1,767	2,152	12.3	12.5	19.3	25.1	21.1	16.2	5.2	4.0	27.7	27.8	2.8	2.3
Siyaram Silk Mills	Buy	997	1,354	934	1,636	1,815	11.5	11.5	89.9	104.1	11.1	9.6	1.8	1.6	17.9	17.8	0.7	0.7
Styrolution ABS India*	Neutral	524	-	921	1,271	1,440	8.6	9.2	32.0	41.1	16.4	12.8	1.7	1.5	10.7	12.4	0.7	0.6

Company Name	Reco	CMP	Target	Mkt Cap	Sales ( ₹ cr )		OPM(%)		EPS ( ₹ )		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)	
		( ₹ )	Price ( ₹ )	( ₹ cr )	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
zOthers																		
TVS Srichakra	Buy	2,301	3,217	1,762	2,035	2,252	15.9	15.3	248.6	268.1	9.3	8.6	4.0	2.9	43.6	33.9	0.9	0.8
HSIL	Buy	259	302	1,870	2,123	2,384	16.1	16.5	15.0	18.9	17.2	13.7	1.3	1.2	8.0	9.4	1.2	1.1
Kirloskar Engines India Ltd	Neutral	217	-	3,135	2,403	2,554	8.6	9.9	9.2	10.5	23.6	20.7	2.3	2.2	9.7	10.7	0.9	0.9
M M Forgings	Buy	407	614	492	511	615	21.7	21.6	43.1	55.8	9.4	7.3	1.7	1.4	19.9	21.2	1.2	0.9
Banco Products (India)	Neutral	103	-	739	1,208	1,353	11.0	12.3	10.8	14.5	9.6	7.1	1.1	1.0	11.9	14.5	0.6	0.5
Competent Automobiles	Neutral	126	-	77	1,040	1,137	3.2	3.1	25.7	28.0	4.9	4.5	0.7	0.6	15.0	14.3	0.1	0.1
Nilkamal	Neutral	994	-	1,483	1,871	2,031	10.7	10.5	63.2	69.8	15.7	14.3	2.6	2.2	17.6	16.6	0.8	0.7
Visaka Industries	Buy	90	144	143	1,086	1,197	9.9	10.3	21.5	28.8	4.2	3.1	0.4	0.4	9.6	11.6	0.4	0.3
Transport Corporation of India	Neutral	222	-	1,686	2,830	3,350	8.8	9.0	14.4	18.3	15.4	12.1	2.4	2.1	15.4	17.1	0.7	0.6
Elecon Engineering	Neutral	53	-	577	1,359	1,482	10.3	13.7	0.8	3.9	65.9	13.6	1.1	1.0	1.6	7.8	0.8	0.7
Surya Roshni	Buy	130	201	570	2,992	3,223	8.1	8.4	14.7	18.3	8.9	7.1	0.8	0.8	9.7	11.0	0.5	0.4
MT Educare	Neutral	143	-	571	286	366	18.3	17.7	7.7	9.4	18.6	15.3	3.9	3.4	20.2	21.1	1.9	1.4
Radico Khaitan	Buy	98	156	1,298	1,517	1,635	12.7	13.4	5.8	7.1	16.8	13.7	1.4	1.3	8.6	9.6	1.3	1.2
Garware Wall Ropes	Buy	310	473	677	862	974	11.2	11.2	24.9	29.6	12.4	10.5	1.9	1.6	15.1	15.4	0.8	0.7
Wonderla Holidays	Neutral	338	-	1,907	206	308	44.0	43.6	9.0	12.9	37.5	26.2	5.1	4.6	13.7	17.8	9.2	6.1
Linc Pen & Plastics	Neutral	176	-	261	340	371	8.3	8.9	10.8	13.2	16.3	13.4	2.6	2.3	16.0	17.1	0.8	0.7
The Byke Hospitality	Neutral	151	-	604	222	287	20.5	20.5	5.6	7.6	26.7	19.9	5.0	4.1	18.9	20.8	2.8	2.1
Interglobe Aviation	Neutral	720	-	25,935	17,022	21,122	20.7	14.5	63.9	53.7	11.3	13.4	16.9	13.8	149.9	103.2	1.6	1.2
Coffee Day Enterprises Ltd	Neutral	225	-	4,639	2,692	2,964	17.0	18.6	-	4.7	-	47.5	2.8	2.6	0.2	5.5	2.1	2.0
Navneet Education	Neutral	82	-	1,957	998	1,062	24.1	24.0	5.8	6.1	14.3	13.5	3.2	2.8	22.0	20.6	2.0	1.9
Navkar Corporation	Buy	174	265	2,477	365	436	38.3	37.5	5.6	5.9	30.8	29.6	1.9	1.8	6.3	6.1	7.6	6.5

Source: Company, Angel Research; Note: \*December year end; #September year end; &October year end; Price as on February 11, 2016



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