1. Dewan Housing Finance CMP Rs. 625 View – HOLD

Dewan Housing Finance (DHFL) posted an impressive operating performance yet again in 4QFY18. The HFC's business grew in the quarter with a 28% yoy rise in loan book to `91,932 cr. In line with it, AUMs also increased by 33%yoy in the quarter. At the bottom line, the company's net profit grew by 26%, aided by steady growth of 25% in net interest income

During 4QFY18, the company's AUM grew by 23%, 57%, 42% and 61% in home loans, LAP, corporate loan and SME loans, respectively. Aggressive growth is witnessed in LAP as the interest rate is higher than that of home loans. This increasing concentration on LAP helps the NIM to be at 3% even with competitive rise in total loans and other assets.

We expect the company to post a healthy loan book CAGR of 28.5% over FY2017-20E, which is likely to translate in earnings CAGR of 28%, over the same period. At the current level, the stock is valued at 1.8x FY2020E ABV.

2. Gujarat Ambuja Proteins Exports Ltd CMP Rs. 232 View – HOLD

Gujarat Ambuja Exports (GAEL) incorporated in August 1991 and is promoted by Mr Vijaykumar Gupta is engaged in the manufacture of refined castor oil, hydrated castor oil and hydrogenated castor oil. These products have extensive usage in industries manufacturing detergents, lubricants and chemicals.

GAEL has a wide product basket which includes edible Oils, refined Soya Bean Oil, Refined Palm Oil, Refined RBD Palmoline and Refined Cotton Seed Starch and Derivatives like Malto Dextrin, Malto Dextrin, Dextrin, Dextrose Monohydrate, Sorbital, Maize Starch, Liquid Glucose Defatted Soya Flour Soya Flour, Active, Inactive and Feed Grade Soya Flakes, Cotton Yarn Deoiled Cakes Vanaspati Ghee Lecithin Indian Soyabean Meal Indian, Rapeseed Meal, Deoiled Extractions and Rapeseed Lecithin

Company has declared a reasonably good set of financials for FY18. Net Sales have totalled Rs 3379 crs, a EBIDTA of Rs 316.89 crs followed by a PAT of Rs 179 crs from Rs 158 crs.

3. Bank of Baroda CMP Rs. 140 View – HOLD

The Bank of Baroda reported disappointing financials in FY18 with a consolidated net loss of Rs 1887 crs after providing for a provision of Rs 6672 crs. BOB plans to raise fresh Rs 10000 crs in equity in FY19

We believe that going ahead financials for BOB will remain challenging over the next 2-3 quarters and hence stock is likely to reward shatreholders only over the next 18 to 24 months

4. Indag Rubber Ltd CMP Rs. 147 View – EXIT

Indag Rubber Ltd which is into Rubber Retreading is likely to end the current year ending March 2018 with a lower PAT and reduced margins as prices of rubber have softened significantly in the last 6 months. This is likely to continue going ahead in FY19 also. Lower Rubber prices are likely to impact the company as this will makes new Tyres a competing product more competitive

We hence believe that Q4FY18 numbers are unlikely to be good and FY19 will also be a difficult year ahead for Indag Rubber. Hence we suggest a EXIT

5. IDFC Bank Ltd CMP Rs. 40.95 View HOLD

Going ahead we understand that once the proposed merger with Capital First goes through IDFC Bank share holders are likely to derive strong long term benefits. While the merger ratio is in favour of Capital First (for every 139 shares 10 shares of Capital First will be given) it will give the bank access to large retail book and a strong AUM base
We hence suggest a HOLD and would look at the consolidated entity going ahead which can give solid returns to IDFC shareholders over the next 18 to 24 months

6. Bodal Chemicals Limited CMP Rs. 138 View HOLD

Bodal Chemicals Limited is a Integrated and Innovative company, offering end-to-end solution to our customers globally. Bodal Chemicals is amongst the world's largest manufacturer and exporter of Dyes Intermediate, Dyestuff and Sulphuric Acid, with vertically and horizontally integrated facility which provides product solutions and service solution on fastest possible route to their customers
Bodal Chemicals is both vertically and horizontally integrated and provides product solutions and service solutions on fastest possible route to its customers
Bodal has recently made a QIP at Rs 170 aggregating Rs 221 crs in Oct 2017. During first 9 months of FY18 company has recorded a Topline of Rs 800 crs and a PAT of Rs 87 crs. We expect better and improved financials in FY19 and FY20 and hence would suggest a HOLD over the next 18 to 24 months

7. PPAP Auto Limited CMP Rs. 551 View HOLD

PPAP Auto is a well known established Auto Component supplier to leadings Car OEMs.
During FY18 the company grew faster than the industry growth rate, Growth in part sales was 14.40%. EBITDA was margin at 21.25%, this Improved by 2.05% from last year due to focus on operational efficiencies and continues effort on cost reduction activities.
PAT stood at ₹ 37.41 Crs. And increased by 49.34%.
ROCE stood at 20.54% (PY15.25%) , RONW was 13.87% (PY 10.50%). Very healthy D/E ratio at 0.11, and demonstrate the capabilities to meet the fund requirements for future growth of the company.
Company has made strategic investment in owned facilities at Gujarat and Tamilnadu to cater the customers in west and south area. It has also started manufacturing of new products such as Instrument panel, Bumpers, parts for two wheelers
We continue to remain positive on the company's prospects ahead and suggest a HOLD.

8. Capital First Limited CMP Rs. 557 View HOLD

Capital First's AUM expanded by 36%YoY to Rs 270b, led by two-wheeler, consumer and SME loans.
CAFL added more than 400k customers in 4Q, which increased its consumer loans by 42% YoY. Wholesale loan growth was slower at 19% YoY. Its retail-wholesale mix was 94:6. Asset quality remained benign, with gross NPLs at 1.6%, flat sequentially. Net NPLs were also flat at 1%
CAFL's strength lies in scaling up retail financing businesses including mortgage, home loans, SME loans, auto loans and consumer durable loans. Bank platform will add to its strength.
Loan growth is expected to remain strong at 35% YoY over FY19-20E. Presence in greatly underpenetrated segments aids growth. Geographic expansion and increase in customer acquisition gaining momentum.
Merger with IDFCB will be positive in the long run. Key merger synergies would be access to low cost stable deposits and potentially higher fees. Short term, its stock price may remain subdued as it tracks IDFCB's. This is due to their proposed share swap of 139 shares of IDFCB for 10 shares of CAFL in their merger.
We hence are positive on the long term prospects of CAFL and suggest a HOLD for the next 24 months

9. Fortis Healthcare Limited CMP Rs.144 View HOLD

Fortis Healthcare (FHL) has recommended the binding offer of Hero Enterprise Investment office (Hero / Munjal) and the Burman Family Office (Burman) for shareholders' approval.
The BOD has decided in favour of Burman-Munjal offer amongst all the binding offers taking into account the recommendation from the Independent Expert Advisory Committee, financial and legal advisors.
As per the terms of the binding offer, there will be total infusion of Rs18bn (Rs8bn through preferential issue at Rs167/share and balance Rs10bn through warrants issue at Rs176/share) directly in FHL.
The bid envisages Rs10.5bn upfront cash infusion (Rs8bn of preferential issue and balance Rs2.5bn through share warrants). The suitors have indicated intent to invest the Rs7.5bn of balance warrants proceeds within 4 months. The offer entails three board seats for Burman-Munjal
Further Burman-Munjal seek to only run the hospital business and will look to exit from SRL diagnostic business. The proceeds will be used to fund RHT buyout. In case divestment doesn't happen, then the RHT buyout will be funded by a larger rights issue
This bid is positive for Fortis shareholders in the sense that it leads to limited dilution with status quo largely prevailing on business side. Also, will lead to a rather quick fund infusion as no upfront due diligence is required. Acceptance of bid by the shareholders will enable the company to start over afresh in a relatively quick time and with a fairly credible set of new promoters at the helm
We hence suggest a HOLD with a 2 year view

10. CMI Limited CMP Rs. 285 View HOLD

CMI is one of the leading manufacturers of wires and cables in India. The Government is looking to reboot the infrastructure investment which had slowed down over the last few years. It has planned huge investments in Railways, Metro projects, Power T&D, Renewable energy, Smart cities, etc.
With its Make-in-India campaign, it is pushing towards domestic manufacturing. The acquisition of General Cable Energy in 2016 has given CMI higher capacity, better efficiencies and ability to produce more complex products which could lead to margin expansion in the coming years. Implementation of GST has tilted the scale in favour of organised players in the cables industry.
The diversified product portfolio and large customer base reduces the concentration risk for the company. Minimal capex spending, improving operating margin and higher asset turnover ratio could improve return ratios going forward. Though the subsidiary CMI Energy enjoys tax benefits due to past losses, we have not considered them in our calculation. We hence suggest a HOLD over the next 12 to 18 months

11. UFLEX Limited CMP Rs. 317 View HOLD

Uflex Ltd, is the flagship company of the Flex group and is a India-based flexible packaging company. The flexible packaging business consists of multi-layer laminated rolls of plastics, paper, cloth or metal foils that are used separately or in combination for various packaging applications.
Uflex also manufactures printing ink and adhesives. Uflex's products include printed, laminated, metalized, co-extruded, coated, embossed, plain plastic films and hologrammed sticker sheets. Its plastic film products include oriented polypropylene (OPP) films, polyester films, metalized and specialty films, and polyester chips of different grades
We believe that the company should do well in the next 12 to 18 months on the back of new product launches and strong revival in the FMCG sector which is a big demand driver for UFLEX. However with crude prices having increased sharply we expect margins to come under pressure in the near term
Nevertheless long term prospects are good and we suggest investors to take a long term view over the next 18 to 24 months

12. Vakrangee Limited CMP Rs.36 View EXIT

Vakrangee has announced the resignation of its auditors, Price Waterhouse. PWC was appointed statutory auditors in FY17's annual shareholders' meeting to boost investors' confidence in the company's financials. SK Patodia & Associates, a local firm, was its previous auditor. Since its appointment, PWC had issued two limited audit reviews, for 2Q18 and 3Q18. Its resignation just before the announcement of 4Q18 results is negative, raising questions about the reliability of its reported financials, which form the basis of our coverage and recommendation.

The company was not yet available to clarify on how soon it can fill PWC's vacancy and release its audited accounts for FY18, before the deadline on 31 May. Their share buyback announced two months back is still to be executed, pending audited accounts and the approval of shareholders/SEBI. We see major challenges in terms of: 1) appointing new auditors with credentials; 2) compliance with audit requirements by month-end; and 3) the execution of its share buyback programme.

Hopes of a recovery in its share price following audited accounts and the execution of its buyback are now dashed, at least till the company manages to fulfill both.

We hence suggest a EXIT from the stock.

13. Apar Industries Limited CMP Rs.718 View HOLD

Apar Industries's (Apar), engineering DNA reflects in its leadership in key products - conductors and transformer oils placing it in a sweet spot to cash in on this power bonanza. Further, this is reflected with exports at strong 33% of sales. Moreover, its first-mover advantage in value-added products, provide it a lead time of 2-3 years in profitable segments.

Sales grew 31% YoY, 10% ahead of estimate, led by conductor sales growth of 25% YoY (volume growth of 9% YoY), specialty oils jumping 34% YoY (16% volume growth with strong 52% spurt in auto lubes) and cables growing 36% YoY (led by power cables surge of 97% YoY).

EBITDA, however, declined 9% due to 52% YoY decline in conductors' EBIT on account of raw material and pricing pressures along with rise in competitive intensity. Oil's EBIT grew 20.7% YoY and cables' 41.6% YoY.

We remain positive as Apar is well placed to capitalise on the T&D uptick with improving mix which is likely to lead to a strong performance in FY19 and FY20. We suggest investors should HOLD with a 18 month time frame

14. Cochin Shipyard Limited CMP Rs. 507 View HOLD

Cochin Shipyard reported robust results for Q4FY18 with strong margin expansion.

The total revenue for the quarter rose by 15% yoy to Rs. 601 crore in Q4FY18 vs Rs. 522 crore in Q4FY17. the revenue declined by 2% qoq from Rs. 615 crore due to lower revenue from ship repair segment.

The EBITDA for the quarter rose by 3 times to 115 crore in Q4FY18 vs Rs. 31 crore in Q4FY17. This was largely due to lower raw material costs by 28% yoy to Rs. 273 crore in Q4FY18 vs Rs. 383 crore in Q4FY17. The resultant margins also expanded by 1320 bps to 19.2% in Q4FY18 vs 6% in Q4FY17.

The bottom-line also more than doubled to Rs. 92 crore in Q4FY18 vs Rs. 41 crore in Q4FY17. For the full year, revenue grew by 14.4% yoy to Rs. 2,355 crore in FY18 vs Rs. 2,059 crore in FY17. The EBITDA grew by 302% to Rs. 679 crore vs Rs. 169 crore.

Hence looking at the long term prospects and current order book we suggest a HOLD with a 18 month view

15. Sintex Plastics Limited CMP Rs. 51.80 View Exit

Weakness in custom-moulding revenue and lower profitability in prefab and infra business. Company expects Revenue mix changing towards organised business from government-focused business
Custom molding revenue was down 10% qoq to Rs 9bn, prefab and infra was up 20% qoq to Rs 3.84bn from a low base [yoy numbers are not available due to the demerger].
Adjusted for one-off cost EBITDA margin was 15%. The company had a one-time cost of Rs 1.20bn in 4QFY18 (Rs 45 crs for shutting down US subsidiary operations, Rs 28 crs duty on mortgage and Rs 47 crs for loan-restructuring expenses).
Adjusted EBITDA was Rs 1.9bn (up 4% qoq), 13% lower than estimates of Rs 2.2bn. Reported a loss of Rs 12.6 crs in 4Q vs. profit of Rs 51.80 crs in 3Q. Adjusted for one-time cost, PBT was up by 17% qoq to Rs 76.3 crs
However we expect benefits of restructuring for the company to take a long time and earnings growth is unlikely to return before FY20 Hence we suggest investors to EXIT this stock

16. RCI Industries Limited CMP Rs. 121 View - EXIT

RCI Industries & Technologies Limited initially incorporated in 1992 started as a trading player in Ferrous and Non Ferrous Metals. After this RCI established a 100% EOU – Satya Metals as partnership Firm in 2006 which was subsequently merged with RCi Industries with also RCI getting listed on the BSE SME platform initially in 2014.

Company which is mainly into copper products conversion has been impacted badly due to rising non ferrous prices especially copper as it buys copper and converts this in to value added products. In FY19 also prices of non ferrous ,metals are likely to stay elevated and hence margins both on the operating and net level are likely to come under pressure
Company has posted a flat PAT of Rs 32.30 crs from Rs 35 crs last year. We believe in FY19 profits could come under further pressure due to rise in metal prices which the company may not be able to pass through to its customers
We hence suggest investor to EXIT this stock

17. Starlite Components Limited CMP Rs. 34.10 View EXIT

Starlite which manufactures complete lighting products has further increased its footprint in the LED Industry & is now one of the leading players for manufacturing of LED Lamps & Fixtures in the country. Starlite's product basket Lighting Design Support & Suggestions: Electronic Drivers & Ballasts; LED Lamps & Consumer Lighting Products; LED Professional Lamps; LED Street Lights
Hiowever in the last 12 months there has been a marked slowdown in LED order win activity and prices of LED have also crashed significantly. This we believe will impact Starlite negatively in the current Q4 FY18 and FY19 going ahead as the company was hopefull of bagging large govt orders.
We hence suggest a EXIT from this stock

18. Kesar Petroproducts Limited CMP Rs. 33 View HOLD

KPL which is a leading manufacturer of Phthalocyanine Blue Crude and its downstream products in India and contribute upto 15% of the entire Copper Phthalocyanine market of India enjoying a global presence in 15 countries
Company has recorded a good operational performance during 9 months of FY18 with Turnover totalling Rs 130 crs, a EBIDTA of Rs 31.40 crs and a PAT of Rs 25 crs. We expect a good Q4 FY18 performance also and expect FY19 to be a much better year on the back of good user sector prospects from endusers like Inks, Dyes and Pigments, Rubber, Plastics, Paints and Textlies
We hence suggest a HOLD on the stock

19. GNA Axles Limited CMP Rs. 540 View – HOLD

GNAAL mainly manufactures and sells auto components for the four-wheeler industry. GNAAL has an annual installed capacity of 2.3mm for rear axle shafts, 0.3mm for spindles, and 0.4mm for other shafts
GNAAL is a large approved OEM vendor to large domestic OEMs like Mahindra, TAFE, Tata Motors, Automotive Axles (AAL) Escorts, Axles India.
Exports accounted for 55% of revenues in 2016-17 and key markets for GNAAL exports include the US, and Latin American Markets
Hence with both the domestic CV and Tractor markets likely to do well in FY19 also and with Exports also doing well especially for Class 8 Trucks segments we believe FY19 will also be another strong year for GNA
Hence we suggest a HOLD

20. Ramkrishna Forgings Limited CMP Rs. 7732 View HOLD

Ramkrishna Forgings is a well established player in the Auto and Non Auto Forgings markets catering to the CV and Class Trucks markets segments as well as the Oil and Gas segments
In FY18 the company has shown strong operational performance with Sales totalling Rs 1435 crs, a EBIDTA of Rs 284 crs and a PAT of Rs 94 crs
Exports accounted for 40% of revenues in 2017-18 and key markets for the company's exports include the US, and Europe. Domestic segments where company is a large player is the CV segment
Demand of Class 8 Trucks in North American Market is expected to increase by 25% and to remain buoyant for CY2018 on account of improved industry fundamentals and increased freight demand.
M&HCV demand expected to show double digit growth for FY19 on account of restriction on overloading of trucks , Infrastructure development and increase in mining activities.
Robust demand in Oil & Gas industry in North America on account of increase shale gas industry.
Prospects for FY19 and FY20 look strong and hence we suggest a HOLD on this stock

21. Dhanlakshmi Bank CMP Rs. 20.40 View - HOLD

Dhanlaxmi Bank is one of the oldest mid-size private sector banks in India. The bank has a pan-India presence through a network of 260 branches, 371 ATMs covering 680 centers across 15 states
The Bank has reported disappointing FY18 results largely on the back of higher provisions in this current year.While operating profits were up at Rs 146 crs as compared to Rs 96 crs the provisions have seen sharp rise to Rs 171 crs from Rs 81 crs which resulted in a net loss of Rs 25 crs as compared to a PAT of Rs 12 crs.
While long term prospects are good and the bank is a potential takeover target we suggest a HOLD with a 18 to 24 months view.

22. IOL Chemicals & Pharmaceuticals Ltd CMP Rs. 99.65 View – HOLD

IOL Chemicals and Pharmaceuticals Limited (IOLCP) a one of the largest players in Specialty Organic Chemicals and Bulk Drugs (API's) supplying its high quality products to major pharmaceutical players like Sanofi Aventis (India and Hungary), Aristo Pharmaceuticals, Prati Donaduzzi E Cia Ltda (Brazil), Cipla, BASF (USA), UPL, Abbot India and ZIBO XINUA-Perrigo Pharmaceutical (China). With its backward integrated USFDA accredited Ibuprofen plant, IOLCP has emerged as favorable supplier abroad.

For FY18 the company has posted solid performance with sales totaling Rs 1000 crs, a EBIDTA of Rs 124 crs and a PAT of Rs 27 crs from a PAT of Rs 4 crs last year. Ibuprofen prices have increased by over 50% and hence we expect a strong traction in the company's overall performance to continue till FY19 end and also for FY20

We expect a gradual debt reduction from the company which will also help boost the profitability in coming year. We hence suggest a HOLD on this stock

23. GNFC Limited CMP Rs. 470 View - HOLD

GNFC is India's largest TDI player in the industry with a capacity of 67000 tpa

Secondly GNFC enjoys a market share in excess of 50% and is likely to benefit significant benefits in the years to come as demand for TDI continues to grow at a healthy 7-8% pa

Thirdly GNFC's fertiliser business is also expected to benefit from a reduction in GST rates from 12% earlier to 5% currently and with a good monsoon offtake of fertilisers and profitability is expected to remain better this year.

GNFC plans to repay its debts significantly in the next 12 to 18 months. This is a big positive and will enhance the profit earnings capacity of the company significantly and make its business less risk prone and financially healthy.

In FY18 Company has recorded Revenue of Rs 5068 crs 1300 crs and a PAT of Rs 756 crs giving a EPS of Rs 51

Looking at the strong growth prospects we maintain a HOLD on this stock

24. Rama Steel Tubes Limited CMP Rs. 179 View HOLD

Rama Steel Tubes Ltd. (Rama Steel), is one of the major player in the steel pipe tube in India. Having started with around 10,000 tonnes capacity at single location, and is primarily engaged into the manufacturing of ERW black round pipes, galvanized pipes, pre-galvanized pipes, steel sheets and structures

Company has posted encouraging financials for FY18 with sales totalling Rs 383 crs a EBIDTA of RS 18 crs and a PAT of Rs 12.71 crs. The company is planning another expansion which will be funded largely out of internal accruals and debt which will increase capacity by 30%

Looking at the healthy traction in the ERW Pipe markets expected to continue in FY19 also we expect another good year from the company. Hence we suggest a HOLD on this stock

25. Insecticides India Limited CMP Rs. 752 View – HOLD

Insecticides has emerged as an integrated player in the Indian agrochemicals market by entering into global tie-ups. With state-of-the-art R&D facilities and manufacturing units, and a strong portfolio (99 products), IIL enjoys a 7% share in the domestic market. IIL has a product portfolio of over 120 formulations and enjoys a Pan India presence of over 5000 distributors, 60000 dealers and over 30 depots. IIL is a generic player in the Agri chemicals space with 348 registrations and a varied portfolio of 99 formulations and 18 Technicals. It has over the years developed generic products under the Tractor Brand name. 75% of its business comprises of branded sales while 25% is B2B/Institutional sales

On a rough cut basis, in FY18, Topline is expected to touch Rs 1280 crs.

On the bottomline level we expect the company to record a PAT of Rs 80 crs in FY18E. Thus on a conservative basis, IIL should record a EPS of Rs 38.72 for FY18E. For FY19E and FY20E our expectation is that earnings traction for IIL would continue to be robust wherein we expect a EPS of Rs 47.77 and Rs 60.75 respectively.

We hence suggest a HOLD on this stock.

26. Voltamp Transformers Limited CMP. 1050 View - HOLD

Voltamp Transformers Ltd (Voltamp) is engaged in the manufacturing of oil filled power transformers, oil filled distribution transformers and dry type distribution transformers for industrial, building and power applications. VTL is engaged in manufacturing transformers for government & semi-government projects, refineries, fertilizer plants, power sector, pharma, paper, steel & among others

For FY18 VTL has recorded net revenue of Rs 651 crs against Rs 609.37 crs last year, a EBIDTA of Rs 66 crs from Rs 55.20 crs and a PAT of Rs 73 crs against Rs 67.96 crs recorded last year.

Despite challenging headwinds in the transformer sector VTL has managed its finances very well and funded all expansions from internal accruals and clearly highlights the fact that it is one of the few players which has made good profits even in difficult times which speaks highly of its competitive position in the industry as compared to its peers. We hence suggest a HOLD on this stock

27. Compuage Infocom Limited CMP Rs. 36 View – HOLD

Compuage Infocom Limited is an information technology distribution company that distributes computer peripherals, Telecom and Power Products. CIL also provides products support services for Information Technology products and Installation and annual maintenance services for these products

For FY18 CIL has recorded net revenue of Rs 4074 cr from Rs 3551 crs last year, a EBIDTA of Rs 84 crs from Rs 74 crs and a PAT of Rs 20 crs against Rs 17 crs recorded last year

We attended the Analyst Meet recently where the management has targeted a topline growth of 30% in the coming financial year with steady improvement in margins

Looking at the long term prospects we suggest a HOLD for this stock with a 18 month view

28. Dollar Industries Limited CMP Rs. 412 View - HOLD

Dollar is present across segment in innerwear space with its brands Big Boss, Force NXT, Missy, Champion, Ultra, Force Go Wear, Economy range etc. Dollars manufacturing facilities are located at Kolkata,Tirupur, Dindigul, Erode, Delhi and Ludhiana. It has fully integrated facility at Tirupur with presence in spinning, knitting, processing, cutting,stitching and packaging and caters to high end products.

In the past three years, it increased its distribution from 750+ distributors and 70000+ MBOs to 850+distributors and 80000+ MBOs.

For 9M FY18, its revenue grew 14% y/y. In Q3 FY18, revenue grew 40% y/y, mainly due to more sales of thermal products and restocking after initial hiccups of the GST roll-out. On the newer product launches in the premium category, formalisation of economy and vigorous promotions, it may register 15% revenue growth in the next couple of years. Sales have totalled Rs 684 crs in first 9 months as compared to Rs 599 cvrs with PAT placed at Rs 45 crs from RS 26 crs

For FY17 Dollar posted a Topline of close to Rs 897 crs, a EBIDTA of Rs 92.60 crs with EBIDTA margins of 10.32% and a PBT of Rs 66.70 crs followed by a PAT of Rs 43.50 crs. On a YoY basis EBIDTA and PAT grew by 42% and 65% respectively

We expect that going ahead overall bottomline growth in the next 3 years starting FY17 onwards should easily increase at a CAGR of 24-27% and going ahead also we believe that net cash flows generated will remain healthy going ahead.

On a rough cut basis, in FY18, Revenue is expected to touch Rs 997 crs.

On the bottomline level we expect the company to record a PAT of Rs 63.10 crs in FY18E. Thus on a conservative basis, Dollar should record a EPS of Rs 11.69 for FY18E. For FY19E and FY20E our expectation is that earnings traction for Dollar will continue to remain strong wherein we expect a EPS of Rs 16 and Rs 20.39 respectively.

We believe the stocks in the innerwear segment like Page Industries, Lovable Lingerie, Rupa & Company and Dollar are similar to consumption sector stocks like Marico, Dabur, Titan Industries, Asian Paints and Jubilant Foods. The performance of these (consumption) companies is also driven by brand preferences, rising disposable incomes, etc. We hence suggest a HOLD on this stock,

29. Greaves Cotton Limited CMP Rs. 129 View – HOLD

Greaves Cotton Ltd is one of India's leading and well-diversified engineering companies. It manufactures a wide range of industrial products to meet the requirement of core sectors in India and abroad. GCL's core competencies are in manufacturing of Diesel / Petrol Engines, Gensets and Pumpsets primarily used in the automotive and farm segments.GCL is one of the leading manufacturers of diesel engines for 3Ws with a a market share of 25-30% in 3W passenger vehicles as Bajaj Auto manufactures engines in-house.

It has a 90% market share of the 3W goods segment (< 1 ton category) as the market leader is Piaggio which is the single largest client. GCL operates through 11 manufacturing units located all over India with overseas offices in UAE, Tanzania and China.

For FY17 GCL posted a Topline of close to Rs 1819.09 crs, a EBIDTA of Rs 245.51 crs with EBIDTA margins of 13.49% and a PBT of Rs 252.19 crs followed by a PAT of Rs 181.29 crs. GCL declared a dividend of 275% last year.

GCL has reported a steady set of numbers for FY18 with net sales at Rs 1840 crs , from Rs 1819 crs, a EBIDTA of Rs 255 crs from Rs 242 crs in last year and a PAT of Rs 200 crs from Rs 182 crs. on a equity base of Rs 48.84 crs. Auto Engine business constitutes 55-60% of the overall revenues and we expect the same share to continue over FY17-FY19E.

Looking at the prospects of a healthy monsoon this year and overall improvement expected in the economy we expect FY19 to be a stronger year for GCL and hence suggest a HOLD

30. Sunteck Realty Limited CMP Rs. 413 View HOLD

Sunteck enjoys a strong launch pipeline. Management intends to start construction of the ODC commercial phase in the next 3-6 months, launch phase-1 of its Naigaon project (1.5m sq.ft) and a small commercial project (Gateway 51) in the next two months. Gilbert Hill is expected to be launched in the next 20 days.

Naigaon project to drive volumes; execution, the key. The focus will be more on volumes and PAT margins for this project (due to tax incentives under affordable housing). Management expects costs, incl. construction and approvals, to come at Rs 2,000 a sq.ft. The partners' share (26% of revenue) is likely to leave the company with PBT of Rs 1,700 a sq.ft.

High-value ready inventory of 0.6m sq.ft. (Rs 25bn) suggests Sunteck is set to emerge as a key beneficiary of any positive delta in consumer sentiment. Any liquidation of this inventory could accelerate cash-flow generation.

The stock trades at 1.9x FY20E P/BV. We maintain our Hold rating

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