



CAPSTOCKS & SECURITIES (INDIA) PVT. LTD.

Research Team

Recommendations – July 2018

SCRIP	CMP*	Target	P/E	BV	52 week	Industry
					High / Low	
HCL Tech	983	1130	15	261	1108/824	IT
ITC	270	315	30	43	339/250	FMCG
Bajaj Auto	3138	3520	21	706	3468/2703	Auto
RBL Bank	570	655	37	158	590/443	Banking
TI Financial Holdings	657	745	19	178	749/530	Financials

*As on 13 July 2018. Holding period is 6 months.

Previous Month Review

SCRIP	Reco	Target	Close*	High	Date	Apr %*	Remarks
Dr.Reddys Lab	2062	2360	2319	2429	19-Jun	14.45	Target achieved
SBI	273	311	257	289	13-Jun	-5.86	Hold
Arvind	410	462	411	421	15-Jun	0.24	Hold
AU Small Fin Bank	706	810	636	734	13-Jun	-9.92	Hold
Munjal Showa	243	276	230	261	14-Jun	-5.35	Hold
						-1.29	

Nifty	10767	11018	2.33%
-------	-------	-------	-------

HCL Technologies Limited provides software, business process outsourcing, and information technology (IT) infrastructure services worldwide. The company offers IT infrastructure management, cloud computing, data center, managed mainframe and maintenance, network, service integration and management, and workplace services, as well as autonomics and orchestration services, products, and platforms. It also provides digital consulting, application development and platform engineering, platforms, business analytics, business assurance and testing, and application maintenance services; SAP landscape transformation, system conversion, and new implementations of on-premises and cloud platform solutions; Oracle business consulting, implementation, upgrades, managed, and migration services; and Microsoft customer relationship management, cloud, analytics, infrastructure, and workplace innovation services. Investment Rationale; Valuations attractive and buyback to support prices. Future growth to be led by new verticals.

ITC Limited engages in fast moving consumer goods, hotels, paperboards and specialty papers, packaging, agri, and information technology (IT) businesses worldwide. The company primarily offers cigarettes and cigars; staples, spices, ready-to-eat and snack foods, juices and beverages, and bakery and confectionery products; personal care products;

education and stationery products; safety matches; and incense sticks under various brand names. It also retails formal, casual, sports, party, evening, and designer wear products; denims; and accessories through Wills Lifestyle and John Players stores. The company operates approximately 100 hotels under the ITC Hotel, Welcome Hotel, Fortune, and Welcome Heritage names. Investment Rationale; Valuations attractive and tobacco business expected to stabilize. FMCG business to see decent growth.

RBL Bank Limited operates as a scheduled commercial bank in India. The company operates through Corporate/Wholesale Banking, Retail Banking, Treasury, and Other Banking Operations segments. Its deposit products include savings accounts, current accounts, and fixed deposits. The company offers loans against property, overdraft against property, home loans, business loans, personal loans, education loans, auto loans, loans against gold, loans against deposits, and working capital finance. It also provides trade products and services, and foreign exchange services; transaction banking solutions; and customized banking solutions for industries, such as IT and ITES, hospitals, shipping and maritime, and leather. Investment Rationale; Consistent growth expected in coming years.

Bajaj Auto Limited manufactures and sells scooters, motor cycles, three-wheeler vehicles, and spare parts in India. It operates through Automotive and Investments segments. The company also offers quadricycles. It also exports its products to 70 countries in Latin America, Africa, South Asia, the Middle East, Europe, and the Asia Pacific Bajaj Auto has reported 65% growth in total sales at 404,429 units in June 2018 compared to 244,878 units sold in June 2017. Total sales include domestic sales at 234,576 units and exports at 169,853 units, recording growth of 85% and 44% respectively. The company reported highest ever monthly sales of commercial vehicles at 66,677 units in June 2018. Motorcycle sales for the month stood at 337,752 units. Investment Rationale; Rupee depreciation is positive as company exports significantly. Strong balance sheet with cash rich status. Domestic business to see sustained growth.

TI Financial Holdings Limited, an investment company, provides financial services. It offers non-banking financial services, including vehicle finance, home equity, home loans, corporate finance, rural finance, stock broking, and wealth management. The company also provides general insurance products and services, such as motor, fire, marine, health, accident, and travel. In addition, it offers risk management and engineering solutions comprising process safety, construction safety, electrical safety, energy and environment consulting, logistics safety, and insurance support. Investment Rationale; Auto finance subsidiary and general insurance joint venture are doing well.

 Disclaimer: Capstocks & Securities (India) Pvt Ltd do not accept responsibility for consequences of financial decisions taken by readers on the basis of information provided herein. The aim is to provide a reasonably accurate picture of financial and related opportunities based on information available with us. Issued by the Equity Research & Analysis Department of Capstocks & Securities (India) Pvt Ltd, Capstocks Towers, Thakaraparambu Road, Trivandrum 695023, Kerala. Please note that Capstocks, its directors and associates may have trading or investment positions in the securities mentioned herein.
