

Top Stock Basket – DARK HORSES

A basket of Small & Mid-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. |

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| 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. |

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