



VALUE PICKS

FLASH BACK REPORT

MAR'14 – JUL'17

DATE – 10TH JULY 2017

www.saralgyan.in



Dear Member,

We are pleased to share **Value Picks - Flash Back Report** with performance update of Value Picks stocks since March 2014. We have reviewed Value Picks stocks released in the year 2014, 2015, 2016 and 2017 (till May) with our Buy, Sell and Hold advice. This report includes companies Mar'17 quarter results, recent updates and developments with our views and recommendation on our Value Picks stocks released during last 3.5 years. We have also included few Value Picks stocks which must be considered as portfolio stocks by long term investors for decent appreciation in next 3 to 5 years.

We have witnessed strong rally in mid cap index with significant increase in prices of mid cap stocks since beginning of 2017. Mid Cap Index has rose by 24.2% since beginning of this year and by 25.9% in last one year. We suggest our members to continue to stay invested in good quality companies for long term to reap higher returns. With arrival of good monsoon and successful rollout and implementation of GST, near term sentiments continue to remain positive for Indian equities. Moreover, with positive structural changes happening in the country towards economic growth, long term outlook is bullish for equities. We remain confident that Indian equities will continue to deliver better returns compared to any other asset class over next 2 to 3 years. We believe any significant downside correction in major indices in short term will be short lived and must be considered as buying opportunity to accumulate good quality stocks.

FROM THE DESK OF OUR RESEARCH TEAM



VALUE PICKS

Our Value Picks stocks released during past 4 years (except in 2015) have outperformed mid cap index giving higher average returns. Value Picks stocks of 2015 have underperformed mid cap index marginally on average return basis. Last year, we have made certain changes in the criteria's and methodology involved in fundamental research and screening of stocks before finalizing Value Pick, this change has strengthened our process enabling us to pick value stocks giving superior returns compared to major indices over last 1.5 year.

We continue to recommends good businesses to buy and any change in our stock views will be based on strong structural trend and not on any short term movement. We request all our members to follow our flash back report to get a complete view and update on our Value Picks. Below are the Value Picks stocks which you can consider to accumulate going forward for 1x to 3x returns during next 3 to 5 years.

1. *Capital First Ltd*
2. *Can Fin Homes Ltd*
3. *Heritage Foods Ltd*

Best Buy Price Range: Rs. 600 – 660

Best Buy Price Range: Rs. 2450 – 2750

Best Buy Price Range: Rs. 840 – 930

We suggest our members who are not holding these stocks to invest in them with initial allocation of 1% to 2%. Allocation can be increased gradually to 4-5% in case of fall in stock prices of these companies by 10-25% from current levels during any severe market correction with long term view (2 to 5 years). Best Buy / Accumulate range for these companies is mentioned above.

Team – Saral Gyan.

2014 PERFORMANCE AT A GLANCE



VALUE PICKS

DATE	VALUE PICK SCRIP	RECOM-MENDED PRICE	PRICE ON 09 JULY'17	RETURNS ON 09 JULY'17	MID CAP INDEX CLOSING	MC INDEX RETURN ON 09 JULY'17	STOCK STATUS 😊😐😞	SARAL GYAN VIEWS ☑☒☐☒
23-Mar-14	Mindtree*	347.8	539.2	55.0%	6792.2	120.0%	😊	☐ HOLD
30-Apr-14	VST Tillers & Tractors	1053.0	2420.2	129.8%	7723.4	93.5%	😊	☒ SELL
29-Jun-14	Bajaj Corp	236.0	395.4	67.5%	9205.2	62.3%	😊	☒ SELL
31-Jul-14	AIA Engineering	780.0	1417.9	81.8%	9188.2	62.6%	😊	☒ SELL
31-Aug-14	Supreme Industries	587.8	1222.6	108.0%	9298.9	60.7%	😊	☒ SELL
28-Sep-14	Dhanuka Agritech	483.0	815.9	68.9%	9421.4	58.6%	😊	☐ HOLD
31-Oct-14	Mayur Uniquoters	401.9	364.6	-9.3%	9834.6	51.9%	😞	☒ B.O.D
29-Nov-14	Capital First	346.4	710.2	105.0%	10270.6	45.5%	😊	☑ BUY
04-Jan-15	CARE	1565.5	1586.1	1.3%	10530.2	41.9%	😊	☐ HOLD
AVERAGE RETURNS 2014		VALUE PICKS:		67.6%	MC INDEX:	66.3%		

As indicated in table above, Value Picks stocks of 2014 have outperformed mid cap index marginally by 1.3%.

2015 PERFORMANCE AT A GLANCE



VALUE PICKS

DATE	VALUE PICK SCRIP	RECOM- MENDED PRICE	PRICE ON 09 JULY'17	RETURNS ON 09 JULY'17	MID CAP INDEX CLOSING	MC INDEX RETURN ON 09 JULY'17	STOCK STATUS 😊😐😞	SARAL GYAN VIEWS ☑☒☐☒
01-Feb-15	JB Chemicals	221.9	322.9	45.5%	10636.5	40.5%	😊	☐ HOLD
01-Mar-15	Somany Ceramics	388.2	771.1	98.6%	10731	39.2%	😊	☒ SELL
05-Apr-15	Suven Life Sciences	206.8	172.8	-16.4%	10786.7	38.5%	😞	☑ BUY
02-May-15	Repco Home Finance	581.0	807.5	39.0%	10416.3	43.4%	😊	☒ B.O.D
31-May-15	Wim Plast*	840.5	1541.3	83.4%	10716.1	39.4%	😊	☐ HOLD
30-Jun-15	Insecticides India	565.0	662.9	17.3%	10540.2	41.8%	😊	☒ SELL
02-Aug-15	Monte Carlo Fashions	555.7	546.7	-1.6%	11273	32.5%	😞	☒ SELL
30-Aug-15	Granules India	121.9	141.2	15.8%	10759.4	38.9%	😊	☐ HOLD
04-Oct-15	Greenply Industries*	191.0	272.1	42.5%	10818.7	38.1%	😊	☒ SELL
25-Oct-15	Ratnamani Metals	646.7	831.3	28.5%	11138.2	34.1%	😊	☒ SELL
29-Nov-15	VA Tech Wabag	713.2	670.2	-6.0%	10984.6	36.0%	😞	☐ HOLD
03-Jan-16	Heritage Foods	560.0	1075.0	92.0%	11245.4	32.9%	😊	☑ BUY
AVERAGE RETURNS 2015		VALUE PICKS:		36.6%	MC INDEX:	37.9%		

2016 PERFORMANCE AT A GLANCE



VALUE PICKS

DATE	VALUE PICK SCRIP	RECOM- MENDED PRICE	PRICE ON 09 JULY'17	RETURNS ON 09 JULY'17	MID CAP INDEX CLOSING	MC INDEX RETURN ON 09 JULY'17	STOCK STATUS 😊😐😞	SARAL GYAN VIEWS ☑☒☑☒
31-Jan-16	Anuh Pharma	284.8	178.3	-37.4%	10636.5	40.5%	😞	☑ HOLD
29-Feb-16	Can Fin Homes	955.7	3253.1	240.4%	10731.0	39.2%	😊	☑ HOLD
04-Apr-16	Indo Count Industries	986.5	164.3	-16.7%	10786.7	38.5%	😞	☑ HOLD
01-May-16	Inox Leisure	204.6	275.6	34.7%	10716.1	39.4%	😊	☑ HOLD
26-Jun-16	GHCL	172.6	240.4	39.3%	10540.2	41.8%	😊	☑ B.O.D
10-Jul-16	Sonata Software	171.0	162.5	-5.0%	11880.4	25.8%	😞	☑ HOLD
07-Aug-16	SML Isuzu	1337.1	1190.4	-11.0%	12698.4	17.7%	😞	☑ B.O.D
11-Sep-16	Accelya kale Solution	1241.2	1339.8	7.9%	13345.3	12.0%	😊	☑ HOLD
09-Oct-16	Banco Products	215.4	223.3	3.7%	13542.6	10.3%	😊	☑ HOLD
14-Nov-16	GIC Housing Finance	291.5	560.5	92.3%	12464.0	19.9%	😊	☑ HOLD
11-Dec-16	Star Cement*	74.7	125.4	67.9%	12535.2	19.2%	😊	☒ SELL
15-Jan-17	Datamatics Global	138.0	111.7	-19.0%	12639.0	18.2%	😞	☑ B.O.D
AVERAGE RETURNS 2016		VALUE PICKS:		33.1%	MC INDEX:	26.9%		

2017 PERFORMANCE AT A GLANCE



VALUE PICKS

DATE	VALUE PICK SCRIP	RECOM-MENDED PRICE	PRICE ON 09 JULY'17	RETURNS ON 09 JULY'17	MID CAP INDEX CLOSING	MC INDEX RETURN ON 09 JULY'17	STOCK STATUS 😊😐😞	SARAL GYAN VIEWS ☑☒☐☒
28-Feb-17	V2 Retail	190.7	240.2	25.9%	13552.2	10.3%	😊	☐ HOLD
28-Mar-17	Minda Corporation	91.4	118.2	29.4%	13911.7	7.4%	😊	☐ HOLD
23-Apr-17	Balaji Amines	388.7	358.2	-7.9%	14487.9	3.1%	😞	☑ BUY
14-May-17	Swaraj Engines	1804.8	2337.2	29.5%	14854.5	0.6%	😊	☐ HOLD
18-Jun-17	Sutlej Textiles	907.9	913.7	0.6%	14807.3	0.9%	😊	☑ BUY
AVERAGE RETURNS 2017		VALUE PICKS:		15.5%	MC INDEX:	4.5%		

Value Picks stocks released in 2015, 2016 and 2017 so far have given average returns of 36.6%, 33.1% and 15.5% compared to mid cap index average returns of 37.9%, 26.9% and 4.5% respectively. Overall returns are slightly higher considering our Buy / Sell / Hold advise in last issue of Value Picks flash back report.

We have reviewed Value Picks stocks released since March 2014 once again and suggested necessary action with Buy / Buy on Dips / Sell / Hold advice under Saral Gyan views & recommendation section to ensure that your investments in Value Picks stocks continue to outperform mid cap index going forward.



Mindtree Ltd



Returns at CMP: +55%

QUARTERLY RESULTS ANALYSIS

- Net profit of Mindtree declined 31.52% to Rs 113.20 crore in the quarter ended March 2017 as against Rs 165.30 crore during the previous quarter ended March 2016.
- Sales declined 0.40% to Rs 1196.30 crore in the quarter ended March 2017 as against Rs 1201.10 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has approved Buyback of its own fully paid equity share not exceeding 43,20,000 equity shares, not exceeding 2.57% of total paid up equity capital at a price not exceeding Rs. 625 per share for an aggregate amount of Rs. 270 crores. The company has fixed 11 July 2017 as the record date for the purpose of buy back of equity shares.

SARAL GYAN VIEWS & RECOMMENDATION

- Mindtree March quarter was comparatively good with better operating performance and steady revenue. The digital revenue grew 2.4% QoQ and 18.7% in FY17. Management guided for low double digit revenue growth and an EBITDA margin higher than FY17.
- We find company's valuation reasonable at current levels, hence suggest our members to continue to hold the stock.



VST Tillers Tractors Ltd



Returns at CMP: +130%

QUARTERLY RESULTS ANALYSIS

- Net profit of VST Tillers Tractors declined 10.08% to Rs 17.49 crore in the quarter ended March 2017 as against Rs 19.45 crore during the previous quarter ended March 2016.
- Sales rose 11.60% to Rs 197.18 crore in the quarter ended March 2017 as against Rs 176.69 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company sales of Tillers and Tractors was muted in last couple of quarters. VST Tillers and Tractors sales is improved in June month but was lower in the month of April and May 2017 compared to same period last year.
- The company has declared dividend of Rs. 15 per share and record date for the same is 4th Aug 2017. Dividend yield at current market price of Rs. 2420 stands at 0.62%.

SARAL GYAN VIEWS & RECOMMENDATION

- Stock price has rallied by 33% during last 3 months with rising expectations on back of favourable monsoon in June, however VST Tillers is now quoting at trailing PE multiple of above 30 and looks a bit expensive.
- We suggest our members to book complete profits in VST Tillers Tractors at current market price of Rs. 2420.



Bajaj Corp Ltd



Returns at CMP: +68%

QUARTERLY RESULTS ANALYSIS

- Net profit of Bajaj Corp declined 2.93% to Rs 52.67 crore in the quarter ended March 2017 as against Rs 54.26 crore during the previous quarter ended March 2016.
- Sales declined 1.94% to Rs 204.21 crore in the quarter ended March 2017 as against Rs 208.26 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- As per management, the primary sales to the distributors have been down due to destocking at the level of wholesaler mainly on account of demonetization. Moreover, GST implementation has also created uncertainty due to which there was de-growth in overall volumes.

SARAL GYAN VIEWS & RECOMMENDATION

- In our last update, we advised our members to book complete profits at price of Rs. 410, stock has underperformed since our last update giving negative returns. Members who are holding the stock are suggested to book complete profits at current levels.



AIA Engineering Ltd



Returns at CMP: +82%

QUARTERLY RESULTS ANALYSIS

- Net profit of AIA Engineering declined 21.12% to Rs 115.12 crore in the quarter ended March 2017 as against Rs 145.95 crore during the previous quarter ended March 2016.
- Sales rose 4.82% to Rs 608.84 crore in the quarter ended March 2017 as against Rs 580.85 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- GIDC Kerala Greenfield Phase-I and Trichy Brownfield expansion effectively commissioned in Q3 FY 2016, present Installed Capacity is 3,40,000 TPA.
- GIDC Kerala, Phase-II Greenfield expected to be commissioned in two phases. First phase will add 50,000 TPA capacity in F.Y. 2017-18 while Second phase will add another 50,000 TPA capacity in F.Y. 2018-19. Taking installed capacity to 4,40,000 TPA; total Capex of Rs. 500 crores.

SARAL GYAN VIEWS & RECOMMENDATION

- We advised our members to book complete profits in the stock at price of Rs. 1200 – 1250 last year. Members who are still holding the stock can book complete profits at current levels.



Supreme Industries Ltd



Returns at CMP: +108%

QUARTERLY RESULTS ANALYSIS

- Net profit of Supreme Industries rose 29.03% to Rs 148.16 crore in the quarter ended March 2017 as against Rs 114.83 crore during the previous quarter ended March 2016.
- Sales rose 6.86% to Rs 1282.63 crore in the quarter ended March 2017 as against Rs 1200.31 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- On the earnings call, management was confident on business prospects and guided for 12- 15% volume growth led by current demand build up/run rate, increasing share of business for organized players with implementation of GST and govt. initiatives like increased spending on irrigation, water supply, focus to double farmer income, etc.
- The company continues to focus on value-added products with higher operating margin. In FY17, around 38% of sales were from value-added products compared to 37% in FY16

SARAL GYAN VIEWS & RECOMMENDATION

- We believe there will be some disruption due to implementation of GST in the short term, however it would prove beneficial for organized players like Supreme in the long run.
- As stock is trading at trailing PE multiple of 36, valuations seems to be expensive at current levels. We suggest our members to book partial profits by selling 50% of their holding at price range of Rs. 1220 – 1250 and continue to hold remaining for long term.



Dhanuka Agritech Ltd



Returns at CMP: +69%

QUARTERLY RESULTS ANALYSIS

- Net profit of Dhanuka Agritech declined 14.96% to Rs 24.22 crore in the quarter ended March 2017 as against Rs 28.48 crore during the previous quarter ended March 2016.
- Sales declined by 8.88% to Rs 157.06 crore in the quarter ended March 2017 as against Rs 172.37 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has launched three 9(3) and four 9(4) products in FY17. Two new 9(3) herbicides for horticulture will be launched in FY18. Dhanuka Agritech is well placed in the domestic market, led by a robust domestic portfolio with a focus on specialty molecules.
- A unique business model focussing on speciality molecules from global innovators, regular product launches in the fast-growing herbicide/ fungicide segments and key initiatives to spread awareness among farmers with continue to drive revenue growth.

SARAL GYAN VIEWS & RECOMMENDATION

- We believe the usage of pesticides will continue to increase going forward considering Govt thrust on increasing farm productivity and significantly lower per hectare usage of pesticides in India compared to developed countries.
- We suggest our members to continue to hold Dhanuka Agritech in their portfolio.



Mayur Uniquoters Ltd



Returns at CMP: -9%

QUARTERLY RESULTS ANALYSIS

- Operating profit for the March'17 quarter declined 25.5% YoY with margin at 20.5% versus 25.9% in the corresponding quarter last year. Net profit for the quarter declined 20.3% YoY while net profit margin stood at 14.3%, down from 17.0% in 4QFY16.
- For FY17, operating profit was down marginally by 2.2%. Operating profit margin for the year expanded to 23.5%, from 22.8% in FY16.

RECENT UPDATES & DEVELOPMENTS

- Mayur Uniquoters diversified clientele base, increasing exports sales, PU and PVC leather capacity addition augur well for company's future growth prospects. Competition from unorganised players weighed on FY17 earnings, however, we expect earnings to improve gradually.
- Management expects a demand revival from Q1FY18 in the footwear market, which is gradually ramping up post demonetisation with exports continuing to witness better growth.

SARAL GYAN VIEWS & RECOMMENDATION

- The company targets to foray into PU cloth with its new manufacturing plant in Madhya Pradesh which will be operational in 18 months from the day of commencement. Management is looking at backward integration at this facility to ensure higher profitability.
- Mayur Uniquoters is expected to gain from the GST rollout as this would enable the company to compete with the unorganised market. We suggest our members to add stock on dips with maximum portfolio allocation of 2%.



Capital First Ltd



Returns at CMP: +105%

QUARTERLY RESULTS ANALYSIS

- Net profit of Capital First rose 49.12% to Rs 70.83 crore in the quarter ended March 2017 as against Rs 47.50 crore during the previous quarter ended March 2016.
- Sales rose 34.24% to Rs 749.32 crore in the quarter ended March 2017 as against Rs 558.20 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Private equity firm Warburg Pincus LLC partly-exited Capital First Ltd by selling a 25% stake in the non-banking financial company (NBFC) through open market transactions in May 2017. With the dilution, Warburg now holds a stake of about 36% stake in Capital First.
- Cloverdell Investment Ltd, an affiliate of Warburg Pincus, sold the stake to marquee global and domestic investors, including Singapore's sovereign wealth fund GIC Pte. Ltd.

SARAL GYAN VIEWS & RECOMMENDATION

- Considering recent correction in stock price post promoters offloading their stake, decent valuations and robust long term growth prospects, we suggest our members to Buy Capital First with initial portfolio allocation of 2%, which can be increased to maximum 4% in case of correction in stock price by 10% to 15% from current levels.



Credit Analysis & Research Ltd



Returns at CMP: +1%

QUARTERLY RESULTS ANALYSIS

- Net profit of Credit Analysis & Research rose 8.22% to Rs 38.45 crore in the quarter ended March 2017 as against Rs 35.53 crore during the previous quarter ended March 2016.
- Sales rose 1.52% to Rs 76.38 crore in the quarter ended March 2017 as against Rs 75.24 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Credit rating agency Crisil has purchased 26,22,430 equity shares in domestic CARE Ratings Ltd (CARE), representing 8.9 per cent of its equity share capital. The investment has been made pursuant to a bid process conducted by Canara Bank.
- As per Crisil, this stake purchase is an investment in the excellent long-term prospects of the credit rating sector in India. The prospects for the sector are driven by the significant demand for capital investments and infrastructure financing in India over the long term.

SARAL GYAN VIEWS & RECOMMENDATION

- With falling interest rates and expected revival in capex by corporates, we believe bank credit growth will pick up in coming quarters which will augur well for revenue growth of the company.
- Stock is currently trading at trailing PE of 33 times, however valuations seems discounted compared to peers and looks reasonably valued, we suggest our members to continue to hold the stock in their portfolio.



JB Chemicals & Pharmaceuticals



Returns at CMP: +46%

QUARTERLY RESULTS ANALYSIS

- Net profit of J B Chemicals & Pharmaceuticals declined 16.60% to Rs 42.15 crore in the quarter ended March 2017 as against Rs 50.54 crore during the previous quarter ended March 2016.
- Sales rose 1.16% to Rs 306.26 crore in the quarter ended March 2017 as against Rs 302.76 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The Board of Directors of J B Chemicals & Pharmaceuticals at its meeting held on 23 May 2017 has approved the Buy-back of up to 12,50,000 fully paid up Equity Shares of face value of Rs. 2 each by the Company (representing 1.47% of the total paid up Equity Share capital of the Company) at a price of Rs. 400 per equity share payable in cash for a total consideration not exceeding Rs. 50 crores.

SARAL GYAN VIEWS & RECOMMENDATION

- The approval by the USFDA for the company's ANDA for Glipzide extended release tablets, 2.5 mg, 5 mg and 10 mg is positive development and expected to augur well for the company.
- The company has undertaken an expansion plan in domestic formulation business and thus plans to make sizeable addition to the field strength as well as launch of new products. The capex for this expansion is around 140 crores and is expected to be funded by internal accruals. We advise our members to continue to hold the stock.



Somany Ceramics Ltd



Returns at CMP: +99%

QUARTERLY RESULTS ANALYSIS

- Net profit of Somany Ceramics declined 4.07% to Rs 25.00 crore in the quarter ended March 2017 as against Rs 26.06 crore during the previous quarter ended March 2016.
- Sales rose 8.38% to Rs 559.57 crore in the quarter ended March 2017 as against Rs 516.31 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has reported revenue growth of 6.7% in FY17 on YoY basis, PBT margins at 7.5% and PAT margins at 4.7%. Board of Directors have recommended a Dividend of Rs. 2.70 per equity share.
- Recent Government measures addressed through announcement for Infrastructure creation, Affordable Housing and Implementation of GST are expected to give fresh impetus to the entire Buildings Material Sector.

SARAL GYAN VIEWS & RECOMMENDATION

- The valuations look stretched as the stock is currently quoting at around 38 times last 12 months consolidated post-tax earnings.
- We suggest our members to book complete profits in Somany Ceramics around Rs. 600 – 620 in our last update. Members who are still holding the stock are advised to book complete profits.



Suven Life Sciences Ltd



Returns at CMP: -16%

QUARTERLY RESULTS ANALYSIS

- Net profit of Suven Life Sciences rose 7.77% to Rs 40.07 crore in the quarter ended March 2017 as against Rs 37.18 crore during the previous quarter ended March 2016.
- Sales rose 3.32% to Rs 175.00 crore in the quarter ended March 2017 as against Rs 169.37 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Currently, Suven has 116 projects in CRAMS out of which 70 are in phase I, 41 in phase II, 2 in phase III and 3 in commercial stage. As per the management, even one commercially successful molecule or movement of molecule from one phase to another can bring significant growth in the top line of the company.
- Suven has filed several ANDAs with the USFDA in collaboration with its customers and is working on 8 more molecules for ANDA filing. Considering the filings already made and in pipelines, the management expects robust growth in revenues with ANDA approvals.

SARAL GYAN VIEWS & RECOMMENDATION

- The company's EBITDA margins have improved from 15% to around 30% over last 5 years. The management expects to sustain 30% EBITDA margins.
- Company is almost debt free and currently trading at trailing PE multiple of 18 and looks attractively priced, we suggest our members to add Suven Life Sciences at current levels with maximum portfolio allocation of 3%.



Repco Home Finance Ltd



Returns at CMP: +39%

QUARTERLY RESULTS ANALYSIS

- Net profit of Repco Home Finance rose 19.82% to Rs 50.59 crore in the quarter ended March 2017 as against Rs 42.22 crore during the previous quarter ended March 2016.
- Sales rose 15.20% to Rs 266.33 crore in the quarter ended March 2017 as against Rs 231.18 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Repco Home Finance is expanding its geographical footprint. With presence in 11 states and 1 union territory with 125 branches and 32 satellite centres, company focus is to increase penetration in existing region and selectively enter new region.
- As the company focus on underserved markets, especially the self-employed in Tier II and III cities. Factors like low mortgage penetration, govt impetus on Housing for All and incentives for affordable housing are expected to augur well for the company.

SARAL GYAN VIEWS & RECOMMENDATION

- Loan book growth has declined in the last few quarters. However, with a supply push from the govt and improving asset quality, we expect growth rate to improve. GNPA for home loan book improved from 3.7% in 3Q to 2.3% in the current year. Similarly, for non-home loans, GNPA improved from 6.2% to 3.9% in the quarter.
- We suggest our members to Buy Repco Home Finance in price range of Rs. 720 – 760 and add more on dips with maximum portfolio allocation of 3%.



Wim Plast Ltd



Returns at CMP: +83%

QUARTERLY RESULTS ANALYSIS

- Net profit of Wim Plast rose 1.38% to Rs 16.11 crore in the quarter ended March 2017 as against Rs 15.89 crore during the previous quarter ended March 2016.
- Sales rose 1.38% to Rs 101.03 crore in the quarter ended March 2017 as against Rs 99.65 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company at its meeting held on 26 May 2017, has recommended dividend of Rs. 7 per shares for the financial year ended 31 March 2017.
- Wim Plast consumes Polypropylene as the major raw material for its products manufactured. Polypropylene, being a crude derivative, witnessed a drop in the price due to the fall in the crude oil prices which is expected to benefit the company with increase in operating margins.

SARAL GYAN VIEWS & RECOMMENDATION

- Strong positioning of Cello brand and wide distribution network across country will help Wim Plast to maintain its operating margins in coming years. With debt free status and strong cash flows, we believe management will invest in new avenues going forward.
- Considering strong financials of the company and air cooler business as company's next growth driver in coming years, we advise our members to continue to hold the stock.



Insecticides India Ltd



Returns at CMP: +17%

QUARTERLY RESULTS ANALYSIS

- Net profit of Insecticides India rose 1139.58% to Rs 5.95 crore in the quarter ended March 2017 as against Rs 0.48 crore during the previous quarter ended March 2016.
- Sales declined 1.19% to Rs 175.98 crore in the quarter ended March 2017 as against Rs 178.10 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- In Jan 2017, Insecticides India tied up with Japan's Nihon Nohyaku Co Ltd for launching of new generation insecticides for different crops under the brand name SUZUKA. The company plans to introduce one more brand HAKKO, an insecticide for BPH in paddy crop.
- Under this tie up, Insecticides India would market SUZUKA, the new generation insecticide flubendiamide 20 per cent SG of Nihon Nohyaku, Japan, which is an effective solution for control of lepidopteran pests in different crops like pulses, vegetables and paddy.

SARAL GYAN VIEWS & RECOMMENDATION

- Stock is currently trading at trailing PE multiple of 24 and looks fairly valued. We suggested our members to sell Insecticides India in our last update. Members who are still holding the stock can book complete profits by selling it at price range of Rs. 660 – 700.



Monte Carlo Fashions Ltd



Returns at CMP: -2%

QUARTERLY RESULTS ANALYSIS

- Monte Carlo Fashions reported loss of Rs 7.06 crore in the quarter ended Mar 2017 as against loss of Rs 68 lakh during the previous quarter ended March 2016.
- Sales rose 48.18% to Rs 95.37 crore in the quarter ended March 2017 as against Rs 64.36 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company is focusing on a comprehensive range of cotton and cotton-blended products which cater to all seasons in-order to expand its all-season product range and strengthen its pan-India operations
- As per management, there is no major capex requirement for over next 2 years. Average sustaining capex is to be in the range of INR 100-150 mn on yearly basis in the next two years which will result in improvement of return ratios.

SARAL GYAN VIEWS & RECOMMENDATION

- In spite of various initiatives taken, the management has failed to meet its guidance in past. With more no. of players entering into branded retail segment, we believe company will continue to face stiff competition going forward.
- At current price of Rs. 547, stock is quoting at 28 times trailing twelve months earnings and looks expensive compared to other listed players in the Industry. We suggest our members to sell Monte Carlo Fashions and exit completely from the stock.



Granules India Ltd



Returns at CMP: +16%

QUARTERLY RESULTS ANALYSIS

- Net profit of Granules India rose 38.44% to Rs 45.67 crore in the quarter ended March 2017 as against Rs 32.99 crore during the previous quarter ended March 2016.
- Sales declined 4.18% to Rs 355.25 crore in the quarter ended March 2017 as against Rs 370.76 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Granules is planning to file around 25-30 ANDAs in US till FY19. As per management, out of this around 10-15 complex ANDAs will be filed from its US based Virginia facility and rest of them will be filled from India facility located in Gagilapur.
- The company is coming up with a Greenfield multi-product API capacity at Vizag to support the growing need of internal consumption and new filings.

SARAL GYAN VIEWS & RECOMMENDATION

- The company has invested heavily in R&D. With the acquisition of the Virginia facility in the US, it now has two R&D centers - one in Vizag for developing normal ANDAs and one in Virginia for developing complex ANDAs.
- With improvement in business mix and higher operating leverage, overall EBITDA margin is likely to expand over next 12 to 24 months. We suggest our members to continue to hold Granules India in their portfolio.



Greenply Industries Ltd



Returns at CMP: +42%

QUARTERLY RESULTS ANALYSIS

- Net profit of Greenply Industries rose 0.50% to Rs 41.87 crore in the quarter ended March 2017 as against Rs 41.66 crore during the previous quarter ended March 2016.
- Sales declined 0.33% to Rs 446.58 crore in the quarter ended March 2017 as against Rs 448.06 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company's step-down subsidiary GREENPLY GABON SA, Gabon, West Africa has commenced commercial production of Veneer, at its manufacturing unit at Nkok SEZ, Gabon, West Africa. The company's MDF plant in Andhra Pradesh is progressing as per schedule and is expected to get commissioned by third quarter of FY2019.
- The promoters have decreased their shareholding in the company from 54.13% in Dec'16 quarter to 51.03% in Mar'17 quarter.

SARAL GYAN VIEWS & RECOMMENDATION

- As per management, its expect to achieve revenue growth of 5% to 7% in FY18 with improvement in margins by 50 basis points. However, it would depend on the excise refund mechanism that company has for its products.
- The stock is currently trading at trailing PE multiple of 25 and look fairly valued. Considering lower than expected guidance from management, we suggest our members to book complete profits in Greenply Industries around Rs. 280 to 290.



Ratnamani Metals & Tubes Ltd



Returns at CMP: +29%

QUARTERLY RESULTS ANALYSIS

- Net profit of Ratnamani Metals & Tubes declined 14.99% to Rs 39.82 crore in the quarter ended March 2017 as against Rs 46.84 crore during the previous quarter ended March 2016.
- Sales declined 23.38% to Rs 388.43 crore in the quarter ended March 2017 as against Rs 506.97 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has bagged two new orders aggregating to Rs.328.00 crores for supply of HSAW pipes of Rs.116.00 crores and supply of ERW pipes of Rs.212.00 crores for Oil and Gas Pipe lines to be completed by Dec 2017/Jan 2018.
- Promoters have decreased their shareholding in the company from 60.27% in Dec'16 quarter to 60.09% in Jun'17 quarter.

SARAL GYAN VIEWS & RECOMMENDATION

- With increase in competition in stainless steel segment, we expect profit margins of the company will continue to remain under pressure in coming quarters.
- Currently stock is trading around 27 times trailing 12 months earnings and looks expensive considering commodity nature of business. We suggest our members to book complete profits in Ratnamani Metals & Tubes at current price of Rs. 831.



Va Tech Wabag Ltd



Returns at CMP: -6%

QUARTERLY RESULTS ANALYSIS

- Net profit of Va Tech Wabag rose 16.26% to Rs 75.73 crore in the quarter ended March 2017 as against Rs 65.14 crore during the previous quarter ended March 2016.
- Sales rose 33.34% to Rs 1131.74 crore in the quarter ended March 2017 as against Rs 848.75 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Order intake for Q4FY17 was at around Rs. 868 crore. Execution in the overseas segment witnessed a healthy pick-up, it has contributed around 64% to topline in FY17.
- The management has indicated that all overseas projects are progressing as per schedule. In the overseas market, the management is seeing good traction from Southeast Asia, Latin America, Middle East regions and Sub-Saharan regions.

SARAL GYAN VIEWS & RECOMMENDATION

- With growing concern on access to clean water and urgent measures to solve the issue of depleting water resources, the investment in water treatment is likely to increase manifold globally. Accordingly, Wabag is expected to benefit significantly by leveraging its strong domestic presence and rising global footprint.
- Valuations are reasonable considering strong order book and lean balance sheet, we advise our members to stay invested in Va Tech Wabag for long term.



Heritage Foods Ltd



Returns at CMP: +92%

QUARTERLY RESULTS ANALYSIS

- Net profit of Heritage Foods declined 18.61% to Rs 14.69 crore in the quarter ended March 2017 as against Rs 18.05 crore during the previous quarter ended March 2016.
- Sales rose 10.43% to Rs 677.35 crore in the quarter ended March 2017 as against Rs 613.37 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has acquired the dairy business of Reliance Retail that added about 1.7 lakh litres per day in terms of milk procurement and about lakh and a half litres per day in terms of sales and helped Heritage Foods make inroads into new states, both in western and northern India.
- As per management, the company would be setting up five processing plants over the next 5 years with investment of Rs. 20 to 30 crores for each unit. By 2022, Heritage Foods would handle about 30 lakh litres of milk per day as against 18 lakh litres at present.

SARAL GYAN VIEWS & RECOMMENDATION

- As milk is exempted from GST, Heritage Foods is expected to benefit the most considering it drives over 95 per cent of its revenue from milk and milk products
- The company is focusing on value added products and aiming to increase the revenue contribution of value added products from 24% to 40% with improvement in operating margins. The stock price is currently quoting at 37 times trailing twelve months earnings. We suggest to Buy Heritage Foods with initial allocation of 2% and add more in case of correction stock price by 10% or more with maximum portfolio allocation of 4%.



Anuh Pharma Ltd



Returns at CMP: -37%

QUARTERLY RESULTS ANALYSIS

- Net profit of Anuh Pharma declined 11.09% to Rs 4.57 crore in the quarter ended March 2017 as against Rs 5.14 crore during the previous quarter ended March 2016.
- Sales declined 22.01% to Rs 54.70 crore in the quarter ended March 2017 as against Rs 70.14 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company at its meeting held on 26 May 2017 have recommended a final dividend of 50% i.e. Rs. 2.50 per equity share of Rs. 5 each for the year ended on March 31, 2017
- Promoters are continuously increasing their stake in the company. Over last 12 months, promoters have increased their shareholding by 0.59% (from 70.98% in Mar'16 to 71.57% as on Mar'17).

SARAL GYAN VIEWS & RECOMMENDATION

- Anuh Pharma has posted dismal performance in March quarter. However, the company is expected to perform better in coming quarters. The company has been granted EUGMP certificate by ANSM, France for Erythromycin and Pyrazinamide in Dec'16.
- Considering recent correction in stock price, valuation of the company turns reasonable at current levels with limited downside risk. We suggest our members to continue to hold the stock in their portfolio.



Can Fin Homes Ltd



Returns at CMP: +240%

QUARTERLY RESULTS ANALYSIS

- Net profit of Can Fin Homes rose 49.36% to Rs 70.87 crore in the quarter ended March 2017 as against Rs 47.45 crore during the previous quarter ended March 2016.
- Sales rose 22.29% to Rs 360.79 crore in the quarter ended March 2017 as against Rs 295.04 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The board of Directors has considered and approved the sub division (split) of equity shares of the company of face value of Rs. 10 each into 5 equity shares of face value of Rs. 2 each.
- Dividend of Rs.10 per share i.e. 100% on equity shares of Rs.10 each was declared by the company at the 30th Annual General Meeting held on June 28, 2017. The dividend has been paid out, dividend settlement date was 01 July 2017.

SARAL GYAN VIEWS & RECOMMENDATION

- Can Fin Homes continue to report healthy asset quality. In Q4FY17, company's gross NPAs and net NPAs has improved to 0.21% (0.24% QoQ) & 0.0% (0.01% QoQ). It has negligible credit cost from last three years. However, we expect credit cost should increase over the period due to rising non-housing loan portfolio.
- We suggest our members to continue to hold Can Fin Homes in their portfolio keeping a long term view. Can Fin Homes is one of the best play in housing finance sector and expected to outperform major indices giving better returns to long term investors.



Indo Count Industries Ltd



Returns at CMP: -17%

QUARTERLY RESULTS ANALYSIS

- Net profit of Indo Count Industries declined 28.09% to Rs 48.80 crore in the quarter ended March 2017 as against Rs 67.86 crore during the previous quarter ended March 2016.
- Sales declined 5.34% to Rs 467.51 crore in the quarter ended March 2017 as against Rs 493.87 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- With Indo Count Retail Venture, the company has launched its domestic home textile brand "Boutique Living" in India in October 2016. Boutique Living : is a B2B Brand and is sold through Multi Brand Outlets (MBOs), Large Format Stores (LFS) and E-Commerce in India
- The Board of Directors declared a final dividend of Rs. 0.40 per equity share for financial year 2016-17, in addition to an interim dividend of Re. 0.40 per equity share declared and paid during the Financial Year 2016-17.

SARAL GYAN VIEWS & RECOMMENDATION

- With aggressive capacity expansion plans, foray into newer products like fashion, institutional linens, utility bedding and launch of Indo count retail ventures under the brand Boutique Living in Indian market, the company has significant scope of growth.
- We expect company to perform better in coming quarters, hence suggest to continue to hold Indo Count Industries.



Inox Leisure Ltd



Returns at CMP: +35%

QUARTERLY RESULTS ANALYSIS

- EBITDA of Inox Leisure increased by 72% to Rs 25.1 crore in the quarter ended March 2017 as against Rs 14.6 crore during the previous quarter ended March 2016.
- Sales rose 14% to Rs 288.5 crore in the quarter ended March 2017 as against Rs 252.4 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- During the quarter, the company has added five properties with 22 screens and 5,028 seats. With this its total opening for FY2017 was at 11 properties with 48 screens and 10,279 seats.
- For the full year FY2017 footfalls increased by 1% from 534 lakhs to 537 lakhs and occupancy fell from 29% to 28%. The average ticket price went up by 5% from Rs.170 in FY2016 to Rs.178 in FY2017.

SARAL GYAN VIEWS & RECOMMENDATION

- Considering significant scope of growth with improvement in margins from F&B segment, strong earning visibility with new screens addition pipeline backed by signed agreements and well distributed pan India presence, we expect company to perform even better in coming quarters.
- We suggest our members to continue to hold the stock in the portfolio.



GHCL Ltd



Returns at CMP: +39%

QUARTERLY RESULTS ANALYSIS

- Net profit of GHCL rose 44.81% to Rs 113.11 crore in the quarter ended March 2017 as against Rs 78.11 crore during the previous quarter ended March 2016.
- Sales rose 28.31% to Rs 824.40 crore in the quarter ended March 2017 as against Rs 642.51 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company plans to invest Rs. 700 crore in core business of Soda Ash for 2.5 Lakh MT expansion, it has already spent Rs. 300 crore (completed 1 Lakh MT).
- In home textile segment, board has approved processing capacity expansion by 25% (i.e 45 Mn Meter from 36 Mn Meter) by FY18 which will lead to volume and margin improvement.

SARAL GYAN VIEWS & RECOMMENDATION

- Half of the soda ash capacity is present in China. Huge decline of around 75% in import from China in India was observed during FY7 which is expected to augur well for the company.
- Considering significant scope of revenue growth with new capacity additions and steady margins in soda ash business and attractive valuations, we suggest our members to Buy GHCL on dips with maximum portfolio allocation of 3%.



Sonata Software Ltd



Returns at CMP: -5%

QUARTERLY RESULTS ANALYSIS

- Net profit of Sonata Software declined 0.98% to Rs 40.43 crore in the quarter ended March 2017 as against Rs 40.83 crore during the previous quarter ended March 2016.
- Sales rose 30.94% to Rs 708.32 crore in the quarter ended March 2017 as against Rs 540.95 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- IITS business is expected to grow at mid double-digit CAGR over FY17-19E, while margins will be in the range of 18-19%. Turnaround in IBIS acquisition and higher IP-led revenue will act as margin levers.
- There will be no significant impact of the proposed changes in H1B visa regulations. Only around 60 people are on H1B (1.5% of employees).

SARAL GYAN VIEWS & RECOMMENDATION

- Management aims to double revenues in the next four years, which is possible because of lower revenue base and decent portfolio of scalable IP's. Domestic product and services division margin contracted in FY17 to 3.3% as the company has invested in its business and took large orders at lower margins. There is a scope for margin recovery, which will be visible in coming quarters. We suggest our members to continue to hold the stock.



SML Isuzu Ltd



Returns at CMP: -11%

QUARTERLY RESULTS ANALYSIS

- Net profit of SML ISUZU declined 46.91% to Rs 8.85 crore in the quarter ended March 2017 as against Rs 16.67 crore during the previous quarter ended March 2016.
- Sales rose 16.24% to Rs 371.13 crore in the quarter ended March 2017 as against Rs 319.27 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- SML launched the Executive Ex Coach and Ecomax in 3Q. The Ecomax bus, designed for tour and travel operators, and staff shuttle ops, is gaining good traction. This bus is competing with Force Traveler, City Ride and Mahindra Tourister.
- The company's existing range spans 5.5-12 tonners in cargo and upto 16 tonners in buses. In long-term, company plans to become a player in the 5.5-49 tonne range, with technical support from Isuzu.

SARAL GYAN VIEWS & RECOMMENDATION

- Top-line grew by 16%, aided by growth in volumes (+16%). In 4Q, the company has taken back 275 BS 3 vehicles that were lying with dealers, thereby adjustment of Rs. 222 million was made in 4Q revenue.
- We expect growth in June quarter to remain subdued because to pre-buying of BSIII vehicles, however as long term growth prospects are robust, we suggest our members to add SML Isuzu on dips with maximum portfolio allocation of 3%.



Accelya Kale Solutions Ltd



Returns at CMP: +8%

QUARTERLY RESULTS ANALYSIS

- Net profit of Accelya Kale declined 2.63% to Rs 22.55 crore in the quarter ended March 2017 as against Rs 23.16 crore during the previous quarter ended March 2016.
- Sales rose 7.34% to Rs 94.60 crore in the quarter ended March 2017 as against Rs 88.13 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Accelya Kale has recently acquired Anari, an independent business providing SaaS-based revenue integrity services as well as airline commercial insight consultancy based in the UK. Anari develops and delivers solutions that take operational data and transform it into actionable intelligence.
- Accelya and Mercator (a global provider of product-enabled solutions) to the travel and transportation industry is now a combined group, creating a leading global technology-enabled solutions provider to airlines, travel agents and freight forwarders.

SARAL GYAN VIEWS & RECOMMENDATION

- Warburg Pincus, which acquired Accelya and Mercator has announced its intention to combine the two, this is a positive as Warburg Pincus becomes the majority shareholder.
- Growing air traffic, aided by lower crude oil prices, augurs well for niche airline solutions providers like Accelya Kale as it helps airline and travel companies manage their financial processes and gain insights into gather business. We suggest our members to continue to hold the stock.



Banco Products Ltd



Returns at CMP: +4%

QUARTERLY RESULTS ANALYSIS

- Net profit of Banco Products (India) declined 67.41% to Rs 7.03 crore in the quarter ended March 2017 as against Rs 21.57 crore during the previous quarter ended March 2016.
- Sales rose 3.42% to Rs 297.13 crore in the quarter ended March 2017 as against Rs 287.30 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company in meeting held on May 22, 2017 has decided to recommend final dividend @ 200% i.e. Rs.4 per equity shares of Rs. 2 each (in addition to interim dividend of 250% i.e. Rs.5 per equity share paid in Jan 2017) for the financial year ended on March 31, 2017.
- Banco Products has been continuously investing in Research & Development to develop value engineering products. Company has modernized its manufacturing facilities to enable it to produce complex cooling modules of higher quality standards.

SARAL GYAN VIEWS & RECOMMENDATION

- Banco's wide range of core configurations cover all applications, and enable OEM customers to successfully migrate to Euro IV standards.
- On the back of expected growth in domestic CV industry with increase in production of vehicles as per Euro IV standards, we expect the revenue of Banco Products to grow over next 12 to 18 months with better operating margins. We suggest our members to continue to hold the stock.



GIC Housing Finance Ltd



Returns at CMP: +92%

QUARTERLY RESULTS ANALYSIS

- Net profit of GIC Housing Finance rose 29.94% to Rs 46.61 crore in the quarter ended March 2017 as against Rs 35.87 crore during the previous quarter ended March 2016.
- Sales rose 14.12% to Rs 266.02 crore in the quarter ended March 2017 as against Rs 233.10 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Gross NPAs of GIC Housing Finance was at 2.33% by end of March quarter against 1.76% at the end of March 2016.
- As per the management, the company has stopped accepting EMI payment in cash which has caused some distress. However, management is confident to bring down NPA to lower levels in coming quarters.

SARAL GYAN VIEWS & RECOMMENDATION

- In FY17, the company's loan portfolio grew by 17% with 19% increase in housing loan portfolio and 10% increase in Loan against Property portfolio. As guided by management, the company has reduced its focus on LAP due to higher stress in its LAP portfolio.
- Considering Government thrust on affordable housing, we believe GIC Housing Finance to sustain its growth in coming quarters. As valuations seems reasonable compared to other housing finance companies, we suggest our members to continue to hold the stock.



Star Cement Ltd



Returns at CMP: +68%

QUARTERLY RESULTS ANALYSIS

- Net profit of Star Ferro & Cement rose 11.15% to Rs 20.63 crore in the quarter ended December 2016 as against Rs 18.56 crore during the previous quarter ended December 2015.
- Sales declined 8.28% to Rs 392.79 crore in the quarter ended December 2016 as against Rs 428.24 crore during the previous quarter ended December 2015.

RECENT UPDATES & DEVELOPMENTS

- The Board of Directors of Star Cement at their meeting held on 22 March 2017 has fixed 3 April 2017 as the Record date for the purpose of determining the members of the Star Ferro and Cement to whom Equity Shares in Star Cement (Transferee Company) was issued and allotted in the ratio of 1.33 Equity Share of Re.1 each fully paid up for every 1 Equity Share held in Star Ferro and Cement (Transferor Company)
- Post amalgamation, equity shares of Star Cement got listed on BSE & NSE on 16th Jun'17.

SARAL GYAN VIEWS & RECOMMENDATION

- We recommended Star Ferro and Cement earlier to amalgamation around Rs. 100. Post amalgamation, members have received 1.33 equity share of Star Cement for every 1 equity share of Star Ferro and Cement. Considering adjusted price post amalgamation, stock has delivered 68% returns in last 7 months.
- We advise our members to book complete profits in Star Cement around Rs. 125 – 130 levels.



Datamatics Global Ltd



Returns at CMP: -19%

QUARTERLY RESULTS ANALYSIS

- Net profit of Datamatics Global Services rose 109.46% to Rs 39.21 crore in the quarter ended March 2017 as against Rs 18.72 crore during the previous quarter ended March 2016.
- Sales rose 4.21% to Rs 229.54 crore in the quarter ended March 2017 as against Rs 220.26 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Datamatics Global has acquired a controlling stake in TechJini, a boutique mobile and web application development company, headquartered in Bangalore. The objective of this acquisition is to further strengthen Datamatics mobility offerings through TechJini's range of smart technology solutions.
- The company at its meeting held on May 23, 2017 has recommended final dividend of Rs. 0.75 [15%] per equity share for the financial year ended March 31, 2017.

SARAL GYAN VIEWS & RECOMMENDATION

- Promoters have increased their shareholding in the company from 71.23% in Dec quarter to 73.03% in March quarter.
- Datamatics Global is currently trading at trailing PE multiple of 7.3 with price to book value of 1.3 and looks attractive from valuations perspective. We suggest our members to add stock on dips with maximum portfolio allocation of 3%.



V2 Retail Ltd



Returns at CMP: +26%

QUARTERLY RESULTS ANALYSIS

- Net Loss of V2 Retail reported to Rs 1.75 crore in the quarter ended March 2017 as against net loss of Rs 2.48 crore during the previous quarter ended March 2016.
- Sales rose 35.03% to Rs 107.20 crore in the quarter ended March 2017 as against Rs 79.39 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Operational EBIDTA grew by 129% YoY in Q4FY17 from Rs. 1.2 crores to Rs. 2.7 crores. Operational EBIDTA margins improved from 1.5% to 2.5% during the quarter.
- Company's stores count increased from 22 Stores in FY16 to 37 stores in FY17. A Net addition of 15 stores during the year. The Company operates 37 stores spread across 13 states with a total retail area in excess of 4.60 lac Sq. Ft.

SARAL GYAN VIEWS & RECOMMENDATION

- During the Financial Year 2016-17, company has substantially reduced its Borrowings / Outstanding loan from Rs. 98.44 crores to Rs. 8.76 crores.
- We expect company to perform well in coming quarters with focus on increasing same stores sales growth and developing own brands and increasing share of private label. Stock is currently trading at trailing PE multiple of 20 and looks reasonably valued, we suggest our members to continue to hold V2 Retail in their portfolio.



Minda Corporation Ltd



Returns at CMP: +29%

QUARTERLY RESULTS ANALYSIS

- Net profit of Minda Corporation declined 27.75% to Rs 19.08 crore in the quarter ended March 2017 as against Rs 26.41 crore during the previous quarter ended March 2016.
- Sales rose 18.70% to Rs 752.13 crore in the quarter ended March 2017 as against Rs 633.64 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has booked significant orders in March quarter. Total orders booked worth Rs. 258 crores comprising Domestic order of Rs. 184 crores and exports order of Rs. 74 crores.
- The company has inaugurated the new plant at Queretaro Industrial Park-II Puerto, Mexico in April 2017.

SARAL GYAN VIEWS & RECOMMENDATION

- Minda Corporation continue to focus on increasing export business and expanding overseas operations and targets to improve return on capital employed from 11.7% in FY16-17 to above 20% over next 3 to 4 years.
- Considering strong growth prospects of the company with strong focus on new customer additions, unaddressed and emerging vehicle segment, we suggest to continue to hold the stock for medium to long term.



Balaji Amines Ltd



Returns at CMP: -8%

QUARTERLY RESULTS ANALYSIS

- Net profit of Balaji Amines declined 23.44% to Rs 17.87 crore in the quarter ended March 2017 as against Rs 23.34 crore during the previous quarter ended March 2016.
- Sales rose 7.34% to Rs 193.14 crore in the quarter ended March 2017 as against Rs 179.94 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The company has received approval from Ministry of Environment, Forest and Climate Change, Govt. of India for its Expansion Project which includes Acetonitrile (ACN), Morpholine (MOR) & Di Methyl Amine Hydrochloride (DMAHCL) products, situated at Plot No.E-7 & 8, MIDC Chincholi, Tal. Mohol, Dist. Solapur, Maharashtra
- The Company in its meeting held on May 11, 2017 has recommended annual dividend of Re. 2.20 per equity share i.e. 110% on face value of Rs. 2 per share.

SARAL GYAN VIEWS & RECOMMENDATION

- The recent approval received from Govt will help company to significantly increase its production and market share in Acetonitrile, Morpholine and DMAHCL.
- Stock is currently trading at trailing PE multiple of 14 and looks attractive as a long term investment opportunity. We suggest our members to invest in Balaji Amines and add more on dips with maximum portfolio allocation of 3%.



Swaraj Engines Ltd



Returns at CMP: +30%

QUARTERLY RESULTS ANALYSIS

- Net profit of Swaraj Engines rose 29.82% to Rs 15.28 crore in the quarter ended March 2017 as against Rs 11.77 crore during the previous quarter ended March 2016.
- Sales rose 41.04% to Rs 160.77 crore in the quarter ended March 2017 as against Rs 113.99 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- Considering emerging demand scenario in the coming years and to timely cater the upcoming demand of its key customers, the company is increasing its capacity to 1,20,000 per annum from existing 1,05,000 per annum. The capacity expansion will be fully financed through the internal resources.

SARAL GYAN VIEWS & RECOMMENDATION

- At current price of 2337, stock is available at forward P/E multiple of 30.7X based on FY18-19 earnings which makes it fairly valued at current levels.
- Considering structural drivers in place with significant room for growth in tractor Industry, given the lower penetration of tractors and increased focus on farm mechanization with good monsoon so far, we suggest our members to continue to hold the stock.



Sutlej Textiles Ltd



Returns at CMP: +1%

QUARTERLY RESULTS ANALYSIS

- Net profit of Sutlej Textiles and Industries declined 34.65% to Rs 33.27 crore in the quarter ended March 2017 as against Rs 50.91 crore during the previous quarter ended March 2016.
- Sales rose 8.91% to Rs 597.67 crore in the quarter ended March 2017 as against Rs 548.77 crore during the previous quarter ended March 2016.

RECENT UPDATES & DEVELOPMENTS

- The board of directors recently recommended sub-division of equity shares of the company. Equity shares of the company with face value of Rs. 10, shall be sub-divided into equity shares with face value of Rs. 1 subject to approval of the shareholders. The Record date for sub-division of the equity shares will be announced in due course.
- The company commenced commercial production of 35,280 spindles for producing value added Yarn at Bhawanimandi. This is a dedicated capacity focused towards producing Value Added Cotton blended dyed and Mélange Yarn.

SARAL GYAN VIEWS & RECOMMENDATION

- At current price of 914, stock is available at forward P/E multiple of 6.2X based on FY18-19 earnings which makes it attractively valued at current levels.
- Considering massive capacity expansion in yarn as well as home textiles business, robust growth outlook for the company with improvement in EBIDTA margins with higher contribution from value added cotton yarn and home textiles, we suggest to buy Sutlej Textiles with maximum portfolio of allocation of 3%.

ABOUT SARAL GYAN CAPITAL SERVICES

Saral Gyan Capital Services is an independent equity research firm. We publish unbiased thoroughly researched reports that enhance the visibility of innovative public companies in micro, small & mid cap space. Our reports, [Hidden Gems](#) & [Value Picks](#), are distributed to our subscribers through our website.

Hidden Gems & Value Picks are highly detailed reports that is written to be easily understood by the financial community. We also circulate articles via free email & mobile subscription which works as a guide and provide insights to equity market.

We also offer [15% @ 90 Days](#), which works on buy to sell and gain strategy for short term profits. The stocks under 15% @ 90 DAYS are selected on the basis of technical analysis done by our equity analysts.

[Wealth-Builder](#) is our offline portfolio management service which includes best of Hidden Gems, Value Picks & 15% @ 90 Days stocks. Our equity analysts will suggest you the best of Hidden Gems & Value Picks stocks which you can hold in your portfolio with minimum churning. This also helps you avoid paying extra brokerage cost on your transactions.

Our research reports are written by a team of equity analysts who recognize investor's desire to understand a business in a way that supports an educated investment decision based on facts. Our reports contain meticulously researched facts on companies, their fundamentals, and their industries, validating a company's prospects and enabling the reader to objectively evaluate the company's value.

At **Saral Gyan**, research is taken as a creative work by team of professionals on systematic basis in order to increase the wealth of knowledge. We believe that research is a necessity and forms the basic foundation upon which advice is made with reference to particular stocks with recommendations on buy or sell or hold.

Saral Gyan Capital Services

Office: 159 B, Near Ganesh Square,
Sadar Cantt, Jabalpur
482001

Saral Gyan Capital Services





Branch Office: 9/2, New Ashish Nagar,
Near Bengali Square, Indore
452016



www.saralgyan.in

Saral Gyan Capital Services

SARAL GYAN SUBSCRIPTION SERVICES

SERVICE	INVESTMENT HORIZON	MARKET CAP / INDEX	NUMBER OF RECOMMENDATIONS	SELECTION CRITERIA	SUGGESTED ALLOCATION *	1 YEAR SUBSCRIPTION PLAN
 HIDDEN GEMS Know More Sample	1 - 3 Yrs	Small / Micro Cap (BSE Small Cap)	12 per year	Growth / Value (Mkt Cap < Rs. 500 Crs)	10% - 25%	Rs. 10,000 (\$180) SUBSCRIBE!
 VALUE PICKS Know More Sample	1 - 3 Yrs	Mid Cap (BSE Mid Cap)	12 per year	Growth / Value (Mkt Cap: Rs. 1,000 - 10,000 Crs)	20% - 40%	Rs. 6,000 (\$110) SUBSCRIBE!
 15% @ 90 DAYS Know More Sample	3 Months	Mid Cap (BSE - 500)	12 per year	Technical Analysis / Recent Developments	Not Applicable	Rs. 4,000 (\$75) SUBSCRIBE!
 WEALTH-BUILDER <small>An Offline Portfolio Management Service</small> Know More Sample	3 - 7 Yrs	Across Market Caps	12 - 18 Portfolio Updates per year	Long Term Wealth Creation	10 - 15 Stocks	Rs. 20,000 (\$360) SUBSCRIBE!

- Suggested allocation - This is the percentage of funds that you could allocate (out of your total equity portfolio) to each category of stocks. Please note that these allocations are purely indicative.

Looking for guidance on which service to opt for? Or have any other query?

Please [write to us](#), we will be delighted to assist you!

DISCLAIMER

This document has been prepared by the equity analysts of Saral Gyan Capital Services for the use of recipient only and is not meant for public distribution and has been furnished to you solely for informational purposes and should not be construed as an offer or a solicitation of an offer to buy or sell any securities of the companies referred to herein.

The material herein is based on the information obtained from sources that Saral Gyan Capital Services believe to be reliable, but neither Saral Gyan Capital Services nor any of their research analysts or affiliates represents or guarantees that the information contained herein is accurate or complete and it must not be relied upon as such. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision for or against the companies referred to in this report. The user assumes the entire risk of any use made of this information.

The investment discussed or views expressed may not be suitable for all investors. Each recipient of this document should make such investigations, as it deems necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document and consult its own advisors to determine the merits and risks of such an investment.

Opinions, estimates and projections in this report constitute the current judgment of the research analyst as on the date of the report and they do not necessarily reflect the opinions of Saral Gyan Capital Services. The recipient of the document is cautioned that any forward-looking statements are not predictions and are subject to change without notice. While Saral Gyan Capital Services would endeavor to update the information herein on reasonable basis, Saral Gyan Capital Services has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice.

Saral Gyan Capital Services, its affiliates, employees and their dependant family members may from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives thereof or may have a vested interest in the covered companies referred to in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this document. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. The recipient should take this into account before interpreting the document.