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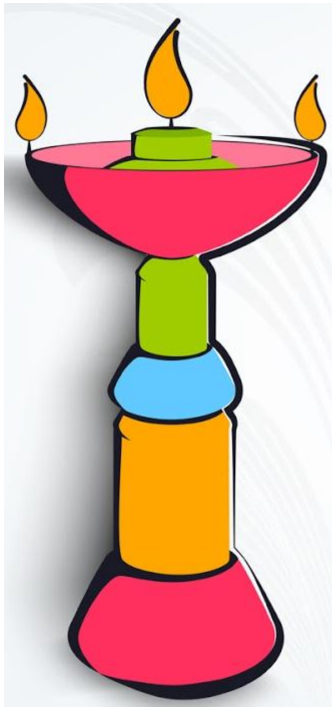
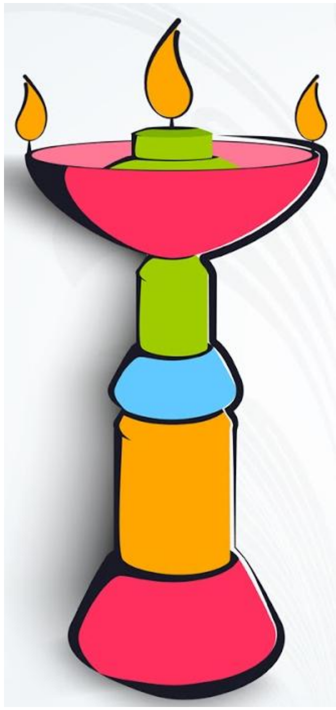
REWARDING RELATIONSHIPS





Wish you all a Happy Deepawali & Shubh Samvat 2074

October 2017

23rd Glorious Years

Equity Market Outlook 2017-18E

Samvat 2074 Outlook: Structural changes to push Investment Cycle

Samvat 2073 had two major structural events i.e. Demonetization and GST. Both the events did impact the sentiments of business community as well as pressure on GDP growth. On long term basis the broad market is expected to generate better returns compared to last year.

We expect an expansion in economy and investment cycle lead by:

- **Domestic flow in MF continue to push market sentiments up.**
- **Valuation and excessive liquidity flow.**
- **Discretionary consumption and consumer lending sector have seen a large uptick.**
- **Capacity utilization improving due to global commodity price movement.**
- **Credit cost coming down in the Banking system.**
- **Corporate earnings are likely to see upward revision given that the positive effect of various reforms.**
- **Pickup in global growth is on track, with global output projected to grow by 3.5% in 2017 and 3.6% in 2018. This will have positive impact on emerging markets including India.**

On overall basis Indian markets seem to be reasonably valued, given the delay in revival of corporate earnings, which may happen after few quarters. We believe there are fundamental transitions underway in the Indian economy in coming quarters. We see the structural change in the investment habit of Indian will continue to support the market through Mutual fund SIP investment way. Although markets seem to be slightly at a premium valuation, but the domestic inflows have been strong, there is certainly no big risk of a major correction

We have handpicked top investment ideas for you for the coming Samwat 2074.
Happy investing…!

Muhurat Ideas 2017-18

Muhurat

Investment Ideas 2017-18

SL No	NAME	SECTOR	MCAP Rs Cr	CMP Rs
1	MARUTI SUZUKI INDIA LTD	CARS & UTILITY VEHICLES	237803	7872
2	BHARAT PETROLEUM CORP LTD	REFINERIES & PETRO	106098	489
3	BHARAT FORGE LTD	INDUSTRIAL PRODUCTS	29785	640
4	PNB HOUSING FINANCE LTD	HOUSING FINANCE	24838	1491
5	GODREJ PROPERTIES LTD	REALTY	13721	634
6	KEC INTERNATIONAL LTD	HEAVY ELECTRICAL	7770	302
7	BIRLA CORPORATION LTD	CEMENT & CEMENT PRODUCTS	7750	1006
8	BLUE STAR LTD	CONSUMER ELECTRONICS	7522	785
9	IRB IFRASTRUCTURE DEVELOPERS LTD	ROADS & HIGHWAYS	7262	207

MidcapIdeas 2017-18

SL No	NAME	SECTOR	MCAP Rs Cr	CMP Rs
1	GUJARAT STATE FERTILIZERS & CHEMICALS LTD	FERTILIZERS	5389	135
2	FIRSTSOURCE SOLUTIONS LTD	BPO/KPO	2841	41
3	RADICO KHAITAN LTD	BREWERIES & DISTILLERIES	2484	187
4	FUTURE ENTERPRISES LTD	DEPARTMENT STORES	2397	51
5	HIKAL LTD	PHARMACEUTICALS	2043	249
6	HUHTAMAKI PPL LTD	CONTAINERS & PACKAGING	1750	232
7	SURYA ROSHNI LTD	LIGHTNING & STEEL	1346	307
8	TOURISM FINANCE CORPORATION OF INDIA LTD	FINANCIAL INSTITUTIONS	1131	140
9	GODAWARI POWER & ISPAT LTD	IRON & STEEL	416	118

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MARUTI SUZUKI INDIA LTD

BUY | **Cars & Utility Vehicles**

Investment Rationale

Building strong product portfolio: Maruti has historically built Strong brands and that has resulted to maintain the lion's share of small car and support healthy volume growth. New launch like Brezza, Baleno and IGNIS have performed better than market expectations.

Uptick in rural demand: Expect strong volume growth in 2Q, owing to festive season demand and uptick in rural space. Growth is driven by strong volume growth of Baleno and market share gain in UVs. MSIL's market share improvement will be fuelled by rural demand recovery and support from new launches. Maruti plans to easy of waiting period pressure of its top-selling models Baleno and SUV Brezza, with parent Suzuki ramping up production at the Gujarat plant by adding a second shift from this month

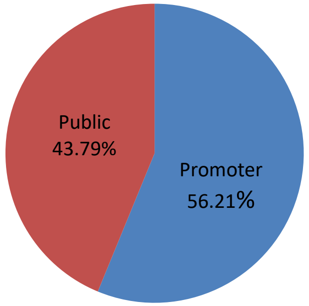
Eyes toward electric vehicles: Company plans to introduce EVs as soon as market sets to swift from traditional vehicles to EV segments. It is focusing on hybrid technology, which is a step toward electric mobility. Li-ion battery plant, which is being set-up by JV between Suzuki, Toshiba and Denso, would help to reduce cost of hybrids and EVs.

Network expansion: The Gujarat plant will make MSIL's business asset-light, allowing the management to focus more on marketing. MSIL has plans to expand its Nexa network for the premium segment to 400 outlets by 2020 from 200 currently.

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	65105	77316	19777
EBIDTA	8888	10358	2613
PAT	5496	7510	1628
EPS	181	248	51.52

KEY STATISTICS	
CMP Rs.	7872
MARKET CAP Rs.	237803
PRICE/BOOK	6.40
PE	31.74
DIVIDEND YIELD	1.24%
52 WEEK L/H	4769/8200

Share Holding Pattern



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BHARAT PETROLEUM CORP LTD

BUY | **Refineries/ Petro-Products**

Investment Rationale

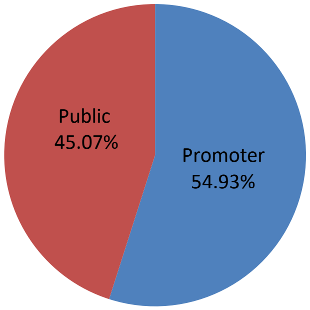
Market deregulation: Freedom to open new fuel stations as Retailers allowed to set their own prices.

Increasing trend in fuel Spending: Expect Increasing income around 3X increase in avg. income (2010-2020) will lead to spend more on fuel consumption. Additional to this Growing workforce will increase by 137mn which will be added to the workforce by 2020.

Kochi terminal would fuel growth: Kochi terminal is stabilizing post expansion from 9.5mmt to 15.5mmt and likely to touch utilisation over 90% by end of FY18 which would fuel growth. Further, its petchem capacity is expected to come by end CY18 with a total capex of Rs45 bn.This would lead to ~US$ 2/barrel improvement in Kochi refinery GRMs and also Crude throughput to increase with full capacity utilisation at Kochi.

KEY STATISTICS	
CMP Rs.	489
MARKET CAP Rs.	106098
PRICE/BOOK	2.28
PE	7.35
DIVIDEND YIELD	5%
52 WEEK L/H	399/546

Share Holding Pattern



Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	219226	243747	66766
EBIDTA	12935	13512	1225
PAT	7584	8720	744
EPS	57.84	66.51	3.79

BHARAT FORGE LTD

BUY | **Industrial Products**

Investment Rationale

Government policy boon for the Industrial business: The Make in India policy has led company's growth in its industrial segment and has helped to overcome the temporary slowdown in its Heavy Commercial Vehicle business. Industrials contributed 43% of the domestic revenues FY2017.

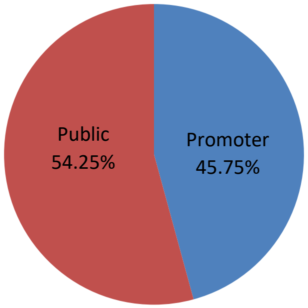
Focus on Asset Light Capex Approach: The company has shifted its focus from capacity oriented to capability oriented approach. The qualified employees help in the development of the company by developing new product designs and cost effective products that serve for the needs of the clients and accordingly capex is done.

Direction going forward Across segments: The continuous and increasing focus of company on R & D will help it to develop high technology and also increase its capacity utilisation which will increase production across all segments.

Growth momentum to continue: Increasing focus on new verticals like like railways, aerospace, defence, mining & renewables has been beneficial for the company and is boosting the numbers of the company. In the past few months, there has been a significant improvement in US Class 8 truck net order. The growth guidance for Class 8 truck industry is 10-12%.

KEY STATISTICS	
CMP Rs.	640
MARKET CAP Rs.	29785
PRICE/BOOK	3.62
PE	21.15
DIVIDEND YIELD	0.72%
52 WEEK L/H	383/659

Share Holding Pattern



Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	7001	6598	1257
EBIDTA	1408	1251	333
PAT	675	710	175
EPS	29.15	30.26	7.52

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PNB HOUSING FINANCE LTD

BUY | **Housing Finance**

Investment Rationale

Well-diversified loan book: PNBHF has loan assets of 44000Cr and it caters to both the salaried and self-employed customer segments, but now the focus is mainly on the urban self-employed segment .The housing loan book accounts for 59% and non-housing loan book now accounts for 41% of the total loan book year ended 2017. This loan mix has proved beneficial in the retail segment without impact on overall company margins & profitability.

Better Quality of assets against its peers: PNBHF's GNPA stands at 0.43% while GNPL ratio stood at 0.22% as of end-FY17, the lowest among peers. In the construction finance loan book, the NPA is nil, mostly because 88% of projects funded have witnessed sales velocity in excess of the company's assumptions.

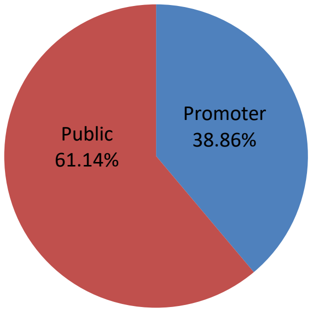
Boost from government reforms: PNBHF undertook an exhaustive restructuring and turnaround exercise over FY11-16 increasing the performance significantly, making it the fifth largest HFC in India. The falling interest rates, largely stable real estate prices and boost from government schemes makes a sweet spot for the housing finance sector in the foreseeable future.

Increasing presence in rural space: Management plans to open 23 new branches in FY18, and expects another 25 branches over FY18-20. The company now has 66 branches in 40 cities, and aspires to achieve at least 8-10% market share (among HFCs) in every city where it operates.

KEY STATISTICS	
CMP Rs.	1491
MARKET CAP Rs.	24838
PRICE/BOOK	4.42
PE	40.60
DIVIDEND YIELD	0.51%
52 WEEK L/H	789/1715

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	2697	3907	1192
EBIDTA	2377	3466	1041
PAT	326	524	185
EPS	27.48	36.72	11.12

Share Holding Pattern



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GODREJ PROPERTIES LTD

BUY | **Realty**

Investment Rationale

Leveraging the Brand Name: Godrej name is next to quality in this industry. It has different land bank strategy like JV with land owners that reduces its land cost and also ties up with developers as a Development manager which helps it earn 10-11% of revenue for branding, marketing and selling of the project.

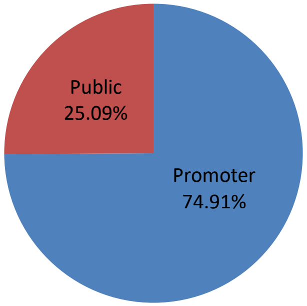
New project pipeline continued the scale up in operations: Financial Year 2017 has been a strong year for business development. It has added 7 new projects with saleable area of 18mn Sq ft. latest Bookings were at all-time high of nearly INR 1,500 crore and with their operating cash flow registering a positive INR 659 crore.

New Government implementations: Godrej have completed the RERA registration of all their projects in Maharashtra, Karnataka, Chennai, Ahmedabad and NCR. Post implementation of RERA, opportunities for new project acquisitions are expected to increase, especially for organised developers.

The combination of GST, the Real Estate Regulatory Act, an improving economic environment, lower inflation, lower interest rates has led to much better affordability and are expected to revive housing demand.

KEY STATISTICS	
CMP Rs.	634
MARKET CAP Rs.	13721
PRICE/BOOK	6.84
PE	66.04
DIVIDEND YIELD	-
52 WEEK L/H	285/679

Share Holding Pattern



Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	2122	1582	248
EBIDTA	137	250	-18
PAT	160	207	23
EPS	7.56	9.6	1.08

KEC INTERNATIONAL LTD

BUY | **Heavy Electrical Equipment**

Investment Rationale

T&D business regains momentum by expanding beyond boundaries: Power, transmission & distribution is KEC core business vertical. The Company's unprecedented endeavour led to a resurgence of its Substation business resulting in KEC spreading its wings significantly in domestic & International Substation arena, both on the Air Insulated Substation (AIS) and Gas Insulated Substation (GIS) front.

Risk mitigation through diversified geographical presence: KEC with decades of executing experience has stepped into 63 countries across all continents and currently executing projects in 37 countries which contributed nearly 51% sales from abroad.

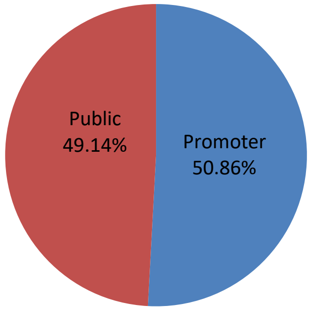
Strong order inflows improving revenue visibility: As on June 2017 end, the order book stood robust at Rs 135bn (up 30.1% YoY). Further, KEC is L1 in orders worth Rs 45bn. Improving order inflows in the T&D business, led by TBCB and substation orders, gives positive stand on the better T&D business going forward.

Energy & Rail– Priorities of the New Government sector in focus: The Govt proposed 100% rural electrification by 1st May 2018 which act optimistic for the company's T&D business and also proposed 3500km of railway lines to be commissioned in FY18 which is good for KEC as it is focusing more on Railway business.

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	8709	8755	1895
EBIDTA	692	818	176
PAT	148	305	63
EPS	5.35	11.86	2.45

KEY STATISTICS	
CMP Rs.	302
MARKET CAP Rs.	7770
PRICE/BOOK	4.89
PE	25.46
DIVIDEND YIELD	0.77%
52 WEEK L/H	111/337

Share Holding Pattern



BIRLA CORPORATION LTD

BUY | **Cement Products**

Investment Rationale

Birla Corp recently acquired the entire cement business of Reliance Infrastructure for an Enterprise Value of Rs. 4,800 crores. This acquisition has provided the company with the ownership of high-quality assets, taking its total capacity to 15.5 mtpa. After this becomes one of the largest players in the Satna cluster with 22% market share. It has cement plants in Rajasthan, Madhya Pradesh, Uttar Pradesh and West Bengal.

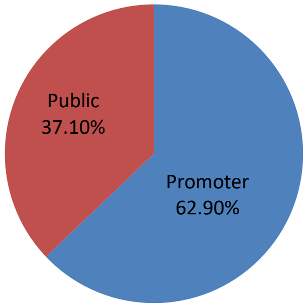
New investment to further increase capacity: It is planning to invest Rs 2,400 cr for setting up a 4 mn tonne clinkerisation unit with a grinding facility at Mukutban in Maharashtra, after the completion of the new plant, the total cement production capacity of the company would touch 20 mtpa from the present 15.5 mtpa

Cement demand to pick fast as Governments continued focus towards infrastructure development, affordable housing, smart cities, concrete roads etc is expected to lead. To increased demand for cement an increase of 38% and 23% in the government's fund allocation in its annual Budget for the housing and roads sectors, respectively, to Rs 23,000 cr and Rs 64,900 cr, is expected to boost cement uptake.

Positive development with respect to Chanderia mining ban may trigger increase in margins: The mining operation at the Chanderia plant (that is ~25% of total capacity of 15.5 MT) has been suspended since August 2011 so any favorable outcome could further increase margins to historic levels near 20%.

KEY STATISTICS	
CMP Rs.	1006
MARKET CAP Rs.	7750
PRICE/BOOK	2.34
PE	35.29
DIVIDEND YIELD	0.88%
52 WEEK L/H	609/1025

Share Holding Pattern



Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	3762	4981	1667
EBIDTA	286	623	240
PAT	168	219	43
EPS	21.78	28.5	5.61

BLUE STAR LTD

BUY | **Consumer Electronics**

Investment Rationale

Strong leadership position: Blue Star continued to maintain its leadership position in Electro-Mechanical segment – major orders won during the year includes Amazon, Ireo, Lodha developer, Deloitte, Wipro etc. Blue star has an overall market share of 11% and are expecting it to increase to 15% in few years.

Focus more on Inventor AC: Inverter ACs are the future of air conditioners in India and Blue Star is aligned to this. Inverter ACs accounts for 18% of its sales v/s 12% for the industry. Blue Star expects inverter ACs to account for 50% of the industry in the next few years.

Backward integration initiative to increase margins: Blue Star plans to do the manufacturing of indoor units of air conditioner and in a couple of years it will be looking at making some electronics in-house which are currently bought from other players or is imported. This will help them increase their margins.

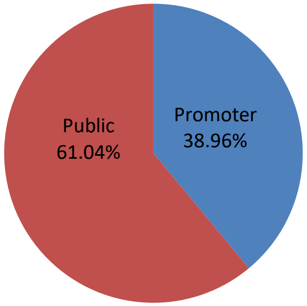
New geographies for expansion: They are strengthening their global footprint in countries like Middle East, Africa, ASEAN countries etc. These new geographies will increase its product distribution. Electro Mechanical segment and air packed conditioners are expected to increase by 20-25% and billing orders to increase by 15% by FY 18.

Product development: Blue Star has recently forayed into water purifier business as its new product in the portfolio. They launched 13 models. They are positive on this business and this market is increasing at 22% CAGR. Their total order book has increased by 17% since last year.

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	3830	4424	1468
EBIDTA	215	222	88
PAT	105	123	57
EPS	10.99	12.89	6.11

KEY STATISTICS	
CMP Rs.	785
MARKET CAP Rs.	7522
PRICE/BOOK	29.4
PE	60.9
DIVIDEND YIELD	1.08%
52 WEEK L/H	435/828

Share Holding Pattern



IRB INFRASTRUCTURE DEVELOPERS LTD

BUY | **Roads & Highways**

Investment Rationale

Efficient, experienced and focused road infra developer: IRB has extensive experience and successful track record of structuring and executing road BOT concessions. In-house it has 22 BOT E&C division projects in portfolio and 14 BOT projects in operation and an in-house construction division. It's one of the largest BOT portfolios in the country - total length of > 10,000 Lane Kms as BOT operator.

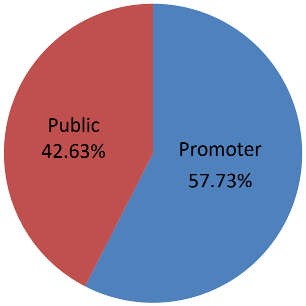
IRB's order backlog of Rs 99.6bn (2.8x FY17 EPC revenue) provides strong growth visibility on EPC front with EPC revenue expected to grow 10% in FY18E. Toll collection got impacted in Surat Dahisar and Bharuch Surat on account of Versova/Narmada bridge repairs (now reopened) and expected to normalize in FY18E with 5-7% toll revenue growth. Mumbai – Pune toll collection grew 11% YoY due to shifting of traffic from under construction Mumbai -Goa project.

Balance sheet deleveraging post InvIT to lead to credit rating upgrade: IRB Infra one of the largest road developers in the country to benefit from its infrastructure investment trust (InVIT) with this the company will be able to reduce debt and infuse cash in the business from the proceeds raise close to Rs 6,000 crore. The company's consolidated debt will reduce to Rs 3000 crore and the debt-equity ratio will fall near to 1.8 from 3. IRB will also needs equity commitment of over Rs 2,400 crore for its road portfolio in the next three years, which will be partly funded through the fund raised. In addition, debt reduction will help in improving credit profile, which may lower the cost of borrowings in the future.

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	5128	5846	1816
EBIDTA	2660	3048	817
PAT	640	715	238
EPS	18.18	20.36	6.77

KEY STATISTICS	
CMP Rs.	207
MARKET CAP Rs.	7262
PRICE/BOOK	1.38
PE	10.17
DIVIDEND YIELD	2.12%
52 WEEK L/H	178/272

Share Holding Pattern



GUJARAT STATE FERTILIZERS & CHEMICALS LTD

BUY | **Fertilizers**

Investment Rationale

Firm Capro-Benzene spread: Historically Capro-benzene a major input in chemical business earlier the spread was at US$825/Mt which has now increased in the range of$900-1000 which will flow down to increase profitability of chemical industry. Also diversification in industrial product segment by adding Nylon capacity and melamine capacity will reduce risk of the segment from fluctuations in capro benzene spread.

GSFC is planning to commission Phosphoric acid plant at Sikka for a cost of INR 12 bn in next 3 years, this could achieve saving of $100/MT and will also reduce dependency on import.

GSFC faced increase in the raw material prices which decreased its margins but in Q2FY18 prices have reduced now and will boost operating margins in the coming quarters. The management has guided for 10% growth in topline and 15% PAT CAGR on account of 15% volume growth in fertilizer for FY 18.

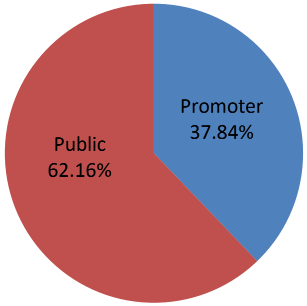
GSFC expects completion of Melamine plant by FY19 which will add INR 4 bn to the topline. Caprolactum quality improvement project is expected to be completed in H1FY18. Management expects higher realization and additional capacity of 3 MT/day from this plant.

Company is planning to install 153 MW windmill and 10 MW solar power plant. GSFC will also get tax benefit (~24% vs 33%) due to renewable power sources. Recovery in the working capital burden is expected as Subsidy of INR 7 bn (INR 2 bn paid) is expected by FY18.

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	6326	5477	1176
EBIDTA	656	489	80
PAT	416	424	40
EPS	10.44	10.65	1.02

KEY STATISTICS	
CMP Rs.	135
MARKET CAP Rs.	5389
PRICE/BOOK	0.81
PE	12.67
DIVIDEND YIELD	1.68%
52 WEEK L/H	78/150

Share Holding Pattern



FIRSTSOURCE SOLUTIONS LTD

BUY | **BPO/KPO**

Investment Rationale

Firstsource a leading customer experience expert, has been recognised as a "leader" in the International Association of Outsourcing Professionals' Global Outsourcing 100 List for 2017.

FSL to report moderate revenue growth with improvising operational efficiencies, focus on customer management and healthcare segment which will help to pick up order pipeline.

Company expects remaining quarters' of FY18 the growth momentum to bounce back led by deal closures and mortgage business attaining breakeven in Q1 leading to a better H2FY18E performance than H1FY18E. For FY18E, the management expects revenue growth to be in line with industry growth rates (8-10%) while on margins to increase 50-60 bps YoY in FY18E led by growth momentum from Q2FY18 onwards.

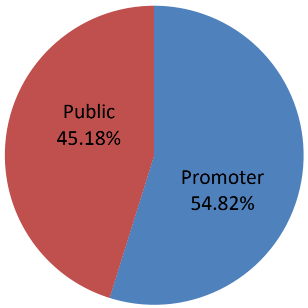
FSL's debt repayment plan is on track with net debt at US$76.2 million as on June 30, 2017. Management expects to become debt free by FY19E.

Firstsource, a RP-Sanjiv Goenka Group company is a customer experience expert and global provider of customised BPM (Business Process Management). Firstsource business partners with brands including FTSE 100, Fortune 500 and Nifty 50 companies in the Banking, Financial Services and Insurance, Healthcare, Telecommunications and Media sectors. Operate in India, the Philippines, the UK and the US.

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	3217	3555	850
EBIDTA	390	437	73
PAT	261	279	65
EPS	3.89	4.14	0.96

KEY STATISTICS	
CMP Rs.	41
MARKET CAP Rs.	2841
PRICE/BOOK	1.38
PE	9.9
DIVIDEND YIELD	-
52 WEEK L/H	30/49

Share Holding Pattern



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RADICO KHAITAN LTD

BUY | **Breweries & Distilleries**

Investment Rationale

Transformed itself from a major spirits supplier to a large branded products company in the IMFL (Indian Made Foreign Liquor) space since existence. IMFL accounted for 65% of its revenues in FY17. Its brands, 8PM whisky, Magic Moments vodka, Contessa rum and Old Admiral brandy, are among the top selling brands in their category. Premium brands accounted for 44% of its IMFL.

Radico strong sales and distribution network covers 90%in retail outlets with presence in retail and off trade outlets in the relevant segments in different parts of India. At present it has sales through 55000 retail outlets Today, Radico operates three distilleries and one JV with total capacity of 150 million liters. It also has 33 bottling units spread across the country.

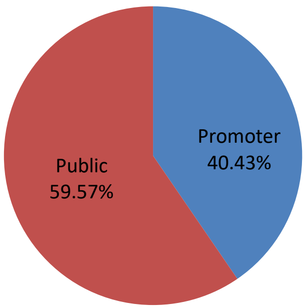
Worst seems to be behind us in terms of regulation: Supreme Court, which had banned the sale of alcohol within 500 mtrs of highways in Dec-16, provided some relaxation by allowing states to de-notify highways within city limits hence De-growth in volumes is likely to halt and expected to pick up FY18 onwards. We believe Tax revenues from alcohol amount to a significant portion of state budgets and hence it may practically be difficult to ensure total prohibition.

Radico has been focusing on increasing the share of premium products in its portfolio over the last few years. It has in fact slowly discontinued its lower margin products in some of the markets due to higher costs lower margins and time consuming process of increasing prices. With the changing demographics and the company's focus on premium brands, we expect margins improve going forward.

KEY STATISTICS	
CMP Rs.	187
MARKET CAP Rs.	2484
PRICE/BOOK	2.38
PE	30.8
DIVIDEND YIELD	0.58%
52 WEEK L/H	106/189

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	4271	4868	1375
EBIDTA	188	212	62
PAT	78	81	26
EPS	5.87	6.07	1.93

Share Holding Pattern



Future Enterprises Ltd

BUY | **Department Stores**

Investment Rationale

To divest stake in Supply Chain business (SCB) through IPO: Future Supply Chain Solutions, the subsidiary of FEL, plans to raise about Rs 750 cr through an IPO offer-for-sale. The company has filed draft SEBI for a public issue. The SCB is one of the largest organized third-party logistics service operators has 120 branches and 46 state-of-the-art warehouses in the country, including six logistics parks.

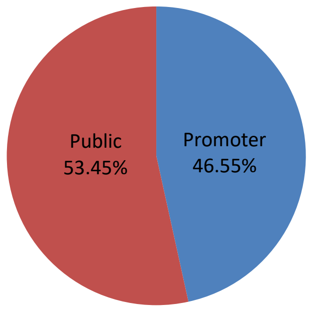
Looking to monetize investment: FEL will continue to hold stakes in various Future Group companies and joint ventures. The current Estimated Realizable Value of Investments would be around Rs 4,400 cr and expected likely to be worth Rs 10000 cr in the next 3-5 years (As per Management Note). While it will continue to own and manage these investments, it will continuously explore ways in which it can monetize some or all these investments over the next couple of years. Monetization of only 1 or 2 investments has the potential to make FEL debt free beyond that any monetization can lead to value creation for shareholders.

Insurance space in action after many insurance got listed: FEL has 2 holdings in insurance space Future Generali India Life Insurance Co. Ltd & Future Generali India Insurance Co. Ltd. Gen Insurance segment has posted gross written premium of Rs 1,595 cr and capital employed is Rs 448 cr while Future Generali Life Insurance Co. Ltd. posted gross written premium of Rs. 593 cr and capital employed is Rs 212 cr.

KEY STATISTICS	
CMP Rs.	51
MARKET CAP Rs.	2397
PRICE/BOOK	0.63
PE	68.91
DIVIDEND YIELD	1.46%
52 WEEK L/H	14/62

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	8915	4485	1041
EBIDTA	1083	993	257
PAT	44	54	-45
EPS	0.8	0.74	-0.96

Share Holding Pattern



HIKAL LTD

BUY | **Pharmaceuticals**

Investment Rationale

Hikal operates in the two segments Pharmaceuticals and Crop Protection with revenue breakup of 60% and 40%, respectively. Both businesses are run independently and have their respective Heads (presidents). Management targets overall revenue growth of 12-15% for the next 5 years and target to double revenues in the five years.

Pharmaceutical Segment – projects in various stages of clinical trials, world's largest supplier of Gabapentin, serves US, Europe and Japan, augurs a strong future for the company. It is into generic APIs as well as Contract development and Manufacturing business (CDMO).

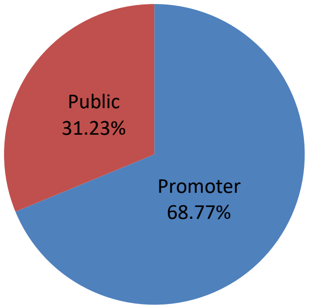
Crop Protection – focus is to diversify the product offerings, partner with new clients, introduce several new products which are under development in R&D that will grow the revenue and increase profitability in the near future. In the exports front, Europe and Japan are the key markets for Hikal.

R&D - ensures scale up from Lab to Commercialization in both Pharma (few of the products in development stage to be off patent soon) and Crop Protection (~15% success rate of molecules of herbicides, fungicides and insecticides going into commercial production) and venturing into animal health big way.

KEY STATISTICS	
CMP Rs.	249
MARKET CAP Rs.	2043
PRICE/BOOK	0.33
PE	30.63
DIVIDEND YIELD	0.56%
52 WEEK L/H	181/259

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	918	1013	263
EBIDTA	173	185	46
PAT	41	66	13
EPS	5.03	8.13	1.6

Share Holding Pattern



MEHTA
REWARDING RELATIONSHIPS

23rd Glorious Years

Huhtamaki PPL Limited

BUY | **Containers & Packaging**

Investment Rationale

HPPL Ltd is the only flexible packaging company in India with pan India presence. It has 13 fully integrated manufacturing facilities at Thane, Silvassa, Hyderabad, Rudrapur, Navi Mumbai, Parwanoo, Khopoli, Tajola, Ambernath and Bangalore.

HPPL derives >95% sales from the FMCG industry, which is set to revive with improving consumer spending, led by Government's thrust on rural infrastructure. This should result in demand uptick for HPPL's packaging products. With market leadership, reputed clientele & innovative offerings, HPPL is well placed to capitalize on the available opportunities.

HPPL's parent 'Huhtamaki Oyj' is one of the top 10 consumer packaging companies in the world. With in-house capabilities and parental support, HPPL would continue to widen its product portfolio, client base and improve its exports share. India remains one of the key focus markets for the parent, which augers well for HPPL.

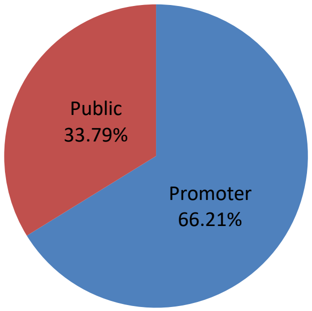
Top 10 customers of PPL account for approx 60-65% of revenue. Some of its premium clients include Britannia, Pepsico, Castrol, Coca Cola, Dabur, Emami, Eveready, GSK, Godrej, Hindustan Unilever, ITC, Marico, Nestle, Pepsi, Perfetti, P&G, Tata Tea, Wipro and many more.

The Indian Packaging Industry is estimated to reach $72.6bn by FY20 (18% CAGR over FY15-20), with flexible packaging estimated to grow at a faster rate of 25%, as the consumer preference is steadily shifting from traditional rigid packaging, due to numerous advantages offered by flexible packaging.

Financial Overview (Rs Cr)	FY 2015	FY 2016	FY 2017 Q2
Net Sales	1151	2178	551
EBIDTA	120	247	33
PAT	49	85	7
EPS	6.75	11.27	0.96

KEY STATISTICS	
CMP Rs.	232
MARKET CAP Rs.	1750
PRICE/BOOK	3.56
PE	20.58
DIVIDEND YIELD	1.24%
52 WEEK L/H	201/296

Share Holding Pattern



SURYA ROSHNI LTD

BUY

Lighting & Steel Pipe Products

Investment Rationale

Brand 'Surya' is well placed internationally and holds a prominent position in the Indian Steel Pipes and Lighting industry. With such strong brand equity, the Company is well poised to capitalize on the opportunities unfolding in the global market.

Government initiatives such as 'Make in India, Smart Cities and Housing for All' will provide better growth prospects for both the businesses.

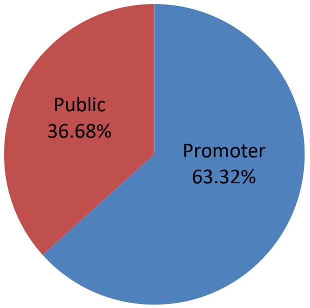
LED industry in India is witnessing a robust growth. The lighting industry in India is expected to grow at a CAGR of 17% by FY2020. The Compulsory Registration Scheme from BIS is helping to curb the unorganized sector, which further increases the growth prospects for the organized players like Surya.

The new steel pipe capacity in South India would enable further penetrate the market: New plant has been set up in Hindupur area of Andhra Pradesh that has increased its commercial production capacity from 90,000mt pa to 1,50,000mt pa this shows the growing steel business of Surya. Being plant set up in backward area they should also be eligible for incentives and decrease their tax liabilities.

KEY STATISTICS	
CMP Rs.	307
MARKET CAP Rs.	1346
PRICE/BOOK	1.79
PE	20.39
DIVIDEND YIELD	0.70%
52 WEEK L/H	165/328

Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	3197	3413	933
EBIDTA	242	230	51
PAT	63	66	12
EPS	14.3	15.05	2.68

Share Holding Pattern



MEHTA

REWARDING RELATIONSHIPS

23rd Glorious Years

TOURISM FINANCE CORPORATION OF INDIA LTD

BUY | **Financial Institutions**

Investment Rationale

TFCI provides all forms of financial assistance for new, expansion, diversification, renovation/ modernization projects in tourism sector services sector and related activities, facilities and services.

Benefits from government initiatives: Indian Travel and tourism industry has huge potential and will experience growth this year mainly because of the new visa reforms like e visa, medical visa to encourage medical tourism, the proposed launch of Incredible India 2.0 etc.

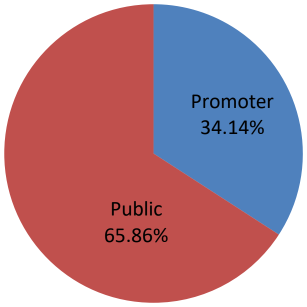
Hotel industry is doing well: The company has a target of disbursements at Rs 700 cr for FY18 and that of sanctions at Rs 1300 cr, which his almost 30% higher than last fiscal. The company has already achieved 40-45% of target for disbursement and sanctions.

Working on reducing NPA: The Company aims to bring down their gross non-performing assets (GNPAs) to 3.5% in FY18 from 6.5% in FY17 and the net NPAs to 0% by FY18 end.

World Travel and Tourism Council forecasts that the tourism industry in India is likely to grow at a much faster rate in India compared to other SouthEastAsian countries. India is one of the biggest travel and tourism economies in the world and contributes significantly to economic wealth and job creation. We expect company like TFCI would gain more in line with the industry expectations.

KEY STATISTICS	
CMP Rs.	140
MARKET CAP Rs.	1131
PRICE/BOOK	2.04
PE	16.03
DIVIDEND YIELD	2.43%
52 WEEK L/H	44/176

Share Holding Pattern



Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	184	208	56
EBIDTA	165	164	52
PAT	53	70	22
EPS	6.64	8.73	2.73

MEHTA
REWARDING RELATIONSHIPS

23rd Glorious Years

GODAWARI POWER & ISPAT LTD

BUY | **Iron & Steel**

Investment Rationale

KEY STATISTICS	
CMP Rs.	118
MARKET CAP Rs.	416
PRICE/BOOK	0.6
PE	-5.26
DIVIDEND YIELD	-
52 WEEK L/H	54/138

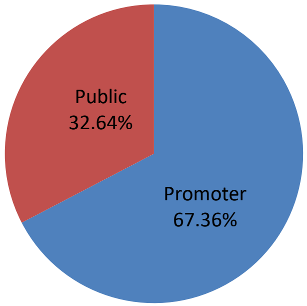
Presence across the value chain of the steel industry; GPIL is present across the value chain of the steel industry, whichν commences from iron ore at one and extends to HB wires at the other. Besides, within the energy value chain, the Company has extended its portfolio from waste heat recovery to biomass to solar energy generation. The Company is one of the most competitive manufacturers of intermediate and end products within steel sector, leveraging the benefits of scale, integration and operational efficiency.

Expect to achieve higher healthy growth in Topline: Market conditions have improved in the last one year time and that is reflecting in current performance, and management is confident in achieving 20-25% growth in overall sales in the current year.

Awarded Long-Term Coal Linkages in the recently concluded coal linkage auction made by Coal India With these coal linkages around 75% of the coal requirement of the Company shall be fulfilled which reduces the cost and flows to improve margins going forward.

Continuous efforts to bring down debt: GPIL consolidated level is close to Rs 2,200 cr including Rs 200 cr of working capital debt. Company plans to reduce debt by about Rs 100 cr in current year and double the reduction level in next financial years and so on.

Share Holding Pattern



Financial Overview (Rs Cr)	FY 2016	FY 2017	FY 2018 Q1
Net Sales	2222	2009	619
EBIDTA	235	306	101
PAT	-99	-73	6
EPS	-30.42	-22.42	2

MEHTA
REWARDING RELATIONSHIPS

23rd Glorious Years

Muharat Investment Ideas 2016-17 Performance

INVESMENT IDEA				
Stock Name	**Industry**	**Rate As on Samvat 2073**	**Cmp As on Samvat 2074**	**Performance as on date**
INDIAN OIL CORPORATION LTD	Oil Marketing & Distribution	319	414	30%
MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD	Finance (including NBFCs)	364	420	15%
BIRLA CORPORATION LTD	Cement & Cement Products	773	1006	30%
JAIN IRRIGATION SYSTEMS LTD	Plastic Products	107	93	-13%
ADANI TRANSMISSION LTD	Electric utilities	44	218	395%
ASHOKA BUILDCON LTD	Roads and highway	162	190	17%
RAIN INDUSTRIES LTD	Petrochemicals	52	206	296%
CLARIS LIFESCIENCES LTD	Pharmaceuticals	303	346	14%
PRICOL LTD	Auto Parts & Equipment	125	86	-31%
ELECTROSTEEL CASTING LTD	Construction & engineering	27	29	7%

Prices as on 13th October 2017

MEHTA EQUITIES LTD

BSE: - Membership Clearing No. 122 - SEBI Regn. No. INB010683856, NSE: - Membership Clearing No. 13512- SEBI Regn. No. INB231351231, NSE FO SEBI Regn. No. INF231351231, CIN No: U65990MH1994PLC078478, MSEI: - Membership Clearing No. 51800 - SEBI Regn. No. INB261351234,

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