Happy Diwali

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Muhurat Picks 2016

Company	CMP (Rs)	Target (Rs)	Upside (%)
Avanti Feeds Ltd.	609	744	22
Bodal Chemicals Ltd.	141	172	22
CCL Products India Ltd	249	293	18
Dishman Pharmaceuticals & Chemicals Ltd.	238	281	18
L&T Finance Holdings Ltd	102	118	16
NOCIL Ltd.	79	94	20
Punjab and Sindh Bank	53	64	20
Tata Global Beverages Ltd.	154	178	16
The Byke Hospitality Ltd.	182	219	20
TV Today Network Ltd.	339	401	18

Executive Summary

Indian equity market, after touching a 2-year low on the Union Budget Day 2016-17, has bounced back strongly on the back of positive domestic and global cues. The BSE Sensex has registered a 22.1% growth since then after touching a low of 22,495. Some of the reasons which can be attributed to the growth are:

- Parliamentary nods for crucial bills (GST, Bankruptcy code, Real Estate Regulatory bills etc)
- Realistic budget where the government, without compromising on investment thrust, has kept the target fiscal deficit at 3.5% and 3.0% for FY17 and FY18 respectively
- Strong FII inflows of Rs46,000+ crore YTD FY17 (net positive in three out of last four consecutive years)
- Robust global liquidity (delay in Fed rate hike, massive stimulus by ECB and Japanese central banks)
- Normal monsoon in FY17 after two years of drought
- Implementation of 7th pay commission (Rs1 trillion additional bonanza for government employees to lift consumption demand)
- 175 bps rate cuts by RBI in last two years

The above developments have led to a 6.2% growth in Sensex from the Diwali Week 2015 to Diwali Week 2016. The Indian equity market stand tall amidst numerous global and India specific headwinds like geopolitical risks, Brexit fallout, downward revision of global growth outlook, liberal monetary policy of developed world and uncertainty over Fed rate hike etc.

We believe the coming year will be more fruitful due to a) Recovering Indian earnings trajectory, b) Strengthening Banking system with regards to asset quality, c) Rising rural demand on favourable monsoons, d) lowering inflation that provides room for further rate cut, e) Easing taxation due to GST rollout from FY18 onwards, f) Improving ease of doing business, g) Continuing FII inflows consequent to India being ranked a top FDI destination followed by USA and China and h) Encouraging macro-economic indicators.

In all this, the valuations are just about right, not very costly but not cheap either. Therefore it is prudent to be lay one's bets on a stock specific basis to weather the volatility out.

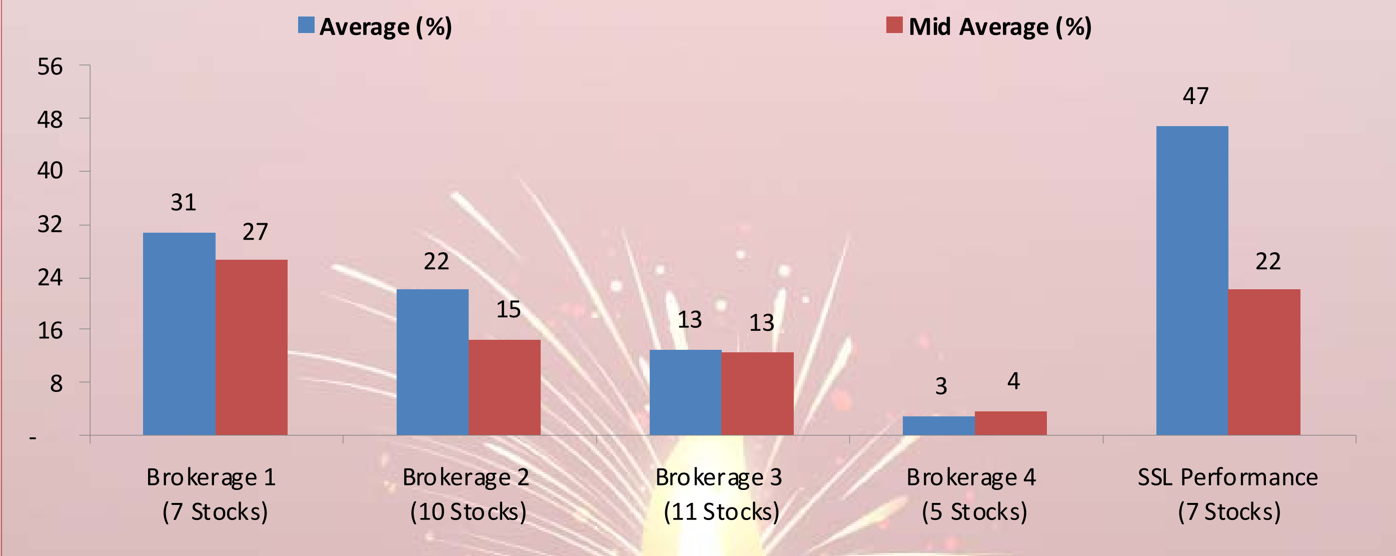
We hereby bring you the Muhurat picks on occasion of Diwali 2016 alongside our performance for previous Diwali.

Performance of Muhurat Picks - 2015:

Company	Reco. Price (Rs)	Target (Rs)	Targeted Upside(%)	CMP (Rs)	Actual gain (%)	Highest Price Since Reco. (Rs)
Cadila Healthcare	417	493	18	392	-6	429
Container Corp	1,406	1617	15	1,352	-4	1,544
GNFC	74	90	22	242	227	248
ICICI Bank	263	302	15	278	6	284
Kansai Nerolac	244	288	18	376	54	403
Tata Motors	412	494	20	545	32	599
Wonderla Holidays	335	409	22	407	22	430

CMP as on 21st October 2016

Performance vis-a-vis other broking houses:



Note: *Mid average performance excludes the best and worst performer*

About Muhurat Trading

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Indians are avid followers of rituals and customs, celebrating various festivals over the year. Among them the most revered and spiritual occasion is 'Diwali', One of the holy 'saadhe tin muhurat' according to Hindu religion. Religious Indians are strong believers of 'Shagun' and 'Muhurat', which means an auspicious occasion. Traditional business communities in India start their new financial year on the 'Muhurat' with 'Laxmi Puja', praying goddess 'Laxmi' and earning her holy blessings for prosperity and wealth.

'Samvat', a well heard word in financial markets is a short form of Sanskrit word 'Samvatsar' which means a year. Vikram Samvat is the beginning of Hindu new year celebrated on 'chaitra shukla pratipada'. The ruler of this samvat is Lord Indra whereas Moon is both, the king and the minister. According to astrologers, 'Plavang' will be moderately conducive on economic front for the country.

Stock exchanges in India arrange for a special trading session on the eve of 'Diwali'. Traders welcome a new year with a traditional ceremony of 'Laxmi Puja'. Older books of account are closed and new books are opened with Puja. Customary small trades are placed by traders as 'shagun', a symbolic start of new session on holy 'Muhurat', believing that the whole session will continue to bring prosperity and create wealth for them.

With this context we bring you, Ten muhurat picks for this muhurat trading session.

"With a hope that you attain success and bliss with every light that is lit during the DIwali."

"Wish You a Very Happy Diwali"

Avanti Feeds Ltd.

BSE Code: 512573 | NSE Symbol: AVANTIFEED

Key Investment Rationale:

- **Processing segment revenue rising:** The Shrimp Processing and Exports Unit, certified ISO 22000: 2005 is located in Gopalapuram near Ravulapalem, East Godavari District Andhra Pradesh. The state of art technology coupled with quality consciousness, excellent storage facilities, logistics capabilities, timely deliveries and commitment to customer satisfaction has made Avanti to be proud of a long list of loyal customers from USA, Europe, Japan, Australia & Middle East. The processing segment is jumped 3x in last three years and that is also a high margin business. The Company has a fleet of insulated as well as refrigerated vehicles to transport the harvested shrimp from the farms to the processing plant and the processed goods to the port of shipment in order to maintain the freshness of product.

- **Quality control to drive the growth:** The company has started taking initiatives to provide shrimp farming education and further technical support to the farmers in order to boost the quality and volume of the shrimps. It would help the company to gain an advantage over its peers in US market which has started imposing stringent measures on the quality checks of imported shrimps. As a result in FY16, the company's export volume increased to 4377 MT versus 3409 MT in the previous year. Also the shrimp feed sales went up by 8% to 252590 MT during the year. In the near future the management envisages good volume growth from the export of processed shrimps.

- **Strong balance sheet with attractive financial numbers:** The company has strong balance sheet with almost debt free book in FY16 against of Rs50 crore as on Mar. 2015. The company has been reporting strong set of numbers with profit growing faster than sales due to consistent improvement in margin. The quarterly numbers since last few quarters are good with sales and PAT are growing in double digit.

Valuation :

Strong credentials of quality in the niche segment, strong exports volume growth and the vertically integrated value chain makes the business attractive. At the CMP of Rs. 609, the stock is moderately prices at 17x its TTM earnings. We are positive on the stock with the price target of Rs.744.

Technical View:

Avanti feed has taken 50% Fibonacci Retracement support around level of 482.50 at low of 477.55.

(From the swing low of 331.05 made on late January 2016 to the swing high of 631.70 made on late July 2016).

The counter is trading above previous month high with rise in volumes.

CMP	(₹)	609
Target	(₹)	744
Upside Potential	(%)	22

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	2,018.3	1,780.7	1,131.6	648.0
EBITDA (Cr)	230.3	182.3	111.4	50.5
PAT (Cr)	157.5	115.9	70.4	30.1
EPS (Rs)	34.7	25.5	15.5	6.6
Book Value (Rs)	84.7	58.4	39.6	27.6

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	11.4	10.2	9.8	7.8
NPM (%)	7.8	6.5	6.2	4.6
CMP (Rs)	609.0	609.0	609.0	609.0
PE (x)	17.6	23.9	39.3	92.0
P/Bv (x)	7.2	10.4	15.4	22.1
D/E (x)	0.0	0.2	0.3	0.5
ROE (%)	48.9	52.4	45.8	27.6
ROCE (%)	66.4	64.1	50.9	28.6

CHART

Bodal Chemicals Ltd.

BSE Code: 524370 I NSE Symbol: BODALCHEM

Key Investment Rationale:

- **Strong Business Model:** Bodal is a manufacturer and supplier of Dye & Dye Intermediaries. It has a unique and integrated product line covering forward and backward integration to dye intermediates. The company is both forward and backward integrated in terms of producing dye intermediates as the company uses 60 percent of the of their own raw material in producing intermediates and 80 percent of their own raw materials in producing dyestuff. About 40 percent of the company revenue is from export medium and remaining from the domestic market. Bodal is one of the leading producers of Dye intermediates & Dyestuff in the world. It is the only company in India having in-house manufacturing facility starting from Basic Chemicals to Wide range of Dye Intermediates to Dyestuffs.
- **New projects to drive growth going ahead:** Bodal Agrotech Ltd. a fully owned subsidiary has received environment clearance for the manufacturing of several chemicals. It has also finalized to start project with total capacity of 18,000 MT for the manufacturing of product named LABSA which is majorly used in detergent industry. The undertaken project would cost upto Rs. 15 crores for the company with estimated sales turnover of about Rs. 100 crore. The company has also acquired a 42 percent stake in Trion Chemicals which has approvals for a project falling under specialty chemicals. A joint project with total capacity of 12,000 MT has been started with expected turnover of about Rs. 240 crore at the optimum utilization levels.
- **Robust financial performance:** The company has significantly reduced its debt from as high debt levels of Rs. 343.22 crore in FY14 to current levels of Rs. 142.90 crore. The company has started reporting positive net profit from past three fiscal years majorly due to improved operating efficiency which is reflected in its increased bottom line. EBITDA and PAT Margins for the fiscal FY16 stands at impressive levels of 17.2% and 9.4% as against sub 5% levels during FY13. Return ratios have also remained on the higher side with ROE and ROCE for FY16 at 44.0% and 37.2%.

Valuation:

The company is currently trading at an attractive valuation of 15.6x of its TTM earnings. Going ahead we expect stronger revenue visibility for the company mainly supported by the high prices of H-acid which is their major product. Also, the company's diversification into speciality chemicals through its subsidiary Trion chemicals and with its new product LABSA finally expected to start contributing to the revenue would lead to positive growth going ahead. We have positive view on the stock and recommend a BUY with price target of Rs172.

Technical View:

BODALCHEM is trading in upwards sloping price channel.

The counter is making higher tops and higher bottoms with increase in volumes in monthly chart.

The counter is trading near its all time high.

CMP	(₹)	141
Target	(₹)	172
Upside Potential	(%)	22

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	910.0	1,045.3	959.5	527.5
EBITDA (Cr)	156.6	184.1	115.1	19.8
PAT (Cr)	86.0	91.8	30.2	-23.2
EPS (Rs)	7.9	8.4	2.8	-2.1
Book Value (Rs)	21.5	16.6	8.2	4.6

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	17.2	17.6	12.0	3.7
NPM (%)	9.4	8.8	3.1	-4.4
CMP (Rs)	141.0	141.0	141.0	141.0
PE (x)	17.9	16.8	51.0	-66.4
P/Bv (x)	6.6	8.5	17.1	30.7
D/E (x)	0.6	1.2	4.1	6.9
ROE (%)	44.0	81.2	151.7	-
ROCE (%)	37.2	38.9	38.8	-

CHART

CCL Products India Ltd.

BSE Code: 519600 | NSE Symbol: CCL

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Key Investment Rationale:

- **Focus on premium coffee segment:** In an effort to transform itself as one stop shop for all the types of need and due to the increasing focus on premium coffee segment, the management has decided to set up a new freeze dried coffee plant of 5000 MT capacity in India which will get operational by FY18. The domestic capacity of 20,000 MT has already reached a 100% utilization level and the Vietnam plant has been operating at a 75% level. The management has put up plans of collaborative capacity expansion of freeze dried and spray dried coffee in Vietnam as well as Switzerland.

  The focus on freeze dried coffee helped the company to report 3% growth in revenue per tonne in the last quarter.

- **Strategies for U.S. market in place:** The contribution of U.S. market to the revenue has reached to 20%. The management has started devising new strategies for the market with the local partner taking the advantage of lack of competitiveness of the Brazilian players after economic turmoil in the country. The clarity over the FSMA regulation could be expected after assembly elections however; the U.S. market would be crucial for the premium products segment of the company.

- **Strong financial position:** The company has reported revenue CAGR of ~21% and PAT CAGR of ~34% over FY11-16. It also expanded operating margin by 420 bps and net margin by 580 bps over the same period. Healthy ROCE of 26% and ROE of 23% strengthens the financial position of the company.

Valuation:

At the CMP of Rs. 249, the stock is available at 28.6x its TTM earnings. Niche expertise, high switching cost of clients, focus on premium products and bright prospects of retail business maintain our confidence in the business. We recommend the investment in the stock with the target price of Rs.293.

Technical View:

CCL has taken 38.20% Fibonacci Retracement support around level of 234.50 at low of 232.30.

(From the swing low of 152.45 made on late May 2016 to the all time high of 284.40 made on late August 2016).

The short term, medium term and the long term averages are trading one above the other.

CMP	(₹)	249
Target	(₹)	293
Upside Potential	(%)	18

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	932.1	880.6	716.8	650.7
EBITDA (Cr)	204.7	171.2	143.1	121.3
PAT (Cr)	122.1	94.0	64.4	47.4
EPS (Rs)	9.2	7.1	4.8	3.6
Book Value (Rs)	38.3	31.7	26.5	20.9

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	22.0	19.4	20.0	18.6
NPM (%)	13.1	10.7	9.0	7.3
CMP (Rs)	248.9	248.9	248.9	248.9
PE (x)	27.1	35.2	51.4	69.8
P/Bv (x)	6.5	7.9	9.4	11.9
D/E (x)	0.4	0.5	0.8	1.1
ROE (%)	26.2	24.3	20.4	18.3
ROCE (%)	25.9	22.7	19.0	17.4

CHART

Dishman Pharmaceuticals & Chemicals Ltd.

BSE Code: 532526 | NSE Symbol: DISHMAN

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Key Investment Rationale:

- **Strong business model:** The company operates in two major business segments namely Contract Research And Manufacturing Services (CRAMS) contributing about 70% of total revenue and the remaining 30% contributed by Marketable molecules. It is an integrated player having specialisation in developing processes that are further scalable to commercialisation, through process research, process development or optimisation. company's subsidiary CARBOGEN AMICS offers services ranging from chemical development to niche scale commercial manufacture and supply of API's targeting oncology segments in US and European markets. Company's marketable molecules division manufactures products from diversified product segments under three major categories as Speciality Chemicals, Vitamins & Chemicals and Disinfectants. It is a global leader in the speciality chemicals segment and a leading manufacturer of Phase Transfer Catalysts.

- **Strong order book and better capacity utilisation could lead to sustainable sales growth:** The company as a group possess strong order book of more than 150 million dollar for FY17 with CARBOGEN AMICS order book standing at around 80million swiss francs which is expected to be executed till FY17. Also for the domestic markets the company possess an order pipeline of USD 40 million for FY17 comprising profitable and complex chemistry products from large corporate. The company is also planning to expand CARBOGEN AMICS development facility which is currently operating at 95% of its utilisation for high potent development and small scale production.

- **Robust Financial Performance:** The company has been posting strong set of numbers with net sales and profit growing at a CAGR growth of 7 and 24 percent for FY12-16. It has also been posting strong margin with EBITDA and PAT margin standing at 25.7% and 10.8% for FY16. Return ratios for the company have also remained consistent with ROCE and ROE standing at 14 and 13 percent for FY16.

Valuation:

The company is currently trading at an attractive valuation of 21.52x of its TTM earnings as against industry standards of 28.86x with strong revenue forecast driven mainly by robust growth in CRAMS business also strong growth depicted by the marketable molecules division would help the company to post strong performance in the forth coming quarters. We have positive view on the stock and recommend a BUY with price target of Rs.281.

Technical View:

DISHMAN is making higher tops and higher bottoms with increase in volumes in monthly chart.

Relative strength index and stochastic has given positive diversion.

The counter has made "BIG WHITE CANDLE" with increase in volumes showing good buying sentiment.

CMP	(₹)	238
Target	(₹)	281
Upside Potential	(%)	18

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	1,596.1	1,588.7	1,385.3	1,272.2
EBITDA (Cr)	410.3	312.7	332.1	290.1
PAT (Cr)	171.1	119.8	109.3	100.3
EPS (Rs)	21.2	14.8	13.5	12.4
Book Value (Rs)	179.9	153.4	146.4	128.2

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	25.7	19.7	24.0	22.8
NPM (%)	10.7	7.5	7.9	7.9
CMP (Rs)	237.8	237.8	237.8	237.8
PE (x)	11.2	16.0	17.6	19.1
P/Bv (x)	1.3	1.6	1.6	1.9
D/E (x)	0.6	0.8	0.8	0.8
ROE (%)	12.8	10.0	9.9	10.3
ROCE (%)	13.9	11.2	12.0	11.7

CHART

L&T Finance Holdings Ltd.

BSE Code: 533519 I NSE Symbol: L&TFH

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Key Investment Rationale:

- **Larget NBFC by AUM:** L&T Finance Holdings Ltd (LTFH) is amongst the largest NBFC by size with a play on growth engines of India. They offer a diverse range of financial products and services across retail, corporate, housing and infrastructure finance sector. With a widespread reach with 700+ points of presence and in 24 out of 29 states, the company has total assets in excess of Rs 50,000 cr with a portfolio of 17 lending products complemented by AMC and Wealth Management.
- **Leadership position in 4 key businesses:** LTFH holds a number two position in renewable energy project finance. With 8% and 10% market share, it is positioned in top 3 in tractor finance and top 5 in two wheeler finance. For Microfinance business, LTFH holds 7th position based on its asset size.
- **Improved asset quality:** Company has improved its asset quality with GNPA coming down to 4.58% in Q1FY17 from 5.45% in the same period last year. Net NPA also improved to 3.13% from 4.43% in the same period. As the company has started focusing more on retail financing and low yielding assets, the asset quality stands improved.

CMP	(₹)	102
Target	(₹)	118
Upside Potential	(%)	16

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Revenue (Cr)	7288.8	6196.2	5055.9	3943.0
EBITDA (Cr)	5459.6	4694.2	3978.9	3164.4
PAT (Cr)	856.7	854.7	596.9	730.5
EPS (Rs)	4.8	4.8	3.4	4.2
Book Value(Rs)	41.0	36.5	33.2	31.2

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	73.7	74.2	77.1	78.5
NPM (%)	11.8	13.8	11.8	18.5
CMP (Rs)	102.2	102.2	102.2	102.2
PE (x)	21.3	21.3	30.0	24.3
P/Bv (x)	2.5	2.8	3.1	3.3
D/E (x)	0.8	0.8	0.8	NA
ROE (%)	10.1	10.7	9.2	11.6
ROCE (%)	9.7	9.8	10.0	10.2

Valuation:

At consolidated level, L&TFH is currently trading at a P/B of 2.5x of its FY16 book. With improving asset quality due to product mix coupled with improving ROE justifies stocks performance and rerating. We expect the company to maintain its growth in FY17 aided by the implementation of 7th pay commission and normal monsoon this year leading to increase in the disposable income of the customer and recommend a BUY with a price target of Rs 118.

Technical View:

L&TFH is trading above upper Expanding Band Bollinger with rise in volumes.

The counter is making higher tops and higher bottoms in monthly chart.

Relative Strength Index has given positive diversion.

CHART

NOCIL Ltd.

BSE Code: 500730 | NSE Symbol: NOCIL

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Key Investment Rationale:

- **Diversified Portfolio:** NOCIL has a diversified portfolio and is a one stop shop for almost all rubber applicable industries. It is one of the most dependable and sought player in Rubber Chemical Industry from Non China Supply source. The product portfolio includes: Accelerators, Antidegradants, Antioxidants, Pre Vulcanization inhibitor and Post Vulcanization stabilizer.
- **Expansion by tyre companies:** The Tyre segment is largest consuming segment accounting for 65% of the total business. With most tyre companies having started consolidating their operations in & around Asia closer to the growth markets, NOCIL will benefit the most from any additional capacities being put up by these tyre companies in India
- **Strong Financial Performance:** Over the last three years, the company has grown its revenue at CAGR of ~13.5%. However the operating margins and net margins expanded from 4.3% and 4.1% in FY13 to 19.5% and 10.9% in FY16. The company has significantly reduced its total debt from Rs. 147.3 cr in FY15 to Rs 25.8 cr FY16. It also anticipates another round of capex of ~ INR 1.5 bn at Dahej which would mainly be funded by internal accruals.

CMP	(₹)	79
Target	(₹)	94
Upside Potential	(%)	20

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	715.2	719.0	596.1	488.2
EBITDA (Cr)	139.4	113.3	60.3	20.9
PAT (Cr)	78.3	57.1	23.9	42.1
EPS (Rs)	4.9	3.6	1.5	2.6
Book Value (Rs)	29.2	25.8	23.5	22.7

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	19.5	15.8	10.1	4.3
NPM (%)	10.9	7.9	4.0	8.6
CMP (Rs)	78.6	78.6	78.6	78.6
PE (x)	16.1	22.1	53.0	30.0
P/Bv (x)	2.7	3.0	3.3	3.5
D/E (x)	0.1	0.4	0.4	0.4
ROE (%)	17.7	13.8	6.4	7.6
ROCE (%)	23.5	17.8	9.8	5.3

Valuation:

At CMP of Rs. 78.55 the stock is trading at 11.4x of September 2016 TTM earnings. With higher domestic volumes, better product-mix and continual improvements in operational efficiencies, particularly at the new plant in Dahej, we expect NOCIL to continue with healthy growth and margins going forward. We have positive view on the stock and recommend a BUY with price target of Rs 94.

Technical View:

NOCIL is trading above upper Expanding Band Bollinger with rise in volumes.

The counter is making higher tops and higher bottoms in monthly chart.

Relative Strength Index and Moving Average Convergence Divergence have given positive diversion.

CHART

Key Investment Rationale:

- **Improving business mix:** The loan portfolio rationalization initiative by the management has started reflecting in the bank performance over the last three years. Retail lending has been reporting double digit growth through FY12-16. 24% growth in retail lending in FY16 spiked up the percentage of Retail advances to gross advances to 9.93% by the end of FY16. The bank has put MSME segment on anvil. With the addition of 58 new specialized branches, the total specialized MSME branches count has reached 108.

  The share of retail segment in the total business has increased to ~23% in FY16 from 18.5% in FY12 whereas; share of corporate business shrank to 55% in FY16 from 59.1% in FY12.

- **Focus on improving asset quality:** The bank has been struggling with quality of the advances mainly from priority sector and agriculture sector. The bank has started concentrating on containing NPA through organized recovery camps and newly formulated short term schemes for settlement of NPAs. In FY16, 1366 cases amounting to Rs. 39.28 crore were settled and the bank has targeted the recovery of Rs. 946 crore in the next fiscal.

- **Healthy financial performance:** The bank has increased its NII at CAGR of 15.87% with NIM expansion of ~50 bps over the last three fiscals. Credit/deposit ratio expanded by 200 bps to 71.8% with CASA expansion to 22.7% over the same period.

Valuation:

At the current price of Rs. 53, the stock is available at 0.38x its book value as at Q1FY17. Credit growth pick up, lucrative opportunities from MSME segment and expected check on asset quality make us bullish on the business. We recommend the buying in the stock with price target of Rs.64.

Technical View:

PSB has shown long term downwards slopping trend line breakout.

The counter is making higher bottoms in monthly chart.

Relative Strength Index and Moving Average Convergence Divergence have given positive diversion.

CMP	(₹)	53
Target	(₹)	64
Upside Potential	(%)	20

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
NII (Cr)	2,175.8	1,679.2	1,620.6	1,641.0
PAT (Cr)	336.0	121.4	300.6	339.1
Loan Book (Cr)	63,916.1	63,870.2	57,239.1	51,430.8
Total Assets (Cr)	102,581.4	97,848.3	94,624.2	80,488.6
GNPA (Cr)	4,229.1	3,082.2	2,553.5	1,536.9
NIM (%)	2.2	1.8	1.9	2.2

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
P/BV (x)	0.4	0.4	0.5	0.5
PE (x)	6.4	17.6	7.1	6.3
Div. Yield (%)	16.5	6	22	26.8
ROE (%)	6.8	2.76	7.36	9.18
ROA (%)	0.3	0.1	0.3	0.4

CHART

Tata Global Beverages Ltd.

BSE Code: 500800 I NSE Symbol: TATAGLOBAL

Key Investment Rationale:

- **Strong Global Portfolio brands:** The company carries strong global portfolio of brands which makes it world's second largest branded tea player in the world. They have a strong portfolio of brands, including Tata Tea, Tetley, Jemca, Vitax, Eight O'Clock Coffee, Himalayan, Tata Gluco+, Grand Coffee and Joekels. The company currently manages a portfolio of 294 blends and is planning to launch ~50 unique blends each year globally. Also to serve the growing taste for green tea the new focus will be to launch a new segment with varied blends of green tea.

- **Rapidly expanding Starbucks Coffee Chain:** The starbucks coffee chain has been expanding rapidly to reach 82 stores across 7 cities at present. Also the acquisition of MAP brand has cleared the path to entry into Australian market in coffee segment.

- **Strong Financial Performance:** The company has reported single digit growth in sales over the last 5 years but with high double digit growth and increased contribution by Starbucks, Tetley, Tata Gluco+ and Himalayan brands, we expect growth to improve going forward. Also it has strengthened its balance sheet by reducing the debt level to 0.13 D/E.

Valuation:

At CMP of Rs. 154.05 the stock is trading at 27.3x of June 2016 TTM earnings. With high growth in green tea brand, aggressive expansion of starbucks coffee chain and increasing prices of coffee globally, we expect the company to come with better growth going forward and hence we recommend a BUY with a target price of Rs 178.

CMP	(₹)	154
Target	(₹)	178
Upside Potential	(%)	16

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	8,110.5	7,993.4	7,737.6	7,351.0
EBITDA (Cr)	341.8	644.0	525.6	676.0
PAT (Cr)	325.9	247.8	480.5	372.8
EPS (Rs)	5.2	3.9	7.6	5.9
Book Value (Rs)	90.6	87.0	92.7	76.2

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	4.2	8.1	6.8	9.2
NPM (%)	4.0	3.1	6.2	5.1
CMP (Rs)	154.0	154.0	154.0	154.0
PE (x)	29.8	39.2	20.2	26.1
P/Bv (x)	1.7	1.8	1.7	2.0
D/E (x)	0.2	0.2	0.2	0.3
ROE (%)	6.0	6.6	8.0	8.5
ROCE (%)	8.7	10.0	9.5	10.2

Technical View:

TATAGLOBAL has shown downward slopping trend line breakout .

Relative Strength Index and Moving Average Convergence Divergence have given positive diversion.

The counter is making higher tops with rise in volumes in monthly chart.

CHART

The Byke Hospitality Ltd.

BSE Code: 531373 I NSE Symbol: BYKE

sbicap securities
A Tradition of Trust

Key Investment Rationale:

- **Strategic location of Luxurious resorts:** The company currently has 4 resorts located strategically in and around Mumbai and Goa. The Byke Old Anchor, Located in South Goa near the Cavelossim Beach, this is a lavish resort with 236 guest rooms spread across 19 acres of land. The Byke Hidden Paradise , Located in North Goa near the Ashwem beach, this is a pretty and charming boutique resort with 29 guest rooms. The Byke Heritage, Situated at the eco friendly hill station of Matheran, this resort is majestic, offering a well balanced mix of heritage, luxury and recreation. The Byke Neelkanth, Situated in the pretty hill station of Manali, this boutique hotel of 20 rooms, offers an awe inspiring view of the Rohtang Valley and the Snow clad peaks of Manali.

- **Set to grow on strong footing in the niche domestic markets:** The company currently operates through 8 (owned and leased) properties across the country. The presence at all the major religious holy destinations through the asset light room chartering model and the focus on vegetarian cuisine segment helps the company to rapidly gain market share in the domestic market. The company has added two new property to take total rooms to 677 in FY16. It has also identified eight new locations to add another 452-500 rooms going forward through presence in pan India tourist locations.

- **Strong financial performance and Asset light business model:** The company has strong financial as its has very little debt on the book and thus carries asset light business model due to leasing nature of business. The quarterly numbers since last many quarters are growing in higher double digit with continuous margin improvement.

CMP	(₹)	182
Target	(₹)	219
Upside Potential	(%)	20

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	231.5	181.4	155.7	100.9
EBITDA (Cr)	52.7	37.3	28.6	17.6
PAT (Cr)	25.9	20.0	15.9	7.8
EPS (Rs)	6.5	5.0	4.0	1.9
Book Value (Rs)	30.2	25.0	21.2	18.1

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	22.8	20.5	18.4	17.5
NPM (%)	11.2	11.0	10.2	7.7
CMP (Rs)	182.0	182.0	182.0	182.0
PE (x)	28.1	36.4	45.9	94.0
P/Bv (x)	6.0	7.3	8.6	10.1
D/E (x)	0.1	0.1	0.2	0.3
ROE (%)	23.5	21.7	20.2	11.1
ROCE (%)	33.7	25.7	24.4	15.8

Valuation:

At the CMP of Rs.182, the stock is priced at 26.3x TTM earnings. The nascent stage of the company in high growth industry, service differentiation and the addition new properties makes the investment in the stock lucrative. We are bullish on the stock with the target price of Rs.219.

Technical View:

BYKE is making higher tops and higher bottoms in monthly chart with increase in volumes.

The counter is trading above swing high of 180.66.

Relative Strength Index have given positive diversion.

The Counter has made "Big White Candle" with increase in volumes showing good buying sentiment.

CHART

TV Today Network Ltd.

BSE Code: 532515 I NSE Symbol: TVTODAY

Key Investment Rationale:

- **Continued robust performance by TV broadcasting segment:** TV broadcasting segment which contributes to ~95% of the revenue has shown double digit growth in both subscription revenue and advertisement revenue. The flagship channels, Aaj Tak, Headlines today and TEZ continued to win recognition for quality and have expanded their market share to 18.4%, 14.4% and 4.2% respectively at present. The company has recently launched a new 24 hour English news channel, India Today Television to its portfolio. During the period of upcoming state assembly elections, the viewership and the advertisement revenue is poised to grow rapidly. The management's focus towards digital and new media and the strategic initiative to include more local contents in the print media is set to boost the advertisement revenue during the period of state assembly elections.

- **Bright industry outlook:** With the digitization process of TV broadcasting in place and the strong steps taken by the Ministry of Information and Broadcasting, the subscription revenue reporting is set to be more transparent and addressable and the growth rate is expected to grow by more than 16% outpacing the advertising revenue growth. Going forward, television advertising in India is expected to grow at a CAGR of 14% till 2019, to reach INR 29900 crore. The penetration of FM radio broadcasting is expected to reach 85 cities in the near future.

- **Strong financials:** The company has freed up its balance sheet from debt in FY16. The media house grew its revenue at ~13.2% CAGR over FY11-16 and the bottom line increased at CAGR of ~50% over the same period. ROCE and ROE expanded by over 2300 bps and 1500 bps respectively through FY11-16. The company has been reporting good set of numbers over the last few quarters with expanded profit margins.

CMP	(₹)	339
Target	(₹)	401
Upside Potential	(%)	18

FINANCIAL SNAPSHOT

Particulars	FY16A	FY15A	FY14A	FY13A
Net Sales (Cr)	546.0	476.6	389.4	312.7
EBITDA (Cr)	146.3	131.7	109.3	34.6
PAT (Cr)	94.3	81.0	61.3	12.2
EPS (Rs)	15.8	13.6	10.3	2.0
Book Value (Rs)	89.1	75.4	63.5	54.4

KEY FINANCIAL RATIOS

Particulars	FY16A	FY15A	FY14A	FY13A
OPM (%)	26.8	27.6	28.1	11.1
NPM (%)	17.3	17.0	15.7	3.9
CMP (Rs)	339.0	339.0	339.0	339.0
PE (x)	21.4	25.0	33.0	165.6
P/Bv (x)	3.8	4.5	5.3	6.2
D/E (x)	-	0.0	0.0	0.2
ROE (%)	19.2	19.6	17.4	3.8
ROCE (%)	29.1	28.3	24.0	5.3

Valuation:

At the CMP of Rs. 339, the stock is available at 20x its TTM earnings. Increasing market share of the media house, expected pickup in advertising revenue and the launch of regional language channels reinforces our confidence in the company. Comparatively attractive price provides buying opportunity with the target of Rs.401.

Technical View:

TVTODAY has given a breakout from Symmetrical Triangle (Continuation) pattern in monthly chart.

Relative Strength Index and Stochastic have given positive diversion.

The counter is making higher tops and higher bottoms in monthly chart.

CHART

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485 I Research Analyst Registration No INH000000602

SEBI Registration No.: NSE Capital Market: INB 231052938 | NSE Derivatives: INF 231052938 | BSE Capital Market: INB 011053031

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Regd. & Corporate Office: SBICAP Securities Limited, Marathon Futurex, 12th Floor, A & B Wing, Mafatlal Mill Compound, N. M. Joshi Marg, Lower Parel, Mumbai - 400013 I Tel.: 91-22-42273300 / 3301 (Board)

For any information contact us:

Toll Free: 1800-22-33-45 I 1800-209-93-45

E-mail: helpdesk@sbicapsec.com I Web: www.sbismart.com

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Name	Qualification	Designation
Ashu Bagri	B.Com	AVP - Technical Analyst
Amit Bagade	MBA	Technical Analyst
Rajesh Gupta	PGDBM (Finance)	AVP - Research
Vijay Ramchandani	M.Com (Finance)	Research Analyst
Vaibhav Joshi	MMS (Finance)	Research Associate
Rahul Meshram	MSc. (Finance)	Research Associate

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