

July 10, 2017



QUARTERLY BASKET



Moneywise. Be wise.

Buy Around: 167.00

SL: 155

Target: 198

Upside: 18.50%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	160.60
Face Value (Rs.)	2.00
52 Week High/Low	202.45/136.00
M.Cap (Rs. in Cr.)	39841.16
EPS (Rs.)	5.66
P/E Ratio (times)	28.37
P/B Ratio (times)	0.92
Dividend Yield (%)	0.90
Stock Exchange	BSE

STOCK DATA

BSE Code	532134
NSE Symbol	BANKBARODA
Reuters	BOB.BO
Bloomberg	BOB IN

SHAREHOLDING PATTERN

(As on 31 Mar 2017)	% Of Holding
Foreign	12.23
Institutions	20.59
Non corporate corp. holding	1.51
Promoters	59.24
Public & Others	6.44

Note: Follow Strict Stop Loss.

The management of the bank is targeting domestic loan book growth of 15% in FY2018, which has to be driven by retail and SME loan growth of 20%. The bank is also targeting to improve NIMs to 2.5% in FY2018. Moreover, it has exhibited healthy improvement in cost-to-income ratio in FY2017. However, the demonetization has contributed some of the rise in operating expenses for the bank. Further, it has continued to reduce NPAs for last four straight quarters. The provision coverage ratio remains at robust level of 57.7% end March 2017. The bank proposes to improve provision coverage ratio 70% in FY2018.

Business Profile

Bank of Baroda is public sector bank and government of India holds 59.24% stake in the bank (as on 31 March 2017).

Investment Rationale

On business front, the bank has exhibited rebound in business level on yoy basis, after consistent decline for last four straight quarters. The domestic CASA ratio of the bank has improved sharply to 39.4% end March 2017 from 33.6% end March 2016. The bank has also maintained stable asset quality. The bank has further improved the provision coverage ratio in Q4FY2017.

Bank has witnessed 11 bps qoq rise in NIM to 2.17% in Q4FY2017, driven by 1 bps qoq rise in domestic NIM to 2.50%. Meanwhile, the overseas NIM also jumped 20 bps qoq to 1.18% in Q4FY2017. Bank has witnessed decline in yield on advances by 10 bps qoq to 7.13%, while cost of deposits eased 2 bps qoq to 4.74% in Q4FY2017.

The bank has showed strong other income in Q4FY2017, despite decline in treasury income. Meanwhile, the absence of one-off foreign profit of Q4FY2016 impacted the overall non-interest income growth in Q4FY2017.

During the quarter, the bank has added 40 new domestic branches. Bank has also installed new 116 ATMs during the quarter ended March 2017. The network of branches was 5481 branches (including 59 overseas branches) at end of March 2017. ATM count has improved to 10520 at end March 2017.



We recommend a buy in the stock of BANK OF BARODA 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. 136.00 and 52 week high of Rs 202.45. Buy around at 167.00 with a closing below stop loss of Rs.155 levels for the target of Rs.198.

Buy Around: 446

SL: 405

Target: 520

Upside: 16.50%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	436.80
Face Value (Rs.)	2.00
52 Week High/Low	598.60/417.10
M.Cap (Rs. in Cr.)	139592.16
EPS (Rs.)	0
P/E Ratio (times)	0
P/B Ratio (times)	6.10
Dividend Yield (%)	0
Stock Exchange	BSE

STOCK DATA

BSE Code	500570
NSE Symbol	TATAMOTORS
Reuters	TAMO.BO
Bloomberg	TTMT IN

SHAREHOLDING PATTERN

(As on 31 Mar 2017)	% Of Holding
Foreign	42.26
Institutions	15.35
Govt	0.13
Non corporate corp. holding	0.33
Promoters	34.73
Public & Others	7.20

Note: Follow Strict Stop Loss.

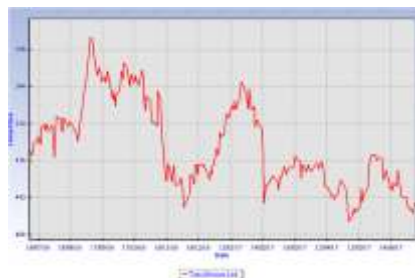
According to the management, GST rollout will enhance the ease of doing business and usher in a new era for the economy in general and especially, for the automotive industry. The Commercial Vehicle Business, actually throughout the entire fiscal year FY 16-17, at least starting in the month of July, 2016 has been facing tough time. To overcome, management's plan is to launch new products in CVs to regain market share, launch new platforms in PVs to lower cost structure and undertake cost reduction measures to lower break-even levels. In M&HCV, one will see the ramp-up of products launched in FY 17-18 in key product gaps - 37 ton and 49 ton. Moreover, in CV business, export and defence businesses will remain key focus area also for FY 17-18.

Business Profile

Tata Motors is a leading global automobile manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. The company's British luxury unit Jaguar Land Rover (JLR) sells premium luxury cars.

Investment Rationale

- During the quarter, JLR's financials, which form a very key aspect of Tata Motors' financials, reported healthy margin rise to 14.5% while its net profit and operating profit at Â£557 million and Â£1,057 million came in marginally higher than estimates.
- According to the management of the company, it has been a challenging and highly volatile year, which followed a period of low demand and inconsistent recovery in the prior years in the automotive sector in India. In addition, the Company also under performed on many fronts, amplifying the impact of the external environment. On the way forward, it has detailed actions under focused implementation, and expect to significantly enhance the overall business performance in the coming periods.
- In the JLR business, retail sales including the China JV in the quarter were 179,509 units, up 13.0% on strong demand across the product portfolio, primarily reflecting higher volumes in China, North America, UK and Europe led by strong sales of F-PACE, Range Rover and Discovery Sport. Jaguar Land Rover wholesales, including the China JV, were 175,000 units. During the quarter, JLR's revenue was up 10.1% at Â£7,268 million while PAT was up 18% at Â£557 million.



We recommend a buy in the stock TATA MOTORS LTD 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. 417.10 and 52 week high of Rs 598.60. Buy around at Rs.446 with a closing below stop loss of Rs.405 levels for the target of Rs.520.

Buy Around: 470

SL: 423

Target: 545

Upside: 16%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	472.50
Face Value (Rs.)	5.00
52 Week High/Low	535.00/326.75
M.Cap (Rs. in Cr.)	5559.91
EPS (Rs.)	6.97
P/E Ratio (times)	67.79
P/B Ratio (times)	4.02
Dividend Yield (%)	0.16
Stock Exchange	BSE

STOCK DATA

BSE Code	500380
NSE Symbol	JKLAKSHMI
Reuters	JKLC.BO
Bloomberg	JKLC IN

SHAREHOLDING PATTERN

(As on 31 Mar 2017)	% Of Holding
Foreign	10.77
Institutions	23.16
Non corporate corp. holding	3.67
Promoters	45.94
Public & Others	16.47

The management of the company expects higher capacity utilization and improved operational efficiency due to its capex almost over, reduction in debt levels due to improvement in cash-flow. Being operationally efficient in the past, it has managed to run its plants consistently at higher capacity utilization than the industry. The management has plans to ramp up capacity to 11.5 million tonnes by FY18, while its subsidiary Udaipur Cement Works may add another 1.6 million tonnes at Udaipur, which will take the group's total production capacity to about 13 million tonnes by FY18.

Business Profile

JK Lakshmi Cement is a cement manufacturer. It caters to infrastructure and construction sectors.

Investment Rationale

- JKLC is also well placed to benefit from revival in cement offtake as demand for rural homes and the Centre's infrastructure spending increase. It has a production capacity of 10 million tonnes with a large footprint in the northern markets of Rajasthan and Haryana (70 per cent), west (Gujarat) as well as eastern markets

Since the fourth quarter of FY16, financials were stabilised, aided by higher production and sales growth as well as lower operational costs. Revenue growth in the fourth quarter of 2016-17, reported 9.6% growth.

The company is plans to install 20MW captive power plant in Durg, Chattisgarh which is expected to get commissioned in October 2018. Apart from that, waste heat recovery system of 7MW will get commissioned by October 2017. The management expects cost savings of Rs200/tonne after commissioning of WHRS and captive power plant. It is also in the process of installation of a conveyor belt which is expected to get commissioned in Q3FY18. The management expects this process to get completed in next 4-5 months, which will lead to a cost saving of ~Rs35-40/tonne.



We recommend a buy in the stock of JK LAKSHMI CEMENT LIMITED 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. 326.75 and 52 week high of Rs 535.00. Buy around at 470 with a closing below stop loss of Rs.423 levels for the target of Rs.545.

Buy Around: 142.00

SL: 126.00

Target: 171.00

Upside: 20.50%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	141.15
Face Value (Rs.)	1.00
52 Week High/Low	157.00/91.45
M.Cap (Rs. in Cr.)	3229.55
EPS (Rs.)	6.24
P/E Ratio (times)	22.62
P/B Ratio (times)	3.65
Dividend Yield (%)	0.64
Stock Exchange	BSE

STOCK DATA

BSE Code	532482
NSE Symbol	GRANULES
Reuters	GRAN.BO
Bloomberg	GRAN IN

SHAREHOLDING PATTERN

(As on 31 Mar 2017)	% Of Holding
Foreign	13.99
Institutions	1.44
Non corporate corp. holding	4.39
Promoters	53.44
Public & Others	26.74

Various initiatives by management towards work on Active Pharmaceutical Ingredients (API) expansion at Bonthapally and PFI expansion at Gagillapur were on schedule and would contribute "positively" to its top line in the current financial year. It has also initiated the construction of latest greenfield facility in Vizag, for venturing into oncology and speciality businesses. Moreover, Granules - Ominchem joint venture completed first full year of operations with a net profit of Rs. 25 crore besides USFDA inspection for the facility. During the year FY16-17, it has had filed three Abbreviated New Drug Applications (ANDAs) from its Gagillapur facility and one from Virginia facility, USA and Post approvals, management expects it would boost its product offerings as well as strength of the company

Business Profile

Granules India is a vertically integrated pharmaceutical company, headquartered in Hyderabad, India. It manufactures active pharmaceutical ingredients (APIs), pharmaceutical formulation intermediates (PFIs) and finished dosages (Fds).

Investment Rationale

It has reported net profit increased 39 per cent to Rs 46 crore in the fourth quarter ended March 31, 2017 compared with Rs 33 crore in the same period last year but Revenues has declined slightly to Rs 362 crore (Rs 376 crore). For the full year, the net profit and revenue increased 34 per cent and 4 per cent to 165 crore (Rs 123 crore) and Rs 1,435 crore (Rs 1,383 crore), respectively.

On the development front, it has announced an investment of \$35 million (Rs.220 crore) to expand operations of its wholly owned subsidiary Granules Pharmaceuticals Inc in the US.

The pharmaceutical research & development and manufacturing capacities of the subsidiary will get a boost with the funding. At present, it is a 100,000-sq foot facility in the Chantilly area of Fairfax County, Virginia. The company conducts research and development to formulate products, and intends to manufacture products in the location as well.

Management of the company intends to increase its global presence with a firm base and operations in the US to give good growth to the market share of the company.



We recommend a buy in the stock of GRANULES INDIA LIMITED 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. 91.45 and 52 week high of Rs157.00. Buy around at 142.00 with a closing below stop loss of Rs. 126.00 levels for the target of Rs.171.00.

Buy Around:670

SL: 603

Target: 780

Upside: 16.50%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	670.65
Face Value (Rs.)	2.00
52 Week High/Low	687.30/214.35
M.Cap (Rs. in Cr.)	5795.68
EPS (Rs.)	19.45
P/E Ratio (times)	34.48
P/B Ratio (times)	5.64
Dividend Yield (%)	0.30
Stock Exchange	BSE

STOCK DATA

BSE Code	532539
NSE Symbol	MINDAIND
Reuters	MNDA.BO
Bloomberg	MNDA IN

SHAREHOLDING PATTERN

(As on 31 Mar 2017)	% Of Holding
Foreign	8.28
Institutions	6.95
Non corporate corp. holding	4.48
Promoters	67.94
Public & Others	12.34

Note: Follow Strict Stop Loss.

The management of the company doing effort to strengthen customer base with focus on increasing customer spend on its products. Moreover, management retains its target of achieving 20-25% CAGR growth in the next 3-4 years. This will be from industry growth and new products introduction. An extra 15% topline growth should come from the merger of the companies taking it total to 40%. Entities to consolidate from Q1 2017-18 are PTMA & MIVC I (ASEAN Business) to become 100%. Consolidation exercise is expected to be completed by 2017-18. Implementation of BS4 motorcycles, push for the rural economy in fiscal budget and fading affect on demonetization should translate in healthy growth for MIL's products.

Business Profile

Minda Industries is part of UNO Minda. UNO Minda is a technology leader in auto components industry and a leading Tier 1 supplier of proprietary automotive solutions to original equipment manufacturers (OEMs).

Investment Rationale

Its consolidated net profit rose 43.40% to Rs 57.78 crore on 32.20% growth in net sales to Rs 948.05 crore in Q4 FY 2017 over Q4FY16.

Product wise revenue breakup stands at Switch – 33%, Lighting – 29%, Horns – 16% and others – 22%. Topline growth was primarily driven by consolidation of RokiMinda, MindaTG, MindakoseiAluminum Wheels Pvt Ltd & Acquisition of Rinder group.

In alloy wheel business, the production has started in April 2016 and now reached around around 90,000 unit /months till March 2017 and according to management it would go to 120,000 units by FY 18.

MindakoseiAluminum Wheels (MKAWL) is setting up a third facility in Gujarat with investment outlay of around Rs 300 crore. The investment will be done in 2 phases –Rs200 crore in first couple of years and then 100 crore for expansion the timeline of which should be decided later. MKAWL targets to start production at its Greenfield facility in Gujarat in next 2 years.



We recommend a buy in the stock of MINDA INDUSTRIES LTD 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. 214.35 and 52 week high of Rs 687.30. Buy around at Rs.670 with a closing below stop loss of Rs.603 levels for the target of Rs.780.



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