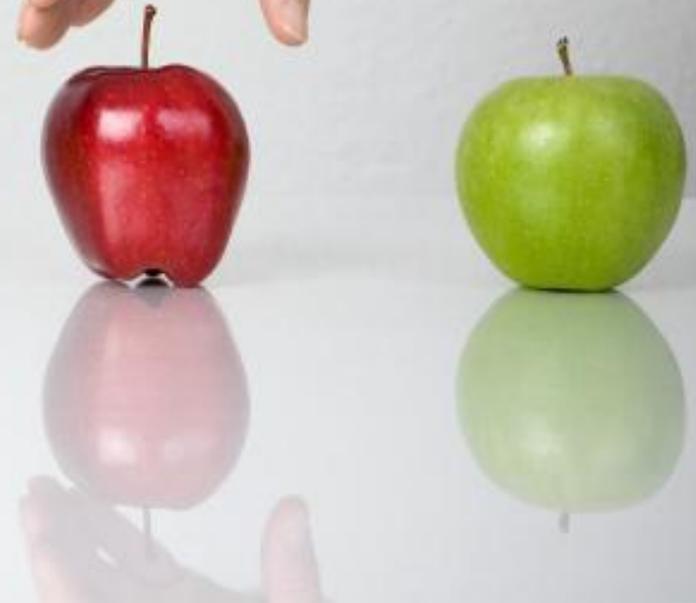


Top Picks

April 2015





Opportunity Size

- * How big the sector can be (3x, 4x....)
- * Is there a saturation in the Industry

Moat Around Business

- * How different is the company
- * Edge, Entry barrier, competition etc

Corporate governance

- * Management background matters
- * Aggressive accounting policies etc.

Our Core Investment Philosophy and Approach

Strong Earnings Visibility

- * Can we predict earnings for next 2-3 years
- * Revenue growth, RoE, RoCE
- * Cash flow, Du-Pont

Strong Management Credentials

- * Track record of past decisions
- * Comments v/s delivery etc.

Leadership position in sector

- * Market Share, Fragmented Industry
- * Bargaining power of the Industry

Our Stock Ideas are backed by thorough Research and Analysis

Edelweiss Top Picks



S.No	Stock Name	CMP (INR)	Mkt Cap (INR Crs)	P/E (X)		EV/EBITDA (X)		ROE (%)	
				FY16E	FY17E	FY16E	FY17E	FY16E	FY17E
1	Bajaj Finance Ltd	4,109	20,057	21.2	17.4	NM	NM	19.9	19.5
2	Bharat Forge Ltd	1,277	29,170	31.3	24.4	17.1	14.1	26.0	27.0
3	Biocon Ltd.	469	8,726	20.9	18.4	11.7	9.9	11.5	11.7
4	Bosch Ltd	25,421	80,066	47.9	30.8	31.6	20.5	19.0	24.0
5	ICICI Bank Ltd	316	1,84,751	14.2	12	NM	NM	15.0	15.8
6	Infosys Ltd	2,218	2,55,880	17.1	15.1	12.4	10.2	25.2	24.2
7	Larsen & Toubro Ltd	1,720	1,60,698	27.8	21.0	6.9	6.0	13.4	15.8
8	Motherson Sumi Systems	515	44,020	22.4	19.1	14.1	12.1	50.6	40.6
9	Repcos Home Finance	638	4,077	24.6	19.4	NM	NM	18.6	19.8
10	Solar Industries India Ltd	3,224	5,949	28.4	21.2	18.5	14.2	24.3	26.2
11	Strides Arcolabs Ltd	3,403	6,099	35.0	23.7	21.8	15.8	17.9	20.1
12	Zee Entertainment Enterprises Ltd	342	32,879	36.5	24.8	23.7	16.0	28.6	33.2

Prices updated as on 31st March 2015

NM- Not meaningful

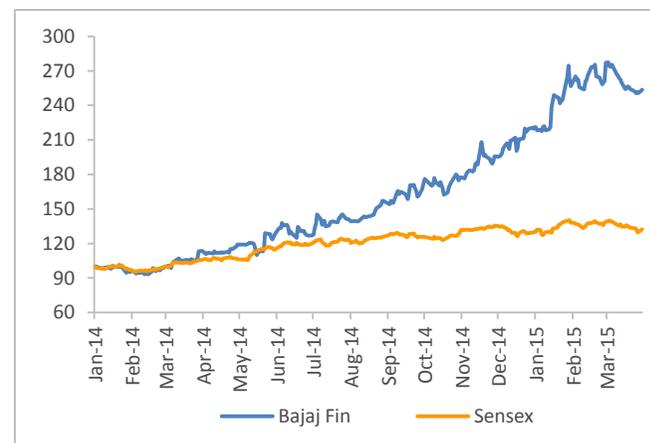


- * Bajaj Finance Limited (BFL), a subsidiary of Bajaj Finserv Ltd., is a leading and diversified NBFC in India. The company has a well-diversified portfolio bouquet with loan book spread across nine business lines and balanced in terms of scale and profitability
- * Over the years, BFL has built pan-India presence, covering 225 points across India and more than 4,000 distribution partners and dealers
- * BFL has exhibited strong growth momentum with 75% CAGR growth in AUM over the last three years
- * BFL is trying to maintain the balance between profitability and growth - the consumer book will provide profitability and the non-consumer book will provide scale
- * During the last four years, return ratios have improved significantly - RoA has improved from 1.3% in FY09 to 3.6% in FY14, while RoE has jumped from 3.2% in FY09 to 19.6% in FY14
- * The company has maintained healthy asset quality with gross and net NPA of 1.2% and 0.3% in FY14 respectively
- * BFL is maintaining the balance with the profitability (consumer segment) and scalability (infrastructure segment)
- * Valuation: The stock is currently trading at valuation of 3.1x FY17E book value

	FY13	FY14	FY15E	FY16E	FY17E
Net int. income	17,174	22,153	28,979	36,684	45,274
Net profit after tax	5,913	7,190	8,675	10,961	13,333
Adjusted BV per share	677	802	948	1,071	1,303
Diluted EPS (INR)	119.4	143.7	168.3	189.2	230.1
Gross NPA ratio (%)	1.1	1.2	1.5	1.4	1.3
Net NPA ratio (%)	0.2	0.3	0.5	0.2	0.2
Price/Adj. book value (x)	5.9	5.0	4.2	3.7	3.1
Price/Earnings (x)	33.6	27.9	23.8	21.2	17.4
RoA	4.2	3.6	3.1	3.1	3.0
RoE	22.0	19.6	19.6	19.9	19.5

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Mid-Cap Opportunitie..	9,160.74	2.40	1.014	219.86
Sundaram Select Midcap	2,721.38	3.47	0.435	94.43
SBI Magnum Tax Gain Schem..	5,053.77	1.65	0.385	83.39
IDFC Sterling Equity Fund	1,864.50	4.10	0.353	76.44
Reliance Banking Fund	2,165.81	3.35	0.335	72.55

Shareholding Pattern		Bloomberg:	BAF:IN
Promoters:	61.61	52-week range (INR):	4,492 / 1,662
MFs, FIs & Banks:	6.28	Share in issue (Cr):	4.9
FII:	13.10	Mkt cap (INR Cr):	20,057
Others:	19.01	Avg. Daily Vol.BSE/NSE:(‘000):	26/15



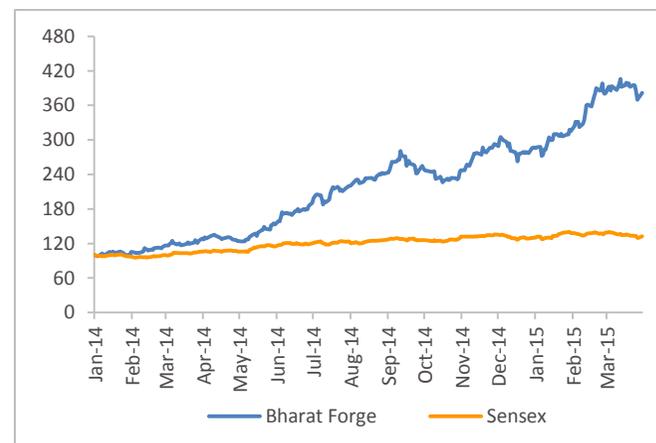


- * Bharat Forge Ltd. (BFL) is a leading supplier of critical components for automotive and non automotive market globally with a well-diversified customer base across all geographies. BFL has ~65% market share in Indian commercial vehicle market and 45% market share in Europe and US in crankshaft and front axle beam, which are its key products.
- * BFL key markets and segments are witnessing growth albeit on a low base. Indian Heavy truck market growing by 30%-40% in past 4 months.
- * BFL is aiming for incremental sales of INR 500 cr from Aerospace, Railways, and Oil & Gas sectors each over the next 4-5 years.
- * BFL ROCE trajectory has changed with selling the loss making subsidiaries while addressable market opportunity has increased over the last years (eg: aerospace), which coupled with recovery in domestic demand deserves a higher multiple, in our view

Year to March	FY13	FY14	FY15E	FY16E	FY17E
Revenue (crs)	5,702	6,716	6,961	8,004	9,154
Rev. growth (%)	-9%	18%	4%	15%	14%
EBITDA (crs)	827	1,027	1,491	1,787	2,174
Net profit (crs)	285	418	747	948	1,215
Shares outstanding (crs)	23.3	23.3	23.3	23.3	23.3
Diluted EPS (INR)	12.2	17.9	32.1	40.7	52.2
EPS growth (%)	-31%	47%	79%	27%	28%
Diluted P/E (x)	123.7	71.4	39.7	31.3	24.4
EV/ EBITDA (x)	37.1	29.8	20.6	17.1	14.1
ROCE (%)	14%	18%	29%	34%	41%
ROE (%)	10%	16%	25%	26%	27%

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
Reliance Equity Opportuni..	5,291	3.1	2.0	164.0
Reliance Vision Fund	2,509	2.3	0.7	58.9
ICICI Pru Discovery Fund	3,052	1.9	0.7	57.9
Reliance Tax Saver (ELSS)..	2,027	2.3	0.5	47.2
Reliance Top 200	769	3.6	0.3	27.9

Shareholding Pattern		Bloomberg:	BHFC:IN
Promoters:	46.74	52-week range (INR):	1,347 / 401
MFs, FIs & Banks:	15.12	Share in issue (Cr):	23.3
FIs:	16.62	Mkt cap (INR Cr):	29,170
Others:	21.52	Avg. Daily Vol.BSE/NSE:(‘000):	60/368





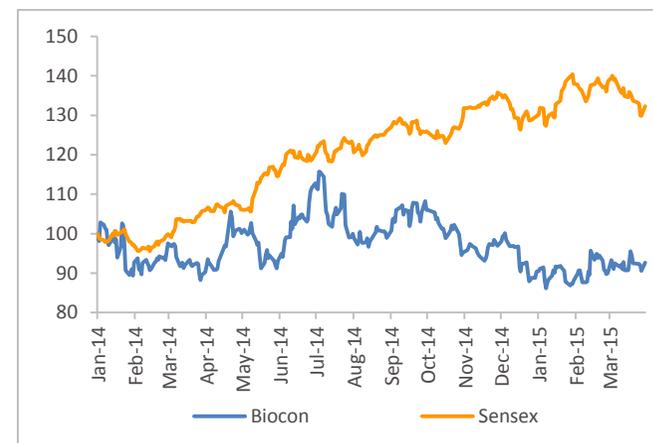
- * Biocon Ltd is the largest biologics company in India and 4th largest insulin player in the world.
- * Biocon has a strategic collaboration with Mylan to develop and manufacture eight biosimilars for various markets, which together have a market opportunity of ~USD 50 bn globally. We anticipate 2 of these drugs to be launched in the Emerging Markets and Europe over the next 3-4 years.
- * The company's integrated insulin manufacturing facility in Malaysia is expected to be commissioned by end of FY15. This would expand its rh-insulin market to 55 countries, which it is currently marketing in only 20 countries due to capacity constraints.
- * Its research services arm Syngene currently has eight molecules under late stage development, five of which are under Phase III, which can potentially lead to supply contracts from the innovator on commercialization. Syngene also has multi-year contracts with BMS, Abbott and Baxter International which gives us comfort of a steady revenue flow going forward.
- * Biocon's domestic formulations business remains a cash cow for the company and is expected to grow at a CAGR of 25% over FY14-16E on the back of sustained focus on its key therapies of diabetology, oncology and nephrology.
- * The company has started filing for ANDA's in the US market by leveraging its current API portfolio, which is expected to contribute to revenues post FY18.

	FY13	FY14	FY15	FY16E	FY17E
Revenue	2,485	2,877	2,997	3,337	3,851
Rev. growth (%)	19.1%	15.8%	4.2%	11.3%	15.4%
EBITDA	570	725	662	746	870
Net profit	338	469	393	425	482
Shares outstanding (crs)	20.0	20.0	20.0	20.0	20.0
Diluted EPS (INR)	16.9	23.4	19.6	21.2	24.1
EPS growth (%)	4.6%	38.7%	-16.2%	8.1%	13.6%
Diluted P/E (x)	26.6	19.7	22.6	20.9	18.4
EV/ EBITDA (x)	14.9	12.3	13.4	11.7	9.9
ROCE (%)	16.0%	16.7%	12.6%	12.5%	13.1%
ROE (%)	20.2%	14.1%	11.9%	11.5%	11.7%

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
Birla Sun Life Tax Relief..	1,903.66	2.02	0.468	38.45
Reliance Long-Term Equity..	2,197.27	1.45	0.388	31.86
Reliance Pharma Fund	1,171.95	2.36	0.337	27.66
Reliance Small Cap Fund	1,455.08	1.46	0.259	21.24
IDFC Arbitrage	2,144.62	0.98	0.256	21.02

Shareholding Pattern	
Promoters:	61.02
MFs, FIs & Banks:	7.60
FIIIs:	10.62
Others:	20.76

Bloomberg:	BIOS:IN
52-week range (INR):	554 / 402
Share in issue (Cr):	14
Mkt cap (INR Cr):	8,726
Avg. Daily Vol.BSE/NSE:('000):	1146



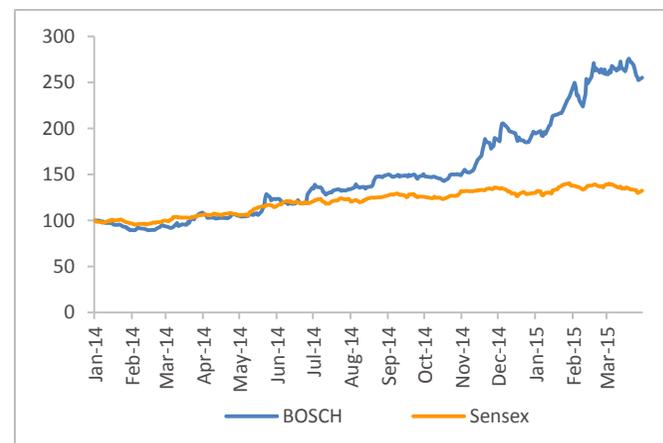


- * Bosch Ltd. is the listed Indian subsidiary of the Robert Bosch Group. The company is the market leader in Bosch Ltd. is the listed Indian subsidiary of the Robert Bosch Group. The company is the market leader in diesel engine systems with a market share of ~80% in India.
- * Change in emission norms from BS III to BS IV (implementable from 2017) will result in an additional opportunity of INR 4000 cr+ (on current industry sales).
- * We expect EBITDA margin expansion given the disproportionate growth in realisation due to advancement of technology. Bosch global makes 70% gross margins Vs 45% for Bosch India.
- * Further upside to the EPS exists due to 1) GST implementation (Spares sales contribute 23% to Bosch Sales) 2) New product introduction (E Clutch) 3) Increase in opportunity size as Volvo and Daimler looks at India as engine export hub.
- * With implementation of BSIV opportunity and revival in key user segments (PV, CV) Bosch EPS should grow at CAGR of 34% over CY14-CY17E.

	CY13	CY14	CY15E	CY16E	CY17E
Revenue	8,820	9,910	11,401	13,375	18,371
Rev. growth (%)	1.9%	12.4%	15.0%	17.3%	37.4%
EBITDA	1,337	1,542	1,982	2,427	3,738
Net profit	859	1,094	1,374	1,683	2,621
Shares outstanding (crs)	3.14	3.14	3.14	3.14	3.14
Diluted EPS (INR)	273.7	348.3	437.6	536.1	834.7
EPS growth (%)	-7.7%	23.6%	25.7%	22.5%	55.7%
Diluted P/E (x)	93.8	73.7	58.7	47.9	30.8
EV/ EBITDA (x)	57.3	49.7	38.7	31.6	20.5
ROCE (%)	63%	71%	76%	74%	96%
ROE (%)	14%	16%	18%	19%	24%

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
Birla Sun Life Frontline ..	7,886.36	1.73	0.187	136.43
IDFC Premier Equity Fund	6,803.18	1.74	0.162	118.38
HDFC Top 200 Fund	13,820.17	0.70	0.132	96.74
UTI-Equity Fund	3,963.59	2.36	0.128	93.54
SBI Magnum Tax Gain Schem..	5,053.77	1.85	0.128	93.49

Shareholding Pattern		Bloomberg:	BOS IS
Promoters:	71.18	52-week range (INR):	27,990/10,052
MFs, FIs & Banks:	11.76	Share in issue (Cr):	3.1
FIs:	6.85	Mkt cap (INR Cr):	80,066
Others:	10.21	Avg. Daily Vol.BSE/NSE:(‘000):	2/11



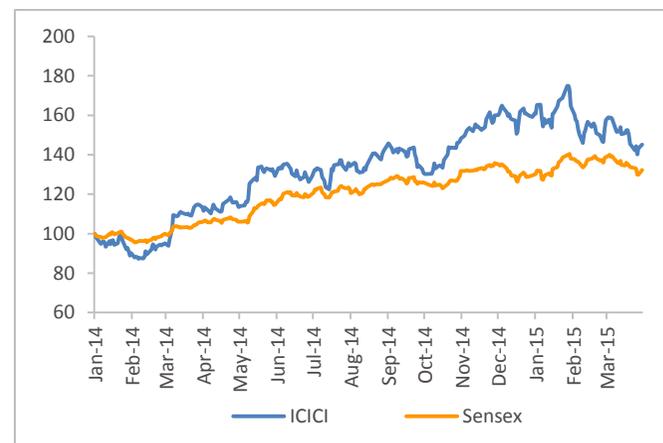


- * ICICI Bank is India's largest private sector bank with total asset of INR 4.7tn. The loan book is expected to grow at 20% CAGR over next few years driven by retail segment and working capital related corporate loans
- * Average CASA is 38-40% which keeps cost of funds low and add to net interest margin
- * Asset quality has been improving steadily with Gross and Net NPA at 3.5% and 0.7% respectively. Restructuring book (1.6% of loans) has been declining. We do not see major restructuring in the future
- * The bank has near market leadership in almost all its businesses including mortgages, auto loans, commercial vehicle loans, life insurance, general insurance, and asset management. In future, the listing of Insurance business and asset management will lead to monetization of stake
- * Guidance of 20% domestic advance growth, NIMs of 3.2% for FY14, cost/income to be capped at 40%, CASA at 38- 40% and credit cost of 75bps will sustain the RoA/RoE at similar levels. Adjusting for valuation of subsidiaries of INR 264 per share, the stock trades at 2.0x FY16 adj.book

	FY13	FY14	FY15	FY16E	FY17E
Net int. income	13,866	16,475	18,888	22,043	26,355
Net profit after tax	8,325	9,810	11,393	12,926	15,291
Adjusted BV per share	91.6	102.0	114.3	130.6	150.9
Diluted EPS (INR)	14.4	16.9	19.7	22.3	26.4
Gross NPA ratio (%)	3.0	2.9	3.4	3.1	2.9
Net NPA ratio (%)	0.7	0.9	1.2	0.9	0.7
Price/book value (x)	2.7	2.5	2.2	2.0	1.8
Price/Earnings (x)	22.0	18.7	16.1	14.2	12.0
ROAE (%)	13.0	14.0	14.7	15.0	15.8
ROA (%)	1.7	1.8	1.9	1.9	1.9

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Top 200 Fund	10,738	7.2	0.6	781.7
HDFC Equity Fund	10,644	7.0	0.6	747.2
ICICI Pru Focused Bluechi..	4,849	7.1	0.3	344.2
Franklin India Bluechip F..	4,978	6.1	0.2	307.6
HDFC Tax Saver Fund	3,580	7.8	0.2	282.1

Shareholding Pattern		Bloomberg:	ICICIBC:IN
Promoters:	-	52-week range (INR):	393 / 240
MFs, FIs & Banks:	21.53	Share in issue (Cr):	115
FIs:	41.74	Mkt cap (INR Cr):	1,84,751
Others:	36.73	Avg. Daily Vol.BSE/NSE:(‘000):	5075



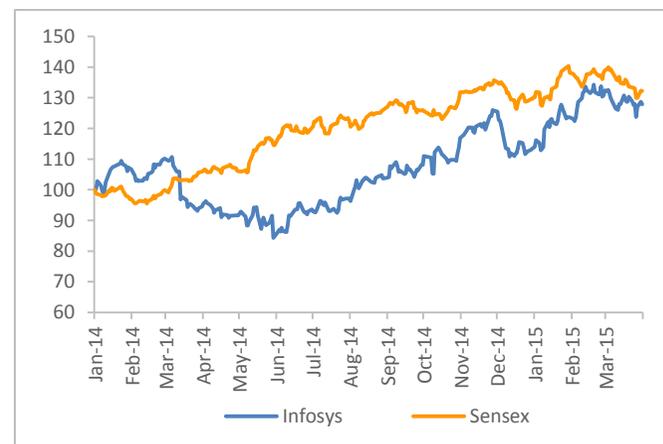


- * Infosys is recovering from an era of slow growth and margin pressure backed by the initiatives taken by the new management under. The company is renewing its focus on core services via, automation, innovation, artificial intelligence and digital technology. At the same time, creating expertise in new services by strengthening design thinking and creating products and platforms.
- * Over the last 8 quarters the company reported 2.5% volume CQGR and in Q3FY15, volume growth was 4.2%, highest in past 3 years. The growth in topline was tilted towards onsite revenues, which signifies new project initiation and therefore higher growth in near future. Strong manpower hiring is also indicating towards better days ahead.
- * Infosys generates 32% revenue from consulting, 25% revenue from manufacturing and 62% revenue from USA. In a period, when USA is recovering and disruptive technologies are driving the demand, Infosys is best placed among its peers to get the benefit of these new trends.
- * In Q3FY15, Infosys reported 27% operating margin and for consecutive five quarters operating margins have improved mainly due to significant cost control measures and higher growth. We believe, available margin levers are still very high due to comparatively low utilization and high attrition.
- * Infosys trades at attractive valuations of 17.1x on FY16E EPS and 15x of FY17X EPS. In a period of high demand for IT outsourcing, especially in the disruptive technology areas; Focus to get a balanced growth from existing and new businesses, improvement in sentiment among the employees, and low valuation as compared to peers make us confident to invest in the company at the current levels.

	FY13	FY14	FY15	FY16E	FY17E
Revenue	40,352	50,133	54,074	61,835	69,853
Rev. growth (%)	19.6	24.2	7.8	14.3	12.9
EBITDA	11,551	13,415	15,304	16,834	19,408
Net profit	9,418	10,648	12,794	14,888	16,818
Shares outstanding (crs)	114	114	114	114	114
Diluted EPS (INR)	82.4	93.1	111.9	130.2	147.1
EPS growth (%)	13.2	13.0	20.1	16.3	12.9
Diluted P/E (x)	27.0	23.9	19.9	17.1	15.1
EV/ EBITDA (x)	19.9	16.7	14.2	12.4	10.2
ROCE (%)	29.6	29.1	29.9	28.4	27.6
ROE (%)	25.7	24.3	25.2	25.2	24.2

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Equity Fund	19,100.67	7.59	0.566	1,449.74
HDFC Top 200 Fund	14,285.46	7.28	0.406	1,039.98
ICICI Pru Focused Bluechip	8,933.18	6.03	0.210	538.67
HDFC Prudence Fund	8,618.82	6.20	0.209	534.37
Franklin India Bluechip.	6,203.17	7.12	0.172	441.67

Shareholding Pattern		Bloomberg:	INFO:IN
Promoters:	13.08	52-week range (INR):	2,336/ 1,440
MFs, FIs & Banks:	15.28	Share in issue (Cr):	114
FII:	41.58	Mkt cap (INR Cr):	2,55,880
Others:	30.06	Avg. Daily Vol.BSE/NSE:(‘000):	2000





- * L&T is India's largest infrastructure and EPC company with presence across major verticals like process, hydrocarbons, power, core infrastructure like roads, ports, bridges, industrial structures etc. It has a dominant position and market share in most operating verticals like oil & gas, process projects, roads, bridges, or industrial structures.
- * L&T targets to achieve over 20% RoE in next 3-5 years by improving internal efficiency, optimal cash flow utilization and optimizing the current manufacturing base in ship-building, defense, heavy forgings and power equipment
- * L&T would focus on divesting stake in several developmental projects for meeting equity requirement. Besides this it is also planning for listing of its Infotech business in FY16. Thus there would be value unlocking in these businesses.
- * L&T is well equipped to lead the recovery in domestic capex cycle, given strong revenue growth visibility supported by robust and diversified order backlog
- * L&T witnessed robust order inflows of INR 94100 crore in FY14 with 15% yoy growth and gave strong guidance of 20% growth in consolidated order inflows in FY15.
- * The management guided for 10-15% growth in consolidated revenue in FY15. The current consolidated order backlog of INR 2.14 lakh crore (2.5x FY14 consolidated revenue) and expectation of strong order inflows in future gives strong revenue growth visibility

	FY13	FY14	FY15	FY16E	FY17E
Revenue	74,498	85,128	94,530	114,040	137,218
Rev. growth (%)	15.8	14.2	11	20.6	20.3
EBITDA	9,859	10,754	11,426	14,153	17,706
Net profit	4,831	4,520	4,351	5,798	7,705
Shares outstanding (crs)	92	92	93	93	93
Diluted EPS (INR)	51.5	49.1	46.5	62.0	82.3
EPS growth (%)	5.2	2.9	-5	2.5	32.5
Diluted P/E (x)	33.5	35.1	37.1	27.8	21.0
EV/ EBITDA (x)	5.4	6.8	7.8	6.9	6.0
ROCE (%)	9.7	8.7	6.9	7.9	9.2
ROE (%)	15.1	12.7	11.0	13.4	15.8

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Equity Fund	18,017.70	6.24	0.713	1,124.30
HDFC Top 200 Fund	13,820.17	4.06	0.356	561.10
Reliance Equity Opportuni..	10,670.28	2.80	0.189	298.77
HDFC Prudence Fund	8,081.11	3.23	0.166	261.02
ICICI Pru Focused Bluechi..	8,386.90	2.73	0.145	228.96

Shareholding Pattern	Bloomberg:	LT :IN
Promoters:	-	52-week range (INR): 1,894/1,242
MFs, FIs & Banks:	36.12	Share in issue (Cr): 92
FII:	18.07	Mkt cap (INR Cr): 1,60,698
Others:	45.81	Avg. Daily Vol.BSE/NSE:(‘000): 836.7



Motherson Sumi Systems (CMP: INR 515; Mkt Cap: INR 44,020 cr)

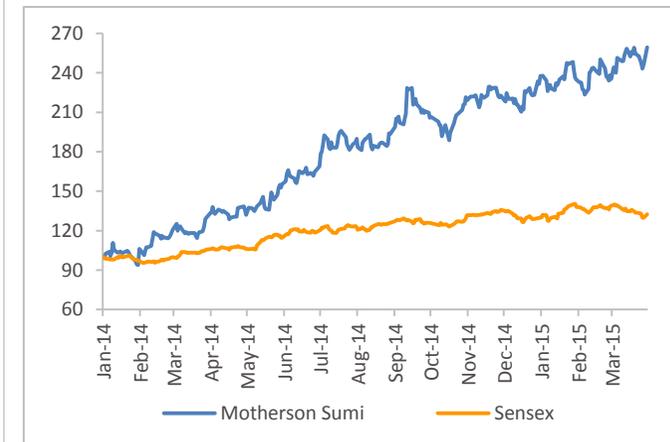


- * Motherson Sumi Systems Ltd. (MSSL) is a global auto component supplier with market leading position in wiring harness (65% MS in India), rear view mirrors (22% Global MS) and polymer components (Bumpers, Dashboards etc). International revenue accounts for 87% of revenues
- * The Management has significantly scaled up business (57% CAGR growth in 10 years) through acquisitions/JVs (at the right time and right valuations), turned them around and created a global company with marquee clients while focusing on ROCE and maintaining dividend payout of 30% plus.
- * MSSL customers include marquee names like VW, Audi , BMW, Porsche, Skoda, General Motors ,Maruti Suzuki, TataMotors, Hyundai etc.
- * Strong order backlog at SMP & SMR (Euro 9 bn) gives sales visibility while margins at SMP are expected to improve going forward. Moreover depletion of low margins old orders and new orders with high margins will lead to margins expansion at SMR and SMP.
- * Internal sourcing opportunities (INR 5000 crs) , tapping customers within business segments (SMR – SMP) and vertical integration (SMR) gives us sustained sales and margin visibility over a longer period

	FY13	FY14	FY15E	FY16E	FY17E
Revenue	25,567	30,658	35,274	47,373	52,575
Rev.growth (%)	72%	20%	15%	34%	11%
EBITDA	1,782	2,815	3,342	5,799	6,565
Net Profit	457	910	1,095	2,026	2,375
Shares outstanding (Crs)	88.20	88.20	88.20	88.20	88.20
Diluted EPS (INR)	5.2	10.3	12.4	23.0	26.9
EPS growth (%)	63%	99%	20%	85%	17%
Diluted P/E (x)	99.3	49.9	41.4	22.4	19.1
EV/EBITDA (x)	38.5	26.8	22.6	14.1	12.1
ROCE (%)	16.8%	29.4%	32.2%	54.4%	56.6%
ROE (%)	18.3%	38.6%	34.9%	50.6%	40.6%

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
ICICI Pru Focused Bluechi..	8,386.90	2.59	0.529	217.22
Birla Sun Life Frontline ..	7,886.36	2.06	0.396	162.46
AXIS Long Term Equity Fun..	3,594.86	2.88	0.252	103.53
ICICI Pru Balanced Advant..	5,006.26	1.11	0.135	55.57
DSP BR Top 100 Equity Fun..	3,510.01	1.50	0.128	52.65

Shareholding Pattern		Bloomberg:	MSS:IN
Promoters:	65.59	52-week range (INR):	520 / 245
MFs, Fls & Banks:	5.13	Share in issue (Crs):	88.2
FIIIs:	18.23	M cap (INR Crs):	44,020
Others:	11.05	Avg. Daily Vol.BSE/NSE:(‘000):	45/420





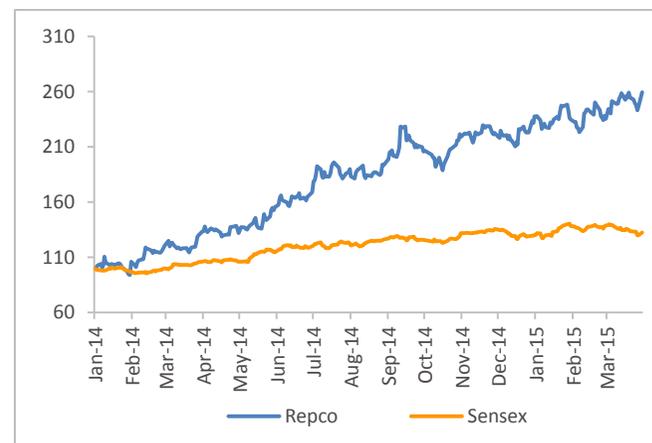
- * Repco Home Finance Limited (RHF), promoted by Repco Bank Ltd., is a dedicated Tier II and Tier III cities focused housing finance company in India
- * RHF, since inception has focused on under-served and under-penetrated areas. The average ticket size of the company's loan is INR 9.8 lakhs
- * During the last five years, loan book have grown at a CAGR of 38% from INR 655 cr. in FY08 to INR 4,661 cr. in FY14 while PAT has also grown by 38% CAGR from INR 15.6 cr. to INR 110 cr. in FY14
- * RHF has zero builder/developer loan. In addition, the company has maintained healthy asset quality with Gross and net NPA of 2.5% and 1.6% as on June 2014
- * The loan book of RHF is equally divided between salaried and non salaried. The company has developed strong in-house model to evaluate non salaried borrowers. This is clearly visible in the cumulative write offs of INR 3.90 crores since initiation.
- * RHF has managed its costs well with a cost-to-income ratio of 17.3%. Unlike its peers, RHF does not depend on intermediaries for loan origination
- * RHF will be able to sustain growth in excess of 20% and RoAE in excess of 20% in coming years . The company is well capitalized (24.95% capital adequacy ratio)
- * The stock is currently trading at attractive valuation of 3.5 FY17E book value

	FY13	FY14	FY15	FY16E	FY17E
Net int. income	125	190	239	302	383
Net profit after tax	80	110	128	165	209
Adjusted BV per share	98.1	108.3	125.4	147.8	184.8
Diluted EPS (INR)	12.6	17.6	20.5	26.4	33.5
Gross NPA ratio (%)	1.5	1.5	1.6	1.7	1.7
Net NPA ratio (%)	1.0	0.7	0.7	0.7	0.7
Price/Adj. book value (x)	6.6	6.0	5.2	4.4	3.5
Price/Earnings (x)	51.5	37.0	31.7	24.6	19.4
RoA	2.4	2.6	2.4	2.4	2.5
RoE	17.0	16.5	17.0	18.6	19.8

FY16 projections not available

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
Franklin India Prima Fund	3,065.46	2.61	1.960	80.01
DSP BR Micro-Cap Fund	1,764.33	3.19	1.379	56.28
Franklin India Smaller Co..	1,773.73	2.75	1.195	48.78
SBI Magnum Global Fund	1,737.58	2.67	1.137	46.39
ICICI Pru Banking & Finan..	676.26	5.56	0.921	37.60

Shareholding Pattern		Bloomberg:	REPCO:IN
Promoters:	37.26	52-week range (INR):	724 / 325
MFs, FIs & Banks:	16.52	Share in issue (Cr):	62.2
FIs:	30.06	Mkt cap (INR Cr):	4,077
Others:	16.16	Avg. Daily Vol.BSE/NSE:(‘000):	33/5



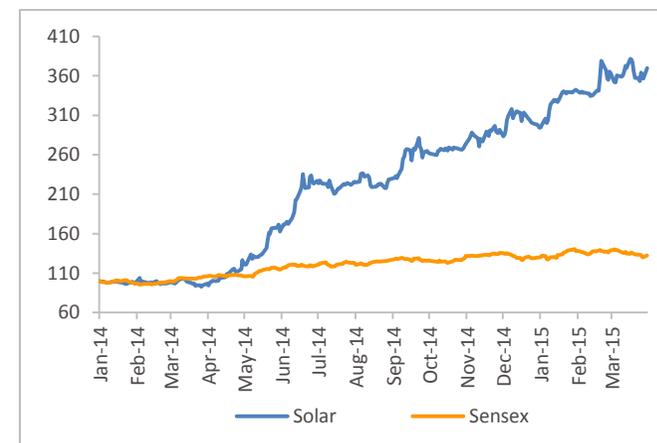


- * Solar Industries Ltd. (SIL) is the market leader with 30% market share in the domestic industrial explosives segment and the largest Indian exporter and is poised to sustain its fast-paced growth on back of its leadership position and high entry barriers in explosive industry.
- * The company expanding geographically via exports as well as scaling up overseas manufacturing operations, as exports have better realization and margins compared to domestic markets, thus a surge in profitability is imminent.
- * It entered into an arrangement with DRDO to source the necessary technology to manufacture propellants (for Akash & Pinaka missiles) and HMX (for war heads). These products would be 20%+ margins and a RoCE of 40%+.
- * The defense project, has the potential to garner over INR2bn and INR4bn revenue in FY16E and FY17E, respectively, is likely to commence in H2FY15 and to be completed at a cost of INR2.2bn.
- * Further, the Government recently has classified its key raw material Ammonium Nitrate as explosive, and thus the illegal market that used to operate could shift to the company, which may add to further growth.
- * At CMP the stock is trading at 21.2x its FY17E earnings.

Year to March	FY13	FY14	FY15	FY16E	FY17E
Revenue (crs)	1,121	1,132	1,372	1,736	2,196
Rev. growth (%)	15.9	0.9	21.1	26.4	26.4
EBITDA (crs)	189	202	263	344	442
Net profit (crs)	126	129	178	239	315
Shares outstanding (crs)	1.8	1.8	1.8	1.8	1.8
Diluted EPS (INR)	69.8	70.9	87.7	118.6	158.7
EPS growth (%)	23.3	1.6	23.6	35.2	33.8
Diluted P/E (x)	48.2	47.5	38.4	28.4	21.2
EV/ EBITDA (x)	33.5	31.8	24.3	18.5	14.2
ROCE (%)	19.8	16.4	19.3	23.6	26.9
ROE (%)	25.8	20.8	21.8	24.3	26.2

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Mid-Cap Opportunitie..	9,160.74	1.94	3.166	177.72
HDFC Tax Saver Fund	5,062.25	1.14	1.028	57.71
Birla Sun Life Midcap Fun..	1,497.58	3.84	1.025	57.51
HDFC Balanced Fund	3,087.46	1.65	0.908	50.94
DSP BR Micro-Cap Fund	1,764.33	2.43	0.764	42.87

Shareholding Pattern		Bloomberg:	SOXP:IN
Promoters:	72.91	52-week range (INR):	3,620 / 850
MFs, FIs & Banks:	18.14	Share in issue (Cr):	1.8
FIs:	0.77	Mkt cap (INR Cr):	6,099
Others:	8.18	Avg. Daily Vol.BSE/NSE:(‘000):	15



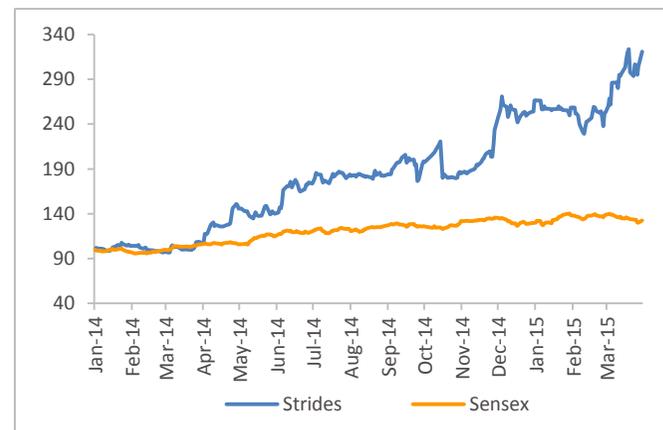


- * Strides Arcolab (STAR) has evolved from a predominantly injectable-focused company into a niche pharmaceutical generic player
- * In a bid to achieve vertical integration in the highly competitive formulations market (ex. injectable), the company acquired Shasun Pharmaceuticals
- * The combined entity is envisaged to derive substantial operating and business synergies
 - Vertical integration to aid institutional business, yielding higher market share (STAR expects to increase revenues from USD 50 mn to USD 250 mn over next 3-4 years)
 - Enhanced product pipeline of non-overlapping molecules in niche and complex segments for the regulated markets
 - Operating synergies will catapult margin
- * It is one of the most successful Indian companies in the African market with a pan-Africa footprint, mainly focused on Sub-Saharan Africa (~USD 8 bn market). STAR expects to build a USD 100 mn branded business in Africa in the next 3 years.
- * The acquisition of Bafna Pharmaceutical's domestic business is thus in line with STAR's strategy of acquiring strong brands and also gives it an opportunity to market its existing products pan-India

Year to March	CY12	FY14	FY15	FY16E	FY17E
Revenue (crs)	2,307	1,341	1,217	2,896	3,354
Rev. growth (%)	-9.5%	-41.9%	-9.3%	138.0%	15.8%
EBITDA (crs)	606	252	237	467	624
Net profit (crs)	847	(233)	920	270	399
Shares outstanding (crs)	6.0	6.0	6.0	8.1	8.1
Diluted EPS (INR)	43.3	17.6	27.6	33.5	49.5
EPS growth (%)	30.4%	-59.4%	57.1%	21.5%	47.7%
Diluted P/E (x)	27.1	66.9	42.5	35.0	23.7
EV/ EBITDA (x)	13.9	29.0	30.3	21.8	15.8
ROCE (%)	13.7%	9.1%	14.0%	18.3%	19.2%
ROE (%)	14.7%	6.6%	14.2%	17.9%	20.1%

Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Mid-Cap Opportunities	9,160	0.9	1.6	90
SBI Magnum Midcap Fund	847	4.2	0.6	36
Birla Sun Life Equity Fund	1,770	1.9	0.6	33
Tata Equity P/E Fund	597	3.7	0.4	22
DSP BR 3 Years Close Ended	666	3.3	0.4	22

Shareholding Pattern		Bloomberg:	STR:IN
Promoters:	27.6	52-week range (INR):	1,199 / 382
MFs, FIs & Banks:	8.9	Share in issue (Cr):	5.9
FII:	37.7	Mkt cap (INR Cr):	6,898
Others:	25.9	Avg. Daily Vol.BSE/NSE:(‘000):	585



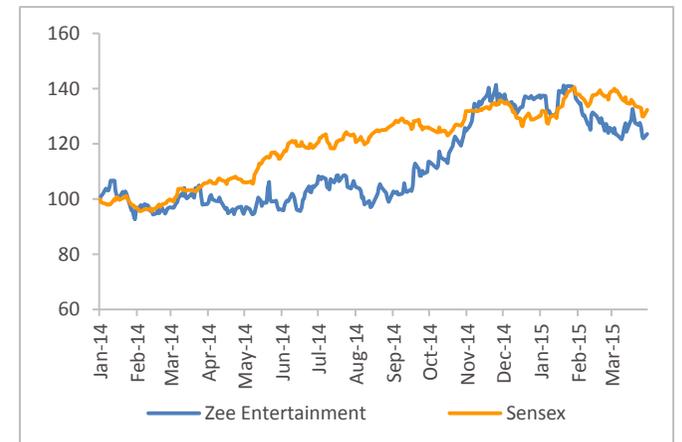


- * ZEE is India's oldest private cable television broadcaster and one of the largest media companies in India. Besides Zee TV and Zee Cinema, the company has an attractive bouquet of regional channels. The company has 650mn viewers in total all over the globe
- * ZEE will be a major beneficiary of digitization, with its large channel bouquet, strong distribution muscle, sound balance sheet, cash flows, large dividend payouts and ability to garner higher share of the subscription revenue pie
- * The recent launches by the company have lived up to the expectations and new launches in the past one year like & pictures have done well. The new channel launches in the industry will increase the fragmentation and aid in Zee's growth
- * As of H1-FY14, subscription revenues contributed ~44% to ZEE's total revenues. We expect subscription revenues to contribute ~38% to ZEE's total revenues by FY16. ZEE's international revenues will further add to the company's profitability prospects
- * The company has strong balance sheet with cash of INR 1400 crore on books. Zee had merged the media business of DMCL with itself to drive synergy and avail tax benefits.
- * At the CMP the stock trades at a PE multiple of 24.8x FY17E earnings

	FY12	FY13	FY14	FY15E	FY16E
Revenue	3,699	4,421	4,762	5,543	6,707
Rev. growth (%)	21.6	19.5	7.7	16.4	20.9
EBITDA	954	1204	1300	1380	2005
Net profit	718	890	969	1040	1463
Shares outstanding (crs)	95	95	95	95	95
Diluted EPS (INR)	7.5	9.2	8.6	9.3	13.7
EPS growth (%)	22.7	23.2	-7	8.6	46.9
Diluted P/E (x)	45.3	36.8	39.6	36.5	24.8
EV/ EBITDA (x)	32.9	28.0	25.3	23.7	16.0
ROCE (%)	32.0	33.0	29.7	27.5	34.9
ROE (%)	19.6	26.8	32.2	28.6	33.2

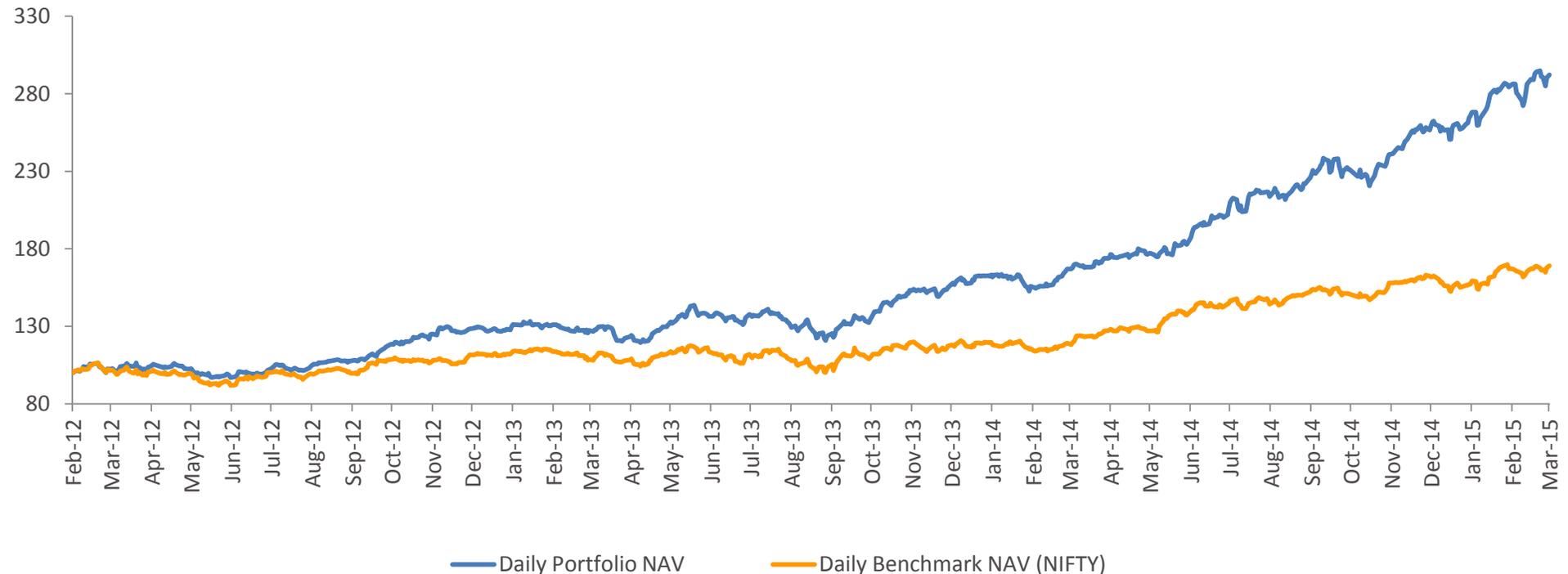
Scheme Name	AUM (INR Cr.)	% AUM in Stock	% Stake	Current Value
HDFC Top 200 Fund	13,820.17	0.64	0.238	88.45
Birla Sun Life Tax Relief..	1,903.66	2.66	0.136	50.64
Birla Sun Life Frontline ..	7,886.36	0.56	0.119	44.16
HDFC Mid-Cap Opportunitie..	9,160.74	0.44	0.108	40.31
AXIS Equity Fund	1,512.72	1.94	0.079	29.35

Shareholding Pattern		Bloomberg:	Z:IN
Promoters:	43.07	52-week range (INR):	402 / 259
MFs, FIs & Banks:	0.97	Share in issue (Cr):	96
FII:	51.91	Mkt cap (INR Cr):	32,879
Others:	4.05	Avg. Daily Vol.BSE/NSE:('000):	483/2538





Edelweiss Top Picks NAV: At INR 296 vs Nifty NAV of INR 161



* Edelweiss Top Picks have delivered a CAGR return of 41% since inception as against Nifty CAGR return of 16%, translating into an outperformance of 25% (p.a)

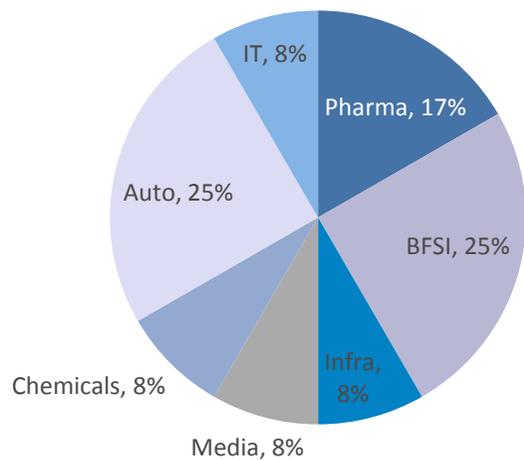
* On an annualized basis (last 12 months), Top Picks have delivered a return of 68% per annum as against Nifty return of 26%.



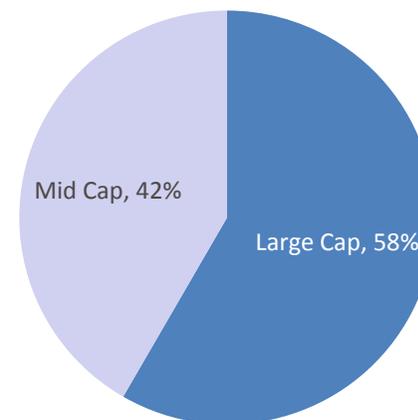
Top Picks Portfolio Performance

Parameters	1 M	3 M	6 M	9M	12 M	ITD (CAGR) ##
Portfolio Returns	0.0%	10.5%	30.7%	41.0%	68.0%	41.0%
Benchmark Returns	-5.2%	1.2%	8.1%	9.9%	25.8%	16.3%
Volatility	20.6%	18.9%	17.8%	18.2%	17.4%	16.0%
Benchmark Volatility	15.6%	16.0%	14.3%	13.7%	13.8%	15.4%
Sharpe Ratio	(0.40)	1.79	2.99	2.56	4.74	6.20
Information Ratio	5.91	3.16	2.53	3.69	3.40	6.63

Sector Composition



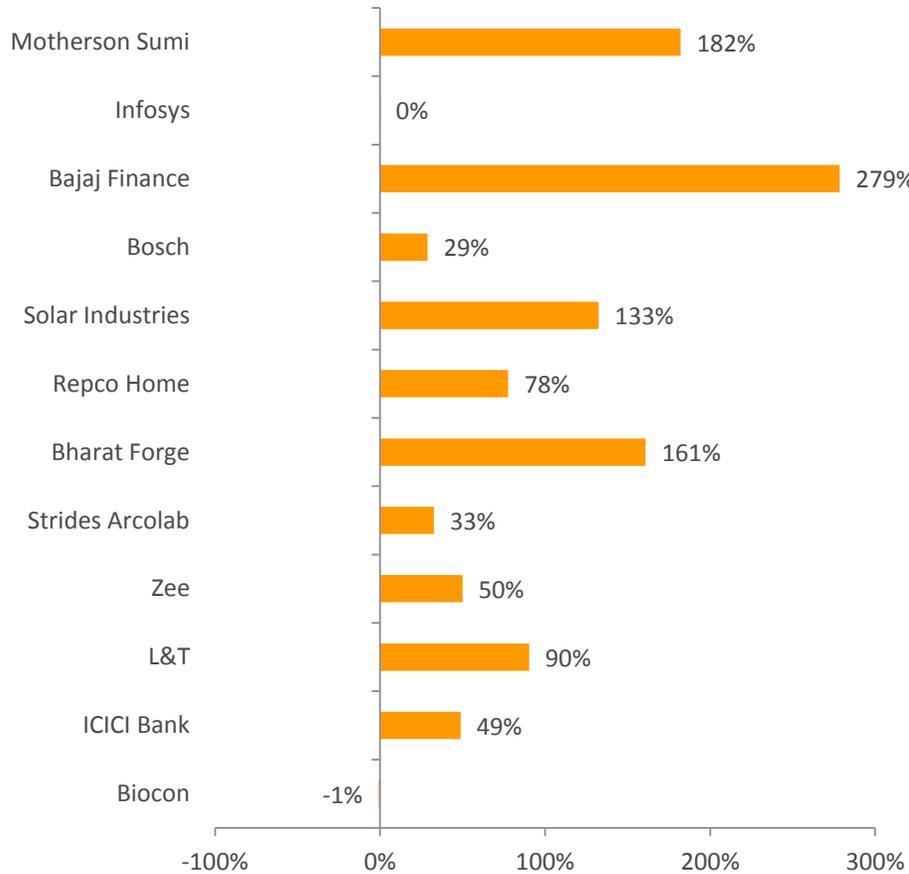
Value Composition



Returns for the Inception and for the month

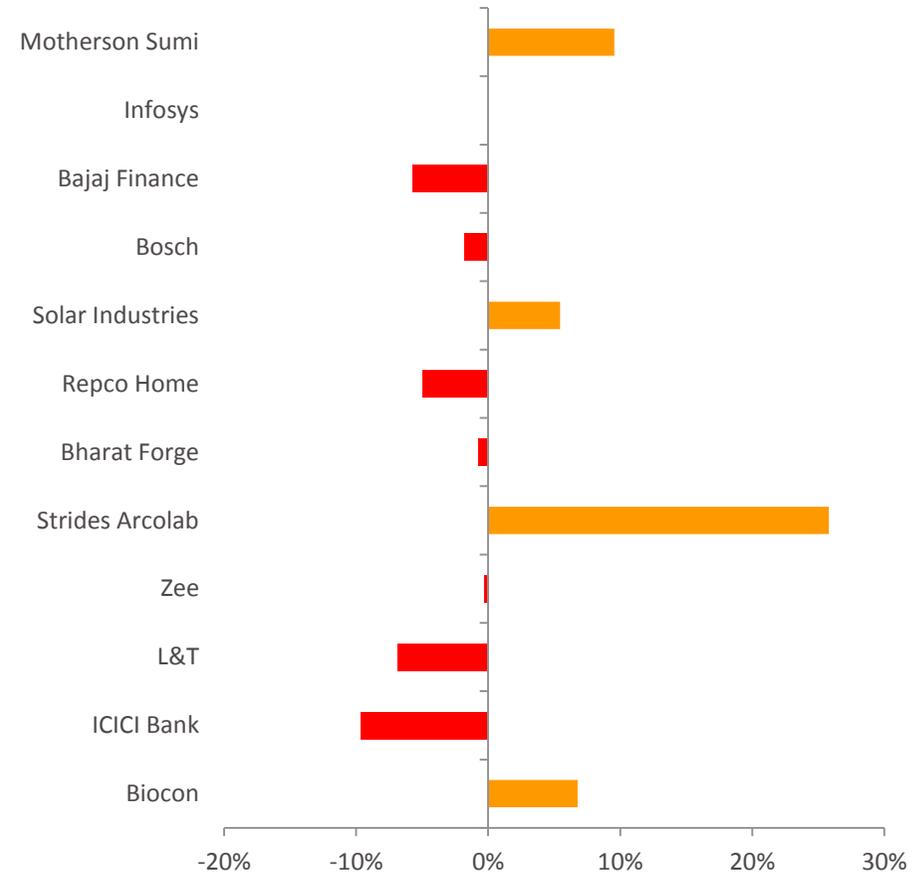


Return Since inception



Return since inception – 196%

Return for the month of March



Monthly Return – 0 %

Edelweiss Top Picks Deletion History



Exit Date (Beginning Of the Month)	Company Name	Buy Price	Exit Price	Return
Jun-12	Tata Steel	471.0	397.9	-15.5%
Sep-12	Glenmark Pharmaceuticals	297.7	426.6	43.3%
Oct-12	Yes Bank	336.2	394.2	17.3%
Oct-12	City Union Bank	37.1	46.1	24.2%
Oct-12	HCL Technologies	437.9	581.2	32.7%
Oct-12	Eros International	204.7	161.6	-21.1%
Oct-12	Bajaj Auto	1610.8	1810.4	12.4%
Oct-12	GSK Consumer	2664.0	3008.5	12.9%
Feb-13	Supreme Industries	282.9	304.1	7.5%
Feb-13	Coromondel international	269.7	227.1	-15.8%
Feb-13	Amara Raja Batteris	221.7	300.6	35.6%
Feb-13	Gateway Distiparks	145.9	134.8	-7.6%
May-13	Astral Poly Technik	120.0	153.9	28.3%
May-13	RAMCO Cement	243.4	242.5	-0.4%
Jul-13	Glenmark Pharmaceuticals	499.8	575.4	15.1%
Jul-13	Lupin	705.6	777.2	10.1%
Jul-13	WABCO India	1605.4	1678.1	4.5%
Jul-13	J&K Bank	161.6	129.8	-19.7%
Aug-13	Bharat Forge	224.2	196.5	-12.4%
Aug-13	Development Credit Bank	48.2	44.3	-8.0%
Sep-13	V-Guard	466.3	507.8	8.9%
Nov-13	KPIT Cummins	130.3	142.3	9.2%
Nov-13	ITC	300.7	328.1	9.1%
Jan-14	Maruti Suzuki	1358.0	1764.0	29.9%
Jan-14	Sobha Developers	301.4	320.2	6.2%
Jan-14	RAMCO Cement	176.2	188.1	6.8%
Apr-14	Lupin	835.0	945.1	13.2%
May-14	Ipca Labs	822.0	760.6	-7.5%
May-14	Wipro	451.0	494.7	9.7%
May-14	Pidilite	255.0	323.9	27.0%
May-14	Infosys	3561.0	2924.5	-17.9%
Aug-14	United Spirits	2499.1	2380.3	-4.8%
Jan-15	Hindalco	156	158	1.3%

Stocks Under Coverage



Stock	Sectors	Release Date	Reco Price	CMP	Return
TTK Prestige	Consumption	Apr-10	900	3,315	268%
Whirlpool	Consumption	Apr-10	300	711	137%
Symphony Ltd	Consumption	Apr-10	184	2,292	1146%
Bajaj Finance Limited	BFSI	Feb-12	810	4,160	414%
City Union Bank Limited	BFSI	Feb-12	35	93	166%
GRUH Finance Limited	BFSI	Apr-12	133	267	101%
Kajaria Ceramics Limited	Consumption	Apr-12	130	729	461%
Tube Investments of India Limited	Auto & Auto Ancillary	Apr-12	141	369	161%
Alembic Pharmaceuticals Limited	Pharma	Apr-12	47	473	907%
Vinati Organics Limited	Chemicals	May-12	86	541	529%
Karur Vysya Bank Limited	BFSI	Jun-12	390	589	51%
Jammu & Kashmir Bank Limited	BFSI	Jul-12	82.5	151	83%
Astral Poly Technik Limited	Consumption	Aug-12	115	385	235%
Amara Raja Batteries Limited	Auto & Auto Ancillary	Aug-12	188	893	375%
Dishman Pharmaceuticals and Chemicals Limited	Pharma	Sep-12	86	160	85%
MindTree Limited	IT	Oct-12	337	1,331	295%
V-Guard Industries Limited	Consumption	Jul-12	240	1,006	319%
TV18 Broadcast Limited	Media	Nov-12	23	35	53%
Prestige Estates Projects Limited	Real Estate	Dec-12	163	263	62%
WABCO India Limited	Auto & Auto Ancillary	Jan-13	1620	5,282	226%
Madras Cements Limited	Cement	Jan-13	240	366	53%
KPIT Cummins Infosystems Limited	IT	Jan-13	110	212	93%
Sobha Developers Limited	Real Estate	Feb-13	430	469	9%
Bharat Forge	Auto & Auto Ancillary	April-13	230	1,066	363%
La Opala RG Limited	Consumption	June-12	105	429	309%
Development Credit Bank Ltd	BFSI	May-13	47.6	121	155%

Stock	Sectors	Release Date	Reco Price	CMP	Return
J K Lakshmi Cement Ltd	Cement	June-13	106	398	275%
Kewal Kiran Clothing Ltd	Consumption	July-13	820	1769	116%
NIIT Technologies Ltd	IT	Sep-13	275	351	28%
Elgi Equipments	Capital Goods	Sep13	78	166	113%
Motherson Sumi Systems Ltd	Auto & Auto Ancillary	Sep-13	157	447	185%
Pidilite Industries	Consumption	Sep13	258	545	111%
Unichem Lab	Pharma	Oct-13	170	217	27%
Engineers India Ltd	Capital Goods	March-14	149	218	47%
Mayur Uniquoters Limited	Consumption	March-14	485	476	-2%
Natco Pharmaceutical Ltd	Pharma	March-14	750	1365	82%
Va Tech Wabag Ltd	Capital Goods	March-14	695	1562	125%
Finolex industries	Consumer Durable	April-14	120	293	144%
Cholamandalam Investment	BFSI	April-14	290	541	87%
Ratnamani Metals and Tubes Ltd	Capital Goods	May-14	235	742	216%
NBCC	Infra	May-14	243	892	267%
Finolex industries	Capital Goods	April-14	185	293	58%
CAN FIN Homes	BFSI	May-14	265	626	136%
Biocon Ltd	Pharma	July-14	477	422	-11%
Adi Finechem Ltd	Chemicals	July-14	229	362	58%
V-Mart Retail Ltd	Consumption	Sept-14	540	534	-1%
Poly Medicure	Medical Accessories	Sep-14	610	505	-17%
KNR Constructions Ltd	Infra	Sep-14	253	403	59%
Hester Biosciences Ltd	Pharma	Sep-14	435	347	-20%
MT Educare Ltd	Education	Oct-14	138	121	-13%
Apollo Tyre Ltd	Auto Ancillary	Nov-14	233	243	4%
MRF Ltd	Auto Ancillary	Nov-14	32635	40218	23%
Suprajit Engineering Ltd	Auto Ancillary	Nov-14	121	155	28%
Bosch Ltd	Auto Ancillary	Nov-14	15200	24975	64%
Indo Count Industries Ltd	Textile	Dec-14	339	423	25%
Strides Arcolab Ltd	Pharma	Feb-15	876	876	0%



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