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Dear all,

We would request you to kindly go through our new recommendation list which is given below. Both the targets i.e. Long term as well as short term will be updated on a monthly basis. We have included a small note giving out our rationale behind the investment.

Monthly Outlook:

The 2018 Union Budget speech was in line with the market expectations on most count. The Finance Minister brought back the long-term capital gain tax for investors. The tax regime has been introduced on prospective basis, thereby giving market participants ample time to adjust to the new regime.

The budget also lays emphasis on rural economy and social sector. There were also reiterations related to infrastructure spending with emphasis on expansion of roads, railways and airport capacity. All these measures can benefit the economy, as various sectors gain from the implementation of budget announcements: rural consumption, infrastructure, and agriculture-related companies.

Since February 1, the BSE Sensex has shed around 1,900 points and the NSE Nifty over 500 points. This is mainly on account of global sell-off amid the fear of interest rates hike leading higher bond yields. The Union Budget 2018 verdict played a catalyst role and since then market has been tumbling down.

Foreign institutional investors (FIIs) became buyers of equities in the beginning of 2018. They bought equities worth Rs 129.84 billion in January 2018 compared with selling of Rs 53.50 billion in December 2017.

Mutual funds continued to be buyers of equities in January 2018 with buying of Rs 73.53 billion in January 2018 (until January 30, 2018) compared with purchase of Rs 83.33 billion in December 2017.

Global crude oil prices ended the month on a firm note to close at \$ 69.05 per barrel on January 31, 2018 vis-à-vis \$66.87 per barrel on December 29, 2017 mainly due to concerns over potential supply disruptions in Iran and drop in US crude inventories. The rupee gained 0.5% against the US dollar in January 2018, with the exchange rate settling at 63.58 on January 31, 2018 as against Rs 63.87 per dollar on December 29, 2017.

We continue to believe that the long-term India story remains intact. We expect corporate earnings to revive backed by an improvement in capacity utilisation and pick-up in credit cycle. However, global risks, emanating from geopolitical tensions and volatile oil prices, and domestic risks like state election results and government's execution of various reforms could impact the markets.



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Biocon	602	580	4%	635	14%	Buy on Dips

USFDA approval to Trastuzumab to open up huge opportunity as first biosimilar to Roche's Herceptin - US market size \$ 2.6 bn

Biocon+Mylan to launch Pegfilgrastin in India. Insulin sales to grow due to EUGMP approval to Malaysia plant

At CMP, Biocon trades at 31x FY20E EPS of Rs 19.1.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Cipla	611	650	5%	700	13%	Accumulate

Cipla to start complex generics launches in the US from Q3FY18 which will improve product mix and thereby profitability

New launches in India, growth in South Africa to drive revenue growth. Profitability to improve through better product mix and operational efficiencies

At CMP, Cipla trades at 24x FY20E EPS of Rs 25.7

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Dr Reddy's	2194	2800	12%	3074	23%	Buy

USFDA approval to Duvvada plant will help restore revenues and profitability due to impact of warning letter

Awaits clearance to Duvvada injectables plant. Plans 15-20 ANDA filings and 10-12 new launches in US. Price correction due to delay in Duvvada re-inspection by 1-2 quarters. At CMP, DRL trades at 19x FY20E EPS of Rs 115.1.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Syngene	600	630	6%	683	13%	Buy on Dips

Largest contract research service (CRO) company in India, with a focus on early stage R & D. Wide offerings of niche services in discovery chemistry and biology

Robust revenue growth due to increased demand, improvement in EBITDA margins due to increased business from dedicated centres to drive earnings growth

At CMP, Syngene trades at 24x FY20E EPS of Rs 24.5.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Narayana Hrudayalaya	304	350	17%	440	47%	Buy

Increase in average revenue per occupied bed (ARPOB) due to widening presence in Mumbai and Delhi. Increase in number of operating beds due to increased occupancy due to better service offerings.

Promoted by Dr. Devi Shetty with a focus of affordable specialized treatment in oncology, neo natal care, cardiology, neurology and orthopedic. Scalable due to lowest capex per bed. Minimum impact of pricing control. Largest beneficiary of National Health Protection Scheme announced in Union Budget 2018-19. At CMP, NH trades at 23x FY20E EPS of Rs13.4.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Max India	105	170	26%	205	52%	Buy

Turnaround due to improvement in profitability in healthcare services and expected break- even of health insurance by FY19.

Healthcare services to improve from better services at acquired hospitals, leading to higher ARPOB. Robust growth in Health insurance with increased penetration. Price correction due to suspension of operations at Shalimar Bagh hospital, New Delhi. Max has obtained a stay on the same.

At CMP, Max India trades at 25x FY19E EPS of Rs 4.13

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Deepak Nitrite	266	230	-7%	260	5%	Hold

The company is setting up a greenfield project for 2 lakh tonnes of phenol, used in laminates, paints, rubber adhesives and 1.2 lakh tonnes of acetone, used in pharmaceuticals to be commissioned by Q4FY18.

The new products will improve profitability over 2-3 years.

At CMP, DNL trades at 14x FY20E EPS of Rs 19.7.



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Laurus Labs	523	620	11%	744	32%	Buy

Strong promoters background with strength in research & development of new molecules, with focus on high volume therapies.
Healthy growth in active pharmaceutical ingredients (APIs), custom synthesis. New formulations plant to be commissioned by Q3FY18.
Price correction due to de-growth in Hep C business. At CMP, Laurus Labs trades at 15x FY19E EPS of Rs 35.4.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Granules India	118	135	-4%	156	11%	Accumulate

Granules India is expanding its capacities in Paracetamol & Metformin, due to increasing demand to be commissioned by Q3FY18
Granules is a fully integrated lowest cost producer of matured generics and has filed for complex generics ANDAs pending approval.
At CMP, Granules trades at 15x FY20E EPS of Rs 7.83.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Cadila Healthcare	416	558	23%	650	43%	Buy

USFDA Approves the Moraiya and Baddi Plant. Sizeable pipeline of ANDA fillings
India formulations to grow through new product launches and vaccines. Cadila to expand formulations facility with a capex of Rs 1000 crs.
At CMP, Cadila trades at 17x FY20E EPS of Rs 24.8

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Deepak Fertilisers	363	420	-2%	500	17%	Buy on Dips

Expects turnaround of fertilizer business. To increase capacity & more number of complex fertilizers.
The company expects to receive subsidy payment of Rs.310 Crores within next 2 to 3 months.
At CMP, Deepak Fertilisers trades at 13x FY19E EPS of Rs 27.3

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Bata	721	800	11%	1000	39%	Buy

Retail sentiments remain positive, same store sales growth picking up.
EBIDTA Margins to improve with saving on fixed costs like rentals with higher turnover.
At CMP of Rs 721 stock trades at 34x FY19e EPS of Rs 21 and 30x FY20e EPS of Rs 23.5

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Trent	320	360	13%	500	56%	Accumulate

Trent a play on consumer theme, includes Westside - apparels, Starbazaar- departmental and Zara-high end fashion.
Diversified business with a potential of compounded growth in each of its segment.
At CMP of Rs 320 stock trades at 89x FY18e EPS of Rs 3.6 and 60x FY19e EPS of Rs 5.3.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Shopper Stop	523	418	-20%	450	-14%	Shift to Trent

Shoppers Stop (SS) is play on Indian Retail. Shift to organised from unorganised would benefit companies like Shoppers Stop and Trent
SS mainly sells 3rd party apparels where margin expansion is limited. Hypercity has still not turned around
We would recommend investors to shift from Shoppers Stop to Trent
At CMP of Rs 523 trades at 108x FY18e EPS of Rs 4.8 and 55x FY19e EPS of Rs 9.5



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
IFB	1314	1350	3%	1500	14%	Buy on Dips

IFB Industries a leader in manufacturing of Washing Machines a good consumer durable stock to play the housing for all theme
Company is known for Front Loaders and has started Top Loaders and gaining market share. Entering in to Refrigerators as well
At CMP of Rs 1419 stock trades at 49x FY19e EPS of Rs 26.7 and 42x FY20e EPS of Rs 31.43.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Britannia	4765	4900	2%	5200	9%	Accumulate

FMCG company with high success ratio in terms of margins sustainability during tough times.
Expanding in to croissants through JV and also would be announcing it plan on dairy in the near future
At CMP of Rs 4765 trades at 56x FY18e EPS of Rs 85 and 47x FY19e EPS of Rs 102

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Kansai Nerolac	501	600	20%	680	36%	Buy

Paint company have been maintaining double digit topline and bottomline growth.
Leader in Auto paints with Maruti being one of the major client.
At CMP of Rs 501 trades at 49x FY18e EPS of Rs 10.2 and 42x FY19e EPS of Rs 12

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Schaeffler India Ltd	5330	5800	8%	6275	18%	Accumulate

Original Name: Fag India Ltd
Management decisions to merge the unlisted entities in the listed entity will bring in synergies and increase business prospects
At CMP (excluding the merger) Rs 5330 trades at 33x CY18e EPS of Rs161 and 28x CY18e EPS of Rs 191

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Jyothy Labs	353	322	-9%	340	-6%	Shift to HUL

The company has good product profile with flagship brands like Ujala. Acquisition of Henkel's India added high quality products
The company successfully turnaround Henkel brands and has been successful in its niche
The Henkel deal is canceled now and it will not buy 26% stake in Jyothy Laboratories this could impact expansive valuations.
At CMP of Rs 353 trades at 35x FY18e EPS of Rs 10 and 32x FY19e EPS of Rs 11.1

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Castrol	195	213	9%	230	18%	Book Partial Profits

GST implementation would have a positive impact as lot of un-organized players will be out of business
Lower crude oil prices and shift to high end quality oils for automobiles beneficial for the company
Introduction of Electric Vehicles at fast pace is a Risk
At CMP of Rs 195 trades at 28x CY17e EPS of Rs 6.9 and 25x its CY18e EPS of Rs 7.7

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
SKF	1840	1860	1%	2010	9%	Buy on Dips

Economic activity improvement will give rise to demand for CV and automobiles.
Railways too is a big opportunity going forward where SKF is already affiliated.
At CMP of Rs 1840 trades at 34x FY18e EPS of Rs 54 and 31x its FY19e EPS of Rs 60



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
BHEL	95	106	3%	123	29%	Buy

Faster clearances with new orders give a good visibility for the company. Bhel's biggest order Yadadri project takes off and impact may come in in couple of quarter is a big +ve

Employee cost reducing by 10% every year and induction of around 180 so we envisage reduction in employee cost

At CMP of Rs 95 stock trades at 9.4x FY20e EPS of Rs 10.2 and 12.3x its FY19e EPS of Rs 7.7

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Finolex	641	700	9%	800	24%	Buy

After GST unorganized player shifting to organized would help improve its market share. Volumes continue to grow.

CPVC to drive next leg of growth: Plans to ramp-up its CPVC volumes exponentially over the near term, from ~4,000 to ~20,000 MTPA

At CMP of Rs 641 stock trades at 15.7x FY19e EPS of Rs 40.7 and 14x its FY20e EPS of Rs 45.7.

Govt fund allocation to irrigation projects will push the demand and benefit Finolex

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
KEC International	392	405	3%	434	11%	Accumulate

Incremental opportunities for KEC exist in railways, civil division and international operations

Business visibility is strong across verticals for KEC with good order book. Focus on debt reduction and working capital is helping profitability

At CMP of Rs 392 stock trades at 21x FY19e EPS of Rs 8.6 and 18x its FY20e EPS of Rs 21.7

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Hero Motocrop	3533	3944	12%	4222	20%	Accumulate

HMCL has a healthy volume uptick after 5 years of flattish CAGR in motorcycle and its scooter market share of 13% seems to have bottom out

We value the stock at 20.5x FY19 due to slightly better growth outlook in rural India as it contributes ~50% to revenue

At CMP of Rs 3533 stock is trading at FY19E EPS of Rs 218 and FY20E of Rs 232 Our TP is based on P/E of 18.2x FY20E

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Bajaj Auto	3140	3580	14%	3938	25%	Accumulate

Regulatory changes driving medium term visibility in 3wheelers. Key export markets showing revival and new ramp-up will drive volume growth.

BAL JV with UK's Triumph motorcycle to cater mid-capacity (250-750 cc) motorcycle for India and Global markets. Focus on entering new markets & higher volume

At CMP of Rs 3140 stock is trading at 19.4x of FY19E EPS of Rs 169 and 18.3x and FY20E EPS of Rs 179

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Mahindra & Mahindra	750	800	7%	958	28%	Buy

Management expects electric vehicles as another big segment which has potential to grow. Currently M&M is L2 bidder in current ELSS order. Some of their products such as e-alfa, e-Supro and e-verito have been launched in Delhi and Himachal Pradesh. Planned capex of 600cr will be invested for technology and component development.

Farm equipment segment which is very nascent stage and has potential to become \$1bn business going forward.

At CMP of Rs 750 stock is trading at FY19E EPS of Rs 44.56 and FY20E of Rs 51.80

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Maruti Suzuki	8840	9900	12%	10875	23%	Accumulate

Maruti Suzuki well placed to drive premiumization and electrification of India's car market.

Expect company to further expand EBIT margins owing to its huge scale advantage

Strong hold on reach through premium channel Nexa and Strong financials are likely to enable MSIL to sustain premium Valuation

At CMP of Rs 8840 stock is trading at FY20E EPS of Rs 394 and FY21E of Rs 434 Our TP is based on P/E of 25x FY22E.



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
WABCO	7070	7673	9%	7875	11%	Accumulate

WIL is one of the major beneficiaries of an improvement in M&HCV volumes, as it enjoys higher market share ~85% in the CV. The company expects to gradually benefit from increasing its content per vehicle (CPV) partly driven by safety legislations. At CMP of Rs 7070 stock is trading at 39.4x FY19E EPS of Rs 179 and 33.04x FY20E of Rs 214.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Ashok Leyland	137	142	4%	150	9%	Accumulate

Ashok Leyland and Hino Motors (Japan) to renew partnership for Euro VI Engines. Recovery in volume is seen in MH&CV & Market share due to adoption of New igr technology is expected in FY18-19. We Expect strong bounce back in M&HCV industry by FY19 with steady improvement to begin in 2HFY18. At CMP of Rs 137 stock is trading at FY20E of Rs 6.7 Our TP is based on P/E of 22.2x FY21E.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
TVS	657	750	14%	799	21%	Accumulate

Management expect scooter to grow faster than motorcycle. With successful launch of Jupiter management expect market share to reach 16% soon from 14.5%. TVS-BMW product launch would be announced post festive season. Consumer trends in rural are changing due to more awareness. At CMP of Rs 657 stock is trading at 31.4x FY19E EPS of Rs 20.9 and 23.4x FY20E of Rs 28.1.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
TCS	2926	2783	-4.8%	3100	5.9%	Accumulate

Expect BFS vertical (33% of revenue) to pick up from beginning of FY19E whereas Retail & CPG (11.9%) to report a U – shaped recovery from H2 FY18E. Expect Digital Revenues (19.7% of revenues) to continue robust growth over the next 4-6 quarters. Favorable changes in US Central Tax is a huge positive for IT Sector. Stock is currently trading at 19.9x and 17.9x FY19E and FY20E EPS.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Infosys	1114	1,150	3.2%	1224	9.8%	Accumulate

Appointment of new CEO Salil Parekh from Capgemini should translate into company re-rating. The new CEO has made quite a reputation of working through the ranks of Capgemini and handled business units which contributed more than 50% of topline and to the tune of \$5 Bn. However, strategic initiatives and objectives of the new CEO are still awaited to re-rate the Infosys to a BUY. Infosys is currently trading at 14.9x and 13.7x FY19E and FY20E.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
HCL Tech	939	1106	17%	1247	32%	Buy

Expect HCL Tech to outperform the IT pack due to presence in high growth ER&D segment (21.5% of revenues) and strength in IMS (38.6% of revenues). Growth from Mode 3 segment (products and platforms) should drive incremental growth. The stock is trading at 15.1x and 14x FY19E and FY20E.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Tech Mahindra	610	658	8%	700	15%	Accumulate

Believe that the current wave in Telecom Technology from 3G to 4G to 5G to have a positive effect on Telecom focused players like Tech Mahindra (48% of revenues) as growth in services generally comes after upgradation of networks which is in progress globally. Completion of LCC restructuring should bode well for margins going ahead. TechM currently trades at 14.5x and 12.9x FY19E and FY20E.



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Tata Elxsi	1020	1183	16%	1300	27%	Buy

Expect Tata Elxsi to outperform based on presence in robust industry coupled with right mix of offerings.

We are particularly positive of the company's flagship middleware platform – Autonomai and direction towards next gen offerings in AR & VR industry. TELX is trading at 23.1x and 19.4x FY19E and FY20E EPS.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Persistent Systems	773	899	16%	1000	29%	Buy

Expect Digital, Accelerite and IBM Alliance (~56% of revenues) to report strong performance through H2FY18E and FY19E. Company has launched and displayed new IPs and updated features of Products during the Investor Day 2017 with at least one customer win and highly scalable.

Additionally, expect margins to expand on the back of growth in de-linear businesses and completion of investments in S&M.

Persistent is trading at P/E multiple of 15.6x and 12.9x FY19E and FY20E EPS.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Sterlite Tech	354	400	13%	450	27%	Accumulate

Expect growth to be driven by strong demand in Optic Fibre and Optic Fibre Cable space coupled with strength in realizations.

With unique technology to manufacture Optic Fibre from Silica, the company has a significant margin advantage over mere converting companies. Projects like BharatNet, Network for Spectrum and Smart Cities as well as increasing non-spectrum capex by telcos to provide immense thrust to business.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Tejas Networks	353	450	27%	519	47%	Buy

TJNL is currently trading at PE multiple of 20.2x and 15.1x FY19E and FY20E EPS. We believe that the company will deliver high growth given that it holds ~15% market share domestically and is present in a high growth industry.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Petronet LNG	250	271	8%	289	16%	Accumulate

Kochi utilisation rising to 11%/29%/39% in FY19/20/21. Expect 6% CAGR in offtake over FY17-21

Petronet turning net cash in FY18 with rising free cash flow. We expect the EPS to grow at 13% CAGR over FY17-21.

At CMP of Rs 250 stock is trading at 21x FY18E EPS of Rs 12.4 and 18x FY19E of Rs 14

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Zuari Agro Chemicals	534	700	31%	725	36%	Buy

Decline in working capital and subsidy is expected to lower interest cost and drive earnings. With earnings visibility, we raise our target multiple to 12x (from 10x)

Looking at revamping MCFL and ZAC. Focus on non-subsidy products where the company can use its distribution channel

At CMP of Rs 534 stock is trading at 12.4x FY18E EPS of Rs 43 and 10.6x FY19E of Rs 50.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Chambal Fertilizer	158	160	1%	180	13%	Accumulate

Expected commissioning of new capacity in Jan/Feb 2019 and increased focus on agriculture and food production are key triggers for Chambal

With the government introducing DBT (Direct Benefits Transfer), we believe that companies across the sector are likely to benefit in terms of working capital cycle

At CMP of Rs 158 stock is trading at 13.16x FY19E EPS of Rs 12 and 8.4x FY20E of Rs 18.8



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Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Spice Jet	140	164	17%	178	27%	Buy

Airline under-penetration (0.09 annual trips/capita, 1/4th of China) is expected to improve with better airport connectivity under UDAN. SJ focused on maximising revenue by adopting dynamic revenue management through higher airline load factor than industry. At CMP of Rs 140 stock is trading at 15.5x FY18E EPS of Rs 10.4 and 9.1x FY19E of Rs 17.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
M& M Financial Service	455	491	8%	512	13%	Book Profit

Asset quality improvement on the back of higher recoveries and lower fresh delinquencies, translating into lower credit costs. Demand for LCVs fuelled by increase of hub-and-spoke model, growth of organised retail, rising consumption expenditure and improvement in rural infrastructure. MMFS currently trades 3.6x its FY19 BV of Rs.135.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
JK Tyres	172	173	1%	191	12%	Hold

Increased capacity utilisation and lower rubber prices have led company's EBITDA margin to ~16-17% (above 10-year average). With the Cavendish plant stabilising, we expect the company to generate Rs. 1000 cr. cash profit over next two years driving the debt downward. The current price of 172, the company trades 6x FY19 EPS of Rs. 26. Our TP is based on P/E of 7.5x FY19E.

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Tata Communications	647	755	16%	812	25%	Accumulate

Data Business to become the growth driver going forward. Data revenues expected to grow at 10 - 15%. Voice business to stabilise around the current levels. At CMP of Rs 647 stock is trading at 23x FY18E EPS of Rs 28 and 16x FY19E of Rs 40. Rising free cash, Improving ROE to support the Valuations

Scrip Name	CMP	Short Term Target	% Upside	Long Term Target	% Upside	Recommendation
Skipper	245	319	20%	370	51%	Buy

Engineering product segment to grow at a CAGR of 15% due to improved order inflows. Polymer products segment to grow at a CAGR of 40% due to improved capacity utilisation. Topline to increase a CAGR of 18% while PAT to increase at a CAGR of 25% over FY17-20E. The company trades at 17x FY19E and 13x FY20E earnings.



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