



## Market Cues

Indian markets are likely to open in red tracking global indices and SGX Nifty.

Following the mixed performance seen in the previous session, the US markets saw modest weakness on Thursday. With the drop on the day, the Dow and the S&P 500 pulled back off yesterday's record closing highs. The Dow dipped 0.2% to 22,359, the Nasdaq slid 0.5% to 6,423 and the S&P 500 fell 0.3% to 2,501. The modest weakness on Wall Street came as traders continued to digest the monetary policy announcement on Wednesday which indicates another rate hike is likely this year.

The UK markets struggled to find momentum even as bank shares rose after the US Federal Reserve hinted at an interest-rate rise and announced it would begin paring the size of its balance sheet next month. After swinging between gains and losses throughout the day, the FTSE 100 index ended 0.1% lower at 7,264.

The Indian markets, on Thursday, ended little changed after rebounding from early losses on the rupee's weakness and after the US Federal Reserve outlined plans to shrink its \$4.2 trillion balance sheet starting next month and increase interest rates by the year-end. Both the major indices fell close to 1% in intraday trading but recouped losses later, led by a rally in healthcare stocks. The Sensex closed at 32,370 points, down 0.09%, and the Nifty ended 0.19 lower at 10,122 points.

## News Analysis

- Book profit in Cochin Shipyard

Detailed analysis is on Pg2

## Investor's Ready Reckoner

Key Domestic & Global Indicators

Stock Watch: Latest investment recommendations on 150+ stocks

Refer Pg7 onwards

## Top Picks

| Company               | Sector        | Rating     | CMP (₹) | Target (₹) | Upside (%) |
|-----------------------|---------------|------------|---------|------------|------------|
| Blue Star             | Capital Goods | Accumulate | 786     | 850        | 8.2        |
| Dewan Housing Finance | Financials    | Accumulate | 591     | 610        | 3.2        |
| Asian Granito         | Others        | Accumulate | 496     | 570        | 14.9       |
| Navkar Corporation    | Others        | Buy        | 193     | 265        | 37.6       |
| KEI Industries        | Capital Goods | Accumulate | 331     | 371        | 11.9       |

More Top Picks on Pg5

## Key Upcoming Events

| Date         | Region  | Event Description           | Previous Reading | Consensus Expectations |
|--------------|---------|-----------------------------|------------------|------------------------|
| Sep 22, 2017 | Germany | PMI Manufacturing           | 59.30            | 59.00                  |
| Sep 22, 2017 | Germany | PMI Services                | 53.50            | 53.70                  |
| Sep 26, 2017 | US      | Consumer Confidence         | 122.90           | 119.25                 |
| Sep 26, 2017 | Germany | Unemployment change (000's) | (5.00)           |                        |
| Sep 28, 2017 | US      | New home sales              | 571.00           | 600.00                 |

More Events on Pg7

| Domestic Indices | Chg (%) | (Pts) | (Close) |
|------------------|---------|-------|---------|
| BSE Sensex       | (0.1)   | (30)  | 32,370  |
| Nifty            | (0.2)   | (19)  | 10,122  |
| Mid Cap          | (0.3)   | (55)  | 16,044  |
| Small Cap        | (0.5)   | (86)  | 16,785  |
| Bankex           | (0.7)   | (209) | 27,926  |

| Global Indices | Chg (%) | (Pts) | (Close) |
|----------------|---------|-------|---------|
| Dow Jones      | (0.2)   | (53)  | 22,359  |
| Nasdaq         | (0.5)   | (33)  | 6,423   |
| FTSE           | (0.1)   | (8)   | 7,264   |
| Nikkei         | 0.2     | 37    | 20,347  |
| Hang Seng      | (0.1)   | (17)  | 28,110  |
| Shanghai Com   | (0.2)   | (8)   | 3,358   |

| Advances / Declines | BSE   | NSE   |
|---------------------|-------|-------|
| Advances            | 1,004 | 584   |
| Declines            | 1,586 | 1,105 |
| Unchanged           | 140   | 92    |

| Volumes (Cr) |        |
|--------------|--------|
| BSE#         | 4,221  |
| NSE          | 30,565 |

| #Net Inflows (Cr) | Net     | Mtd     | Ytd   |
|-------------------|---------|---------|-------|
| FII               | (1,578) | (4,001) | 43,28 |
| MFs               | 730     | 6,596   | 75,48 |

| Top Gainers | Price (₹) | Chg (%) |
|-------------|-----------|---------|
| Ipcalab     | 573       | 16.5    |
| Drreddy     | 2,486     | 7.5     |
| Tornthpharm | 1,344     | 6.8     |
| Rcom        | 21        | 5.8     |
| Divislab    | 991       | 5.1     |

| Top Losers | Price (₹) | Chg (%) |
|------------|-----------|---------|
| Ibrealst   | 239       | (5.4)   |
| Religare   | 41        | (5.0)   |
| Rtnpower   | 6         | (4.4)   |
| Adanitrans | 132       | (4.0)   |
| Relcapital | 718       | (3.7)   |

#as on 21<sup>th</sup> Sep, 2017



## News Analysis

### Book profit in Cochin Shipyard

We had recommended SUBSCRIBE on Cochin Shipyard's IPO which raised ₹1468cr at ₹432 (15.7x of FY2017 EPS). This was a reasonable valuation in our opinion. CSL operates a shipyard that provides shipbuilding and ship repair services in both defense and non-defense spaces. CSL generates 74% revenue from shipbuilding and rest i.e. 26% from ship repairs. The strong financial performance of CSL and high visibility on future growth gave us comfort to recommend the subscribe rating on the IPO. At yesterday's close CSL shares were trading at 25% premium to its IPO price implying a PE ratio of 23.6x of FY17 earnings. We recommend booking profit in Cochin Shipyard Ltd.

### Economic and Political News

- Stimulus package funding: Govt. weighs fiscal push for growth
- Policymakers not keen on relaxing fiscal goals to accommodate extra spending
- OECD cuts India's FY18 growth outlook
- S&P cuts China's credit rating, citing increasing economic, financial risks
- 30 lakh GST returns filled till noon on GSTN portal

### Corporate News

- Tata Sons shareholders back move to become a private company
- InterGlobe Aviation raises ₹3795cr
- KNR Constructions Ltd JV bags order worth ₹884.47cr
- Bharti Airtel Gets Shareholders' Nod For Telenor Merger



## Top Picks

| Company               | Market Cap<br>(₹ Cr) | CMP<br>(₹) | Target<br>(₹) | Upside<br>(%) | Rationale  |
|-----------------------|----------------------|------------|---------------|---------------|--|
| Alkem Laboratories    | 21,536               | 1,801      | 2,161         | 20.0          | Strong growth in domestic business due to its leadership in acute therapeutic segment. Alkem expects to launch more products in USA, which bodes for its international business.                             |
| Asian Granito         | 1,492                | 496        | 570           | 14.9          | We expect the company would report strong profitability owing to better product mix, higher B2C sales and amalgamation synergy.  |
| Blue Star             | 7,525                | 786        | 850           | 8.2           | Favorable outlook for the AC industry to augur well for Cooling products business which is out pacing the market growth. EMPPAC division's profitability to improve once operating environment turns around. |
| Dewan Housing Finance | 18,669               | 595        | 610           | 3.2           | With a focus on the low and medium income (LMI) consumer segment, the company has increased its presence in tier-II & III cities where the growth opportunity is immense.                                    |
| Karur Vysya Bank      | 9,252                | 153        | 180           | 17.6          | Loan growth is likely to pick up after a sluggish FY17. Lower credit cost will help in strong bottom-line growth. Increasing share of CASA will help in NIM improvement.                                     |
| KEI Industries        | 2,578                | 331        | 371           | 11.9          | High order book execution in EPC segment, rising B2C sales and higher exports to boost the revenues and profitability  |
| Music Broadcast       | 2,211                | 388        | 434           | 12.0          | Expected to benefit from the lower capex requirement and 15 year long radio broadcast licensing.   |
| Navkar Corporation    | 2,747                | 193        | 265           | 37.6          | Massive capacity expansion along with rail advantage at ICD as well CFS augurs well for the company  |
| Siyaram Silk Mills    | 2,148                | 2,291      | 2,500         | 9.1           | Strong brands and distribution network would boost growth going ahead. Stock currently trades at an inexpensive valuation.   |
| TV Today Network      | 2,044                | 343        | 380           | 10.9          | Market leadership in Hindi news genre and no. 2 viewership ranking in English news genre, exit from the radio business, and anticipated growth in ad spends by corporates to benefit the stock.              |
| Maruti Suzuki         | 2,45,671             | 8,133      | 8,658         | 6.5           | After GST, the company is expected to see higher volumes along with improving product mix. The Gujarat plant will also enable higher operating leverage which will be margin accretive.                      |
| GIC Housing           | 2,890                | 537        | 655           | 22.0          | We expect loan book to grow at 24.3% over next two year; change in borrowing mix will help in NIM improvement..  |

Source: Company, Angel Research



## Key Upcoming Events

### Global economic events release calendar

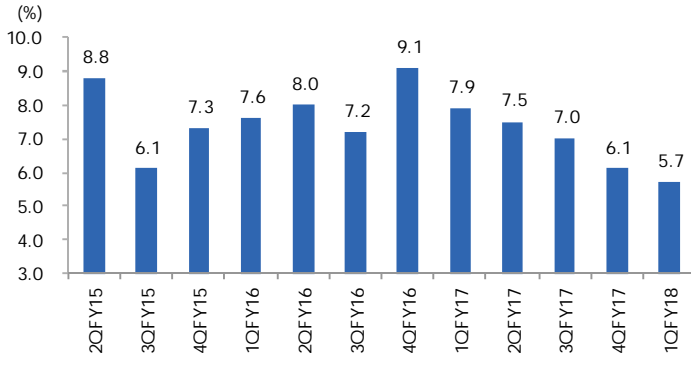
| Date         | Time     | Country   | Event Description             | Unit           | Period | Bloomberg Data |           |
|--------------|----------|-----------|-------------------------------|----------------|--------|----------------|-----------|
|              |          |           |                               |                |        | Last Reported  | Estimated |
| Sep 22, 2017 | 1:00 PM  | Germany   | PMI Manufacturing             | Value          | Sep P  | 59.30          | 59.00     |
|              | 1:00 PM  | Germany   | PMI Services                  | Value          | Sep P  | 53.50          | 53.70     |
| Sep 26, 2017 | 7:30 PM  | US        | Consumer Confidence           | S.A./ 1985=100 | Sep    | 122.90         | 119.25    |
|              | 1:25 PM  | Germany   | Unemployment change (000's)   | Thousands      | Sep    | (5.00)         |           |
| Sep 28, 2017 | 7:30 PM  | US        | New home sales                | Thousands      | Aug    | 571.00         | 600.00    |
| Sep 29, 2017 | 6:00 PM  | US        | GDP Qoq (Annualised)          | % Change       | 2Q T   | 3.00           | 3.10      |
|              | 2:00 PM  | UK        | GDP (YoY)                     | % Change       | 2Q F   | 1.70           |           |
| Sep 30, 2017 | 6:30 AM  | China     | PMI Manufacturing             | Value          | Sep    | 51.70          |           |
| Oct 02, 2017 | 2:00 PM  | UK        | PMI Manufacturing             | Value          | Sep    | 56.90          |           |
| Oct 04, 2017 | 2:30 PM  | India     | RBI Reverse Repo rate         | %              | Oct 4  | 5.75           |           |
|              | 2:30 PM  | India     | RBI Repo rate                 | %              | Oct 4  | 6.00           |           |
|              | 2:30 PM  | India     | RBI Cash Reserve ratio        | %              | Oct 4  | 4.00           |           |
| Oct 06, 2017 | 6:00 PM  | US        | Change in Nonfarm payrolls    | Thousands      | Sep    | 156.00         |           |
|              | 6:00 PM  | US        | Unemployment rate             | %              | Sep    | 4.40           |           |
| Oct 10, 2017 |          | India     | Imports YoY%                  | % Change       | Sep    | 21.00          |           |
|              | 2:00 PM  | UK        | Industrial Production (YoY)   | % Change       | Aug    | 0.40           |           |
| Oct 12, 2017 |          | India     | Exports YoY%                  | % Change       | Sep    | 10.30          |           |
|              |          | US        | Producer Price Index (mom)    | % Change       | Sep    | 0.50           |           |
| Oct 13, 2017 | 5:30 PM  | India     | Industrial Production YoY     | % Change       | Aug    | 1.20           |           |
|              | 6:00 PM  | US        | Consumer price index (mom)    | % Change       | Sep    | 0.40           | 0.50      |
| Oct 16, 2017 |          | China     | Exports YoY%                  | % Change       | Sep    | 5.50           |           |
|              | 12:00 PM | India     | Monthly Wholesale Prices YoY% | % Change       | Sep    | 3.24           |           |
| Oct 17, 2017 | 7:00 AM  | China     | Consumer Price Index (YoY)    | % Change       | Sep    | 1.80           |           |
|              | 2:30 PM  | Euro Zone | Euro-Zone CPI (YoY)           | %              | Sep F  | 1.50           |           |

Source: Bloomberg, Angel Research



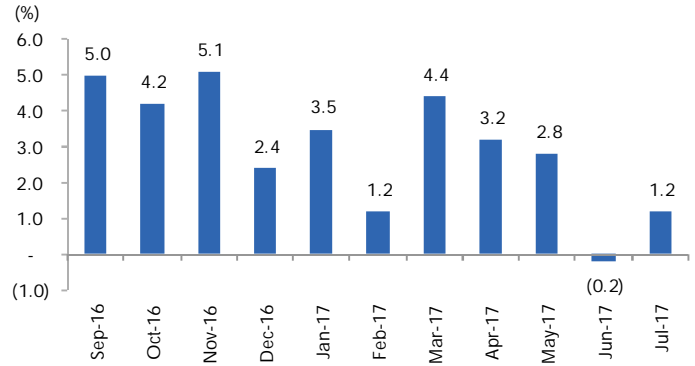
## Macro watch

Exhibit 1: Quarterly GDP trends



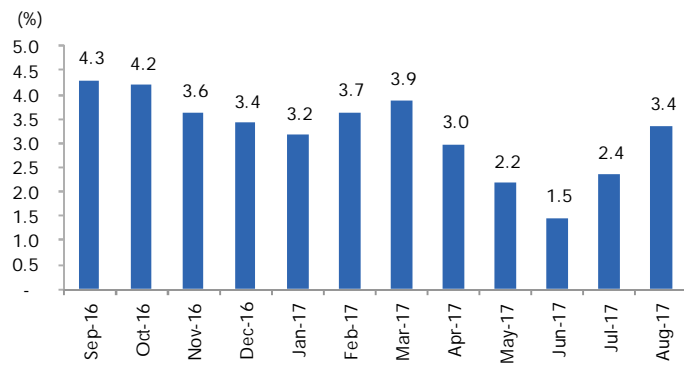
Source: CSO, Angel Research

Exhibit 2: IIP trends



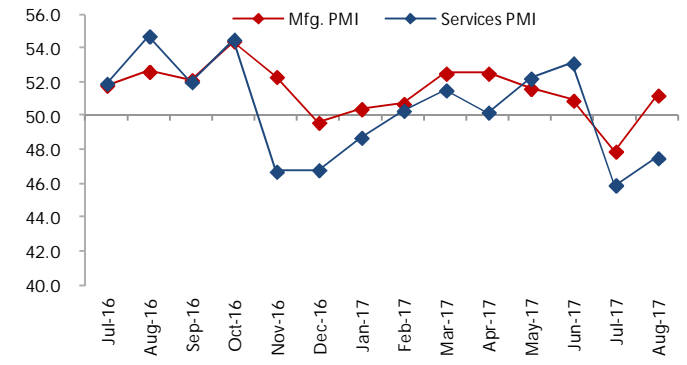
Source: MOSPI, Angel Research

Exhibit 3: Monthly CPI inflation trends



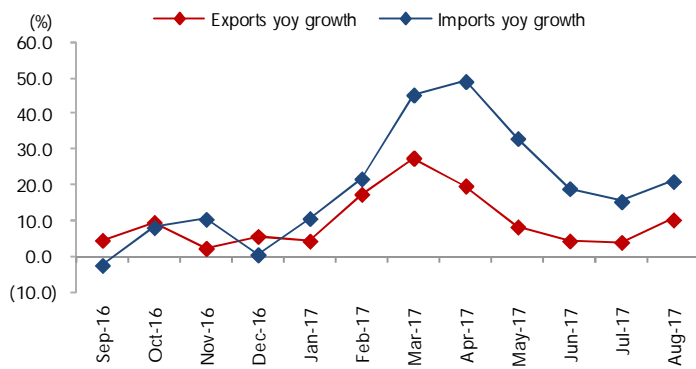
Source: MOSPI, Angel Research

Exhibit 4: Manufacturing and services PMI



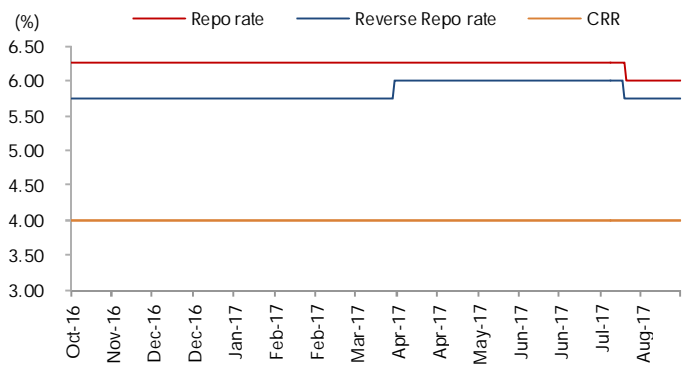
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 5: Exports and imports growth trends



Source: Bloomberg, Angel Research

Exhibit 6: Key policy rates

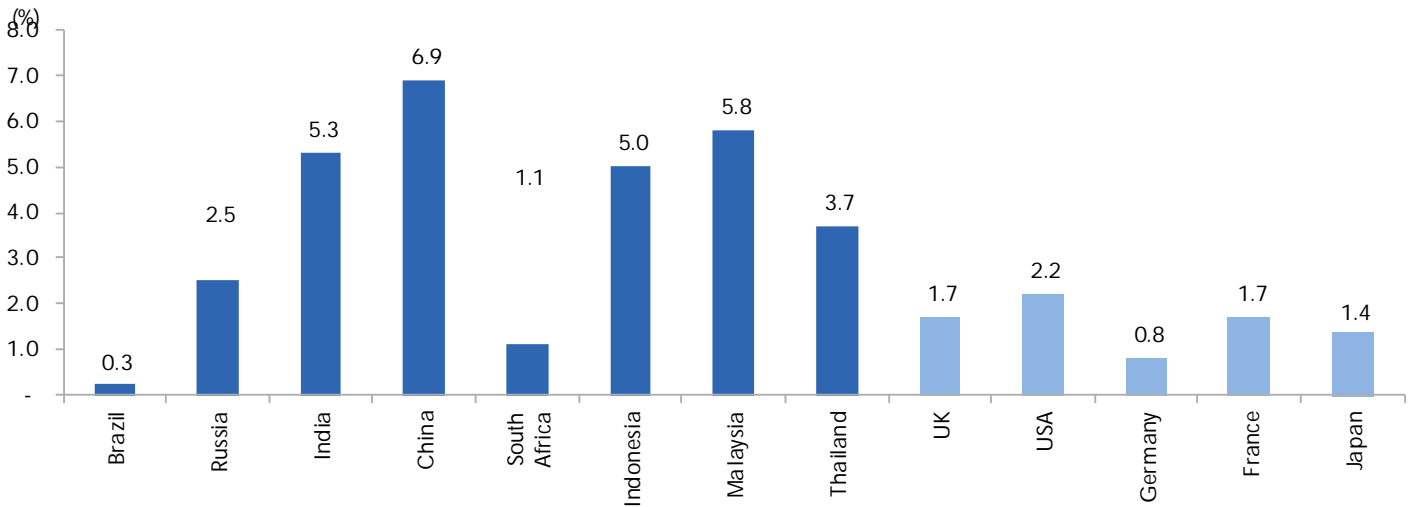


Source: RBI, Angel Research



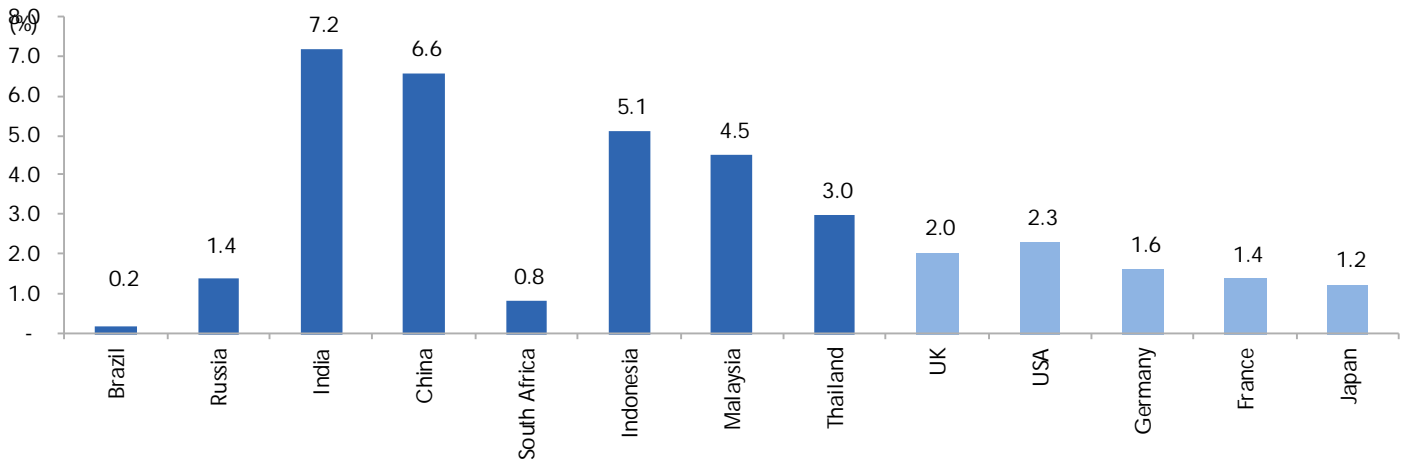
## Global watch

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



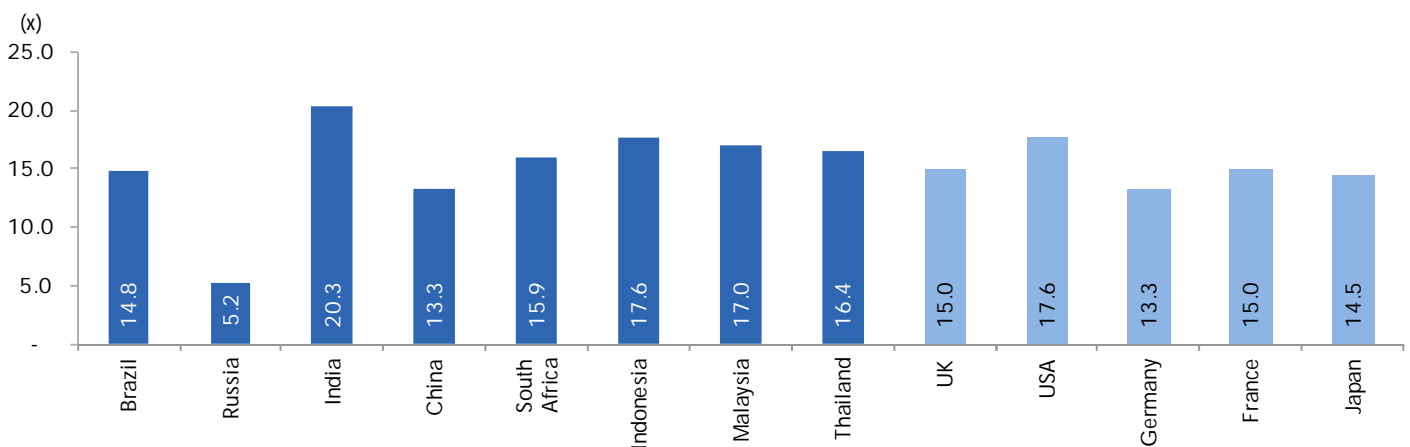
Source: Bloomberg, Angel Research

Exhibit 2: 2017 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, data as of 20<sup>th</sup> Sept-17



## Exhibit 4: Relative performance of indices across globe

| Country      | Name of index      | Closing price | 1M    | Returns (%) |      |
|--------------|--------------------|---------------|-------|-------------|------|
|              |                    |               |       | 3M          | 1YR  |
| Brazil       | Bovespa            | 76,004        | 10.6  | 25.1        | 33.2 |
| Russia       | Micex              | 2,058         | 5.7   | 10.2        | 2.3  |
| India        | Nifty              | 10,141        | 3.8   | 4.9         | 14.9 |
| China        | Shanghai Composite | 3,366         | 2.1   | 6.3         | 9.1  |
| South Africa | Top 40             | 49,576        | (0.3) | 10.0        | 10.2 |
| Mexico       | Mexbol             | 50,364        | (1.7) | 2.7         | 5.0  |
| Indonesia    | LQ45               | 983           | 0.1   | 3.1         | 6.9  |
| Malaysia     | KLCI               | 1,774         | (0.0) | (0.9)       | 5.2  |
| Thailand     | SET 50             | 1,073         | 6.8   | 7.6         | 14.8 |
| USA          | Dow Jones          | 22,413        | 3.4   | 4.4         | 22.5 |
| UK           | FTSE               | 7,272         | (0.7) | (2.4)       | 5.2  |
| Japan        | Nikkei             | 20,310        | 4.3   | 1.2         | 21.8 |
| Germany      | DAX                | 12,569        | 3.2   | (0.9)       | 21.8 |
| France       | CAC                | 5,242         | 2.7   | 0.1         | 18.6 |

Source: Bloomberg, Angel Research, data as of 20<sup>th</sup> Sept-17

# Stock Watch

September 22, 2017

| Company Name                      | Reco       | CMP    | Target    | Mkt Cap | Sales (₹ cr) |         | OPM(%) |       | EPS (₹) |         | PER(x)  |       | P/BV(x) |       | RoE(%) |       | EV/Sales(x) |       |  |
|-----------------------------------|------------|--------|-----------|---------|--------------|---------|--------|-------|---------|---------|---------|-------|---------|-------|--------|-------|-------------|-------|--|
|                                   |            | (₹)    | Price (₹) | (₹ cr)  | FY18E        | FY19E   | FY18E  | FY19E | FY18E   | FY19E   | FY18E   | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E       | FY19E |  |
| <b>Agri / Agri Chemical</b>       |            |        |           |         |              |         |        |       |         |         |         |       |         |       |        |       |             |       |  |
| Rallis                            | Reduce     | 227    | 209       | 4,420   | 1,873        | 2,099   | 15.0   | 15.0  | 9.5     | 10.5    | 23.9    | 21.7  | 3.6     | 3.3   | 15.8   | 16.0  | 2.3         | 2.0   |  |
| United Phosphorus                 | Neutral    | 819    | -         | 41,616  | 18,922       | 21,949  | 18.0   | 18.5  | 36.2    | 45.6    | 22.6    | 18.0  | 4.7     | 3.9   | 22.7   | 23.8  | 2.4         | 2.0   |  |
| <b>Auto &amp; Auto Ancillary</b>  |            |        |           |         |              |         |        |       |         |         |         |       |         |       |        |       |             |       |  |
| Ashok Leyland                     | Accumulate | 117    | 127       | 34,343  | 23,339       | 27,240  | 10.1   | 10.8  | 4.7     | 6.2     | 25.2    | 18.9  | 5.0     | 4.5   | 20.0   | 23.6  | 1.4         | 1.2   |  |
| Bajaj Auto                        | Neutral    | 3,078  | -         | 89,070  | 23,936       | 27,955  | 19.5   | 20.1  | 142.7   | 167.3   | 21.6    | 18.4  | 4.7     | 4.2   | 21.8   | 22.8  | 3.3         | 2.8   |  |
| Bharat Forge                      | Neutral    | 1,252  | -         | 29,139  | 7,637        | 8,755   | 21.7   | 23.2  | 36.1    | 47.3    | 34.7    | 26.5  | 6.2     | 5.3   | 18.5   | 20.8  | 3.7         | 3.1   |  |
| Eicher Motors                     | Neutral    | 31,824 | -         | 86,634  | 19,043       | 22,837  | 19.5   | 19.9  | 835.4   | 1,019.0 | 38.1    | 31.2  | 14.2    | 11.0  | 40.9   | 37.8  | 4.4         | 3.6   |  |
| Gabriel India                     | Neutral    | 212    | -         | 3,047   | 1,782        | 2,033   | 9.7    | 10.2  | 7.1     | 8.9     | 29.9    | 24.0  | 6.0     | 5.1   | 21.0   | 22.2  | 1.7         | 1.4   |  |
| Hero Motocorp                     | Accumulate | 3,889  | 4,129     | 77,659  | 32,239       | 36,878  | 16.0   | 15.6  | 184.4   | 206.5   | 21.1    | 18.8  | 6.6     | 5.8   | 31.3   | 30.7  | 2.2         | 1.9   |  |
| Jamna Auto Industries             | Neutral    | 273    | -         | 2,171   | 1,441        | 1,662   | 14.4   | 14.8  | 13.9    | 17.6    | 19.6    | 15.5  | 5.4     | 4.3   | 30.0   | 31.0  | 1.5         | 1.3   |  |
| Mahindra and Mahindra             | Neutral    | 1,293  | -         | 80,286  | 46,971       | 53,816  | 13.6   | 14.0  | 67.7    | 79.8    | 19.1    | 16.2  | 2.7     | 2.4   | 15.0   | 15.9  | 1.6         | 1.3   |  |
| Maruti                            | Accumulate | 8,133  | 8,658     | 245,671 | 81,825       | 101,245 | 15.0   | 15.0  | 283.5   | 356.0   | 28.7    | 22.8  | 6.3     | 5.1   | 21.9   | 22.4  | 2.7         | 2.1   |  |
| Minda Industries                  | Neutral    | 860    | -         | 7,432   | 4,328        | 5,084   | 11.0   | 11.9  | 27.3    | 36.4    | 31.6    | 23.6  | 6.7     | 5.2   | 23.1   | 25.6  | 1.8         | 1.5   |  |
| Motherson Sumi                    | Neutral    | 340    | -         | 71,597  | 55,937       | 64,445  | 10.8   | 11.4  | 16.9    | 21.1    | 20.1    | 16.2  | 4.5     | 4.6   | 25.2   | 25.4  | 1.3         | 1.1   |  |
| Tata Motors                       | Neutral    | 413    | -         | 119,334 | 303,167      | 343,649 | 11.8   | 13.8  | 33.1    | 54.7    | 12.5    | 7.6   | 2.0     | 1.6   | 16.9   | 23.0  | 0.4         | 0.4   |  |
| TVS Motor                         | Neutral    | 650    | -         | 30,900  | 13,992       | 16,216  | 9.0    | 9.4   | 17.1    | 20.3    | 38.2    | 32.0  | 10.1    | 7.8   | 29.7   | 27.7  | 2.1         | 1.8   |  |
| Amara Raja Batteries              | Accumulate | 773    | 858       | 13,206  | 6,140        | 7,122   | 14.3   | 15.6  | 29.3    | 39.0    | 26.4    | 19.8  | 4.5     | 3.8   | 17.1   | 19.0  | 2.2         | 1.8   |  |
| Exide Industries                  | Neutral    | 218    | -         | 18,517  | 8,689        | 9,854   | 15.1   | 15.2  | 9.7     | 11.0    | 22.6    | 19.8  | 4.0     | 3.5   | 15.7   | 16.1  | 1.9         | 1.6   |  |
| Apollo Tyres                      | Neutral    | 257    | -         | 13,087  | 15,739       | 17,326  | 13.3   | 14.6  | 20.4    | 26.7    | 12.6    | 9.6   | 1.5     | 1.3   | 20.4   | 26.7  | 1.1         | 1.0   |  |
| Ceat                              | Neutral    | 1,742  | -         | 7,046   | 6,661        | 7,717   | 11.1   | 14.2  | 116.2   | 178.2   | 15.0    | 9.8   | 2.6     | 2.2   | 15.2   | 21.3  | 1.2         | 1.0   |  |
| JK Tyres                          | Neutral    | 155    | -         | 3,526   | 8,318        | 9,239   | 16.2   | 16.4  | 21.0    | 27.5    | 7.4     | 5.7   | 1.4     | 1.2   | 19.1   | 20.4  | 0.9         | 0.8   |  |
| Swaraj Engines                    | Neutral    | 2,028  | -         | 2,519   | 788          | 889     | 16.4   | 16.5  | 71.6    | 81.0    | 28.3    | 25.1  | 8.2     | 7.6   | 29.6   | 31.0  | 2.9         | 2.5   |  |
| Subros                            | Neutral    | 244    | -         | 1,463   | 1,855        | 2,135   | 11.6   | 11.8  | 10.3    | 14.7    | 23.8    | 16.7  | 3.6     | 3.1   | 15.8   | 19.1  | 1.0         | 0.9   |  |
| <b>Capital Goods</b>              |            |        |           |         |              |         |        |       |         |         |         |       |         |       |        |       |             |       |  |
| BEML                              | Neutral    | 1,827  | -         | 7,608   | 4,286        | 5,194   | 7.1    | 8.2   | 42.9    | 58.1    | 42.6    | 31.4  | 3.5     | 3.2   | 7.6    | 8.7   | 1.8         | 1.5   |  |
| Bharat Electronics                | Neutral    | 188    | -         | 42,037  | 10,258       | 12,470  | 19.6   | 19.5  | 7.3     | 8.6     | 25.8    | 21.9  | 0.5     | 0.4   | 20.4   | 21.9  | 3.6         | 2.9   |  |
| Voltas                            | Neutral    | 535    | -         | 17,696  | 6,778        | 8,004   | 9.6    | 11.0  | 17.1    | 22.4    | 31.3    | 23.9  | 7.5     | 6.5   | 17.7   | 19.8  | 2.3         | 1.9   |  |
| BHEL                              | Neutral    | 133    | -         | 32,578  | 33,200       | 39,167  | 6.8    | 9.5   | 6.2     | 11.2    | 21.5    | 11.9  | 1.0     | 0.9   | 4.6    | 8.0   | 0.6         | 0.4   |  |
| Blue Star                         | Accumulate | 786    | 850       | 7,525   | 5,101        | 5,997   | 6.0    | 7.0   | 17.9    | 26.6    | 43.9    | 29.5  | 9.4     | 8.5   | 21.9   | 29.0  | 1.5         | 1.3   |  |
| CG Power and Industrial Solutions | Neutral    | 82     | -         | 5,146   | 6,555        | 7,292   | 7.5    | 7.5   | -       | 0.8     | 8,210.0 | 102.6 | 1.3     | 1.3   | 0.1    | 1.2   | 0.9         | 0.8   |  |
| Greaves Cotton                    | Neutral    | 140    | -         | 3,430   | 1,778        | 1,993   | 14.7   | 15.1  | 8.1     | 9.1     | 17.3    | 15.4  | 3.9     | 3.6   | 21.8   | 23.6  | 1.7         | 1.5   |  |



# Stock Watch

September 22, 2017

| Company Name                  | Reco       | CMP   | Target    | Mkt Cap | Sales (₹ cr) |         | OPM(%) |       | EPS (₹) |       | PER(x) |       | P/BV(x) |       | RoE(%) |       | EV/Sales(x) |       |  |
|-------------------------------|------------|-------|-----------|---------|--------------|---------|--------|-------|---------|-------|--------|-------|---------|-------|--------|-------|-------------|-------|--|
|                               |            | (₹)   | Price (₹) | (₹ cr)  | FY18E        | FY19E   | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E       | FY19E |  |
| <b>Capital Goods</b>          |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| KEC International             | Accumulate | 311   | 350       | 7,985   | 9,779        | 11,113  | 9.4    | 9.8   | 14.2    | 18.2  | 21.9   | 17.1  | 4.2     | 3.4   | 21.1   | 22.1  | 1.1         | 0.9   |  |
| KEI Industries                | Accumulate | 331   | 371       | 2,578   | 3,001        | 3,391   | 10.0   | 10.0  | 13.0    | 16.1  | 25.5   | 20.6  | 4.6     | 3.8   | 18.2   | 18.7  | 1.0         | 0.9   |  |
| Thermax                       | Neutral    | 922   | -         | 10,987  | 4,125        | 4,747   | 10.3   | 10.8  | 26.7    | 31.5  | 34.5   | 29.3  | 3.9     | 3.5   | 11.2   | 12.0  | 2.4         | 2.1   |  |
| VATech Wabag                  | Accumulate | 633   | 681       | 3,456   | 3,867        | 4,126   | 9.6    | 10.0  | 34.9    | 39.8  | 18.1   | 15.9  | 3.0     | 2.6   | 17.7   | 17.5  | 0.9         | 0.8   |  |
| <b>Cement</b>                 |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| ACC                           | Neutral    | 1,751 | -         | 32,879  | 12,255       | 13,350  | 13.5   | 14.3  | 58.0    | 66.2  | 30.2   | 26.5  | 3.6     | 3.3   | 11.5   | 12.2  | 2.7         | 2.4   |  |
| Ambuja Cements                | Neutral    | 276   | -         | 54,814  | 10,250       | 11,450  | 17.5   | 19.0  | 7.2     | 8.3   | 38.3   | 33.3  | 2.8     | 2.6   | 7.0    | 7.8   | 5.1         | 4.5   |  |
| India Cements                 | Neutral    | 183   | -         | 5,641   | 6,135        | 6,750   | 14.8   | 15.2  | 8.5     | 11.5  | 21.5   | 15.9  | 1.1     | 1.0   | 4.8    | 6.2   | 1.3         | 1.1   |  |
| JK Cement                     | Neutral    | 993   | -         | 6,939   | 4,150        | 4,775   | 19.2   | 20.0  | 49.0    | 63.5  | 20.3   | 15.6  | 3.2     | 2.8   | 17.0   | 18.5  | 2.1         | 1.8   |  |
| J K Lakshmi Cement            | Neutral    | 416   | -         | 4,892   | 3,422        | 3,757   | 15.5   | 17.0  | 13.5    | 23.2  | 30.8   | 17.9  | 3.2     | 2.8   | 10.8   | 15.5  | 1.8         | 1.6   |  |
| Orient Cement                 | Neutral    | 163   | -         | 3,348   | 2,215        | 3,233   | 16.8   | 17.0  | 5.9     | 6.9   | 27.7   | 23.7  | 2.1     | 2.0   | 10.8   | 10.1  | 2.5         | 1.7   |  |
| UltraTech Cement              | Neutral    | 4,169 | -         | 114,439 | 28,250       | 35,150  | 20.2   | 23.5  | 77.5    | 122.2 | 53.8   | 34.1  | 4.5     | 4.1   | 9.6    | 14.8  | 4.5         | 3.6   |  |
| <b>Construction</b>           |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| KNR Constructions             | Neutral    | 212   | -         | 2,982   | 1,846        | 2,203   | 14.5   | 14.5  | 12.1    | 13.7  | 17.5   | 15.5  | 1.0     | 0.8   | 17.5   | 16.7  | 1.7         | 1.4   |  |
| Larsen & Toubro               | Neutral    | 1,228 | -         | 171,952 | 95,787       | 109,476 | 10.2   | 11.6  | 44.5    | 50.8  | 27.6   | 24.2  | 3.5     | 3.2   | 12.9   | 13.1  | 2.3         | 2.1   |  |
| Gujarat Pipavav Port          | Neutral    | 142   | -         | 6,872   | 739          | 842     | 61.6   | 62.7  | 5.1     | 6.2   | 27.9   | 23.1  | 3.5     | 3.4   | 12.7   | 14.9  | 8.8         | 7.6   |  |
| PNC Infratech                 | Accumulate | 134   | 143       | 3,440   | 2,040        | 2,935   | 13.0   | 13.0  | 6.4     | 9.0   | 21.0   | 14.9  | 0.5     | 0.5   | 9.7    | 12.2  | 1.7         | 1.2   |  |
| Simplex Infra                 | Neutral    | 472   | -         | 2,333   | 6,012        | 6,619   | 11.6   | 11.7  | 21.1    | 31.0  | 22.4   | 15.2  | 1.6     | 1.4   | 6.5    | 8.6   | 0.9         | 0.8   |  |
| Sadbhav Engineering           | Neutral    | 290   | -         | 4,980   | 3,823        | 4,426   | 10.7   | 10.8  | 10.3    | 11.8  | 28.2   | 24.6  | 3.4     | 3.0   | 10.1   | 10.5  | 1.6         | 1.4   |  |
| NBCC                          | Neutral    | 224   | -         | 20,165  | 9,099        | 12,706  | 6.4    | 6.4   | 7.3     | 9.6   | 30.8   | 23.4  | 1.4     | 1.1   | 27.5   | 30.5  | 2.1         | 1.5   |  |
| MEP Infra                     | Neutral    | 109   | -         | 1,765   | 2,403        | 2,910   | 18.3   | 16.8  | 2.4     | 6.1   | 46.2   | 17.9  | 17.5    | 11.8  | 35.2   | 55.8  | 1.9         | 1.6   |  |
| SIPL                          | Neutral    | 95    | -         | 3,329   | 2,060        | 2,390   | 46.8   | 47.7  | (5.8)   | (3.1) |        |       | 3.5     | 4.0   | (14.2) | (2.3) | 6.4         | 6.0   |  |
| Engineers India               | Neutral    | 158   | -         | 10,651  | 1,795        | 2,611   | 21.1   | 22.4  | 5.9     | 8.1   | 26.8   | 19.5  | 1.9     | 1.9   | 12.9   | 16.1  | 4.3         | 2.8   |  |
| <b>Financials</b>             |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| Axis Bank                     | Accumulate | 512   | 580       | 122,817 | 32,558       | 35,843  | 3.5    | 3.2   | 27.8    | 41.0  | 18.4   | 12.5  | 2.0     | 1.8   | 11.4   | 14.9  | -           | -     |  |
| Bank of Baroda                | Neutral    | 145   | -         | 33,514  | 22,533       | 26,079  | 2.4    | 2.4   | 12.0    | 20.9  | 12.1   | 7.0   | 0.8     | 0.7   | 6.6    | 11.0  | -           | -     |  |
| Canara Bank                   | Neutral    | 340   | -         | 20,317  | 17,925       | 20,235  | 2.0    | 2.1   | 18.5    | 36.5  | 18.4   | 9.3   | 0.7     | 0.7   | 3.4    | 6.2   | -           | -     |  |
| Can Fin Homes                 | Neutral    | 2,795 | -         | 7,440   | 586          | 741     | 3.5    | 3.5   | 107.8   | 141.0 | 25.9   | 19.8  | 5.7     | 4.6   | 24.1   | 25.6  | -           | -     |  |
| Cholamandalam Inv. & Fin. Co. | Accumulate | 1,170 | 1,230     | 18,287  | 2,826        | 3,307   | 6.3    | 6.3   | 53.7    | 64.6  | 21.8   | 18.1  | 3.7     | 3.2   | 18.3   | 18.9  | -           | -     |  |
| Dewan Housing Finance         | Neutral    | 595   | -         | 18,669  | 2,676        | 3,383   | 2.4    | 2.7   | 37.4    | 49.7  | 15.9   | 12.0  | 2.1     | 1.8   | 13.8   | 16.2  | -           | -     |  |
| Equitas Holdings              | Buy        | 159   | 235       | 5,382   | 1,125        | 1,380   | 9.6    | 9.8   | 1.5     | 6.0   | 105.9  | 26.5  | 2.4     | 2.2   | 2.4    | 8.2   | -           | -     |  |
| Federal Bank                  | Accumulate | 118   | 125       | 23,074  | 4,896        | 5,930   | 2.8    | 3.1   | 5.4     | 7.6   | 22.1   | 15.6  | 1.9     | 1.7   | 8.5    | 11.0  | -           | -     |  |

# Stock Watch

September 22, 2017

| Company Name             | Reco       | CMP   | Target    | Mkt Cap | Sales (₹ cr) |         | OPM(%) |       | EPS (₹) |         | PER(x) |       | P/BV(x) |       | RoE(%) |       | EV/Sales(x) |       |  |
|--------------------------|------------|-------|-----------|---------|--------------|---------|--------|-------|---------|---------|--------|-------|---------|-------|--------|-------|-------------|-------|--|
|                          |            | (₹)   | Price (₹) | (₹ cr)  | FY18E        | FY19E   | FY18E  | FY19E | FY18E   | FY19E   | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E       | FY19E |  |
| <b>Financials</b>        |            |       |           |         |              |         |        |       |         |         |        |       |         |       |        |       |             |       |  |
| GIC Housing              | Buy        | 537   | 655       | 2,890   | 376          | 477     | 3.6    | 3.7   | 33.0    | 40.0    | 16.3   | 13.4  | 2.9     | 2.5   | 20.0   | 23.0  | -           | -     |  |
| HDFC Bank                | Neutral    | 1,840 | -         | 474,899 | 55,236       | 63,253  | 4.5    | 4.4   | 68.9    | 82.4    | 26.7   | 22.3  | 4.7     | 3.9   | 18.7   | 18.5  | -           | -     |  |
| ICICI Bank               | Accumulate | 285   | 315       | 182,860 | 42,361       | 51,378  | 3.6    | 3.9   | 18.4    | 25.7    | 15.5   | 11.1  | 1.7     | 1.6   | 11.3   | 15.0  | -           | -     |  |
| Karur Vysya Bank         | Buy        | 153   | 180       | 9,252   | 3,289        | 3,630   | 3.7    | 3.9   | 10.8    | 14.1    | 14.1   | 10.9  | 1.7     | 1.5   | 12.5   | 14.7  | -           | -     |  |
| LIC Housing Finance      | Neutral    | 660   | -         | 33,330  | 4,895        | 6,332   | 3.4    | 3.7   | 50.7    | 66.8    | 13.0   | 9.9   | 2.6     | 2.2   | 21.7   | 23.8  | -           | -     |  |
| Punjab Natl.Bank         | Neutral    | 142   | -         | 30,207  | 23,708       | 25,758  | 2.1    | 2.1   | 5.9     | 16.4    | 24.2   | 8.7   | 0.7     | 0.7   | 3.0    | 8.3   | -           | -     |  |
| RBL Bank                 | Neutral    | 533   | -         | 22,028  | 2,309        | 2,888   | 2.6    | 2.5   | 16.4    | 19.1    | 32.6   | 28.0  | 4.1     | 3.6   | 13.3   | 13.8  | -           | -     |  |
| Repro Home Finance       | Buy        | 643   | 825       | 4,025   | 496          | 597     | 4.4    | 4.2   | 38.5    | 48.7    | 16.7   | 13.2  | 3.0     | 2.5   | 19.6   | 20.6  | -           | -     |  |
| South Ind.Bank           | Neutral    | 31    | -         | 5,603   | 3,195        | 3,567   | 3.0    | 3.1   | 3.0     | 3.8     | 10.3   | 8.1   | 1.0     | 0.9   | 10.5   | 11.9  | -           | -     |  |
| St Bk of India           | Neutral    | 269   | -         | 231,771 | 105,827      | 121,056 | 2.4    | 2.5   | 16.1    | 25.6    | 16.7   | 10.5  | 1.3     | 1.2   | 6.6    | 9.9   | -           | -     |  |
| Union Bank               | Neutral    | 136   | -         | 9,883   | 14,650       | 16,225  | 2.3    | 2.3   | 23.1    | 32.5    | 5.9    | 4.2   | 0.5     | 0.4   | 7.1    | 9.2   | -           | -     |  |
| Yes Bank                 | Neutral    | 377   | -         | 86,338  | 11,088       | 13,138  | 3.0    | 2.9   | 84.0    | 99.3    | 4.5    | 3.8   | 0.7     | 0.6   | 16.3   | 16.8  | -           | -     |  |
| <b>FMCG</b>              |            |       |           |         |              |         |        |       |         |         |        |       |         |       |        |       |             |       |  |
| Akzo Nobel India         | Neutral    | 1,912 | -         | 9,171   | 3,164        | 3,607   | 13.8   | 13.7  | 58.6    | 67.9    | 32.6   | 28.2  | 8.0     | 7.1   | 24.5   | 25.1  | 2.8         | 2.4   |  |
| Asian Paints             | Neutral    | 1,230 | -         | 117,962 | 17,603       | 20,615  | 18.6   | 18.6  | 2,128.9 | 2,543.3 | 0.6    | 0.5   | 12.2    | 10.3  | 28.0   | 28.9  | 6.5         | 5.5   |  |
| Britannia                | Neutral    | 4,332 | -         | 52,008  | 9,690        | 11,278  | 14.8   | 15.4  | 84.0    | 101.0   | 51.6   | 42.9  | 18.8    | 14.9  | 40.6   | 39.0  | 5.3         | 4.6   |  |
| Colgate                  | Neutral    | 1,118 | -         | 30,394  | 4,420        | 5,074   | 24.9   | 25.3  | 28.6    | 32.8    | 39.1   | 34.1  | 15.4    | 12.4  | 43.8   | 40.5  | 6.6         | 5.7   |  |
| Dabur India              | Neutral    | 310   | -         | 54,678  | 8,346        | 9,344   | 19.6   | 19.9  | 7.8     | 9.0     | 39.8   | 34.5  | 8.0     | 7.3   | 25.2   | 24.8  | 6.2         | 5.4   |  |
| GlaxoSmith Con*          | Neutral    | 5,047 | -         | 21,224  | 5,072        | 5,760   | 18.2   | 18.4  | 176.3   | 199.2   | 28.6   | 25.3  | 6.1     | 5.5   | 21.2   | 21.7  | 3.5         | 3.0   |  |
| Godrej Consumer          | Neutral    | 936   | -         | 63,796  | 10,171       | 11,682  | 20.8   | 21.5  | 21.7    | 27.1    | 43.2   | 34.6  | 9.7     | 8.3   | 22.3   | 23.4  | 6.4         | 5.5   |  |
| HUL                      | Neutral    | 1,255 | -         | 271,599 | 37,077       | 41,508  | 20.3   | 21.8  | 5,189.9 | 6,318.5 | 0.2    | 0.2   | 38.3    | 32.7  | 74.8   | 82.0  | 7.2         | 6.4   |  |
| ITC                      | Neutral    | 269   | -         | 328,198 | 44,588       | 49,853  | 37.0   | 37.3  | 9.6     | 11.0    | 28.1   | 24.5  | 6.9     | 6.6   | 25.1   | 27.3  | 6.8         | 6.1   |  |
| Marico                   | Neutral    | 323   | -         | 41,727  | 6,788        | 7,766   | 18.5   | 19.2  | 7.1     | 8.5     | 45.5   | 38.0  | 15.9    | 13.6  | 36.9   | 38.0  | 6.0         | 5.2   |  |
| Nestle*                  | Neutral    | 7,144 | -         | 68,878  | 10,083       | 11,182  | 20.0   | 20.9  | 119.7   | 141.3   | 59.7   | 50.6  | 210.3   | 192.2 | 36.7   | 39.8  | 6.5         | 5.8   |  |
| Tata Global              | Neutral    | 212   | -         | 13,393  | 7,121        | 7,641   | 11.9   | 12.3  | 6.9     | 8.0     | 30.8   | 26.5  | 2.1     | 2.0   | 6.8    | 7.2   | 1.7         | 1.6   |  |
| Procter & Gamble Hygiene | Neutral    | 8,398 | -         | 27,260  | 3,034        | 3,579   | 27.1   | 27.7  | 167.7   | 198.8   | 50.1   | 42.2  | 13.4    | 11.6  | 28.8   | 29.5  | 8.4         | 7.0   |  |
| <b>IT</b>                |            |       |           |         |              |         |        |       |         |         |        |       |         |       |        |       |             |       |  |
| HCL Tech ^               | Buy        | 870   | 1,014     | 124,162 | 52,342       | 57,053  | 20.9   | 20.9  | 62.8    | 67.6    | 13.9   | 12.9  | 3.1     | 2.7   | 22.4   | 20.6  | 2.0         | 1.8   |  |
| Infosys                  | Buy        | 910   | 1,179     | 208,921 | 73,963       | 80,619  | 26.0   | 26.0  | 64.4    | 69.3    | 14.1   | 13.1  | 2.8     | 2.6   | 19.7   | 19.6  | 2.3         | 2.0   |  |
| TCS                      | Neutral    | 2,526 | -         | 497,701 | 127,403      | 138,870 | 27.6   | 27.6  | 144.5   | 156.0   | 17.5   | 16.2  | 5.2     | 4.8   | 29.7   | 29.8  | 3.6         | 3.2   |  |
| Tech Mahindra            | Buy        | 460   | 533       | 44,911  | 31,015       | 33,496  | 15.0   | 15.0  | 35.6    | 38.1    | 12.9   | 12.1  | 2.2     | 2.1   | 17.0   | 16.3  | 1.2         | 1.1   |  |

# Stock Watch

September 22, 2017

| Company Name               | Reco       | CMP<br>(₹) | Target<br>Price (₹) | Mkt Cap<br>(₹ cr) | Sales (₹ cr) |         | OPM(%) |       | EPS (₹) |       | PER(x) |       | P/BV(x) |       | RoE(%) |       | EV/Sales(x) |       |  |
|----------------------------|------------|------------|---------------------|-------------------|--------------|---------|--------|-------|---------|-------|--------|-------|---------|-------|--------|-------|-------------|-------|--|
|                            |            |            |                     |                   | FY18E        | FY19E   | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E       | FY19E |  |
| <b>IT</b>                  |            |            |                     |                   |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| Wipro                      | Neutral    | 291        | -                   | 141,694           | 58,536       | 61,858  | 20.3   | 20.3  | 18.2    | 19.1  | 16.0   | 15.2  | 2.5     | 2.2   | 14.6   | 13.4  | 2.3         | 2.2   |  |
| <b>Media</b>               |            |            |                     |                   |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| D B Corp                   | Neutral    | 365        | -                   | 6,720             | 2,404        | 2,625   | 30.5   | 31.5  | 23.7    | 26.9  | 15.4   | 13.6  | 3.6     | 3.1   | 23.5   | 22.8  | 2.6         | 2.4   |  |
| HT Media                   | Neutral    | 101        | -                   | 2,358             | 2,589        | 2,830   | 15.1   | 15.4  | 8.3     | 10.9  | 12.2   | 9.3   | 1.0     | 0.9   | 8.4    | 10.4  | 0.5         | 0.3   |  |
| Jagran Prakashan           | Buy        | 181        | 225                 | 5,929             | 2,541        | 2,835   | 28.5   | 28.7  | 12.7    | 14.1  | 14.3   | 12.9  | 3.0     | 2.6   | 21.3   | 21.4  | 2.2         | 1.9   |  |
| Sun TV Network             | Neutral    | 829        | -                   | 32,674            | 3,238        | 3,789   | 51.9   | 55.1  | 30.9    | 38.0  | 26.8   | 21.8  | 7.7     | 6.7   | 30.0   | 31.0  | 9.6         | 8.1   |  |
| Hindustan Media Ventures   | Neutral    | 273        | -                   | 2,004             | 1,002        | 1,074   | 23.3   | 23.5  | 29.2    | 33.8  | 9.4    | 8.1   | 1.5     | 1.2   | 15.6   | 15.4  | 1.0         | 0.7   |  |
| TV Today Network           | Accumulate | 343        | 380                 | 2,044             | 667          | 727     | 27.7   | 27.7  | 18.6    | 20.1  | 18.4   | 17.1  | 2.9     | 2.9   | 15.6   | 17.3  | 2.6         | 2.4   |  |
| Music Broadcast Limited    | Accumulate | 388        | 434                 | 2,211             | 271          | 317     | 91.0   | 109.0 | 6.0     | 10.0  | 64.6   | 38.8  | 4.0     | 3.7   | 6.5    | 9.3   | 7.7         | 6.4   |  |
| <b>Metals &amp; Mining</b> |            |            |                     |                   |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| Coal India                 | Neutral    | 254        | -                   | 157,420           | 82,301       | 91,235  | 17.0   | 18.0  | 17.1    | 20.5  | 14.8   | 12.4  | 2.8     | 2.6   | 45.0   | 55.0  | 1.6         | 1.4   |  |
| Hind. Zinc                 | Neutral    | 304        | -                   | 128,429           | 22,108       | 24,555  | 57.0   | 58.0  | 22.1    | 26.3  | 13.8   | 11.6  | 4.5     | 3.6   | 32.0   | 35.0  | 4.8         | 4.0   |  |
| Hindalco                   | Neutral    | 244        | -                   | 54,755            | 102,350      | 105,355 | 13.5   | 14.5  | 21.5    | 24.5  | 11.4   | 10.0  | 1.6     | 1.3   | 15.0   | 15.2  | 1.1         | 1.1   |  |
| JSW Steel                  | Neutral    | 255        | -                   | 61,518            | 64,500       | 68,245  | 21.1   | 21.5  | 20.1    | 21.2  | 12.7   | 12.0  | 2.3     | 2.0   | -      | -     | 1.7         | 1.6   |  |
| NMDC                       | Neutral    | 129        | -                   | 40,703            | 10,209       | 11,450  | 47.0   | 48.0  | 11.1    | 12.1  | 11.6   | 10.6  | 1.6     | 1.5   | -      | -     | 3.5         | 3.2   |  |
| SAIL                       | Neutral    | 61         | -                   | 25,214            | 54,100       | 63,555  | 3.0    | 10.0  | (10.0)  | 1.5   |        | 40.7  | 0.8     | 0.8   | -      | -     | 1.5         | 1.2   |  |
| Vedanta                    | Neutral    | 323        | -                   | 119,898           | 81,206       | 87,345  | 28.0   | 29.0  | 26.5    | 33.5  | 12.2   | 9.6   | 2.8     | 2.4   | -      | -     | 2.2         | 1.9   |  |
| Tata Steel                 | Neutral    | 687        | -                   | 66,708            | 121,445      | 126,500 | 16.2   | 17.2  | 65.4    | 81.3  | 10.5   | 8.5   | 1.7     | 1.4   | -      | -     | 1.1         | 0.9   |  |
| <b>Oil &amp; Gas</b>       |            |            |                     |                   |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| GAIL                       | Neutral    | 407        | -                   | 68,802            | 53,115       | 52,344  | 14.2   | 15.3  | 30.0    | 31.1  | 13.6   | 13.1  | 1.7     | 1.6   | -      | -     | 1.0         | 1.0   |  |
| ONGC                       | Neutral    | 166        | -                   | 213,032           | 83,111       | 84,934  | 44.2   | 44.9  | 16.4    | 16.9  | 10.1   | 9.8   | 1.2     | 1.1   | -      | -     | 2.4         | 2.4   |  |
| Indian Oil Corp            | Neutral    | 413        | -                   | 200,670           | 396,116      | 432,560 | 8.5    | 8.8   | 40.1    | 42.2  | 10.3   | 9.8   | 1.8     | 1.6   | -      | -     | 0.7         | 0.6   |  |
| Reliance Industries        | Neutral    | 841        | -                   | 547,165           | 257,711      | 267,438 | 17.0   | 18.2  | 89.1    | 89.5  | 9.4    | 9.4   | 0.9     | 0.8   | -      | -     | 1.8         | 1.7   |  |
| <b>Pharmaceuticals</b>     |            |            |                     |                   |              |         |        |       |         |       |        |       |         |       |        |       |             |       |  |
| Alembic Pharma             | Buy        | 500        | 600                 | 9,432             | 3,903        | 4,584   | 18.2   | 19.2  | 21.8    | 27.2  | 23.0   | 18.4  | 4.2     | 3.5   | 19.8   | 20.6  | 2.4         | 2.1   |  |
| Alkem Laboratories Ltd     | Buy        | 1,801      | 2,161               | 21,536            | 6,901        | 7,850   | 18.4   | 19.1  | 85.0    | 100.5 | 21.2   | 17.9  | 4.3     | 3.6   | 20.2   | 20.1  | 3.1         | 2.7   |  |
| Aurobindo Pharma           | Accumulate | 752        | 823                 | 44,050            | 17,086       | 19,478  | 22.1   | 22.0  | 44.7    | 51.4  | 16.8   | 14.6  | 3.7     | 3.0   | 24.7   | 22.7  | 2.7         | 2.3   |  |
| Aventis*                   | Neutral    | 4,057      | -                   | 9,343             | 2,508        | 2,862   | 16.8   | 16.8  | 139.9   | 153.8 | 29.0   | 26.4  | 4.2     | 3.4   | 23.5   | 25.8  | 3.3         | 2.7   |  |
| Cadila Healthcare          | Sell       | 503        | 426                 | 51,535            | 11,584       | 13,228  | 20.3   | 20.4  | 18.7    | 21.3  | 26.9   | 23.6  | 6.0     | 4.9   | 24.6   | 22.9  | 4.3         | 3.7   |  |
| Cipla                      | Sell       | 591        | 458                 | 47,593            | 16,619       | 19,437  | 15.4   | 16.2  | 19.7    | 24.3  | 30.0   | 24.3  | 3.4     | 3.0   | 12.0   | 13.2  | 3.0         | 2.6   |  |
| Dr Reddy's                 | Neutral    | 2,486      | -                   | 41,223            | 15,844       | 17,973  | 17.6   | 18.2  | 91.7    | 111.0 | 27.1   | 22.4  | 3.1     | 2.8   | 11.9   | 13.0  | 2.8         | 2.5   |  |
| GSK Pharma*                | Neutral    | 2,438      | -                   | 20,649            | 3,260        | 3,651   | 15.0   | 18.0  | 46.1    | 58.6  | 52.9   | 41.6  | 10.9    | 11.2  | 20.0   | 26.5  | 6.2         | 5.7   |  |
| Indoco Remedies            | Sell       | 207        | 153                 | 1,907             | 1,154        | 1,310   | 14.9   | 14.9  | 11.3    | 12.7  | 18.3   | 16.3  | 2.6     | 2.3   | 15.0   | 15.0  | 1.8         | 1.5   |  |

# Stock Watch

September 22, 2017

| Company Name               | Reco       | CMP   | Target    | Mkt Cap | Sales (₹ cr) |         | OPM(%) |       | EPS (₹) |       | PER(x) |       | P/BV(x) |       | RoE(%) |       | EV/Sales(x) |       |
|----------------------------|------------|-------|-----------|---------|--------------|---------|--------|-------|---------|-------|--------|-------|---------|-------|--------|-------|-------------|-------|
|                            |            | (₹)   | Price (₹) | (₹ cr)  | FY18E        | FY19E   | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E       | FY19E |
| <b>Pharmaceuticals</b>     |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |
| Ipca labs                  | Neutral    | 573   | -         | 7,227   | 3,593        | 4,022   | 14.5   | 15.5  | 19.4    | 25.2  | 29.5   | 22.7  | 2.7     | 2.4   | 9.5    | 11.2  | 2.1         | 1.8   |
| Lupin                      | Buy        | 1,032 | 1,467     | 46,646  | 18,657       | 21,289  | 21.3   | 23.3  | 52.8    | 66.7  | 19.6   | 15.5  | 3.0     | 2.5   | 16.3   | 17.5  | 2.5         | 2.1   |
| Natco Pharma               | Neutral    | 806   | -         | 14,048  | 1,836        | 1,946   | 31.8   | 28.9  | 22.1    | 20.6  | 36.5   | 39.1  | 7.3     | 6.5   | 20.1   | 16.7  | 7.5         | 7.1   |
| Sun Pharma                 | Accumulate | 520   | 558       | 124,653 | 32,899       | 36,451  | 26.9   | 25.4  | 31.6    | 32.3  | 16.4   | 16.1  | 2.9     | 2.5   | 18.7   | 18.8  | 3.4         | 2.9   |
| Syngene International      | Accumulate | 484   | 557       | 9,688   | 1,402        | 1,823   | 32.8   | 36.0  | 15.9    | 20.7  | 30.5   | 23.5  | 5.7     | 4.7   | 18.7   | 20.0  | 6.9         | 5.3   |
| <b>Power</b>               |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |
| Tata Power                 | Neutral    | 83    | -         | 22,477  | 32,547       | 33,806  | 20.5   | 20.5  | 4.7     | 5.4   | 17.7   | 15.5  | 1.7     | 1.5   | 10.5   | 10.5  | 1.7         | 1.6   |
| NTPC                       | Neutral    | 168   | -         | 138,606 | 86,070       | 101,246 | 28.3   | 30.7  | 12.9    | 16.2  | 13.0   | 10.4  | 1.3     | 1.2   | 10.6   | 12.4  | 3.0         | 2.7   |
| Power Grid                 | Accumulate | 211   | 223       | 110,517 | 29,183       | 32,946  | 89.7   | 90.0  | 18.0    | 20.8  | 11.8   | 10.2  | 2.0     | 1.7   | 17.7   | 18.2  | 7.7         | 7.2   |
| <b>Real Estate</b>         |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |
| Prestige Estate            | Neutral    | 271   | -         | 10,149  | 4,607        | 5,146   | 21.0   | 22.2  | 7.9     | 9.8   | 34.3   | 27.6  | 2.1     | 2.0   | 10.3   | 12.0  | 3.4         | 3.1   |
| MLIFE                      | Neutral    | 513   | -         | 2,633   | 487          | 590     | 12.3   | 17.8  | 21.0    | 31.2  | 24.4   | 16.4  | 1.3     | 1.2   | 5.2    | 7.4   | 4.1         | 3.4   |
| <b>Telecom</b>             |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |
| Bharti Airtel              | Neutral    | 400   | -         | 159,696 | 97,903       | 105,233 | 36.0   | 36.3  | 9.3     | 11.1  | 43.0   | 36.2  | 2.1     | 2.0   | 5.0    | 5.6   | 2.6         | 2.3   |
| Idea Cellular              | Neutral    | 80    | -         | 28,963  | 35,012       | 37,689  | 27.1   | 27.7  | (4.4)   | (2.7) |        |       | 1.3     | 1.3   | (6.8)  | (4.6) | 2.1         | 1.9   |
| <b>zOthers</b>             |            |       |           |         |              |         |        |       |         |       |        |       |         |       |        |       |             |       |
| Abbott India               | Neutral    | 4,270 | -         | 9,073   | 3,244        | 3,723   | 14.9   | 16.1  | 167.5   | 209.4 | 25.5   | 20.4  | 5.6     | 4.7   | 23.7   | 24.8  | 2.4         | 2.1   |
| Asian Granito              | Accumulate | 496   | 570       | 1,492   | 1,169        | 1,286   | 12.5   | 12.5  | 16.0    | 19.7  | 31.1   | 25.2  | 3.3     | 2.9   | 10.7   | 11.6  | 1.5         | 1.3   |
| Bajaj Electricals          | Neutral    | 377   | -         | 3,825   | 4,646        | 5,301   | 6.7    | 7.6   | 16.1    | 22.3  | 23.4   | 16.9  | 3.8     | 3.3   | 16.4   | 19.2  | 0.8         | 0.7   |
| Banco Products (India)     | Neutral    | 222   | -         | 1,590   | 1,530        | 1,695   | 13.2   | 12.7  | 19.0    | 20.0  | 11.7   | 11.1  | 1.9     | 1.7   | 0.2    | 0.2   | 1.0         | 105.5 |
| Coffee Day Enterprises Ltd | Neutral    | 233   | -         | 4,805   | 3,494        | 3,913   | 17.4   | 18.0  | 4.8     | 5.7   | -      | 40.9  | 2.1     | 2.0   | -      | 0.1   | 1.8         | 1.6   |
| Elecon Engineering         | Neutral    | 58    | -         | 650     | 171          | 201     | 15.0   | 16.2  | 36.0    | 43.0  | 1.6    | 1.4   | 0.1     | 0.1   | 0.1    | 0.1   | 3.2         | 2.7   |
| Garware Wall Ropes         | Neutral    | 874   | -         | 1,912   | 928          | 1,003   | 15.2   | 15.2  | 39.4    | 43.2  | 22.2   | 20.2  | 3.7     | 3.1   | 16.5   | 15.4  | 1.9         | 1.7   |
| Goodyear India*            | Neutral    | 846   | -         | 1,952   | 1,717        | 1,866   | 11.8   | 12.3  | 47.9    | 49.8  | 17.7   | 17.0  | 2.7     | 2.4   | 15.6   | 15.7  | 0.9         | 119.2 |
| Hitachi                    | Neutral    | 1,959 | -         | 5,328   | 2,355        | 2,715   | 10.3   | 10.8  | 49.0    | 60.9  | 40.0   | 32.2  | 9.4     | 7.4   | 0.2    | 0.2   | 2.3         | 2.0   |
| HSIL                       | Neutral    | 391   | -         | 2,829   | 2,240        | 2,670   | 14.6   | 15.0  | 17.0    | 22.0  | 23.0   | 17.8  | 1.9     | 1.8   | 0.1    | 0.1   | 1.5         | 1.2   |
| Interglobe Aviation        | Neutral    | 1,136 | -         | 41,086  | 22,570       | 27,955  | 14.2   | 15.0  | 63.6    | 81.8  | 17.9   | 13.9  | 9.4     | 7.9   | 0.5    | 0.6   | 1.5         | 1.1   |
| Jyothy Laboratories        | Neutral    | 400   | -         | 7,267   | 1,781        | 2,044   | 14.1   | 15.0  | 9.4     | 10.5  | 42.8   | 38.1  | 9.1     | 8.6   | 0.2    | 0.2   | 4.3         | 3.7   |
| Linc Pen & Plastics        | Neutral    | 238   | -         | 352     | 420          | 462     | 9.3    | 9.3   | 15.3    | 17.1  | 15.6   | 13.9  | 2.6     | 2.7   | 16.9   | 19.5  | 0.9         | 0.8   |
| M M Forgings               | Neutral    | 671   | -         | 810     | 542          | 642     | 20.1   | 21.0  | 41.6    | 56.8  | 16.1   | 11.8  | 2.2     | 1.9   | 0.1    | 0.2   | 1.9         | 1.7   |
| Mirza International        | Neutral    | 165   | -         | 1,981   | 1,148        | 1,285   | 18.0   | 18.0  | 8.0     | 9.4   | 20.5   | 17.6  | 3.4     | 2.9   | 16.3   | 16.1  | 1.9         | 1.6   |
| Navkar Corporation         | Buy        | 193   | 265       | 2,747   | 561          | 617     | 41.5   | 41.5  | 11.5    | 12.7  | 16.7   | 15.2  | 1.8     | 1.6   | 10.5   | 10.4  | 5.6         | 4.8   |
| Nilkamal                   | Neutral    | 1,573 | -         | 2,348   | 2,317        | 2,525   | 11.4   | 11.1  | 96.0    | 105.0 | 16.4   | 15.0  | 2.8     | 2.4   | 0.2    | 0.2   | 1.0         | 0.9   |

# Stock Watch

September 22, 2017

| Company Name           | Reco       | CMP   | Target    | Mkt Cap | Sales (₹ cr) |       | OPM(%) |       | EPS (₹) |       | PER(x) |       | P/BV(x) |       | RoE(%) |       | EV/Sales(x) |       |  |
|------------------------|------------|-------|-----------|---------|--------------|-------|--------|-------|---------|-------|--------|-------|---------|-------|--------|-------|-------------|-------|--|
|                        |            | (₹)   | Price (₹) | (₹ cr)  | FY18E        | FY19E | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E   | FY19E | FY18E  | FY19E | FY18E       | FY19E |  |
| <b>zOthers</b>         |            |       |           |         |              |       |        |       |         |       |        |       |         |       |        |       |             |       |  |
| Parag Milk Foods       | Neutral    | 244   | -         | 2,052   | 1,987        | 2,379 | 7.6    | 9.0   | 12.4    | 18.3  | 19.7   | 13.3  | 2.8     | 2.4   | 8.2    | 13.2  | 1.1         | 1.0   |  |
| Radico Khaitan         | Neutral    | 165   | -         | 2,199   | 1,811        | 1,992 | 13.2   | 13.2  | 8.1     | 8.8   | 20.4   | 18.8  | 2.1     | 2.3   | 10.1   | 12.0  | 1.5         | 1.4   |  |
| Relaxo Footwears       | Neutral    | 524   | -         | 6,294   | 1,981        | 2,310 | 13.7   | 14.5  | 12.0    | 15.5  | 43.7   | 33.8  | 8.5     | 6.9   | 0.2    | 0.2   | 3.2         | 2.8   |  |
| Siyaram Silk Mills     | Accumulate | 2,291 | 2,500     | 2,148   | 1,769        | 1,981 | 12.7   | 12.7  | 113.1   | 131.1 | 20.3   | 17.5  | 3.1     | 2.7   | 15.5   | 15.5  | 1.4         | 1.2   |  |
| Styrolution ABS India* | Neutral    | 909   | -         | 1,598   | 1,800        | 1,980 | 8.0    | 8.1   | 42.0    | 46.2  | 21.6   | 19.7  | 2.4     | 2.2   | 0.1    | 0.1   | 1.0         | 0.9   |  |
| Surya Roshni           | Neutral    | 319   | -         | 1,400   | 4,870        | 5,320 | 7.7    | 7.8   | 22.8    | 28.1  | 14.0   | 11.4  | 1.9     | 1.6   | 0.1    | 0.1   | 0.5         | 0.4   |  |
| TVS Srichakra          | Neutral    | 3,187 | -         | 2,441   | 2,729        | 2,893 | 12.7   | 12.5  | 248.5   | 265.0 | 12.8   | 12.0  | 3.6     | 3.0   | 0.3    | 0.3   | 0.9         | 0.8   |  |
| Visaka Industries      | Neutral    | 631   | -         | 1,001   | 1,104        | 1,214 | 12.1   | 12.6  | 31.0    | 37.9  | 20.3   | 16.7  | 2.5     | 2.2   | 0.1    | 0.1   | 1.1         | 1.0   |  |
| VIP Industries         | Buy        | 250   | 300       | 3,529   | 1,450        | 1,693 | 10.4   | 10.5  | 6.5     | 7.8   | 38.2   | 32.0  | 8.1     | 7.1   | 21.1   | 22.1  | 2.4         | 2.1   |  |
| Navin Fluorine         | Accumulate | 649   | 730       | 3,201   | 945          | 1,154 | 22.4   | 22.6  | 28.7    | 34.8  | 22.6   | 18.7  | 3.7     | 3.2   | -      | -     | 2.9         | 2.3   |  |

Source: Company, Angel Research; Note: \*December year end; #September year end; &October year end; Price as on September 21, 2017



Research Team Tel: 022 - 39357800

E-mail: [research@angelbroking.com](mailto:research@angelbroking.com)

Website: [www.angelbroking.com](http://www.angelbroking.com)

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