

March 16, 2017



QUARTERLY BASKET

Buy Around: 925

SL: 873

Target: 1105

Upside: 19.50%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	907.80
Face Value (Rs.)	10.00
52 Week High/Low	1182.00/790.00
M.Cap (Rs. in Cr.)	1552.04
EPS (Rs.)	21.67
P/E Ratio (times)	41.89
P/B Ratio (times)	3.24
Dividend Yield (%)	0.00
Stock Exchange	BSE

STOCK DATA

BSE Code	539658
NSE Symbol	TEAMLEASE
Reuters	N/A
Bloomberg	TEAM IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	27.76
Institutions	14.35
Non corporate corp. holding	4.94
Promoters	45.62
Public & Others	7.34

Note: Follow Strict Stop Loss.

According to the management of the company, it has grown largely organically, driven by the strong operational and technological excellence. However, it is evaluating inorganic options to grow and is currently exploring opportunities to cater to the growing information technology, healthcare and hospitality services sectors. Further, the company so far is present in general staffing which is more of a volume driven segment of human resource segment. It has plans to venture into IT staffing through inorganic or organic way which has higher potential, higher margins and scalability.

Business Profile

The Company core business is providing staffing solutions across industry sectors and diverse functional areas. Around 98% of company's total revenues come from staffing services and around 2% come from permanent recruitment, regulatory compliance, retail and institutional learning solutions including payroll.

Investment Rationale

- The company would see an uptick on back of structural drivers like implementation of the Goods & Services Tax (GST) and labour law simplification and once GST comes, the organized players is going to be immense with more and more of these corporate wanting to work with organized vendors, who would be more compliant in their remittance of GST and it would help to increase market share as well as revenue growth.
- According to the management, the company would do effort to increase its market shares and currently, the share of the unorganized players in the outsourced staffing is about 98.5 percent. The organized players have only 1.5 percent market share. So, the opportunity to increase is actually pretty immense.
- During Q3Fy17, it has reported 132% growth in net profit on the 28.9% increase in total income and it has diversified client base of the company includes Vodafone, ATC Telecom Tower Corp. Pvt. Ltd, E.I.Dupont India Pvt. Ltd, Levis, Strauss India Pvt. Ltd, Godrej Industries etc.



- A fundamentally sound and debt free company with strong presence in IT, healthcare and logistic industry.

We recommend a buy in the stock of TEAMLEASE SERVICES LTD for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 790.00 and 52 week high of Rs 1182.00. Buy around at 925 with a closing below stop loss of Rs.873 levels for the target of Rs.1105.

Buy Around: 320.50

SL: 297

Target: 378

Upside: 18%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	317.50
Face Value (Rs.)	10.00
52 Week High/Low	429.00/197.05
M.Cap (Rs. in Cr.)	4228.71
EPS (Rs.)	12.67
P/E Ratio (times)	25.06
P/B Ratio (times)	1.24
Dividend Yield (%)	1.99
Stock Exchange	BSE

STOCK DATA

BSE Code	533286
NSE Symbol	MOIL
Reuters	MOIL.BO
Bloomberg	MOIL IN

SHAREHOLDING PATTERN

(As on 31 dec 2016)	% Of Holding
Foreign	7.24
Institutions	5.26
Non corporate corp. holding	2.24
Promoters	75.58
Public & Others	9.68

Note: Follow Strict Stop Loss.

According to the management of the company, the demand supply scenario would keep prices floating and being a miner company, has its operating costs largely fixed, thus any price rise is directly give positive impact to the bottom-line. Moreover, since last 3 month the company has increased its prices by 63%. It has also planned to enhance its production from present level of 1.1 million tonnes to 2.0 million tonnes by 2020 and 2.5 million tonnes by 2030 for which strategic management plan has already been prepared by the company. For this purpose, the company is focusing on development and mechanization of its existing mines and also adding new lease so that the target can be achieved.

Business Profile

MOIL produces and sells different grades of manganese ore. Government of India currently holds 75.58% stake in MOIL (as per the shareholding pattern as on 31 December 2016).

Investment Rationale

- Strong financials, i.e., large cash reserves provides opportunity to the company to go for major investment plans. It has already planned large investments for developments of its existing mines which would increase the production and productivity to meet the future requirement of manganese ore.
- Moreover, the manganese ore prices they have been moving up for the last couple of months continuously because of closure of mines in Australia and some disruptions in South Africa. India is a major importer of manganese ore and MOIL is one of the largest producers of manganese ore in the country. The company has wide experience and expertise particular field which provide it significant competitive advantage.
- It has set up a plant based on indigenous technology to manufacture 1,000 MT per annum capacity of Electrolytic Manganese Dioxide (EMD). This product is used for the manufacture of dry battery cells. EMD produced by the Company is of good quality and well accepted by the market.



We recommend a buy in the stock of MOIL LTD for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs 197.05 and 52 week high of Rs. 429.00. Buy around at 320.50 with a closing below stop loss of Rs.297 levels for the target of Rs.378.

Buy Around: 107.80

SL: 99

Target: 126

Upside: 17%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	105.30
Face Value (Rs.)	10.00
52 Week High/Low	198.00/74.20
M.Cap (Rs. in Cr.)	677.08
EPS (Rs.)	5.42
P/E Ratio (times)	19.42
P/B Ratio (times)	0.63
Dividend Yield (%)	0.07
Stock Exchange	BSE

STOCK DATA

BSE Code	540136
NSE Symbol	HPL
Reuters	
Bloomberg	HPLE IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	1.49
Institutions	9.16
Non corporate corp. holding	5.62
Promoters	72.15
Public & Others	11.58

Note: Follow Strict Stop Loss.

The management of the company doing effort to strengthen customer base with focus on increasing customer spend on its products. The company intends to increase the volume of sale through authorized dealers through various promotional activities, including product launches through advertisements in the print and electronic media to increase acceptance of its products amongst its end-consumers. Further, the company plan to introduce products at different price points to increase and also seeks to continue to enhance brand awareness and customer loyalty through its promotion and marketing efforts. It also proposes to increase its marketing efforts for its value added products to garner demand for such products, such as conducting product launches to create awareness for its new products.

Business Profile

HPL Electric & Power manufactures electrical appliances, switch-gears, electronic energy meters and electrical protection equipment.

Investment Rationale

- The company supplies its products through a network of authorized dealers or distributors to institutional, non-institutional and corporate customers. It supplies switchgears, lighting equipment and wires and cables, primarily through its pan-India authorized dealer network, which comprised of over 2400 authorized dealers or distributors.
- The company has established two in-house research and development centers: the Kundli R&D Centre and the Gurgaon R&D Centre. The research and development efforts include design and development of all types of energy metering solutions, including interactive communication between metering devices and metering infrastructure.
- During Q3FY17, it has reported 4.9% growth in bottomline even though 17.2% de growth in top line. The company is increasing its bottomline with help of reduction in financial charges.



- Its working capital cycle is slightly long and management is doing effort to reduce that cycle. Current debt equity ratio is 1.63:1.

We recommend a buy in the stock of HPL ELECTRIC & POWER LTD for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 74.20 and 52 week high of Rs 198.00. Buy around at 107.80 with a closing below stop loss of Rs.99 levels for the target of Rs.126.

Buy Around: 99

SL: 93

Target: 118

Upside: 19%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	98.30
Face Value (Rs.)	2.00
52 Week High/Low	121.15/68.00
M.Cap (Rs. in Cr.)	796.42
EPS (Rs.)	14.69
P/E Ratio (times)	6.69
P/B Ratio (times)	1.45
Dividend Yield (%)	1.45
Stock Exchange	BSE

STOCK DATA

BSE Code	532660
NSE Symbol	VIVIMEDLAB
Reuters	VVMD.BO
Bloomberg	VILA IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	2.61
Institutions	0.63
Non corporate corp. holding	0.12
Promoters	36.48
Public & Others	60.16

Note: Follow Strict Stop Loss.

With strengthen balance sheet and good growth in cash flow, management of the company planning to investment in developing a stronger filing pipeline and product portfolio. It has enabled the company to establish strong market positioning in API custom manufacturing and generic business segments. In the specialty business, management is focused higher margin photochromic and hair dyes product portfolio. A differentiated product mix and focus on new opportunities, the company would continue to drive profitable growth in coming years.

Business Profile

Vivimed has established a strong presence in two sectors – healthcare and specialty chemicals – by leveraging its proven expertise in the realm of chemistry. The Company’s manufacturing operations are housed across 11 plants (eight domestic and three overseas) across three continents. The healthcare vertical is engaged in the custom manufacturing engagements for APIs and formulations for leading generics-manufacturing companies. The specialty chemicals segment produces active ingredients for a range of home, personal care and industrial products.

Investment Rationale

- The Company has five R&D centres across three continents, two of which are GLP-approved. The R&D team comprising 170+ qualified personnel spearheads the Company’s efforts towards creating a pipeline of niche, high-value products for its healthcare and specialty businesses.
- It has registered 9.1% robust growth in consolidated net sales to Rs 360.03 crore for the quarter ended Dec 2016, mainly driven by 19% jump in Pharma Business sales which accounts for 80% of company’s business. Further, OPM increased by marginal 999 basis points to 28.5% resulting operating profit to grew by 68.3% to Rs 103.50 crore. Moreover, the 9.8% decline in the interest cost had supported 124.80% the growth in net profit.
- The company is capitalizing on new opportunities for selective forward integration given presence of US FDA approved manufacturing facility for FDF, which would give good growth.



We recommend a buy in the stock of VIVIMED LAB LIMITED for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 68.00 and 52 week high of Rs 121.15. Buy around at 99 with a closing below stop loss of Rs.93 levels for the target of Rs.118.

Buy Around: 409.50

SL: 378

Target: 477

Upside: 16%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	414.10
Face Value (Rs.)	5.00
52 Week High/Low	491.00/262.00
M.Cap (Rs. in Cr.)	507.53
EPS (Rs.)	20.67
P/E Ratio (times)	20.04
P/B Ratio (times)	3.27
Dividend Yield (%)	0.91
Stock Exchange	BSE

STOCK DATA

BSE Code	531147
NSE Symbol	ALICON
Reuters	ALIO.BO
Bloomberg	ALIC IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	10.08
Institutions	0.00
Non corporate corp. holding	0.73
Promoters	71.00

Note: Follow Strict Stop Loss.

The management of the company expects to generate around 10-15 percent revenue from exports, which is likely to touch 30 percent by March 2018. Out of this 30 percent, 80 percent will come from auto and remaining 20 percent from non-auto sector. At present, 85 percent of the company's revenue comes from its auto sector business and it does market research to understand how different segments are working, where the future path is progressing. On the basis on strong research and development and good client base, management is expecting steady financial growth.

Business Profile

Alicon Castalloy Limited is supplier of light alloy casting solutions. The Company, along with its subsidiaries, is engaged in designing, engineering, casting, machining and assembly, painting and surface treatment of aluminum components. The Company primarily manufactures aluminum alloy die castings mainly used in automotive segment of the industry in India. The Company offers auto components, such as cylinder heads, engine and transmission brackets, cac tanks, bridge fork top, intake manifold, swing arm and other components, and non-auto components, such as agricultural components, aero and marine components, locomotive components, infrastructure components, energy components, defense components, and medical and health components.

Investment Rationale

- The company currently leads the Indian market in manufacturing cylinder heads for two wheelers and 4 wheelers. It has the distinction of being a single source supplier of many critical engine parts to some of India's largest OEMs.
- The company has four manufacturing plants - two in Pune, and one near Delhi, in Binola, one in Europe in Slovakia. Currently, in totality, the capacity of these plants is 36,000 metric tons per annum and by 2020 it would be around 55000 metric tons.
- It has very good client base comprises two-wheeler as well as four wheeler. None of the company's customers contribute more than 15 percent of its turnover. In each sector, Alicon has got top five customers, in the range of 12-15 percent of the turnover. In two wheeler sector, Honda Motorcycle and Scooter India, Hero Motocorp, Bajaj Auto, Royal Enfield and Suzuki Motorcycles, Polaris USA, KTM Austria are its top customers, which comprise 80 percent of its total two wheeler business and currently, its market share in two wheeler cylinder head business is 42 percent.
- In four wheeler segment, Maruti Suzuki India, Honda motors, Tata Motors, Mahindra & Mahindra and Renault ,Daimler,USA, are its top customers. Recently, the company has developed cylinder heads for Renault Kwid.



We recommend a buy in the stock of ALICON CASTALLOY LIMITED for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 262.00 and 52 week high of Rs 491.00. Buy around at 409.50 with a closing below stop loss of Rs.378 levels for the target of Rs.477.



Moneywise. Be wise.

E-mail: researchfeedback@smcindiaonline.com



Moneywise. Be wise.

Corporate Office:

11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:

Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor ,Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:

18, Rabindra Sarani,
"Poddar Court", Gate No. 4,
5th Floor, Kolkata - 700001
Tel: 91-33-39847000, Fax: 91-33-39847004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing/dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions.

All disputes shall be subject to the exclusive jurisdiction of Delhi High court.