

## Top Stock Basket – DARK HORSES

A basket of Multi-cap stocks with diversified sector exposure

09 July 2021

Sr. No	Stock Name	Sector	CMP (₹)	Market Cap (₹ crore)	Company Description
1	NCC	Construction	₹ 90	₹ 5,525	NCC, erstwhile Nagarjuna Construction Company, is the second largest listed construction company in India in terms of revenue. Started its journey as a construction company NCC now has expanded its business offerings to BOT, Realty & international businesses. With prudent risk management skills and strategic intents, the company during its 42 year history, has withstood many adversities and emerged stronger every time.
2	Tata Elxsi	Information Technology	₹ 4,200	₹ 26,156	Tata Elxsi is amongst the world's leading providers of design and technology services under the industries like Automotive, Broadcast, Communication and Healthcare. Tata Sons hold about 44% in the company. Company's aggressive business strategy of adding clients under its domain expertise is yielding positive returns. The rising share of offshore revenues is diversifying the business client base. With large deal pipeline & strong order book this mid-sized growing technological company has potential to compete with the market leaders and grab additional market share.
3	DCM Shriram	Diversified	₹ 873	₹ 13,556	DCM Shriram Ltd. is a leading business conglomerate with a group turnover above ₹ 83 bn. The business portfolio of DCM Shriram comprises primarily of Agri-rural business related chemicals, chlor vinyl business related chemicals and value added business. DCM Shriram, is a spin-off from trifurcation of the reputed erstwhile DCM Group in 1990. Prices of caustic soda have remained subdued over the period and any revival in prices of the same will amplify the chlor vinyl business. Agri business is expected to do well on account of strong growth outlook of the overall industry.
4	DCB Bank	Banking	₹ 104	₹ 3,245	DCB Bank Limited is a leading private sector scheduled commercial bank in India. DCB bank is one of 10 banks that received license in 1994 and has transformed itself over the years to newer heights via loan book realignment to secured and lower ticket size, cost rationalization through manpower optimization, branch relocation and focus on building granular liability profile. Secured mortgages have been a key growth trigger. Post the management change around 2009 there has been an impressive turnaround in operations that is expected to continue further owing to strong growth outlook of private sector banks.
5	KEC Intl	Construction	₹ 418	₹ 10,759	KEC is a global Engineering, Procurement and Construction major executing projects in key sectors such as Power Transmission & Distribution, Railways, Civil, Urban Infrastructure etc. KEC has proven track record of profitable growth owing to strong project management and execution capabilities with robust risk management. Order selection process is impeccable and ability to convert of orders into revenue within the stipulated time distinguish KEC from its peers.
6	NBCC (India)	Construction	₹ 53	₹ 9,594	NBCC is a Govt. Of India owned entity and a Navratna CPSE. NBCC has emerged as undisputed leader in construction sector on the back of its capabilities, innovative approach, adherence to highest standard of quality, timely delivery. It operates under three broad categories of PMC, EPC & real estate with PMC deriving the largest business. It gets order chiefly from government departments on priority basis for redevelopment which is generally executed through third party and hence NBCC has asset light model. Although off-recently execution has surfaced as area of concern the robust order book provides revenue visibility.

7	Cochin Shipyard	Ship Building	₹ 386	₹ 5,080	Cochin Shipyard, a fully owned Government of India company, is the spearhead of defence shipbuilding and repairing in India. It is hailed as the largest builder and repairer of biggest vessels in India. It can build ships up to 1,10,000 DWT and repair ships up to 1,25,000 DWT. The robust order book size, expertise in shipbuilding and virtual business moat in the industry augers well for the company. Company is expected to be benefited from Government's thrust over becoming self-sufficient in defence arena.
8	Delta Corp	Diversified	₹ 191	₹ 5,097	Delta Corp Limited is the only listed company engaged in the casino (live, electronic and online) gaming industry in India. Company operates its casinos in Goa & Sikkim states offering approximately 1,800 gaming positions. Company is positioning itself as an integrated online gaming platform post acquisition of Adda52. With rising trend of gaming industry, fast adaption of online gaming amongst youth, inclination towards tourism Delta Corp that is considered as a bellwether for the industry seems to a probable winner.
9	Hind Copper	Non-Ferrous Metals	₹ 146	₹ 14,108	Hindustan Copper, a qualified PSU under the banner of Ministry of Mines, holds the distinction of being the nation's only vertically integrated copper producing company as it manufactures copper right from the stage of mining to beneficiation, smelting, refining and casting of refined copper metal into downstream saleable products. In normal due course, about 90% of the sales revenue is generated from cathode and continuous cast copper rods. Government's thrust over renewable energy augers well for power industry. Also, rising trend of EV will result in heightened demand for copper. This could be key triggers for rise in demand of copper ultimately benefitting Hind copper.
10	Kajaria Ceramic	Construction Materials	₹ 982	₹ 15,642	Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual aggregate capacity of 70.4 mn. sq. meters, distributed across eight plants. Kajaria offers a wide range of ceramic floor tiles, polished vitrified tiles, glazed vitrified tiles & Satin Finish Tiles for all living spaces. Shift in consumers demand, rising per capita income, government's thrust over housing projects, reviving real estate industry and management's plan to increase volumes augers well of Kajaria over longer horizon.

**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](mailto: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	<a href="mailto:kedarsk@chola.murugappa.com">kedarsk@chola.murugappa.com</a>
Mugilan K	Technical Analyst	+91-44 - 4004 7353	<a href="mailto:mugilank@chola.murugappa.com">mugilank@chola.murugappa.com</a>
Arjun Prasad Pasumarthi	Fundamental Analyst	+91-44 - 4004 7363	<a href="mailto:arjunpp@chola.murugappa.com">arjunpp@chola.murugappa.com</a>
Nilesh Patil	Fundamental Analyst	+91-44 - 4004 7266	<a href="mailto:nileshmp@chola.murugappa.com">nileshmp@chola.murugappa.com</a>
Ammar Haider	Associate	+91-44 - 4004 7360	<a href="mailto:amarh@chola.murugappa.com">amarh@chola.murugappa.com</a>
Balaji H	Compliance Officer	044-30007226	<a href="mailto:balajih@chola.murugappa.com">balajih@chola.murugappa.com</a>
Gayathri Devi	Customer service	1800 425 4477	<a href="mailto:gayathrids@chola.murugappa.com">gayathrids@chola.murugappa.com</a>

## 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](http://www.cholawealthdirect.com)

CIN – U65993TN1994PLC028674