

December 15, 2017



QUARTERLY BASKET

Buy Around: 790.00

SL:728.00

Target: 891.00

Upside: 13%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	781.50
Face Value (Rs.)	10.00
52 Week High/Low	1259.00/754.00
M.Cap (Rs. in Cr.)	6992.98
EPS (Rs.)	44.73
P/E Ratio (times)	17.47
P/B Ratio (times)	2.57
Dividend Yield (%)	0.58
Stock Exchange	BSE

STOCK DATA

BSE Code	532531
NSE Symbol	STAR
Reuters	STAR.BO
Bloomberg	STR IN

SHAREHOLDING PATTERN

(As on 30th Sep 2017)	% Of Holding
Foreign	36.41
Institutions	15.91
Non corporate corp. holding	2.84
Promoters	31.12
Public & Others	13.73

Note: Follow Strict Stop Loss.

The company is focusing on diversified market positioning as well as integrated consumer facing formulation businesses. To focus on regulated market, the management of the company doing efforts towards front end presence across Australia, US and UK, 5 USFDA approved facilities in India, Europe, upcoming regulated market facility in Singapore, 2 R&D centres with 500+ Headcount and to reach capacity of 15-20 ANDA

Business Profile

Strides Shasun is a vertically integrated global pharmaceutical company. It has four business verticals viz. regulated markets, emerging markets, institutional business and active pharmaceutical ingredients.

Investment Rationale

The US market for the generic Lovaza is approximately \$300 million per annum annually, as per IMS, with five generic players including Par Pharmaceutical (Par), an Endo International Company. The company has partnered with Par to market the product in the United States. The product to be manufactured in its flagship facility in Bangalore will be launched immediately. On a consolidated basis, net profit of Strides Shasun declined 87.44% to Rs 10.73 crore on 14.18% rise in net sales to Rs 995.60 crore in Q2 September 2017 over Q2 September 2016.

It has four business verticals, viz., Regulated Markets, Emerging Markets, Institutional Business and Active Pharmaceutical Ingredients and has global manufacturing footprint with 9 manufacturing facilities spread across three continents including 7 US FDA approved facilities and 2 facilities for the emerging markets. The Company has two dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 100 countries.

According to IMS data, the US market for Potassium Citrate is approximately USD 110 Million. Strides Shasun will be the second generic player to commercialize the product.



We recommend a buy in the stock of STRIDE SHASUN for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 754.00 and 52 week high of Rs. 1259.00. Buy around at 790 with a closing below stop loss of Rs. 738 levels for the target of Rs. 891.

Buy Around: 355.00

SL: 324.00

Target: 413.00

Upside: 16%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	357.15
Face Value (Rs.)	10.00
52 Week High/Low	463.40/250.17
M.Cap (Rs. in Cr.)	21332.22
EPS (Rs.)	17.54
P/E Ratio (times)	20.36
P/B Ratio (times)	0.74
Dividend Yield (%)	0.28
Stock Exchange	BSE

STOCK DATA

BSE Code	532483
NSE Symbol	CANBK
Reuters	CNBK.BO
Bloomberg	CBK IN

SHAREHOLDING PATTERN

(As on 30th Sep 2017)	% Of Holding
Foreign	6.13
Institutions	21.42
Govt holding	0
Non corporate corp. holding	0.97
Promoters	66.30
Public & Others	5.19

Note: Follow Strict Stop Loss.

The bank has been consistently delivering on improving asset quality, cost efficiency, other income and productivity in the past few quarters. No doubt ahead of RBI direction almost all the banks have reported loss in the recent quarter amid concerns over mounting NPA. Consistent rise in non-performing assets hit balance sheets of public sector banks more compared to private banks. On the flip side, Government of India initiatives to support PSUs in terms of additional capital allocation, mechanism to deal with bad assets, formation of bankruptcy law and setting up of the stressed assets fund under National Infrastructure Investment Fund would not only re-build the lost confidence among investors but will also act as a catalyst for next leg of growth.

Business Profile

Canara Bank Ltd. is a public sector bank. The Government of India held 66.3% stake in Bank as per the shareholding pattern as on 30 September 2017. It has approximately 5,850 branches, including over eight overseas branches.

Investment Rationale

Global business of the bank improved 6% yoy at Rs 869203 crore at end September 2017. Deposits moved up 3% yoy to Rs 496440 crore, while the advances growth accelerated to 10% at Rs 372763 crore at end September 2017. The credit-deposit ratio of the bank jumped to 72.2% from 70.6% a quarter ago and 67.5% a year ago.

Domestic advances of the bank increased at improved pace of 9% to Rs 343177 crore at end September 2017, driven by strong growth in retail loans. Credit to M&SE rose 7% to Rs 55458 crore, while the infrastructure sector loans declined 4% to Rs 49469 crore and exposure to NBFCs moved up 18% to Rs 26778 crore end September 2017. Within the retail lending portfolio, housing loan increased 20% to Rs 35975 crore, personal loans 29% to Rs 16266 crore, vehicle loans 26% to Rs 5783 crore, and education loan 12% to Rs 8298 crore. The share of retail credit in domestic advances jumped to 18.5% compared to 16.7% last year.

The bank's gross non-performing assets (NPAs) stood at Rs 39164.08 crore as on 30 September 2017 as against Rs 37657.76 crore as on 30 June 2017 and Rs 33315.40 crore as on 30 September 2016. The ratio of gross NPAs to gross advances stood at 10.51% as on 30 September 2017 as against 10.56% as on 30 June 2017 and 9.81% as on 30 September 2016. The ratio of net NPAs to net advances stood at 7.02% as on 30 September 2017 as against 7.09% as on 30 June 2017 and 6.69% as on 30 September 2016.



We recommend a buy in the stock of CANARA BANK for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 250.17 and 52 week high of Rs 463.40. Buy around at 355 with a closing below stop loss of Rs.324 levels for the target of Rs.413.

Buy Around: 107.50

SL: 99 .00

Target: 129.00

Upside: 20%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	103.90
Face Value (Rs.)	2.00
52 Week High/Low	127.75/61.85
M.Cap (Rs. in Cr.)	20430.44
EPS (Rs.)	4.76
P/E Ratio (times)	21.83
P/B Ratio (times)	1.74
Dividend Yield (%)	0.76
Stock Exchange	BSE

STOCK DATA

BSE Code	500469
NSE Symbol	FEDERAL BANK
Reuters	FED.BO
Bloomberg	FB IN

SHAREHOLDING PATTERN

(As on 30th Sep 2017)	% Of Holding
Foreign	38.54
Institutions	34.32
Non corporate corp. holding	1.65
Promoters	0
Public & Others	25.50

Note: Follow Strict Stop Loss.

The bank continued to grow ahead of the system growth. During Q2FY18, It saw highest quarterly operating profit. This has increased sequentially over last 4 quarters. Total business grew 18% to Rs.1.78 lakh crore. New client acquisition across all segments saw robust growth; supportive Business Architecture and growth enablers deepen across all business verticals.

Business Profile

Federal Bank is one of the leading private sector banks in India

Investment Rationale

Federal Bank registered a 15% rise in Interest income to Rs 2379.60 crore in the quarter ended September 2017. 10% rise in interest expenses to Rs 1480.69 crore saw net interest income (NII) rise 24% to Rs 898.91 crore. OP grew 23% to Rs 583.21 crore. Provision and contingencies grew 5% to Rs 176.77 crore after which PBT grew 33% to Rs 406.44 crore. Net profit grew 31% to Rs 263.70 crore.

Gross NPA stood at Rs 1948.97 crore as of September 2017 quarter against Rs 1867.94 crore in June 2017 quarter and Rs 1819.72 crore as of September 2016 quarter. In percentage terms, %GNPA stood at 2.39% as of September 2017 quarter against 2.42% in June 2017 quarter and 2.78% as of September 2016 quarter. Net NPA stood at Rs 1066.38 crore as of September 2017 quarter against Rs 1061.26 crore in June 2017 quarter and Rs 1039.74 crore as of September 2016 quarter. In percentage terms, %NNPA stood at 1.32% as of September 2017 quarter against 1.39% in June 2017 quarter and 1.61% as of September 2016 quarter.



We recommend a buy in the stock of FEDERAL BANK for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 61.85 and 52 week high of Rs 127.75. Buy around at 107.50 with a closing below stop loss of Rs.99 levels for the target of Rs.129.

Buy Around: 555.00

SL: 522.00

Target: 630.00

Upside: 14%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	545.75
Face Value (Rs.)	2.00
52 Week High/Low	794.10/513.60
M.Cap (Rs. in Cr.)	27541.27
EPS (Rs.)	39.39
P/E Ratio (times)	13.86
P/B Ratio (times)	2.36
Dividend Yield (%)	1.14
Stock Exchange	BSE

STOCK DATA

BSE Code	500253
NSE Symbol	LICHSGFIN
Reuters	LICH.BO
Bloomberg	LICHF IN

SHAREHOLDING PATTERN

(As on 30th Sep 2017)	% Of Holding
Foreign	33.71
Institutions	13.69
Govt holding	0
Non corporate corp. holding	0
Promoters	40.31
Public & Others	12.29

Note: Follow Strict Stop Loss.

The company has a track record of delivering robust financial performance. Factors such as robust loan mix, focus on higher margin products, stable asset quality and robust earnings visibility continue to reinforce growth in the company. Going forward, the company is likely to maintain the same on the back of healthy loan growth expectation and expansion in NIM. It is also focusing on improving its assets quality which would have a positive impact on the overall performance of the company

Business Profile

LIC Housing Finance Limited is engaged in the housing finance business. It operates through its subsidiaries, which include LICHFL Care Homes Limited, which is engaged in the business of setting up, running and maintaining assisted living community center/care homes for senior citizens; LICHFL Financial Services Limited, which is engaged in the business of marketing financial products and services; LICHFL Asset Management Company Limited, which is engaged in business of managing, advising, administering mutual funds, unit trusts, investment trusts and to act as financial and investment advisors, and LICHFL Trustee Company Private Limited, which acts as a trustee to venture capital trusts and funds.

Investment Rationale

During the Q2FY18, the company disbursed loans of Rs 10975 crore as against Rs 9123 crore for Q2 FY17 a growth of 20%. Disbursements in the individual loan category recorded a growth of 18% from Rs 8755 crore to Rs 10367 crore. The Individual loan portfolio stood at Rs 145486 crore as against Rs 127434 crore, a growth of 14%. The outstanding mortgage portfolio as on September 30, 2017 was Rs 151417 crore as against Rs 131096 crore on September 30, 2016, thus registering a growth of 16%.

According to the management of the company, it has witnessed steady loan growth during the Q2FY18 and will continue to see progress in the sector in future. The affordable housing is expected to grow further in 2018 and will be a strong driving force for LIC HFL. Though there has been a temporary blip in Margins and NPAs, the company is confident and optimistic about its performances during the second half of the current financial year.

According to the management of the company, the launch of smaller sized apartments, coupled with lower interest rates and low initial payment, has given a push to the expansion of the home buyer's base. And this is a very positive sign for the industry, which would accelerate the financial growth of the company.



We recommend a buy in the stock of LIC Housing for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 513.60 and 52 week high of Rs 794.10. Buy around at 555 with a closing below stop loss of Rs.522 levels for the target of Rs.630.

Buy Around: 594.00

SL: 558.00

Target: 693.00

Upside: 22%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	593.80
Face Value (Rs.)	1.00
52 Week High/Low	699.70/392.15
M.Cap (Rs. in Cr.)	19967.67
EPS (Rs.)	13.41
P/E Ratio (times)	44.27
P/B Ratio (times)	6.14
Dividend Yield (%)	0.29
Stock Exchange	BSE

STOCK DATA

BSE Code	500164
NSE Symbol	GODREJIND
Reuters	GODI.BO
Bloomberg	GDSP IN

SHAREHOLDING PATTERN

(As on 30th Sep 2017)	% Of Holding
Foreign	12.64
Institutions	4.21
Govt holding	0
Non corporate corp. holding	2.14
Promoters	74.74
Public & Others	6.27

Note: Follow Strict Stop Loss.

The company has reported steady growth in earning during Q2FY18 with commendable growth in majority of the businesses. Strategic focus, differentiated product portfolio, superior execution in all segments would delivery good growth to the company. Moreover, management expects that it would grow further with the continuing focus on innovations, competitive marketing investments and strong on- ground execution.

Business Profile

Godrej Industries is a conglomerate with a significant presence in Home and Personal Care, Animal Feeds, Dairy and Agri-products, Poultry, Oil Palm Plantation, Real Estate Development, Oleo-chemicals and Vegetable Oils, both directly and through subsidiaries/associate companies. It continues to be in the growth trajectory despite weak monsoon and demand environment. Management initiatives towards brand building, acquisitions and focus on cost control and operational efficiency would give positive impact for the tremendous growth

Investment Rationale

Its consumer Products business sustained its strong competitiveness and management expects that it would grow further with the continuing focus on innovations, competitive marketing investments and strong on ground execution. It has continued to deliver ahead-of-the-market profitable growth despite a tough operating environment. Its EBITDA growth was ahead of sales growth, despite a strong base from the previous year.

Godrej Consumer Products' sustained its resilient performance in the second quarter of fiscal year 2018 and delivered double-digit growth in sales and earnings. In India, GCPL remained agile and navigated the GST driven channel disruptions well to deliver 10% volume growth (on a base of 9% growth in Q2FY17), alongside delivering a strong EBITDA growth of 24%.

Going forward, through CREATE strategy, the company will continue to strengthen its position in all its core businesses while fostering an inspiring place to work and creating shared value for all stakeholders.



We recommend a buy in the stock of GODREJ INDUSTRIES for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 392.15 and 52 week high of Rs 699.70. Buy around at 594 with a closing below stop loss of Rs.558 levels for the target of Rs.693.



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