



Recommendations - September 2024

SCRIP	CMP*	Target	FV	P/E	BV	52 week	Industry
						High / Low	
Reliance Industries	2971	3580	10	29	1173	3217/2220	Diversified
Star Health Insurance	618	700	10	40	109	647/454	Insurance
TCI	1097	1230	2	23	257	1238/757	Logistics
VSSL	285	356	10	30	23	342/185	Steel Products
JM Financial	126	150	1	10	89	136/69	Financial

*As on 20 September 2024. Holding period is 6 months.

Previous Month Review

Scrip	Reco	Target	Close*	High	Date	Apr%*	Remarks
Colgate Palmolive	3452	3800	3660	3709	17-Sep	6.03	Hold
Lupin	2113	2370	2151	2312	5-Sep	1.80	Hold
Crompton Consumer	435	490	447	484	2-Sep	2.76	Hold
Sumitomo Chemical	516	590	559	628	10-Sep	14.34	Target achieved
FDC	489	600	564	658	12-Sep	22.70	Target achieved
						9.52	

Nifty	24367	25790	5.84%
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Reliance Industries: Reliance Industries Limited is an Indian multinational conglomerate headquartered in Mumbai, India and India's largest, most profitable private sector company. The company's major business interest are in energy, petrochemicals, Retail, Digital services – Jio, New Energy & Materials and Media & Entertainment. We expect value unlocking to happen in some of its business segments like Retail and Digital services in coming years through listing of their shares. We expect all of their business segment to aid growth in future and New Energy segment to lead growth. Jio and Retail expected to double Revenues and EBITDA in 3-4 years. New Energy business has potential to become as big and profitable as Oil to Chemicals (O2C) in 5-7 years. Long term investors can consider buying Reliance Industries for decent return.

Star Health and Allied Insurance: Star Health, established in 2006 is India's first standalone health insurance provider and a leading private Health Insurance Company with 14,000 network hospitals, 850 + branch offices and over 7 lakh agents spread across the country. With over 15,000 employees the company offers products in health, personal accident and domestic travel insurance in the Indian market. With a dedicated in-house claim settlement team the company offers products for every market sector from individuals to families and corporates. Company operates through various channels, including digital, aggregators, brokers etc. They are also a leader in the field of banc assurance and

have long standing partnership with several banks. Star Health has shown consistent growth in its gross written premiums (GWP) due to the rising demand for health insurance in India. We expect premium revenue to increase around 15% per annum in coming years and profitability to improve. The company is planning to venture into motor insurance. Valuations looks reasonable for a company with decent growth outlook.

Transport Corporation of India: Transport Corporation of India (TCI) is a leading Integrated Multimodal logistics & Supply Chain Solutions Provider. The company was founded in 1958 by Prabhu Dayal Agarwal at Kolkata. TCI has three business divisions i.e., Freight Division, Supply Chain and Seaways. The company has three joint ventures Transystem (TCI and Mutsui & Co.), TCI Concor, TCI Cold Chain (TCI and Mitsui & Co). The company serves multiple sectors including Agri, metals, chemicals including Cross border. TCI has been continuously introducing new and innovative services. From multimodal transportation (road, rail, air and sea) to express delivery solutions, from freight forwarding and customs clearances to warehouse management services, each of the services are linked under a single Customer Relationship management system for maximum benefit to clients. The company has strong balance sheet with surplus cash and good return ratios. We expect company to show consistent growth in coming years backed by robust domestic economy expansion. In spite of recent rally in mid and small cap stocks the stock is still available at reasonable valuation.

Vardhman Special Steel: Vardhman Special Steels (VSSL) Limited is a part of the Vardhman Group and a prominent player in the special steel industry in India, manufacturing high quality special and alloy steel for critical end-use applications in the automotive segment. The company manufactures hot rolled bars and bright bars by using recycled scrap through electric arc furnace route. The products are used for diverse application in automotive industry. The company has 200 plus reputed long term customers across globe in passenger vehicles, 2 Wheelers, commercial vehicles, tractors, Off Highway vehicles and auto component manufacturers. The company has strategic technical alliance with Japan's Aichi Steel Corporation. Company has plans to increase production capacity in coming years and to focus on exports. Currently exports contribute 5% of overall revenue which is likely to increase to 20%. Margins are expected to improve in future on increase in exports.

JM Financial: JM Financial is an integrated and diversified financial services group. The Group's primary businesses include (i) Integrated Investment Bank (IB) (ii) Mortgage Lending (iii) Alternative and Distressed Credit includes the asset reconstruction business and alternative credit funds; and (iv) Asset management, Wealth management and Securities business (Platform AWS) provides an integrated investment platform to individual clients and includes elite and retail wealth management business, broking and mutual fund business. In recent past management announced strategic decision of reducing the wholesale lending and ARC business. Cash that gets released, will be partly used for distribution to shareholders and partly into syndication / AIF business. We expect the stock will get rerated due to strategic announcement business focus announced by management.

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