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# Mahurat Picks for Samvat 2067

## Diwali Top 7

Company	CMP(Rs.)	Target(Rs.)
Alok Industries	29	45
Bilcare	741	950
DB Realty	420	564
JBF Industries	208	300
HDIL	257	375
U-Flex	305	440
UTV Software	601	1040

# Alok Industries

- The market outlook for textiles, particularly for Polyester Yarn & Fabrics is improving very fast with increasing demand from global and domestic markets and better realizations
- Company is planning to invest Rs.900crs over the next 2 years to increase capacity
- FII's have increased their holding in the company from 11.41% in June'10 quarter to 20.38% in Sept.'10 quarter
- Promoters were able to release around 42% of pledged stocks
- We expect company to report, superior results for second half of FY'2011

# Bilcare

- Innovation driven by R&D is key driver for growth of all the business segments. Another important growth area will be – Global Clinical services business
- Apart from domestic demand, major growth will come from US markets, where shifting from bottles to Blister packaging will boost demand for its products. Company is ready to tap this potential with required DMF filings and FDA approvals
- Company has developed anti counterfeit solutions in packaging using non clonable security technology (NST) which can revolutionize the packaging arena
- Company's recent US acquisition INEOS is earnings accretive and will drive the top line and bottom line significantly
- We think stock is highly undervalued and deserves re-rating

# DB Realty

- Biggest and most-valuable residential real estate stock in Mumbai owns saleable residential space of 33.4m sq ft
- Around 50% of total space is in South-Central Mumbai and Bandra East, which is currently valued +15,000/sqft
- Plans to launch 7 residential projects over the next 12 months
- Has tie-ups not only with land owners but also with most Grade-A developers which reduces cost-outgo and mitigate location & execution risks
- Its NAV as on Sep '11 is Rs.564 per share and currently trading at 28% discount to its NAV

# JBF Industries

- Company is gradually moving up in value chain from Polyester Chips maker to Yarn & Film maker
- With Polyester film prices improving significantly in last 6 months, we expect company's Dubai subsidiary – JBF RAK to report excellent results
- For backward integration & to secure raw materials at cheaper cost, its subsidiary JBF RAK, Dubai is planning to set up a 1.2 mill MTs capacity of key input – PTA. This will be under JV with Oman oil [10% stake], who will provide Paraxylene [input for PTA]. JBF RAK may be listed on Singapore exchange also
- Due to improved fundamentals for Polyester Films and Yarns, improving realisation(Rs.235 per Kg), stabilized raw material cost & re-rating of the overall sector, we are bullish on the stock

# HDIL

- HDIL aims to diversify from being just a TDR/FSI company
- Along with the Mumbai International Airport (MIAL) project, HDIL has expanded into residential launches, achieving healthy sales
- With most projects coming up in Mumbai suburbs, we expect it to sell 18bn of stock in FY11 and TDRs worth 12bn
- Further it acquired slum rehabilitation projects in Santacruz (W) and near BKC. Planning another 8-10m sqft of projects across the eastern & western suburbs in the next 12 months
- HDIL NAV as on Sep '11 is Rs.419 per share and currently stock price is trading at approx. 38% discount to its NAV

# UFLEX

- Company believes in innovation to drive up the margins & looking to diversify in other packaging segments like Polytubes for personal care/Pharma products
- It is setting up 52,800 MTs Polyester Film capacity at Mexico; where Phase I of 26,400 MTs is in operation while Phase II of 26,400 MTs has already commenced
- Company is also setting up plant in Egypt with 35,000 MTs BOPP capacity plus 30,000 MTs of PET Films & 12,000 MTs of Cast PP film [Phase-II]. Phase II will be operational by July'11. [\$135 mill. expansion]
- These expansions will boost the growth going forward and company hopes to double the top line to \$1 bn (Rs.4500 Cr) by 2012
- Company may also opt to grow inorganically, by acquiring packaging companies in US or Europe, to acquire bigger MNC client relationships and reach out to global markets in future

# UTV Software

- Company is in to high growth entertainment business of– TV Broadcasting, TV Content development, Movie Production & a very niche and high margin business of developing – Console Games for PS3 & Xbox platforms and Mobile & Online gaming development
- Promoted by Rohinton Screwala & jointly owned by Walt Disney which owns 50.4% stake right now. Ronnie owns 19.6% stake in company, but has option to buy back 19% stake from Walt Disney in next two years at around Rs.900/- or so [which can increase Ronnie's stake to 38% and reduces Walt Disney's stake to 32%]
- Most exciting future is Gaming business, where company has three console based games ready to be launched, each of these IP owned games can fetch significant revenues and profits
- Based on significant improvements seen in all segments of the business. We expect company to report consolidated EPS of Rs 32/- in FY 11 & Rs.52/- in FY 12. We have a target of Rs 1040 for 12 months



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