

Top Stock Basket – EVERGREEN

A basket of Large-cap stocks with diversified sector exposure

09 July 2021

Sr. No	Stock Name	Sector	CMP (₹)	Market Cap (₹ crore)	Company Description
1	Reliance Industries	Petroleum	₹ 2,092	₹ 14,15,233	Reliance Ind. Ltd. is an Indian multinational conglomerate and owns the tag of largest private sector corporation in India. The company has evolved from being a textiles and polyester company to an integrated player across energy, materials, retail, entertainment and digital services. The strong performance in the core business of petroleum led to foundation of RILs entrance into new age businesses like digital services and retail. Management's vision of creating a value through new age businesses while being ahead of time solidifies RILs position to become one of the largest companies across the globe. Over the next few years, management is expected to unlock value through carving out the JIO & retail business into separate entities.
2	HDFC Bank	Banks	₹ 1,520	₹ 8,40,116	HDFC bank is India's largest private sector lender by assets and holds the tag of 'too big to fail' awarded by RBI, the apex body to Indian banking. It was among the first to receive approval from the Reserve Bank of India (RBI) to set up a private sector bank in 1994. FIs hold about 40% whereas MFs own 13% of total shareholding signifying HDFC bank position as a reflection of India's growing banking services industry. HDFC bank is renowned for its prudent management, risk averse lending and stable & consistent financial performance over the years. Despite competition intensifying in private banking space HDFC bank is expected to continue to maintain its market share and leadership position.
3	Asian Paints	Paints	₹ 3,040	₹ 2,89,874	Asian Paints is the frontrunner and undisputed market leader of paint industry in India. The company manufactures a wide range of paints for decorative and industrial use and also offers Wall Coverings, adhesives and services under its portfolio. It has been the market leader since 1967. Currently it dominates the paint industry in India and is double the size of any other paint company in India. Despite entry of global paint giants Asian Paints has successfully defended its market leadership position signifying its well-established brand, distribution and supply channels, and the operational excellence. With robust outlook of paint industry and industrial moat Asian paints is expected to continue its growth compounding.
4	HCL Technologies	IT	₹ 976	₹ 2,65,097	HCL technologies is one of the leading Indian IT service, ranked amongst the top Indian IT companies in terms of revenues. The company leverages its extensive global offshore infrastructure and network of offices in 32 countries to provide multi service delivery in key industry verticals like financial services, manufacturing, aerospace & defense and telecom etc. Besides, company has focused on digital transformation that has helped in inorganic growth. Inherent growth story of IT industry, robust past performance, strong guidance and large deal wins are major triggers for growth lying ahead of HCL Tech.
5	Infosys	IT	₹ 1,560	₹ 6,64,114	Infosys Limited is an Indian multinational IT company that provides business consulting, information technology and outsourcing services. Infosys is a global leader in next-generation digital services and consulting enabling clients in 46 countries to navigate their digital transformation. Infy is considered as one of the pioneers that led to India's emergence as the global destination for software services talent. Large deal pipeline, global top conglomerates as clients, visionary management make Infy a formidable player in IT space. About 39% of revenues now account from digital technologies indicating company's ability to shift business according to evolving technologies.
6	Dr. Reddy's	Pharma	₹ 5,469	₹ 90,982	Dr. Reddy's is an integrated global pharmaceutical company that operates through three core segments – Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products. Company's strengths include Chemical Synthesis, Formulation Development and Manufacturing, Clinical and Regulatory expertise, a robust global supply chain and strategic networks. Global generics are the biggest business driver on account of 400+ high quality products that are available at reasonable prices. Company is one of the world's largest manufacturers of Active Pharmaceutical Ingredients (APIs) and partner with several leading generic formulator companies.

7	SBI	Banks	₹ 424	₹ 3,78,760	SBI, the largest Indian Bank with 1/4th market share, serves its over 44 crore customers through vast network of over 22,000 branches, 58,500 ATMs, 66,000 BC outlets. The Bank has successfully diversified businesses through its 11 subsidiaries i.e SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. SBI is considered as a replica of Indian economy due to its lending to leading business entities of almost all the sectors of the economy. It has been categorized as Domestic Systematically Important Bank by RBI due to its enormous size. Existence in almost all the business segments and services of banking domain makes SBI irreplaceable assuring its strong long term outlook.
8	Britannia	Consumer	₹ 3,490	₹ 84,073	Britannia Industries is one India's leading food companies and among the most trusted food brands. This consumer staple behemoth is renowned for its rich history of over 100 years, prudent management and strong performance over the decades. Company is backed by Wadia Group and since in the introduction of dynamic COO in 2013, Britannia's topline almost doubled whereas bottom-line showed 4x growth. The company is constantly gaining market share from its arch-rival Parle to become the largest player in biscuit segment. Due to its inherent growth structure and prudent management Britannia is expected to continue its dominance.
9	Tata Motors	Auto	₹ 306	₹ 1,01,701	Tata Motors is a leading global automobile manufacturing company offering diverse portfolio that includes an extensive range of cars, sports utility vehicles, trucks, buses and defense vehicles. Tata Sons hold about 42% stake. Company has global footprints and owns famous brands like Jaguar Land Rover. Company had a lean patch in terms of growth in recent years owing to high debt, downtrend in commercial vehicle industry and poor numbers by JLR. The situation now seems to be improving faster than expectation on account of debt repayment and improved JLR numbers. The EV euphoria also like to be beneficial for Tata motors.
10	L&T	Infrastructure	₹ 1,502	₹ 2,10,803	L&T is a bellwether of engineering companies in India. It is a major technology, engineering, construction, manufacturing and financial services conglomerate that has global operations in over 30 countries. It is a professionally managed firm led by AM Naik. L&T is easily identifiable company linked to the core sector of the economy. Company has delivered a robust 21% CAGR on standalone PAT over last 4 years. The recent economic slowdown has surely slowed the growth of this engineering giant but not for long.

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