

## Top Stock Basket – EMERGING INDIA

A basket of Mid & Large-cap stocks with diversified sector exposure

9 July 2021

Sr. No	Stock Name	Sector	CMP (₹)	Market Cap (₹ crore)	Weight	Company Description
1	JKLC	Cement	₹ 633	₹ 7,454	5%	JK Lakshmi Cement (JKLC) has established itself as one of the regional formidable players in India operating in high growth regions of East & North. Being self-sufficient in power, the company operates at lower operating cost compared to its relative peers. JKCL has consistently clocked healthy utilization levels and strengthening its balance sheet by deleveraging over past few years.
2	Exide Industries	Auto Ancillaries	₹ 183	₹ 15,601	5%	Exide Industries (EIL) is a leader in packaged power technology. EIL is currently considered as India's largest storage battery company with widest range of both conventional flooded as well as latest VRLA (valve regulated lead-acid) batteries. With wide experience of more than ten decades company has expanded its business operations across the globe backed by strong R&D, robust distribution network and strategic plant locations that are closer to OEMs for faster turnaround.
3	Deepak Fertilizers	Chemicals	₹ 452	₹ 4,909	5%	Deepak Fertilizers and Petrochemicals Corporation Ltd. (DFPCL) is among India's leading producers of fertilizers and industrial chemicals. DFPCL can be considered as a proxy play on ammonia vertical. It enjoys a leadership position in majority of its products like IPA, Bentonite sulphur, Nitric acid and TAN. DFPCL is augmenting its manufacturing capacities to drive next leg of growth along with drawing synergies from its products.
4	Bank of India	Bank	₹ 75	₹ 27,957	5%	Bank of India is a nationalized bank owned by GoI under the ownership of Ministry of Finance. The product portfolio ranges across different banking categories. The personal as well as corporate banking segments are considered as chief business verticals. BOI struggled over the years owing to deterioration in asset quality and rising competition from private sector banks. The concerns over deterioration in asset quality are set to recede owing to stringent provisioning norms and strong recovery mechanism in place. BOI is likely to transform itself going forward in the wake of renewed focus on increasing CASA proportion, branch addition and diversification in loan portfolio.
5	Escorts	Automobile - Tractors	₹ 1,200	₹ 16,203	5%	Escorts Ltd is a leading conglomerate in India with a presence across key sectors of agriculture, infrastructure and railways. It is hailed as one of India's foremost tractor manufacturers, offering from 12HP to 120HP under three esteemed brands. It is also among the world's largest manufacturers of Pick-and-Carry (PnC) hydraulic mobile cranes. Company has entered a strategic manufacturing JV with Kubota Ltd to achieve global footprint.
6	Glenmark Pharma	Pharmaceuticals	₹ 649	₹ 18,325	5%	Glenmark Pharmaceuticals (GPL) is a global, integrated, innovation-led pharmaceutical company with a strong presence in generics, specialty and consumer health in the world's major pharmaceutical markets. GPL specializes in the therapy areas of dermatology, respiratory and oncology with a strong country specific/regional presence in diabetes, cardiovascular and oral contraceptives. Strong expansion of generics in key markets of US & Latin America, proposed four-pronged debt reduction plan are likely to be key triggers for growth. India is hailed as next pharmacy to the world and Glenmark is key component in the journey.
7	Mahanagar Gas	Gas Distribution	₹ 1,165	₹ 11,515	5%	Mahanagar Gas is one of largest City Gas Distribution companies in India preferably operating in Mumbai & adjoining areas. The company has 5,630 kms of carbon steel (CS) & polyethylene (PE) pipeline supplying over a million customers. MGL enjoys infrastructure exclusivity in operations that assures a stable income generation. After holding the monopoly in Mumbai region, the company is now eyeing to capture the underpenetrated regions of Mumbai suburb and adjoining districts of Mumbai. Strong entry barriers, lucrative growth prospects of CGD business provides ample business opportunities

8	IRCTC	Transport	₹ 2,193	₹ 35,090	5%	IRCTC is a provider of travel, tourism and hospitality related services owned by GOI. Half of its revenue is generated from catering services and selling packaged water (Rail Neer) and perhaps the largest driver to its profits. It has seen its profits grow at a CAGR of 32.2% over the past 5 years. With strong government backing and pure monopoly in 2 out of 4 business verticals IRCTC is a probable candidate under long term compounder list, if found at moderate valuations.
9	Godrej Properties	Real Estate	₹ 1,457	₹ 40,481	5%	Godrej properties, part of Godrej Group, is a renowned name in home building space. Many of its projects are considered as a trendsetter to the industry thus providing an esteem stature. It is well known for its exemplary manufacturing art and timely completion. Given the strong brand, robust financial capabilities and strong execution capacities Godrej properties is set to acquire additional market share.
10	Dalmia Bharat	Cement	₹ 2,056	₹ 38,477	5%	With almost eight decades of experience in cement industry Dalmia Bharat operates the fifth largest cement manufacturing capacity of 30.7 million tons per annum (MTPA) spread across 13 state of art manufacturing plants. Dalmia Bharat has clearly demonstrated growth over the years accompanied by creation of shareholders wealth.
11	Atul Ltd	Chemicals	₹ 9,309	₹ 27,487	10%	Atul is an integrated chemical manufacturer that classifies its products under two broad categories named Life Science & performance chemicals. More than seven decades of business experience translates into market leadership for various products, long lasting client relationships and backward integration. Prudent management, conscious shift towards high margin products and persistent operational growth makes Atul a "consistent compounder".
12	Aarti Industries	Chemicals	₹ 848	₹ 30,767	10%	Aarti Industries Limited (AIL) is a leading Indian manufacturer of specialty chemicals and pharmaceuticals with a global footprint. AIL manufactures chemicals used in the downstream manufacturing of pharmaceuticals, agrochemicals, polymers, additives, surfactants, pigments and dyes. AIL has an astute understanding of chlorine derivative chemistry and operates the largest nitro-chlorobenzene capacity in India. It is considered as a proxy play for robust growth of specialty chemicals in India.
13	Tata Power	Power	₹ 123	₹ 39,414	10%	Tata power is a large integrated power company with installed/managed capacity of ~12,800 MW. It has presence across the entire power value chain – generation of renewables as well as conventional power including hydro, thermal energy distribution. Mundhra plant that weighed on overall performance owing to its enormous debt and loss making has turned cash positive in FY20 with large portion of debt being repaid.
14	PI Industries	Chemicals	₹ 2,942	₹ 44,638	10%	PI Industries Limited (PI) is a fast-growing agri-sciences company with a unique business model across the Agro Chemical value chain on the back of technical competence, research effectiveness, marketing reach, in-licensing proficiency. The in-licensing and co-marketing products are high margin variants and holds unique appeal due to its innate qualities and high productivity.
15	Nippon India	Finance - Investment	₹ 377	₹ 23,347	10%	Nippon Life India Asset Management Limited (NAM India) is the asset manager of Nippon India Mutual Fund (NIMF). Nippon India is one of India's leading Mutual Fund player with Average Asset Under Management (AAUM) of ₹ 2.4 trn & almost 11.4mn folios by June 2021. It is considered as one of the fastest growing MF houses in India offering a wide range of portfolio products that covers equity, fixed income, money market, ETF categories and managed assets. NAM India retrieves strong synergistic benefits from its parent Nippon Life Insurance Company that holds 74.5% stake.

**Cholamandalam Securities Limited**

Member: BSE, NSE, MSE

Regd. Office: Dare House, 2 (Old) # 234 N.S.C Bose Road, Chennai – 600 001.

Website: www.cholawealthdirect.com

Email id – customercarewm@chola.murugappa.com

CIN U65993TN1994PLC028674

Chola Securities Limited (CSL), AMFI registered mutual fund distributor, is a leading southern India based Stock broker. Our focus area of coverage within the Indian market is Mid and Small caps with a focus on companies from southern India.

Our Institutional Equities services are carried out in partnership with RCCR, a boutique Investment research and Corporate Advisory firm founded by a team with extensive experience in the Asset management industry.

RESEARCH			
Kedar S Kadam	DGM & Head of Research	+91-44 - 4004 7361	kedarsk@chola.murugappa.com
Mugilan K	Technical Analyst	+91-44 - 4004 7353	mugilank@chola.murugappa.com
Arjun Prasad Pasumarthi	Fundamental Analyst	+91-44 - 4004 7363	arjunpp@chola.murugappa.com
Nilesh Patil	Fundamental Analyst	+91-44 - 4004 7266	nileshmp@chola.murugappa.com
Ammar Haider	Associate	+91-44 - 4004 7360	amarh@chola.murugappa.com
Arvind Sai M	Associate	+91-44 - 4004 7360	arvindsm@chola1.murugappa.com
INSTITUTIONAL SALES			
Venkat Chidambaram	Head of FII Business & Corporate Finance*	+91-44 - 24473310	venkatc@chola.murugappa.com
Balaji H	Compliance Officer	044-30007226	balajih@chola.murugappa.com
Gayathri Devi	Customer service	1800 425 4477	gayathrids@chola.murugappa.com

\*Employees of Business Partner - RCCR

**DISCLAIMER:**

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statements as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited.

No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent.

The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate

**Cholamandalam Securities Limited**

(A subsidiary of Cholamandalam Investment and Finance Company Ltd.)

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91.44.30007172 / 91.44.30007370 Fax: 91.44.30007373

Website: www.cholawealthdirect.com

CIN – U65993TN1994PLC028674