



CAPSTOCKS & SECURITIES (INDIA) PVT. LTD.

Research Team

Recommendations – November 2019

SCRIP	CMP*	Target	FV	P/E	BV	52 week	Industry
						High / Low	
Granules India	120	150	1	10	67	133/79	Pharma
Max Financial	477	535	2	52	77	497/360	Financial
Navin Fluorine	859	965	2	26	230	919/570	Chemical
Cochin Shipyard	395	460	10	16	253	420/326	Shipping
Triveni Engineering	68	82	1	8	46	78/41	Sugar

*As on 08 Nov 2019. Holding period is 6 months.

Previous Month Review

SCRIP	Reco	Target	Close*	High	Date	Apr%*	Remarks
ICICI Pru Life	440	495	519	527	8-Nov	12.50	Target achieved
Akzo Nobel	1831	2080	2140	2270	5-Nov	13.60	Target achieved
Bandhan Bank	583	665	550	650	29-Oct	-5.66	Hold
Dr. Lal Path Labs	1373	1530	1442	1665	29-Oct	11.43	Target achieved
Polycab India Ltd	669	750	894	888	30-Oct	12.11	Target achieved
						8.80	

Nifty	11305	11908	5.33%
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Granules India Limited manufactures and sells active pharmaceutical ingredients (APIs), pharmaceutical formulation intermediates, and finished dosages (FDs) in India and internationally. The company's APIs in various therapeutic categories include anti-retrovirals, anti-hypertensives, anti-histamines, anti-infectives, analgesics, anti-coagulants, anti-fibrotics, and platelet inhibitors. It also offers various FDs, such as tablets, caplets, and press-fit capsules in bulk, blister packs, and bottles; and other specialty products for oncology. Net profit of Granules India rose 58.96% to Rs 95.79 crore in the quarter ended September 2019 as against Rs 60.26 crore during the previous quarter ended September 2018. **Investment Rationale:** Company expected to show good growth in next two years. Available at reasonable valuations.

Max Financial Services Limited, through its subsidiary, Max Life Insurance Company Limited, provides life insurance products in India. It offers long term savings, protection, and retirement solutions. The company was formerly known as Max India Limited and changed its name to Max Financial Services Limited in January 2016. Max Financial Services Limited was incorporated in 1982 and is based in New Delhi, India. Max Financial Services, a part of the \$3 billion Max Group, is the parent company of Max Life, India's largest non-bank, private life insurance company. In Sep 2019 quarter Max Financial's life insurance business

continued to do well with overall annual premium equivalent (APE) growth was 22 percent YoY. **Investment Rationale:** Relatively cheap valuations when compared to other listed insurance companies. Possibility of corporate action in next six months.

Navin Fluorine International Limited manufactures and sells specialty fluorochemicals in India and internationally. The company offers refrigerants to OEMs, service technicians, and equipment owners under the Mafron brand name for use in various applications, including window and split room air conditioners, chillers, packaged air conditioners, commercial and industrial refrigeration units. It also provides inorganic fluoride products that are used in various. In addition, the company offers various specialty fluoro intermediates consisting of boron trifluoride gas and adducts for use in pharmaceutical, crop protection, hydrocarbon, and fragrance applications. Net profit of Navin Fluorine International rose 27.05% to Rs 47.34 crore in the quarter ended September 2019 as against Rs 37.26 crore during the previous quarter ended September 2018. **Investment Rationale:** Speciality chemicals and CRAMS business to show good growth.

Cochin Shipyard Limited engages in the shipbuilding and repair of ships/offshore structures in India. Its shipbuilding operations include offering tankers, product carriers, bulk carriers, passenger vessels, high bollard pull tugs, and air defence ships. It also undertakes upgradation of mobile offshore drilling units of Oil & Natural Gas Corporation; maintenance and repair of aircraft carriers of the Indian Navy; and repair and maintenance of tankers and bulk carriers of Shipping Corporation of India. In addition, the company provides marine engineering training services. Cochin Shipyard Limited was founded in 1969 and is based in Kochi, India. **Investment Rationale:** Strong order book and attractive valuations.

Triveni Engineering & Industries Limited engages in the sugar and engineering businesses in India and internationally. The company manufactures and sells white crystal sugar for household customers, multinational beverage companies, food and fast moving consumer goods (FMCG) companies, pharmaceutical companies, and confectionery producers; and offers sugar under the Shagun brand. It also sells surplus molasses and bagasse produced as a by-product in the manufacture of sugar; produces ethanol, extra neutral alcohol, rectified spirit, and special denatured spirit; and operates 104.5 MW grid connected cogeneration capacity. In addition, the company manufactures and sells high speed gears and gear boxes for gas and steam turbines, water turbines, compressors, pumps, blowers, and test rigs; and low-speed gearboxes for mini hydel turbines, steel and sugar mills, rubber mixers and extruders, cement mills, thermal plants, plastics, etc.

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