

April 05, 2017



QUARTERLY BASKET

Buy Around: 124

SL: 108

Target: 150

Upside: 21%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	120.90
Face Value (Rs.)	10.00
52 Week High/Low	167.50/76.80
M.Cap (Rs. in Cr.)	1180.90
EPS (Rs.)	3.20
P/E Ratio (times)	37.73
P/B Ratio (times)	1.80
Dividend Yield (%)	0.33
Stock Exchange	BSE

STOCK DATA

BSE Code	539351
NSE Symbol	PRABHAT
Reuters	N/A
Bloomberg	PRABHAT IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	26.28
Institutions	2.94
Non corporate corp. holding	13.27
Promoters	44.37
Public & Others	13.14

Note: Follow Strict Stop Loss.

Value added products of the company are specialty dairy powder, ghee, condensed milk and cheese. Non value added products is liquid milk. Net debt is around Rs 250 crore. cheese capacity utilization is presently around 18-20%. The mgmt expects increase in capacity utilization for cheese to be 40-50% for next year. 65-70% of milk procurement is directly. The company is present in both B2B and B2C segment with contribution 70% and 30%, respectively. It plans to contribute in ratio 50:50 from both by 2020. The company plans to expand its distribution network from 25 states in b2C segment to be a pan India player.

Business Profile

Prabhat Dairy is an integrated milk and dairy products company in India, catering to institutional as well as retail customers. The company produces and sells a range of pasteurized milk and other dairy products to retail customers under the Prabhat, Flava and Milk Magic brands.

Investment Rationale

- The company started its retail business more than 2 years back and already covers more than 15000 general trade outlets in Mumbai. Presence in modern trade has been expanded beyond Mumbai across Maharashtra and Gujarat. According to management, measures taken to expand retail presence in Northern and Southern Indian markets. Going forward, the company will focus on value added products and growing core business.
- Ghee is present in 25 states and the penetration continues to increase with more than 500 distributors and 1 lac+ retail touch points. Products like Paneer, Butter, Curd etc. continue to gain prominence and acceptance amongst end consumers. The company has started supplying cheese to premium institutional clients like TAJSAATS.
- Q3FY17, The consolidated net sales increased by 33% to Rs 404.56 crore while net profit inclined by 280% to Rs 337.5 crore. It has recognized Rs 3.17 crore as Mega Project benefit in Net Revenue and Rs 25.6 crore in PBT.



We recommend a buy in the stock of Prabhat Dairy 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. 76.80 and 52 week high of Rs 167.50. Buy around at 124 with a closing below stop loss of Rs. 108 levels for the target of Rs. 150.

Buy Around: 197

SL: 180

Target: 232

Upside: 18%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	190.15
Face Value (Rs.)	2.00
52 Week High/Low	195.60/94.50
M.Cap (Rs. in Cr.)	1479.32
EPS (Rs.)	7.94
P/E Ratio (times)	23.96
P/B Ratio (times)	4.03
Dividend Yield (%)	0.26
Stock Exchange	BSE

STOCK DATA

BSE Code	517569
NSE Symbol	KEI
Reuters	KEIN.BO
Bloomberg	KEII IN

SHAREHOLDING PATTERN

(As on 31 dec 2016)	% Of Holding
Foreign	5.31
Institutions	17.70
Non corporate corp. holding	0
Promoters	49.04
Public & Others	27.95

Note: Follow Strict Stop Loss.

The company continues to remain bullish for FY'18 as well given strong order book and visibility. EHV cable business will come back strongly in FY'18 which will drive further revenue and margin growth. Order inflow during Dec'16 quarter was around Rs 500 crore and for 9 months ended Dec'16, order inflow was around Rs 2000 crore. Around Rs 1700 crore of orders of the total Rs 2050 crore of orders from EPC segment are from UP state. Management expects working capital scenario to improve going forward. As per the management, the business outlook continues to be strong; the company achieved significant new orders in EPC business from various utilities in IPDS (Integrated power development schemes).

Business Profile

KEI Industries is a cable manufacturing company. It offers high and low tension cables, control and instrumentation cables, house wires and stainless steel wires, and high-technology specialty cables.

Investment Rationale

- The company has total order book of around Rs 3103 crore as on Dec'16. Of which cables account for about Rs 613 crore of orders, Rs 236 crore orders are from EHV segment and exports are of around Rs 110 crore and rest of the orders are from EPC segment. The Turnkey projects will be executed in about 2 year's time while rest of the order book have to be executed in 12 months time. More than 50% of the order book has copper pass through clause
- Company's cables are dominantly sold to T&D space, solar and wind power sector and Metro space in India. Of the total project costs of Metros, Transmission lines, Solar and Wind power sector, cables account for around 5% of total project value, while in distribution space, its share is somewhere around 15% of total project value.
- LT and HT cable sales have seen a growth of around 14% in volume terms in 9 months ended Dec'16. Export sales stood at Rs 117 crore during Dec'16 quarter and were up by 312% on YoY basis. For 9 months ended Dec'16, export sales were up by 130% YoY and stood at Rs 304 crore.
- Retail sales through dealer network have seen a 15% growth in volumes and around 10% growth in value terms in 9 months ended Dec'16.



Net sales through dealer network, which now stands at around 1086 dealers, stood at around Rs 564 crore. During 9 months ended Dec'16, sales from EPC segment stood at around Rs 320 crore, up by around 36% YoY. Overall management expects around 15% growth in net sales in value terms for FY'17.

We recommend a buy in the stock of KEI INDUSTRIES 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. 94.50 and 52 week high of Rs 198.80. Buy around at Rs.197 with a closing below stop loss of Rs.180 levels for the target of Rs.232.

Buy Around: 444

SL: 409

Target: 499

Upside: 12%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	437.60
Face Value (Rs.)	2.00
52 Week High/Low	452.25/194.00
M.Cap (Rs. in Cr.)	3471.34
EPS (Rs.)	18.98
P/E Ratio (times)	23.05
P/B Ratio (times)	5.39
Dividend Yield (%)	0.32
Stock Exchange	BSE

STOCK DATA

BSE Code	532539
NSE Symbol	MINDAIND
Reuters	MNDA.BO
Bloomberg	MNDA IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	4.17
Institutions	3.01
Non corporate corp. holding	5.11
Promoters	74.02
Public & Others	13.69

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. Moreover, management retains its target of achieving 20-25% CAGR growth in the next 3-4 years. This will be from industry growth and new products introduction. An extra 15% topline growth should come from the merger of the companies taking it total to 40%. Entities to consolidated from Q1 2017-18 are PTMA & MIVC 1 (ASEAN Business) to become 100%. Consolidation exercise is expected to be completed by 2017-18. Implementation of BS4 motorcycles, push for the rural economy in fiscal budget and fading affect on demonetization should translate in healthy growth for MIL's products.

Business Profile

Minda Industries is part of UNO Minda. UNO Minda is a technology leader in auto components industry and a leading Ti

Investment Rationale

- Its consolidated net profit rose 55.1% to Rs 44.74 crore on 40.6% growth in net sales to Rs 875.82 crore in Q3 December 2016 over Q3 December 2015.
- Product wise revenue breakup stands at Switch – 33%, Lighting – 29%, Horns – 16% and others – 22%. Topline growth was primarily driven by consolidation of RokiMinda, MindaTG, MindakoseiAluminum Wheels Pvt Ltd & Acquisition of Rinder group. Standalone business grew by 8.09% yoy despite demonetization impact in second half of previous quarter.
- MindakoseiAluminum Wheels (MKAWL) is setting up a third facility in Gujarat with investment outlay of around Rs 300 crore. The investment will be done in 2 phases –Rs200 crore in first couple of years and then 100 crore for expansion the timeline of which should be decided later. MKAWL targets to start production at its Greenfield facility in Gujarat in next 2 years.



We recommend a buy in the stock of MINDA INDUSTRIES 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. 194.00 and 52 week high of Rs 452.25. Buy around at Rs.444 with a closing below stop loss of Rs.409 levels for the target of Rs.499.

VALUE PARAMETERS

Current Mkt.Price (Rs.)	706.20
Face Value (Rs.)	2.00
52 Week High/Low	717.75/389.00
M.Cap (Rs. in Cr.)	6746.76
EPS (Rs.)	12.80
P/E Ratio (times)	55.19
P/B Ratio (times)	9.57
Dividend Yield (%)	0.89
Stock Exchange	BSE

STOCK DATA

BSE Code	500067
NSE Symbol	BLUESTARCO
Reuters	BLUS.BO
Bloomberg	BLSTR IN

SHAREHOLDING PATTERN

(As on 31 Dec 2016)	% Of Holding
Foreign	11.04
Institutions	19.69
Non corporate corp. holding	3.00
Promoters	39.09
Public & Others	27.18

Note: Follow Strict Stop Loss.

The company is improving its market share and also entering into new segments like water purifier, air coolers, air purifiers etc, which would definitely give support to its long term growth. Moreover, E-commerce would help the industry to target demand from remote areas. Further, if we look at the interpretation that the AC market is in India, there is a huge scope in terms of the expansion of their share in terms of market size as well as volumes. As per management expectation, this quarter is going to be one of the strongest quarters for Blue Star and cash infusion from Blue Star Infotech would help to expand its balance sheet.

Business Profile

Blue Star is India's leading central air conditioning company. The company fulfils the air conditioning needs of a large number of corporate, commercial and residential customers and has also established leadership in the field of commercial refrigeration.

Investment Rationale

- According to the management of the company, the residential demand for air conditioners are encouraging and the company is hopeful of touching 30% growth in that segment in April-May. Moreover, On the whole, management expects that market share would grow in FY 18 by at least 20% and the company would grow its shares by 30%.
- The company has a strong presence in south and west and is now planning to increase its presence in the North, which is the largest market for ACs. In addition to that the company is planning to start focus on air purifiers, which has the market size of around Rs 2075 crore, it will grow five-fold in next five years and according to management it would make substantial impact on growth category.
- Pricing pressure is not witnessed in Q3FY17 in room air-conditioner segment. The company is not expected to fiddle around price much in Q4FY17 as well. The company's focus is on providing more value proposition to the customers.
- The overall prospects of the unitary products business continues to be robust with the addition of new product lines such as water purifiers and air purifiers coupled with its premium brand equity and distribution strength.



We recommend a buy in the stock of BLUE STAR 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. 389.00 and 52 week high of Rs 717.75. Buy around at 707 with a closing below stop loss of Rs.655 levels for the target of Rs.801.

Buy Around: 461

SL: 425

Target: 531

Upside: 15%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	465.25
Face Value (Rs.)	5.00
52 Week High/Low	513.75/323.25
M.Cap (Rs. in Cr.)	5474.60
EPS (Rs.)	9.31
P/E Ratio (times)	49.97
P/B Ratio (times)	4.06
Dividend Yield (%)	0.05
Stock Exchange	BSE

STOCK DATA

BSE Code	500380
NSE Symbol	JKLAKSHMI
Reuters	JKLC.BO
Bloomberg	KJLC 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
Public & Others	18.20

Note: Follow Strict Stop Loss.

The management of the company expects higher capacity utilization and improved operational efficiency due to its capex almost over, reduction in debt levels due to improvement in cash-flow. Being operationally efficient in the past, it has managed to run its plants consistently at higher capacity utilisation than the industry. The management has plans to ramp up capacity to 11.5 million tonnes by FY18, while its subsidiary Udaipur Cement Works may add another 1.6 million tonnes at Udaipur, which will take the group's total production capacity to about 13 million tonnes by FY18.

Business Profile

JK Lakshmi Cement is a cement manufacturer. It caters to infrastructure and construction sectors.

Investment Rationale

- JKLC is also well placed to benefit from revival in cement offtake as demand for rural homes and the Centre's infrastructure spending increase. It has a production capacity of 10 million tonnes with a large footprint in the northern markets of Rajasthan and Haryana (70 per cent), west (Gujarat) as well as eastern markets
- Since the fourth quarter of FY16, financials were stabilised, aided by higher production and sales growth as well as lower operational costs. Revenue growth in the third quarter of 2016-17, reported 3% growth due tepid market situation but Its net profit improved and reported 1433% growth. In the last three quarters, the company reported significant profits as against losses reported in each of the first three quarters of FY16.
- It has established a cement factory in Durg, Chhattisgarh, in accordance with the government's 'Make in India' campaign, which aims to boost the economy and growth of the region. Apart from Durg, it has another cement plant in Sirohi, Rajasthan and two split location grinding units – at Kalol, Gujarat, and at Jhamri, district Jhajjar, Haryana.



We recommend a buy in the stock of JK LAKSHMI CEMENT 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. 323.25 and 52 week high of Rs 513.75. Buy around at 461 with a closing below stop loss of Rs.425 levels for the target of Rs.531.



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