

Top Picks

Company	CMP ₹	TP ₹
FMCG		
Colgate-Palmolive	1,382	1,620
Hindustan Unilever	2,172	2,404
Britannia Industries	3,540	3,920
Other Consumer Goods		
Avenue Supermarts	2,288	2,735
Healthcare & Pharma		
IPCA Laboratories	1,663	1,900
Dr Reddy's Lab	3,921	4,570
IT		
L&T Infotech	1,977	2,145
Chemicals/Agrochemicals		
PI Industries	1,576	1,889
Galaxy Surfactants	1,600	1,750
Aarti Industries	925	1,165
Telecom/Others		
Bharti Airtel	581	672
Reliance Industries	1,787	1,937
Larsen & Toubro	945	1,093
Banking		
ICICI Bank	361	410
HDFC Ltd	1,886	2,075
Axis Bank	429	500
IDFC First Bank	27	32
Bajaj Finance	2,932	3,250
Auto		
Escorts	1,060	1,150
Others		
Endurance Tech.	877	1,015
Swaraj Engines	1,385	1,566

Source: Company, Angel Research

Note: Closing price as on 3rd July, 2020

Indian market outperforms in June driven by FPI flows – Post the under performance in the month of May Indian equities rallied sharply in June on the back of positive FPI inflows of ₹21,832 cr. Nifty was up by 7.4% for the month as compared to the DJIA which was down by 2.1% for the month. As expected the rally was also more broad based and cyclical sectors like Auto, banking, consumer goods also participating in the rally.

Unlock 1.0 has led to improvement in economic activities - Market sentiments were also helped by the ₹21lakh cr. stimulus package by the Government which along with significant relaxations of restrictions from June has resulted in increase in economic activities. The recovery is reflected in high frequency numbers like auto sales and the manufacturing PMI numbers. Most auto companies reported strong sequential growth in monthly sales numbers for June while the manufacturing PMI has also improved to 47.2 from 30.8 in May. The recovery is expected to sustain in July given pent up demand in the economy.

Rural economy to outperform urban in near term - While the Covid-19 crisis has had an adverse impact on the urban economy the rural economy has been doing well given a good rabi season and limited impact of the Covid-19 crisis. Further prospects a good monsoon also bodes well for the Kharif season and will be a shot in the arm for the rural economy. We believe that strong rural growth coupled with opening up of the economy will lead help mitigate the slowdown in the urban economy to some extent.

Increase in new Covid – 19 cases is key risk for markets going forward - There has been an increase in new Covid-19 cases globally led by resurgence of new cases in the US. As a result few states in the US have either paused or rolled back their reopening plan which has led to a pause in global equity rally. India too witnessed an increase in new cases over the past month which coincided with opening up of the economy. Therefore the Government has delayed further opening up of the economy as of now while various state Governments are imposing localized lock downs in the worst affected areas. While the current Covid-19 situation in India is not a cause for major concern, any significant increase in daily new cases from here on could derail the economic recovery and result in increased market volatility down the line.

Stock selection will be the key to generate alpha going forward - While proactive action by Governments and central banks globally has prevented the situation from deteriorating significantly, it is unlikely that the recovery will be a V shaped one and it may take some time for the global economy to recover to its pre Covid levels. Therefore while we remain positive on the markets from a longer term perspective we feel that investors should be judicious in their stock selection from here on and should focus on companies with high quality business franchises which have strong revenue visibility going forward.

Top Picks Performance

	Return Since Inception (30th Oct, 2015)
Top Picks Return	50.9%
BSE 100	27.1%
Outperformance	23.9%

Source: Company, Angel Research

Top Picks

Stock Info

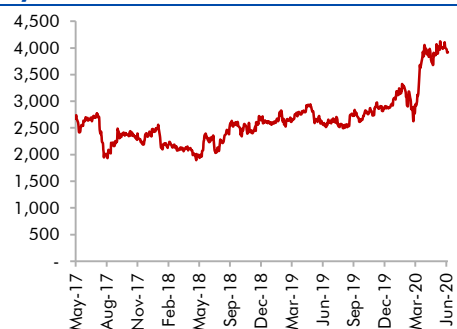
CMP	2,288
TP	2,735
Upside	19.5%
Sector	Retail
Market Cap (₹ cr)	148,256
Beta	0.7
52 Week High / Low	2,559/1,290

3 year-Chart


Source: Company, Angel Research

Stock Info

CMP	3,921
TP	4,570
Upside	16.6%
Sector	Pharma
Market Cap (₹ cr)	65,178
Beta	0.5
52 Week High / Low	4,189/2,352

3 year-Chart


Source: Company, Angel Research

Avenue Supermarts

- Avenue Supermarts owns and operates the supermarket chain 'D-MART'. Focused on value retailing, it offers a wide range of fast-moving consumer (food and non-food) products, general merchandise and apparel.
- Currently, the company has 214 D-MART stores and it expects to open 30 stores every year through its cluster approach.
- DMART offers significant discount compared to e-commerce, Modern trade (~6%) and General trade (~18%), which would drive revenue growth.
- Operating margin is higher compared to its peers due to the company's low cost structure.
- We expect DMART to report consolidated revenue/PAT CAGR of 19s%/26%, respectively over FY2019-22E.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	27781	8.4	1419	21.9	17.1	104.1	17.8	5.3
FY2022E	33730	8.8	1825	28.2	18.0	80.9	14.6	4.4

Source: Company, Angel Research

Dr Reddy's Lab

- Dr Reddy's has a very strong product portfolio with 55%-65% of its revenue coming from its chronic which is a high growth segment and will be least impacted due to lockdown globally.
- The company has a very healthy US pipeline with 99 ANDA's pending approval from the US FDA including 30 FTF's. The company intends to launch 25 new products FY21.
- DRL has incurred large capex over last 5 years with net block increasing from INR 5380cr in 2015 to INR 9300cr in 2020. With current capacity utilization at 50% we do not envisage any significant capex for the company going forward.
- DRL has acquired domestic business of Wockhardt pharma for 800cr in an all cash deal, which is expected to complete in Q1FY21. DRL will get 62 brands with total annual sales of 1830cr which we believe is value accretive for the company

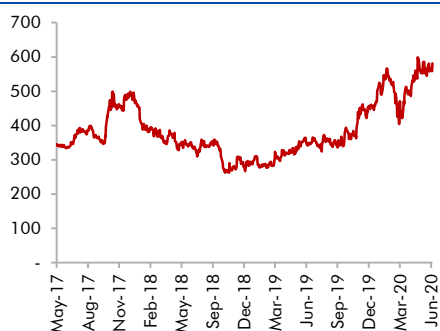
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	18840	23.5%	2705	166.6	30.5	23.5	3.6	3.3
FY2022E	20855	25%	3137	192.6	32	20	3.2	3.1

Source: Company, Angel Research

Stock Info

CMP	581
TP	672
Upside	15.7%
Sector	Telecom
Market Cap (₹ cr)	317,022
Beta	0.8
52 Week High / Low	611/321

3 year-Chart


Source: Company, Angel Research

Bharti Airtel

- There is going to be some impact on subscribers from the low income group especially daily wage earners due to the lockdown. However a sharp increase in data consumption should make up for a significant portion of the loss. Therefore we expect limited impact on Bharti from the lockdown.
- Bharti has raised capital of USD 2bn from a QIP at ₹445 per share along with FCCB issues of USD 1bn in January 2020. Therefore Bharti is much better placed as compared to Vodafone Idea in terms of liquidity.
- Telecom operators have increased tariffs by ~35% in Nov'19. There is a possibility of another round of tariff hikes by telecom companies in FY21 given that tariffs are still very low. If this were to happen then it would lead to further upsides to our estimates for FY21 and FY22.
- Even if there is no major tariff hike in FY21 and Vodafone Idea goes out of business, Bharti would benefit significantly from addition of subscribers.

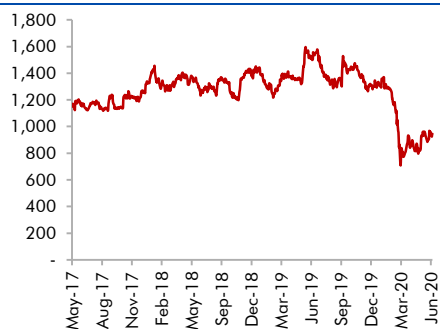
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
March								
FY2021E	101322	43.1	4046	5.5	3.6	105.8	3.9	3.8
FY2022E	114360	44.4	8056	12.5	7.7	46.5	3.6	3.2

Source: Company, Angel Research

Stock Info

CMP	945
TP	1,093
Upside	15.7%
Sector	Infrastructure
Market Cap (₹ cr)	132,607
Beta	1.1
52 Week High / Low	1,591/661

3 year-Chart


Source: Company, Angel Research

Larsen & Toubro

- L&T is India's largest EPC Company with a 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.
- The company has a strong order backlog of ~INR 3lakh cr. Majority of the order book is from the central government, state government and PSU, where risk of cancellation is low.
- On the macro front it seems that the covid 19 situation is well under control in Europe, while the worst of the outbreak seems to be behind for the US which is leading to a risk on rally globally. We therefore feel that while there will be near term challenges for the company in terms of order flow and execution, the stock is trading at significant discount to historical average valuations and offers favorable risk reward from current levels given global tailwinds.

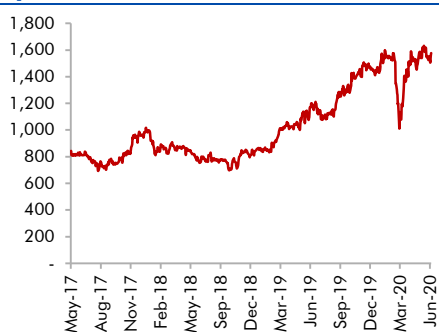
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
	(₹ cr)	(%)	(₹ cr)	(₹)	(x)	(%)	(%)	(x)
March								
FY2021E	62140	6.2	3652	25.3	6.0	37.4	2.0	2.8
FY2022E	85369	9.7	7605	54.2	10.9	17.4	1.8	2.0

Source: Company, Angel Research (Standalone nos.)

Stock Info

CMP	1,576
TP	1,889
Upside	19.9%
Sector	Agro Chemicals
Market Cap (₹ cr)	21,769
Beta	0.7
52 Week High / Low	1,688/973

3 year-Chart


Source: Company, Angel Research

PI Industries Ltd.

- PI Industries is a leading player in providing Custom synthesis and manufacturing solutions (CSM) to global agrochemical players. The CSM business accounted for 72% of the company's revenues in FY20 and is expected to be the key growth driver for the company in future
- The company has been increasing its share of high margin CSM business driven by strong relationship with global agrochemical players. PI is leveraging its chemistry skill sets and is looking to diversify its CSM portfolio to electronic chemicals, Pharma API, fluoro chemicals, etc. which will help drive business.
- Management has provided strong growth guidance for FY2021 despite uncertainties over the Covid-19 situation drive by both the CSM and Indian agrochemical business. The company is also raising capital to augment capacity which will drive the next leg of growth for the company.

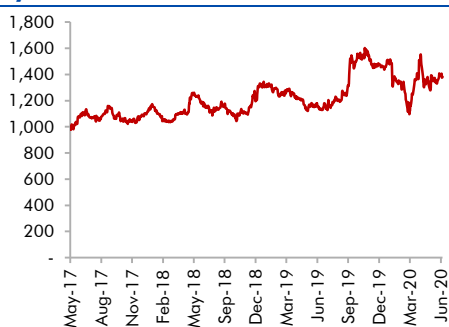
Key Financials:

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	4,077	22.0	583	42.3	18.4	37.3	3.4	5.4
FY2022E	5,126	22.3	745	54.0	19.5	29.2	2.8	4.3

Source: Company, Angel Research

Stock Info

CMP	1,382
TP	1,620
Upside	17.2%
Sector	FMCG
Market Cap (₹ cr)	37,593
Beta	0.5
52 Week High / Low	1,641/1,065

3 year-Chart


Source: Company, Angel Research

Colgate-Palmolive (India)

- Colgate-Palmolive India Ltd (CPIL) is engaged in manufacturing & selling of oral care products such as toothpastes and toothbrushes.
- CPIL has leadership position in both toothpastes (52% market share) and toothbrushes (45% market share).
- CPIL continuously invests on ad-spends to strengthen the Colgate brand. Colgate is India's No. 1 Most Trusted Oral Care Brand.
- CPIL has increased its distribution 2.3x over the last 6-7 years and is continuously making efforts to deepen its penetration.
- We believe that CPIL should ultimately be able to see sharper market share gain in toothpastes segment on the back of higher ad-spend and re-launch of Colgate Strong Teeth (decent traction seen in last quarter).

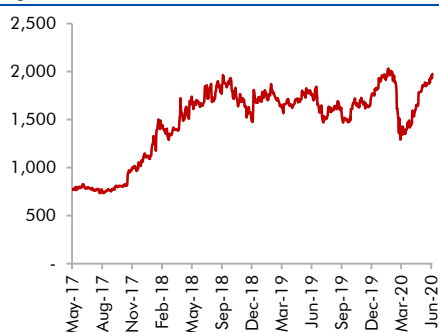
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	4566	26.6	786	28.9	37.6	47.8	18.0	8.1
FY2022E	4897	27.9	893	32.8	36.5	42.1	15.4	7.6

Source: Company, Angel Research

Stock Info

CMP	1,977
TP	2,145
Upside	8.5%
Sector	IT
Market Cap (₹ cr)	34,441
Beta	0.7
52 Week High / Low	2,050/1,207

3 year-Chart


Source: Company, Angel Research

L&T Infotech

- L&T InfoTech (LTI) is one of the fastest growing mid cap IT Company in India. IT is part of the L&T group and provides services like ADM, Enterprise solutions, Infrastructure management services etc.
- Company has a very strong presence to the BFSI & manufacturing verticals, which accounts for ~45% and 17.5% of the company's revenues and are amongst the least impacted vertical due to the shutdown on account of Covid - 19. The company doesn't have a very large exposure to service oriented verticals like travel & Tourism which are amongst the worst impacted due to the Covid - 19 outbreak.
- LTI has been growing significantly faster than both mid and large cap peers have over the past few years on the back of strong deal wins and we expect the outperformance to continue for the company.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(x)	(%)	(%)	(x)
FY2021E	11,588	18.9	1,611	92.6	0.2	21.4	4.9	2.7
FY2022E	13,085	19.6	1,867	107.3	0.2	18.4	4.1	2.3

Source: Company, Angel Research

Stock Info

CMP	1,600
TP	1,750
Upside	9.4%
Sector	Chemicals
Market Cap (₹ cr)	5,673
Beta	0.6
52 Week High / Low	1,790/975

3 year-Chart


Source: Company, Angel Research

Galaxy Surfactants

- Galaxy Surfactants is a market leader in oleo chemical-based surfactants, which is used in personal and home care products including skin care, oral care, hair care, cosmetics, toiletries and detergent products.
- The company has been increasing its share of high margin specialty care products in its portfolio which now accounts for ~ 40% of its revenues while the balance is accounted for by the performance surfactant business.
- Company has very strong relationship with MNC clients like Unilever, P&G, Henkel, Colgate-Palmolive and supplies raw materials to them not only in India but also in US, EU and MENA region.
- Though the company's operations had been impacted due to the Covid-19 outbreak in April management has highlighted that operations have improved significantly in May and June given that their supply is predominantly to the FMCG sector.

Key Financials

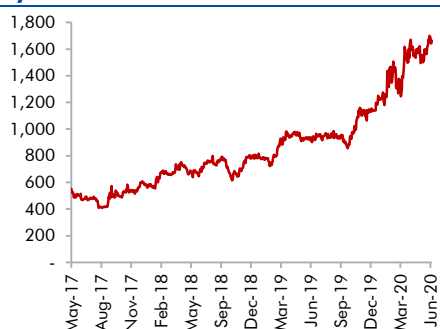
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	2,555	13.9	230	65.0	0.2	27.4	4.7	2.3
FY2022E	2,993	13.8	207	58.5	0.2	22.9	4.1	1.9

Source: Company, Angel Research

Stock info

CMP	1,663
TP	1,900
Upside	14.3%
Sector	Pharma
Market Cap (₹ cr)	21,008
Beta	0.3
52 Week High / Low	1,821/844

3 year-Chart



Source: Company, Angel Research

IPCA Laboratories

- IPCA's 54% of revenue comes from domestic generic and API business. Generics and API continues to provide revenue growth for Ipca. Expected to outperform the Indian Pharmaceutical market (IPM) by 8%-10% p.a in FY 22.
- EU generic & branded which account for 15% of the company's revenues are on growth trajectory along with higher margins (40% EBITDA margins). Current capacity utilization of plants which supply to Europe is at 20% which is expected to ramp up from current levels. We expect the European business to show 30-35% PAT growth.
- Ipca manufacture over 350 formulations and 80 APIs for various therapeutic segments like Pain management. Currently the company has 18 ANDA approvals, 46 ANDA filled with authorities while 8 products are in clinical trials.

Key Financials

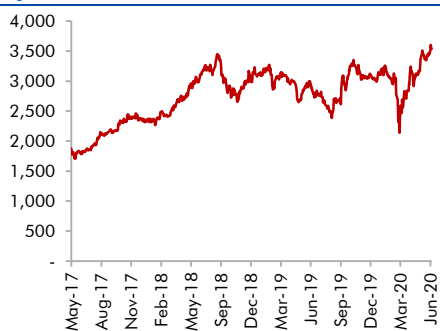
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	5360	22.5%	821	65.7	18.8	25.3	4.9	4.0
FY2022E	6111	23.0	976	78.1	18.6	21.3	4.2	3.5

Source: Company, Angel Research

Stock Info

CMP	3,540
TP	3,920
Upside	10.7%
Sector	FMCG
Market Cap (₹ cr)	85,158
Beta	0.9
52 Week High / Low	3,704/2,100

3 year-Chart



Source: Company, Angel Research

Britannia Industries

- Britannia Industries (BRIT)'s principal activity is manufacture and sale of biscuits, bread, rusk, cakes and dairy products.
- BRIT has brands like Tiger, Good-Day, and 50:50 under its fold with an estimated market share of 33% in the Indian biscuits industry. Biscuits contribute more than 80% of the company's turnover.
- BRIT has an overall distribution reach of 5.5 million outlets. With consistent focus on distribution expansion, BRIT has narrowed the gap with the No. 1 player. The gap with largest distributed brand is now just 0.8 million outlets.
- In Q4FY20 BRIT have outperformed other companies in FMCG space with YOY growth of 2.5%/20bp/27% in Revenue/EBITDA/PAT respectively. Going ahead in near term, food industry is witnessing a shift from dining out/ street food to home consumption. BRIT being a low price product with trusted brands is well positioned to cater the shift.

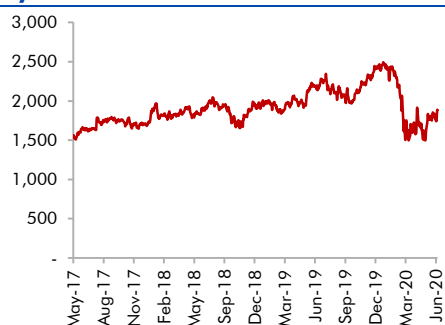
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	13,142	15.7	1536.5	63.9	29.5	55	19.3	6.7
FY2022E	14,587	15.7	1713.7	71.3	28.6	49.6	16	6.0

Source: Company, Angel Research

Stock Info

CMP	1,886
TP	2,075
Upside	10.0%
Sector	Banking
Market Cap (₹ cr)	327,121
Beta	1.3
52 Week High / Low	2,500/1,473

3 year-Chart


Source: Company, Angel Research

HDFC Ltd.

- HDFC has sufficient capital (Tier-1 -16.6%) and Liquidity (Rs.30,000cr) to tide over this situation.
- HDFC's superior know how of the segment; strict underwriting practices and buffer provision would help it to better manage the credit loss
- As per NHB norms, HDFC is required to carry total provision of Rs. 4,188cr, against which actual provisions as of Q4FY2020 were at Rs. 10,988cr, which is over and above regulatory requirement and provides investor comfort.
- HDFC is currently available at ~1.75x its FY2022E BV, which we believe is reasonable considering its robust operating metrics, experience management, Healthy provision and sustainable business model.

Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	12,216	3.4	7,978	46	543	1.4	10	41	3.5
FY2022E	13,421	3.4	10,260	59	590	1.7	12	32	3.2

Source: Company, Angel Research

Stock Info

CMP	1,385
TP	1,566
Upside	13.1%
Sector	Others
Market Cap (₹ cr)	1,680
Beta	0.8
52 Week High / Low	1,480/808

3 year-Chart


Source: Company, Angel Research

Swaraj Engines

- Swaraj Engines is engaged in the business of manufacturing diesel engines and hi-tech engine components. Diesel Engines are specifically designed for tractor application.
- Going forward, we expect recovery in tractor industry (due to robust Rabi crop production, hike in MSP & the forecast of a normal monsoon) will benefit player like Swaraj Engines.
- The company has healthy balance sheet along with free cash flow and higher profitability.
- The company is trading at reasonably lower valuations.

Key Financials

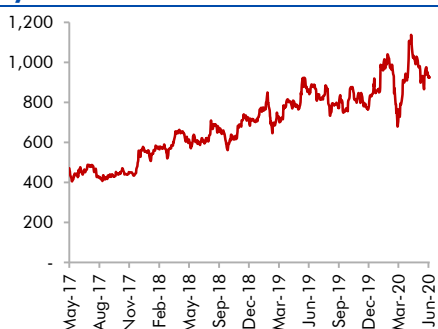
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	781	16.7	71	58.6	16.2	23.6	3.8	2.0
FY2022E	899	17.0	86	71.2	12.9	19.4	2.5	1.7

Source: Company, Angel Research

Stock Info

CMP	925
TP	1,165
Upside	25.9%
Sector	Chemicals
Market Cap (₹ cr)	16,125
Beta	0.8
52 Week High / Low	1,192/662

3 year-Chart



Source: Company, Angel Research

Aarti Industries

- Aarti Industries is the lowest cost producer in Benzene based derivatives. Company accounts for 20% of world's Nitrochloro Benzene (NCB) and 10% of dichloride benzene (DCB) capacity.
- Company has been constantly increasing its share of high margin downstream products which now accounts for 70% of the company's revenues. Company is expanding its NCB capacity which would be utilized for manufacture of high margins downstream products.
- Company is well diversified across product, customer, geography and end user industry and is not likely to be impacted too much from the Covid-19 outbreak. Exports account for 40% of revenues while balance 60% is from domestic sales. Significant opportunity for company arising from environmental related issues in China and companies looking to diversify supply chains.

Key Financials

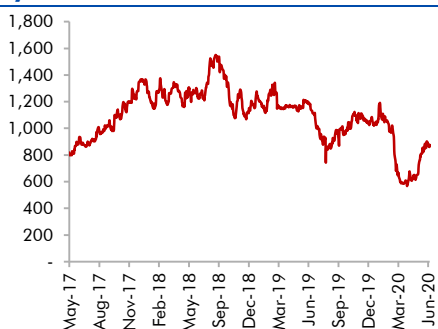
Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	4822	21.7	538	30.3	16.8	30.6	4.9	3.3
FY2022E	5886	22.2	711	40.1	19.6	23.1	4.2	2.7

Source: Company, Angel Research

Stock Info

CMP	877
TP	1,015
Upside	15.7%
Sector	Others
Market Cap (₹ cr)	12,330
Beta	0.4
52 Week High / Low	1,202 / 562

3 year-Chart



Source: Company, Angel Research

Endurance Tech.

- It mainly caters to two and three-wheeler OEMs in India and supplies aluminum casting products to four-wheeler OEMs in Europe.
- The company operates 17 plants in India, 9 plants overseas and 4 R&D sites
- Post Covid19, evolving consumer preference for lower ticket priced means of private transport amid pressurized incomes & awareness around social distancing are expected to act as tailwinds for domestic 2-Ws in India, 4-Ws across developed nations.
- Going ahead, given the company's ability to gain new businesses & market share across categories; we recommend a buy for Endurance.

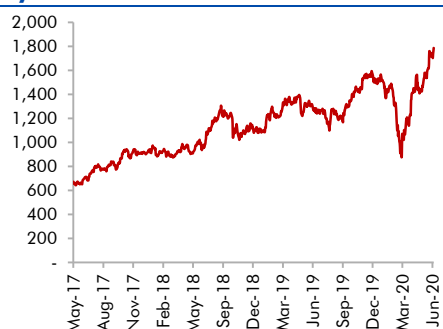
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	6750	15.5	452.0	32.1	18.3	27.3	4.4	1.9
FY2022E	7357	16.0	576.0	40.9	17.5	21.4	3.4	1.7

Source: Company, Angel Research

Stock Info

CMP	1,787
TP	1,937
Upside	8.4%
Sector	Diversified
Market Cap (₹ cr)	1,170,410
Beta	1.1
52 Week High / Low	1,804/867

3 year-Chart


Source: Company, Angel Research

Stock Info

CMP	1,060
TP	1,150
Upside	8.5%
Sector	Auto
Market Cap (₹ cr)	12,991
Beta	1.5
52 Week High / Low	1,070/423

3 year-Chart


Source: Company, Angel Research

Reliance Industries

- Reliance Industries Ltd. (RIL) is India's largest company with dominant presence in Refining, Petrochemicals, Telecom and Retail businesses.
- RIL has built up a dominant telecom business and has already attained market leader status with 38.3 cr. subscribers at the end of Q4FY20. Telecom business to witness robust growth over next few years due to tariff hikes and shift of subscribers from Vodafone Idea to other telecom players.
- RIL has also built a very strong retail business which is the largest organized retailing company in India. We expect the retail business to be a key value driver for Reliance over the long run though there would be some impact on business in FY21 due to the Covid 9 outbreak.
- The company has raised INR 1.17lakh cr. from marquee investors like Facebook, General Atlantic, KKR, Intel etc reaffirms our conviction in the company's potential transformation to a digital play from a pure brick and mortar company.

Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	3,73,215	13.8	30,272	59.2	6.4	37.4	2.4	6.1
FY2022E	4,57,539	13.3	37,510	47.8	7.8	30.2	2.4	5.0

Source: Company, Angel Research (Standalone nos.)

Escorts

- Escorts are a prominent tractor player domestically with market share in excess of 11%. The company's brand of tractors is particularly strong in the northern as well as the eastern belt of India.
- With rural India relatively less impacted due to Covid-19, record food-grain procurement by government agencies as well as expectation of normal monsoon 2020, we expect the tractor industry to outperform the larger automobile space in FY21E with Escorts a key beneficiary.
- Escorts in the recent past has also entered into a strategic partnership with Kubota Corporation of Japan (one of the global leaders in farm machinery and implements), which provides further visibility of growth for the company, going forward.

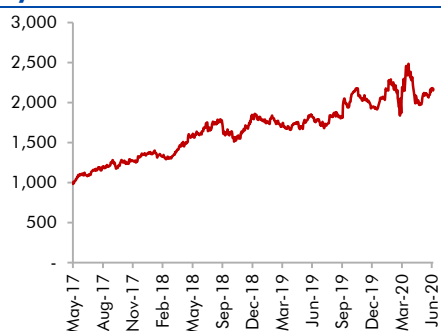
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	5,927	11	534.0	43.5	16.8	24.6	4.2	2.1
FY2022E	6,744	11.5	676.0	51.00	15.6	21.0	3.8	1.9

Source: Company, Angel Research

Stock Info

CMP	2,172
TP	2,404
Upside	10.7%
Sector	FMCG
Market Cap (₹ cr)	510,392
Beta	0.7
52 Week High / Low	2,614/1,660

3 year-Chart


Source: Company, Angel Research

Hindustan Unilever

- HUL is engaged in manufacturing of branded and packaged FMCG products including soap, detergent, personal care products and processed food. The company also produces ice creams, cooking oils, fertilizers and hybrid seed
- HUL has strong brand recall of its products and HUL has extensive distribution reach of 7+ million outlets and direct distribution of 3.5+ million retail outlets.
- Strong balance sheet along with free cash flow and higher profitability.
- Going forward, we expect HUL to report healthy bottom-line growth due to healthy volume growth on back of strong brand, wide distribution network.

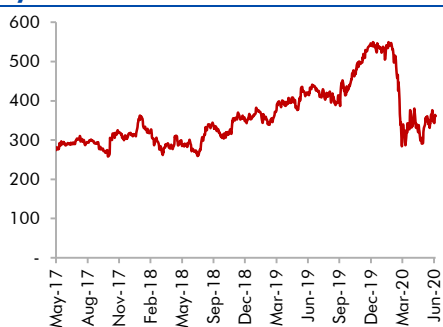
Key Financials

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)
FY2021E	39853	24.6	6961	32.2	63.8	67.4	43.0	11.6
FY2022E	43815	24.8	7736	35.8	61.3	60.6	37.2	10.6

Source: Company, Angel Research

Stock Info

CMP	361
TP	410
Upside	13.6%
Sector	Banking
Market Cap (₹ cr)	233,782
Beta	1.4
52 Week High / Low	552/269

3 year-Chart


Source: Company, Angel Research

ICICI Bank

- The Ability to raise sufficient liquidity at Low cost would be The Key criteria for banks to navigate the current situation, as asset side inflow would be limited. ICICI Bank is clearly better positioned in the liability side (in Q4FY20, Deposit grew 18% yoy and CASA ratio of 45%). Easier and cheaper availability of deposits gives an advantage to manage ALM given limited inflow from advance due to moratorium and lower impact on NIM.
- Strong liability franchise, Healthy asset mix, higher than 70% provision for bad asset and More than 80% of incremental lending to high rated corporate provide comfort.
- ICICI Bank is trading (Core Banking Business – 1.2x FY22ABV) at a significant discount to historical average valuations and offers favourable risk reward from current levels given global tailwinds.

Key Financials

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	35,063	3.4	8,814	14	179	0.8	7	26	2.0
FY2022E	36,508	3.3	11,909	18	194	1.0	9	20	1.9

Source: Company, Angel Research

Stock Info

CMP	429
TP	500
Upside	16.6%
Sector	Banking
Market Cap (₹ cr)	120,923
Beta	1.5
52 Week High / Low	814/285

3 year-Chart


Source: Company, Angel Research

Axis Bank

- The Ability to raise sufficient liquidity at Low cost would be The Key criteria for banks to navigate the current situation, as asset side inflow would be limited. Bank is witnessing higher deposit growth in last 2 qtr, which clearly shows increasing deposit polarisation.
- Axis Bank have a healthy asset mix, superior customer profile, liability strength and capital comfort that is well suited to ride this challenging period.
- Axis Bank is trading (Core Banking Business – 1.2x FY22ABV) at a significant discount to historical average valuations and offers favorable risk reward from current levels given global tailwinds.

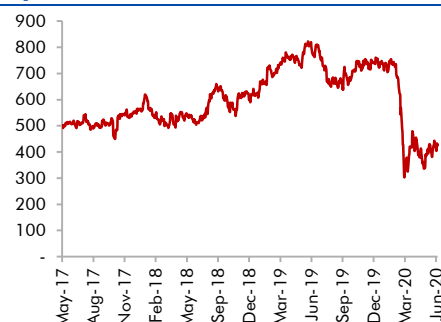
Key Financials

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹cr)	(%)	(₹ cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	26,400	3.1	5,390	13	206	0.6	6	33	1.99
FY2022E	28,698	3.2	6,678	16	221	0.7	7	26	1.86

Source: Company, Angel Research

Stock Info

CMP	2,392
TP	3,250
Upside	10.8%
Sector	NBFC
Market Cap (₹ cr)	176,420
Beta	1.4
52 Week High / Low	4,923/1,783

3 year-Chart


Source: Company, Angel Research

Bajaj Finance

- We remain convinced of the strength of BAF's business model. In this scenario BAFIN is able to manage raise fund at competitive rate.
- 27% of AUM has opted under moratorium, However, 68% of this have no recent bounce history
- High Capital (Tier -21.2%) and sufficient liquidity in balance sheet help then to sail through tough time, better than other NBFC
- Considering, above positive and lower valuation than historical average, we recommend buy on Bajaj finance

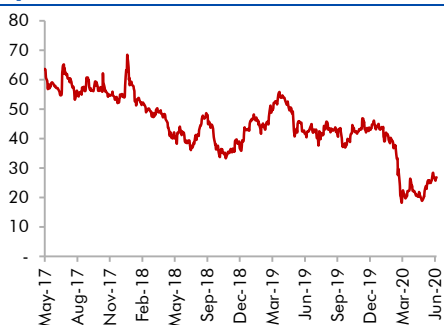
Key Financials

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	13,977	9.0	5,182	86	615	3.2	15	34	4.8
FY2022E	15,571	9.5	7,250	121	722	4.2	18	24	4.1

Source: Company, Angel Research

Stock Info

CMP	27
TP	32
Upside	18.5%
Sector	Banking
Market Cap (₹ cr)	15,201
Beta	1.2
52 Week High / Low	48 / 18

3 year-Chart


Source: Company, Angel Research

IDFC First Bank

- The Ability to raise sufficient liquidity at Low cost would be The Key criteria for banks to navigate the current situation, as asset side inflow would be limited. IDFC First Bank, Post management change has clearly outperformed in building liability franchise and retail lending.
- Since new management took charge, every qtr. liability franchise has been strengthened. CASA ratio improved from 10.4% in Q3FY19 to 31.9% In Q4FY20. NIM has improved to 4.24% in Q4 FY20 as compared to 3.03% in Q4 FY19 and 2.89% in Q3FY19. Retail constitutes 61% of funded loan assets 31st March 2020 compared to 37% as on 31 March 2019. While wholesale books continue to decline.
- The Bank is raising Rs. 2,000 crores of fresh equity capital during Q1FY21. Post the capital raise, the Capital Adequacy Ratio will be 15.55% with CET-1 Ratio of 15.32%.
- We believe efforts to build a liability franchise, fresh capital infusion, and provision taken on the wholesale books will help to tide over this difficult time. The IDFC First Bank is trading (0.9 x FY22ABV) at a significant discount to historical average valuations.

Key Financials

Y/E	NII	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹cr)	(%)	(₹cr)	(₹)	(₹)	(%)	(%)	(x)	(x)
FY2021E	6,583	4.6	-220	0	28	-0.1	-1	-69	0.9
FY2022E	7,457	4.9	980	2	30	0.6	6	16	0.9

Source: Company, Angel Research

Changes in Recommendation

Exhibit 1: Stocks on Hold

Stock name	Hold Date	Hold Price
Jindal Steel	05-10-2019	94

Source: Company, Angel Research

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.

Exhibit 2: Stocks bought in last 6-months

Stock Name	Buy Call Date	Buy Price
Hawkins Cookers	09-01-2020	3,591
Asian Paints	11-03-2020	1,864
Bata India	13-03-2020	1,411
Hind. Unilever	30-03-2020	2,141
Avenue Super.	30-03-2020	2,028
Colgate-Palm.	30-03-2020	1,164
Nestle India	30-03-2020	15,110
Dr Lal Pathlabs	01-04-2020	1,384
P & G Hygiene	01-04-2020	10,161
Ipca Labs.	01-04-2020	1,398
Bharti Airtel	01-04-2020	421
Dabur India	16-04-2020	498
L & T Infotech	16-04-2020	1,493
Infosys	16-04-2020	626
Britannia Inds.	16-04-2020	2,832
Alkem Lab	17-04-2020	2,688
Reliance Inds.	17-04-2020	1,189
P I Inds.	24-04-2020	1,507
Galaxy Surfact.	24-04-2020	1,394
Aarti Inds.	24-04-2020	929
Dhanuka Agritech	07-05-2020	438
Hind. Unilever	08-05-2020	2,056
Dr Reddy's Labs	28-05-2020	3,877
H D F C	01-06-2020	1,740
Larsen & Toubro	01-06-2020	951
Escorts	01-06-2020	970
ICICI Bank	01-06-2020	345
Axis Bank	03-06-2020	424
Bajaj Fin.	03-06-2020	2,477
Can Fin Homes	03-06-2020	316
Endurance Tech.	08-06-2020	838
Swaraj Engines	08-06-2020	1,290

Source: Company, Angel Research

Exhibit 3: Stocks sold in last 6-months

Stock Name	Sell Date	Sell Price
HDFC Bank	21-01-2020	1,246
Siyaram Silk	27-01-2020	229
Maruti Suzuki	28-01-2020	7,065
Music Broadcast	29-01-2020	29
GIC Housing Fin	30-01-2020	154
Parag Milk Foods	01-02-2020	137
Bata India	07-02-2020	1,880
Larsen & Toubro	25-02-2020	1,250
Aditya Birla Cap	06-03-2020	75
Dr Lal Pathlabs	09-04-2020	1,462
RBL Bank	15-04-2020	121
Shriram Trans.	15-04-2020	685
KEI Inds.	16-04-2020	279
Safari Inds.	16-04-2020	402
Amber Enterp.	16-04-2020	1,116
UltraTech Cem.	21-04-2020	3,409
Inox Wind	24-04-2020	27
Hind. Unilever	04-05-2020	2,121
ICICI Bank	05-05-2020	341
Dabur India	06-05-2020	450
Asian Paints	07-05-2020	1,610
Hawkins Cookers	22-05-2020	4,235
Bata India	26-05-2020	1,265
GMM Pfudler	26-05-2020	3,732
Alkem Lab	27-05-2020	2,425
Dhanuka Agritech	27-05-2020	573
Nestle India	08-06-2020	17,160
P & G Hygiene	08-06-2020	10,150
Infosys	08-06-2020	708

Source: Company, Angel Research

Research Team Tel: 022 - 39357800

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

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3. Served as an officer, director or employee of the company covered under Research	No
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**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)