

May 07, 2018



# QUARTERLY BASKET



Moneywise. Be wise.

**Buy Around: 925.00**

**SL:875.00**

**Target: 1035.00**

**Upside: 12%**

**Horizon: 3 Month**

## VALUE PARAMETERS

Current Mkt.Price (Rs.)	930.30
Face Value (Rs.)	2.00
52 Week High/Low	1106.60/811.11
M.Cap (Rs. in Cr.)	129527.08
EPS (Rs.)	62.64
P/E Ratio (times)	14.85
P/B Ratio (times)	3.56
Dividend Yield (%)	1.29
Stock Exchange	BSE

## STOCK DATA

BSE Code	532281
NSE Symbol	HCLTECH
Reuters	HCLT.BO
Bloomberg	HCLT IN

## SHAREHOLDING PATTERN

(As on 31st Mar 2018)	% Of Holding
Foreign	26.99
Institutions	9.78
Govt holding	0.01
Non corporate corp. holding	0.30
Promoters	60.18
Public & Others	2.75

Note: Follow Strict Stop Loss.

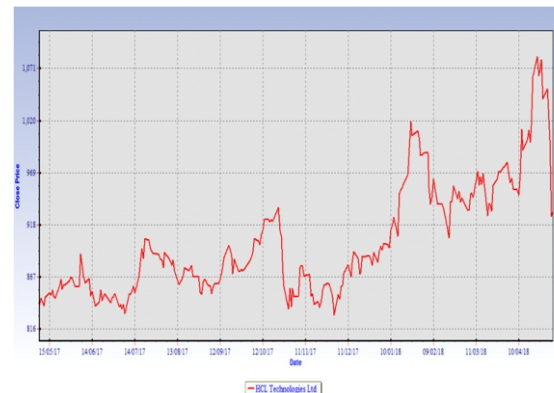
The management remains confident of the new fiscal in light of the increasing relevance of its business offerings coupled with strategic investments in technologies of the future. Recently, it has acquired the life sciences and consumer services arm of Merck, called C3i Solutions, in early April for USD 60 million. In the same month, it announced that it had bought hybrid data management and analytics provider Actian Corp for USD 330 million, in a joint venture with private equity firm Sumeru Partners. It continues to look at acquisitions as a key part of growth strategy.

## Business Profile

HCL Technologies is a leading global IT services company that helps global enterprises re-imagine and transform their businesses through digital technology transformation. HCL operates out of 32 countries.

## Investment Rationale

- The company has achieved 2 mile stones. Annual Revenues crossed Rs 50,000 crores mark and quarterly Revenues exceed US\$ 2 billion milestone. Last 5 years were consistent with revenues growing at a CAGR of 7.5%. EBIT has also grown consistently and PAT has grown faster.
- The company saw strong client addition (on YoY basis): \$5+ Mn clients up by 18, \$10+ Mn clients up by 7, \$20+ Mn clients up by 2, \$40+ Mn clients up by 6, and \$50+ Mn clients up by 3. The addition has been in across various geographies and verticals.
- In dollar terms, consolidated revenues for FY'18 grew by 12.4% and the EBIT margin at 19.7%, both of which have been in the guided range.
- Guidance for FY19: FY19 Revenues are expected to grow between 9.5% to 11.5% in Constant Currency terms. The constant currency guidance translates to 10.5% to 12.5% in USD terms based on March 31, 2018 rates. FY'19 expected Operating Margin (EBIT) range is from 19.5% to 20.5%. The Operating Margin guidance assumes USD-INR currency rate of \$1 = Rs 66 and other currencies at FY'18 average exchange rates.



We recommend a buy in the stock of HCL Tech 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. 811.11 and 52 week high of Rs 1106.60. Buy around at 925.00 with a closing below stop loss of Rs.875.00 levels for the target of Rs.1035.

**Buy Around: 131.00**

**SL: 122.00**

**Target: 151.00**

**Upside: 15%**

**Horizon: 3 Month**

## VALUE PARAMETERS

Current Mkt.Price (Rs.)	129.60
Face Value (Rs.)	1.00
52 Week High/Low	192.95/127.05
M.Cap (Rs. in Cr.)	7490.07
EPS (Rs.)	6.25
P/E Ratio (times)	20.75
P/B Ratio (times)	4.08
Dividend Yield (%)	1.59
Stock Exchange	BSE

## STOCK DATA

BSE Code	500049
NSE Symbol	BEL
Reuters	BAJE.BO
Bloomberg	BHE IN

## SHAREHOLDING PATTERN

(As on 31st Mar 2018)	% Of Holding
Foreign	6.44
Institutions	17.85
Non corporate corp. holding	3.36
Promoters	66.79
Public & Others	5.56

Note: Follow Strict Stop Loss.

**The With the robust order backlog, along with a better execution environment provides healthy revenue visibility for the coming years. Government's greater emphasis on 'Make in India' initiative in Defence sector provides a great opportunity for the Company to enhance its indigenisation efforts and to address the opportunities in Indian Defence sector.**

### Business Profile

Bharat Electronics Limited is engaged in design, manufacture and supply of electronics products/systems for the defense requirements, as well as for nondefense markets. The Government of India held 66.79% stake in the company as on 31st March 2018.

### Investment Rationale

- The company plans to continue indigenisation efforts in line with Make in India. It plans to enhance capacity and create new test facilities for defence business and are pursuing new opportunities in solar, energy, homeland security, smart cities, smart cards and telecom.
- The Company is looking forward for R&D expenditure between Rs 900 to Rs 1,000 crore. It has initiated many programmes with DRDO and also within Bharat Electronics. It is working on the next generation tactical missile programme called quick reaction surface to air missile programme. This is a joint development between Bharat Electronics, BDL and DRDO.
- Bharat Electronics Limited (BEL) and Larsen & Toubro signed an MoU on April 11, 2018 in Defexpo 2018 at Chennai to share their expertise in design, development, engineering and manufacturing to develop and produce products and systems to meet the requirement of the defence services as well as for export markets.



**We recommend a buy in the stock of BEL 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. 127.05 and 52 week high of Rs 192.95. Buy around at 131 with a closing below stop loss of Rs. 122 levels for the target of Rs.151.**

**Buy Around: 515.00**

**SL: 475 .00**

**Target: 585.00**

**Upside: 14%**

**Horizon: 3 Month**

## VALUE PARAMETERS

Current Mkt.Price (Rs.)	517.90
Face Value (Rs.)	2.00
52 Week High/Low	794.10/477.50
M.Cap (Rs. in Cr.)	26135.82
EPS (Rs.)	39.91
P/E Ratio (times)	12.98
P/B Ratio (times)	2.04
Dividend Yield (%)	1.31
Stock Exchange	BSE

## STOCK DATA

BSE Code	500253
NSE Symbol	LICHSGFIN
Reuters	LICH.BO
Bloomberg	LICHF IN

## SHAREHOLDING PATTERN

(As on 31st Mar 2018)	% Of Holding
Foreign	39.54
Institutions	8.26
Govt holding	0
Non corporate corp. holding	2.29
Promoters	40.31
Public & Others	9.61

Note: Follow Strict Stop Loss.

The company has a track record of delivering robust financial performance. Factors such as robust loan mix, focus on higher margin products, stable asset quality and robust earnings visibility continue to reinforce growth in the company. Going forward, the company is likely to maintain the same on the back of healthy loan growth expectation and expansion in NIM. It is also focusing on improving its assets quality which would have a positive impact on the overall performance of the company.

### Business Profile

LIC Housing Finance Limited is engaged in the housing finance business. It operates through its subsidiaries, which include LICHFL Care Homes Limited, which is engaged in the business of setting up, running and maintaining assisted living community center/care homes for senior citizens; LICHFL Financial Services Limited, which is engaged in the business of marketing financial products and services; LICHFL Asset Management Company Limited, which is engaged in business of managing, advising, administering mutual funds, unit trusts, investment trusts and to act as financial and investment advisors, and LICHFL Trustee Company Private Limited, which acts as a trustee to venture capital trusts and funds.

### Investment Rationale

- According to the management of the company, the launch of smaller sized apartments, coupled with lower interest rates and low initial payment, has given a push to the expansion of the home buyer's base. And this is a very positive sign for the industry, which would accelerate the financial growth of the company.
- During the quarter March 31, 2018, total disbursements recorded a growth of 15% from Rs 15192 crore to Rs 17402 crore. Out of that, disbursements in the individual home loan segment registered a 17% growth from Rs 9253 crore to Rs 10838 crore, whereas total disbursements in project loans was Rs 2266 crore as against Rs 1232 crore for Q4 FY17. Net Interest margins for Q4 FY18 stood at 2.49% as against 2.33% for Q3FY18 and 2.97% for Q4 FY17.



- It has reported 2% YoY growth in net interest income (NII) to Rs 3835.01 crore for 12 months ended Mar 18 and Net interest margins (NIM) for 12 months ended Mar 18 stood at 2.38% as against 2.7 % for the corresponding period.
- 23 new marketing offices will be added in FY 19, highest addition in single year in last 10 years. This will be mainly in Tier 3 and 4 locations.

**We recommend a buy in the stock of LIC HOUSING FINANCE 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. 477.50 and 52 week high of Rs 794.10. Buy around at 515 with a closing below stop loss of Rs.475 levels for the target of Rs.585.**

**Buy Around: 137.00**

**SL: 127.00**

**Target: 160.00**

**Upside: 17%**

**Horizon: 3 Month**

## VALUE PARAMETERS

Current Mkt.Price (Rs.)	135.25
Face Value (Rs.)	10.00
52 Week High/Low	226.00/134.70
M.Cap (Rs. in Cr.)	4177.35
EPS (Rs.)	4.86
P/E Ratio (times)	27.82
P/B Ratio (times)	0.81
Dividend Yield (%)	0.74
Stock Exchange	BSE

## STOCK DATA

BSE Code	530005
NSE Symbol	INDIACEM
Reuters	ICMN.BO
Bloomberg	ICEM IN

## SHAREHOLDING PATTERN

(As on 31st Mar 2018)	% Of Holding
Foreign	19.63
Institutions	28.18
Non corporate corp. holding	9.39
Promoters	28.21
Public & Others	14.59

Note: Follow Strict Stop Loss.

Improving prices and demand of cement in the southern states will lead to better profits for cement makers based in the region this year. According to the management of the company, the incremental demand would lead to better utilization levels for the company, which stood at 60 percent in the last financial year compared with 55 percent earlier. Moreover, plants in Andhra Pradesh and Telangana are expected to have better utilization than the ones in Tamil Nadu. The company has four plants across both the states. During the Q3FY18, it has reported a capacity utilization of 70 percent.

### Business Profile

India Cements is one of the largest producers of cement in South India.. The Company's brands include Sankar Super Power, Coromandel King and Raasi Gold. The Company's plants are located in various locations in India, including Malkapur, Vishnupuram, Chilamkur, Yerraguntla, Vallur, Sankari, Dalavoi, Sankarnagar, Banswara and Parli. The Company, based on customer requirement, also supplies its brands in High-density polyethylene (HDPE), Paper and Laminated packing. It produces both the variants viz Blended Cement, as well as Ordinary Portland Cement under different grades.

### Investment Rationale

- Irrigation projects in Andhra Pradesh and Telangana, affordable housing, upcoming elections aiding growth.
- The company turned out a satisfactory performance in the face of stiff challenges and competition arising out of tough market conditions.
- During Q3FY18, the overall volume during the quarter was 27.26 lakh tons. The net plant realization came down by nearly 6% as compared to the second quarter of the year on a sequential basis. The variable cost was maintained as that of the second quarter. The company will continue to rationalize manpower cost and take such policy decisions as may be necessary to reduce overall staff cost.



We recommend a buy in the stock of INDIA CEMENT 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. 134.70 and 52 week high of Rs 226.00. Buy around at 137.00 with a closing below stop loss of Rs.127.00 levels for the target of Rs.160.

**Buy Around: 764.00**

**SL: 709.00**

**Target: 873.00**

**Upside: 17%**

**Horizon: 3 Month**

## VALUE PARAMETERS

Current Mkt.Price (Rs.)	750.00
Face Value (Rs.)	10.00
52 Week High/Low	1181.90/665.00
M.Cap (Rs. in Cr.)	3825.00
EPS (Rs.)	21.25
P/E Ratio (times)	35.30
P/B Ratio (times)	2.77
Dividend Yield (%)	2.27
Stock Exchange	BSE

## STOCK DATA

BSE Code	534091
NSE Symbol	MCX
Reuters	MCEIqf.BO
Bloomberg	MCX IN

## SHAREHOLDING PATTERN

(As on 31st Mar 2018)	% Of Holding
Foreign	28.18
Institutions	38.65
Non corporate corp. holding	6.53
Promoters	0
Public & Others	26.63

Note: Follow Strict Stop Loss.

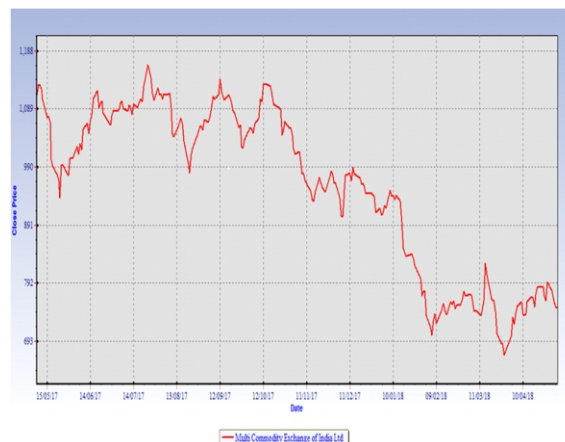
During Q4, FY18, it posts 82% sequential increase in Q4 net profit for FY18. According to the management of the company, the recent launch of liquidity enhancement scheme is expected to provide the much-needed impetus to the growth and development of this nascent product, which will remain our focus in the first half of this financial year Fy19.

### Business Profile

MCX is India's first listed, national-level, electronic, commodity futures exchange with permanent recognition from the Government of India. Various commodities across segments are traded on MCX. These include bullion, energy, metals and agri commodities.

### Investment Rationale

- It has reported 56.39 per cent growth in net profit for the March quarter at Rs 34.14 crore. Total income grew 11 per cent to Rs 96.58 crore during the quarter 4, FY18,
- The average daily turnover (ADT) in commodity futures increased by 22.57% to Rs.23, 824 crore during Q4 FY2018 vis-a-vis the corresponding quarter of FY2017.
- During FY2018 the Exchange's market share in commodity derivative space stood at 89.58%.
- The average daily turnover (ADT) in commodity options during FY2018 was Rs.82.71 crore.
- MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on the Exchange platform. These include bullion, energy, metals and agri commodities.



**We recommend a buy in the stock of MCX 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. 665.00 and 52 week high of Rs 1181.90. Buy around at 764.00 with a closing below stop loss of Rs.709.00 levels for the target of Rs.873.00.**



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