

Exhibit 1: Top Picks

Company	CMP (₹)	TP (₹)
Banking/NBFC		
ICICI Bank	539	590
HDFC Bank	1,271	1,390
RBL Bank	345	410
Shriram Transport Finance	1,171	1,410
Consumption		
Amber Enterprises	1117	1,300
Safari Industries	619	807
Media/Automobiles		
Maruti Suzuki	7,367	8,552
Real Estate/Infra/Logistics/Power		
GMM Pfaudler	1,872	2,059
Larsen & Turbo	1,299	1,809
Ultratech Cement	4,047	4,984

Source: Company, Angel Research

Note: CMP as on December 31, 2019

FPI flow positive for the fourth month in a row – In a surprise move the RBI kept the key repo rate at 5.15% though consensus was for a 25bps cut which dampened sentiments somewhat. However positive global sentiments resulted in positive FPI inflows for the fourth month in a row at ₹7338 cr. Total flows for 2019 stood at ₹101,121 cr. as compared to outflow of ₹33,553 cr. for 2018.

High frequency data points to on an improving trend - Demand had been adversely impacted during the first half of FY2020 due to multiple factors like the credit crisis, extended monsoon and global uncertainties. However auto and consumer durable retail sales have improved significantly since the beginning of the festive season and are clearly pointing to a recovery. High frequency data like the PMI are also on an improving trend with the manufacturing PMI rising to 52.7 in Dec'19 from 50.6 in Oct'19 while the services PMI rose to 53.3 from 49.6 during the same period. We therefore believe that the worst is over and growth rates should start improving from the second half driven by normalization of demand and Government spending.

Improving Tax collections and RBI intervention are key positive- Due to the economic slowdown tax collections were in a falling trend in 1HFY20. GST collections for the month of Sep and Oct had declined by 2.7% and 5.3% YoY. However with demand normalizing since the festive season, GST collections for Nov and Dec witnessed growth of 6% and 9% respectively to ~₹1.03 lakh cr. for both the months. The RBI also stepped in and bought ₹20,000 cr. worth of longer dated bonds while selling shorter dated ones which has now brought down the 10 year G Sec rate to ~6.5% from over 6.8%. We believe that improving tax collections and further unconventional measures by the RBI will help push down bond yields which will help in transmission of RBI rate cuts and bring down borrowing costs for consumers.

Corporate earnings growth to drive markets in FY21 – The Q2FY20 numbers were a mixed set of bag as the economic slowdown weighed on demand during the quarter. However we expect the corporate earnings growth to turn the corner in Q3 driven by stabilizing consumption demand also due to full impact of corporate tax cuts starts. Consensus is now for ~23% yoy growth in Nifty EPS for FY21 to be driven by turnaround in large corporate banks, improving consumption demand along with benefit of lower tax rates for the full year.

Top pick's overview

We recommend our top picks as it has outperformed the benchmark BSE 100 since inception. We believe that consumer (both discretionary and non discretionary) space, private sector banks and quality midcaps offers good growth opportunity going forward.

Exhibit 1: Top Picks Performance

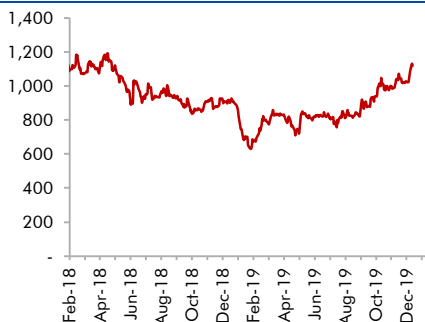
	Return Since Inception (30th Oct, 2015)
Top Picks Return	58.3%
BSE 100	49.3%
Outperformance	9.0%

Source: Company, Angel Research

Top Picks

Stock Info

CMP	1,117
TP	1,300
Upside	16.4%
Sector	Electronics
Market Cap (₹ cr)	3,511
Beta	0.85
52 Week High / Low	1,146/622

2 year-Chart


Source: Company, Angel Research

Stock Info

CMP	1,171
TP	1,410
Upside	20.4%
Sector	Financials
Market Cap (₹ cr)	26,578
Beta	1.50
52 Week High / Low	1,297/910

3 year-Chart


Source: Company, Angel Research

Amber Enterprise

- Amber Enterprises India Ltd. (Amber) is the market leader in the room air conditioners (RAC) outsourced manufacturing space in India. It is a one-stop solutions provider for the major brands in the RAC industry and currently serves eight out of the ten top RAC brands in India.
- In line with its strategy to capture more wallet share, it has made few acquisitions in the printed circuit board (PCB) manufacturing space which would boost its manufacturing capabilities.
- We expect Amber to report consolidated revenue/PAT CAGR of 27%/44% respectively over FY2019-21E. Its growing manufacturing capabilities and scale put it in a sweet spot to capture the underpenetrated RAC market in India.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2020E	3,861	8.5	149	47.5	13.4	23.5	3.2	1.0
FY2021E	4,487	8.6	196	62.2	15.3	18.0	2.8	0.8

Source: Company, Angel Research

Shriram Transport

- SHTF's primary focus is on financing pre-owned commercial vehicles. We expect AUM growth to improve going ahead led by (1) good monsoon which will improve rural economic activity, (2) pick-up in infra/construction activity, (3) ramping up in rural distribution.
- SHTF gradually expanded its offering to existing borrower with good track record. New offering includes business loan and working capital which cover overall truck business owner requirement (payment at petrol pump/ tyre dealers, insurance premium). We expect asset quality to remain stable owing to lower LTVs since 3QFY2019 and stable collateral value as used CV prices to improve or remain stable in a BS6 regime.
- We expect SHTF to report RoA/RoE of 3%/18.3% in FY2021E respectively. At CMP, the stock is trading at 1.2x FY2021E ABV and 7x FY2021E EPS, which is reasonable for differentiated business model with high return ratios.

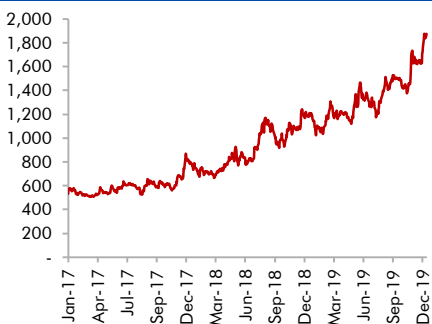
Key Financials

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2020E	8,572	8.1	3,157	139	823.0	2.9	18.3	8.4	1.4
FY2021E	9,604	8.2	3,713	164	970.1	3.0	18.3	7.2	1.2

Source: Company, Angel Research

Stock Info

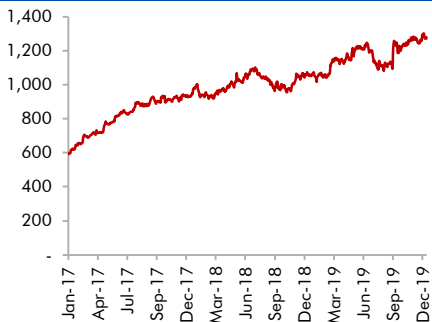
CMP	1,872
TP	2,059
Upside	10.0%
Sector	Machinery
Market Cap (₹ cr)	2,737
Beta	0.56
52 Week High / Low	1,908/1,010

3 year-Chart


Source: Company, Angel Research

Stock Info

CMP	1,271
TP	1,390
Upside	9.4%
Sector	Banking
Market Cap (₹ cr)	696,568
Beta	1.04
52 Week High / Low	1,305/1,011

3 year-Chart


Source: Company, Angel Research

GMM Pfaudler

- GMM Pfaudler Limited (GMM) is the Indian market leader in glass-lined (GL) steel equipment used in corrosive chemical processes of agrochemicals, specialty chemical and pharma sector. The company is seeing strong order inflow from the user industries which is likely to provide 20%+ growth outlook for next couple of years.
- GMM has also increased focus on the non-GL business, which includes mixing equipment, filtration and drying equipment for the chemical processing industry. It is expecting to increase its share of non-GL business gradually over the medium term.
- GMM is likely to maintain the 20%+ growth trajectory over FY19-21 backed by capacity expansion and cross selling of non-GL products to its clients.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2020E	685.0	18.1	91.7	62.8	25.5	29.8	7.6	3.8
FY2021E	815.0	18.1	120.3	82.4	26.1	22.7	5.9	3.1

Source: Company, Angel Research

HDFC Bank

- HDFC Bank has planned to improve business with digital platforms and is engaging with mid market clients. Its next leg of growth road map includes (1) increasing branch opening number from 300 current to 600 annually in non urban area, (2) increase point of sale (POS) 4x to 4mn by FY2021 and double the virtual relationship manager clients in 3 years.
- The bank registered NIM of 4.4% on the back of lower cost of funds, while healthy asset quality kept the provision cost lower. Consistency in both the parameters helped the bank to report healthy return ratio. Despite strong advance growth, the bank has maintained stable asset quality (GNPA/NPA – 1.3%/0.4%).
- HDFC Bank's subsidiary, HDB Financial Services (HDBFS) continue to contribute well to the banks overall growth. Strong loan book, well-planned product line and clear customer segmentation aided this growth.
- We expect the bank's loan growth to remain 20% over next two years and earnings growth is likely to be more than 20%.

Key Financials

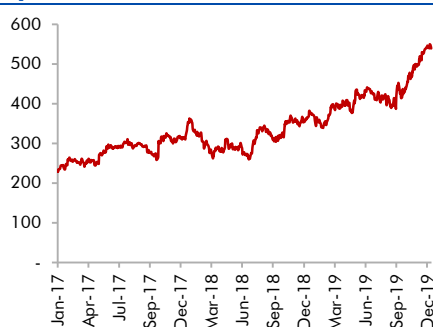
Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2020E	57,126	4.4	26,640	48.7	309	2.0	16.9	26.1	4.1
FY2021E	68,121	4.3	33,355	61.0	358	2.1	18.1	20.8	3.5

Source: Company, Angel Research

Stock Info

CMP	539
TP	590
Upside	9.5%
Sector	Banking
Market Cap (₹ cr)	348,526
Beta	1.38
52 Week High / Low	552/336

3 year-Chart



Source: Company, Angel Research

ICICI Bank

- ICICI Bank has taken a slew of steps to strengthen its balance sheet viz. measures like incremental lending to higher rated corporate, reducing concentration in few stressed sectors and building up the retail loan book. The share of retail loans in overall loans increased to 61.5% (Q2FY2020) from 38% in FY2012.
- ICICI Bank's slippages remained high during FY2018, and hence, GNPA went up to 8.8% vs. 5.8% in FY2016. We expect addition to stress assets to reduce and credit costs to further decline owing to incremental lending to higher rated corporate and faster resolution in accounts referred to NCLT under IBC.
- The gradual improvement in recovery of bad loans would reduce credit costs which would help to improve return ratio. At the current market price, the bank's core banking business (after adjusting the value of subsidiaries) is trading at 2.2x FY2021E ABV, which is inexpensive considering retail Mix and strong capitalization (CET-I of 13.24%).

Key Financials

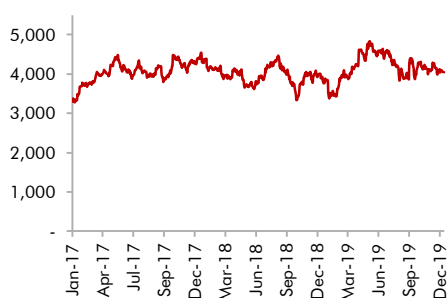
Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2020E	32,145	3.5	9,559	15	165	0.9	8.5	36.3	3.3
FY2021E	37,259	3.5	16,443	26	185	1.4	13.4	21.1	2.9

Source: Company, Angel Research

Stock Info

CMP	4,047
TP	4,984
Upside	23.2%
Sector	Cement
Market Cap (₹ cr)	116,799
Beta	1.30
52 Week High / Low	4,903/3,332

3 year-Chart



Source: Company, Angel Research

Ultratech Cement

- Ultratech Cement is India's largest cement manufacturer with over 100mn TPA of capacity spread across the country with a strong presence in Central, North, and West India.
- The company has added capacity by taking over stressed assets of over ~30mn TPA since 2017. Company took over Century textile's cement capacity of 14.4mn TPA in Q2FY20 which will give it 40% plus market share in West and Central India which are amongst the best regions.
- Increased costs due to high energy prices had adversely impacted margins in 1HFY19. However strong pricing discipline due to consolidation allowed cement companies to hike prices in Q4FY19. Energy prices (coal and pet coke) have come off significantly since the beginning of 2019 which along with benign freight costs would allow cement companies to protect margins despite any marginal dip in realizations.
- We are positive on the long term prospects of the company given ramp up from acquired capacities, pricing discipline in the industry and benign energy & freight costs.

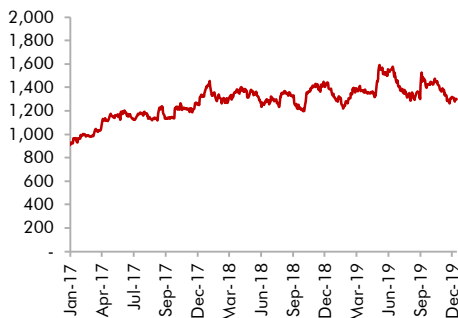
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2020E	43,916	22.3	4051	140	12.3	28.8	4.6	3.1
FY2021E	47,482	22.7	4670	162	11.8	25.0	4.2	2.8

Source: Company, Angel Research

Stock Info

CMP	1,299
TP	1,809
Upside	39.3%
Sector	Infrastructure
Market Cap (₹ cr)	182,318
Beta	1.30
52 Week High / Low	1607/1203

3 year-Chart


Source: Company, Angel Research

Larsen & Toubro

- L&T is India's largest EPC company with strong presence across various verticals including Infra, Hydrocarbon and services segment. The company also has a very strong presence in the IT services and NBFC space through its various subsidiary companies which are also growth drivers for the company.
- L&T continued to report strong order flows during Q2FY20 despite the quarter being hampered by economic slowdown. Company reported order flow of ₹483bn and retained its guidance of a 10-12% order inflow for the year and 12-15% revenue growth guidance.
- Management had indicated a very strong pipeline for FY20 of ₹91lakh crore which includes both domestic as well international orders. The company has a strong order backlog of over ₹3lakh crore and the pipeline provides strong visibility for new order flows for the rest of the year.
- We are positive on the prospects of the company given the Government's thrust on Infrastructure with over 100lakh crore of investments lined up over the next 5 years.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2020E	91,855	9.8	8637	62	15.6	21.1	3.1	2.0
FY2021E	102,877	9.8	8721	62	14.3	21.0	2.9	1.7

Source: Company, Angel Research (Above numbers are of parent entity only).

Stock Info

CMP	7,367
TP	8,552
Upside	16.1%
Sector	Automobile
Market Cap (₹ cr)	222,548
Beta	1.40
52 Week High / Low	7,758/5,447

3 year-Chart


Source: Company, Angel Research

Maruti Suzuki

- Maruti Suzuki continues to maintain ~52% market share in the passenger vehicles space. The launch of exciting new models has helped the company to ride on the premiumization wave that is happening in the country. In the last two years, company has seen improvement in the business mix with increasing share from utility vehicles.
- Company is well placed to capture any revival in industry due to overall refreshment of portfolio (Already more than 50% of portfolio launched based on BS6 compliance like Alto, Wagon, Baleno, Dzire, Swift. Recent new launches in August 2019 also has the potential to contribute significantly to the Top-line (MPV - XL6 and S-Presso).

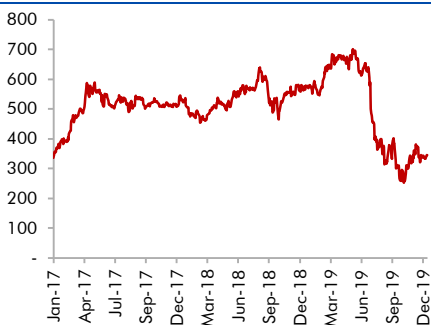
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2020E	72,717	11.9	5,774	191.2	11.7	38.5	4.5	2.5
FY2021E	77,702	12.6	6,346	210.1	12.3	35.1	4.3	2.3

Source: Company, Angel Research

Stock Info

CMP	345
TP	410
Upside	18.8%
Sector	Banking
Market Cap (₹ cr)	16,841
Beta	2.12
52 Week High / Low	717/241

3 year-Chart


Source: Company, Angel Research

Stock Info

CMP	619
TP	807
Upside	30.4%
Sector	Luggage
Market Cap (₹ cr)	1,383
Beta	0.56
52 Week High / Low	820/481

3 year-Chart


Source: Company, Angel Research

RBL Bank

- RBL Bank (RBK) has grown its loan book at healthy CAGR of 53% over FY2010-19. We expect it to grow at 27% over FY2019-21E. With an adequately diversified, well capitalised balance sheet, RBK is set to grab market share from corporate lenders (mainly PSUs).
- During Q2FY20 the retail loan portfolio grew 62% yoy to ₹20,138cr and now constitutes 34% of the loan book (from 18% share in 4QFY2017). NIM has expanded to 4.35%, up 27bps yoy despite a challenging interest rate scenario on the back of a changing portfolio mix. However, the management disclosed stressed asset worth ₹1,800cr, which will increase GNPA to 2.25%. Management is confident that it would normalize by Q1FY2021.
- RBL Bank currently trading at 1.6x its FY2021E book value per share, which we believe is reasonable for a bank in a high growth phase with improving retail loan mix and building strong retail liability franchise.

Key Financials

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2020E	3,258	3.7	687	15	194	0.8	8.3	22.6	1.8
FY2021E	4,149	3.7	1,580	35	220	1.3	16.4	9.8	1.6

Source: Company, Angel Research

Safari Industries

- Safari Industries Ltd (Safari) is the third largest branded player in the Indian luggage industry. Post the management change in 2012, Safari has grown its revenue by 6x in the last 7 years. This has been achieved by foraying in many new categories like back pack, school bags (via acquisition of Genius and Genie) and improvement in distribution networks.
- Its margins have more than doubled from 4.1% in FY2014 to 9.1% in FY2019, driven by launch of new product categories and business. We expect it to maintain 9%+ margins from FY2018 onwards led by regular price hikes, shift towards organized player and favorable industry dynamics.
- We expect its revenue to grow by a CAGR of ~26%/~36% in revenue/earnings over FY2019-21E on the back of growth in its recently introduced new products.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2020E	753	9.1	36	16	18.1	38.1	8.4	2.0
FY2021E	910	10.0	50	22	20.4	27.6	6.8	1.6

Source: Company, Angel Research

Exhibit 2: Changes in Recommendation

Effective Date	Stock	Price (₹)	Change in recommendation	
			From	To
11/22/2018	Yes Bank	196	Buy	Hold
6/6/2019	Ashok Leyland	70	Buy	Hold
6/6/2019	GIC Housing	243	Buy	Hold
6/6/2019	Inox Wind	55	Buy	Hold
6/6/2019	Music Broadcast	46	Buy	Hold
6/6/2019	Siyaram Silk Mills	255	Buy	Hold
9/6/2019	Parag Food Milks	137	Buy	Hold
9/6/2019	Bata India	1545	Buy	Hold
9/6/2019	Aditya Birla Capital	93	Buy	Hold
10/5/2019	Jindal Steel	94	Buy	Hold
11/6/2019	M&M	580	Buy	Sell
11/8/2019	TTK Prestige	6075	Buy	Sell
11/13/2019	KEI Industries	542	Buy	Hold
11/29/2019	Yes Bank	65	Hold	Sell
12/6/2019	Ashok Leyland	76	Hold	Sell
12/9/2019	Blue star	813	Buy	Sell

Hold – While we recommend to Hold on to existing positions at current level, we would await for further data points before recommending any fresh purchases.

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1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

Ratings (Based on Expected Returns: Over 12 months investment period)

Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to -15%)	Sell (< -15%)
	Hold (Fresh purchase not recommended)	