

Retail Research  
29<sup>th</sup> October 213

Wish you a very Happy and Prosperous Diwali!!

Muhurat Trading – a special trading session that marks the beginning of the traditional New Year. This year Diwali Muhurat trading session will be conducted on 3<sup>rd</sup> November 2013 from 6.00 PM to 7.30 PM. We are recommending the following Muhurat picks for an investment horizon of 12-15 months.

Company	CMP as on 29 <sup>th</sup> Oct 2013	Target	Potential Upside(%)	Description
Emami	502	589	17.3%	Emami Limited is a leading FMCG manufacturer in India. It owns a portfolio of over 300 ayurveda & herbal health, beauty and personal care products. The Company owns several strong brands like Boroplus, Fair & Handsome, Navratna Oil and Zandu Balm which are household names and market leaders in their respective product categories. Going forward, Emami Ltd stands to benefit from the low penetration and per-capita consumption of FMCG products in India. Its strong distribution channel will also help it tap the burgeoning rural markets which are booming with rise in incomes and spending power on back of various government sponsored welfare schemes. The company's net profit, on consolidated basis, grew 35.1% at Rs 79.95 crore for the second quarter ended September 30, 2013 against Rs 59.18 crore in the second quarter of previous fiscal. Group's total income from operation rose 12.78% at Rs 406.74 crore for the quarter from Rs 360.66 crore in the similar quarter of previous year.
Sesa Sterlite	200.8	237	18.0%	Sesa Sterlite Limited is one of the world's largest diversified natural resource companies. Its major business involves exploring, extracting and processing minerals and oil & gas. It produces oil & gas, zinc, lead, silver, copper, iron ore, aluminium and commercial power and have a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and Sri Lanka. Sesa Sterlite has a strong position in emerging markets with over 80% of its revenues from India, China, East Asia, Africa and the Middle East. It has Portfolio of low cost, scalable assets generating strong and consistent profitability and free cash flow with EBITDA Margin of 47% with Net Income of Rs.10,000 crore & Total Assets of Rs.195,000 crore. It has Strong and liquid balance sheet Cash and liquid investments of Rs.42,000 crore(FY 2013)
LT	977.4	1097	12.2%	Larsen & Toubro is an engineering & construction major in India. It has a strong presence in various business verticals like Turnkey projects, construction & Engineering Services. Over the last couple of years, L&T has actively restructured its business into multiple Independent Companies (ICs) which are vertically integrated business segments with their own boards within the parent company. This structure allows for greater independence in working and is expected the ICs to harness sectoral opportunities, enhance competitiveness, attract talent and facilitate scalable high impact organizational culture. A fair growth of 9.96% in the revenue at Rs. 14509.5 crores was reported in the September 2013 quarter as compared to Rs. 13195.2 crores during year-ago period. The Net Profit of the company registered a slight decline of 9.86% to Rs. 977.5 crores from Rs. 1084.4 crores. Operating Profit reported a sharp decline to 1634.7 crores from 1734.7 crores in the corresponding previous quarter.
SBI	1737.3	2040	17.4%	State Bank of India is India's largest commercial Bank in terms of profits, assets, deposits, branches and employees. Being the largest bank, State Bank of India has certain inherent advantages which are economies of scale, a large low cost deposit base which helps in funding its advances, diverse revenue stream and low operating costs. Though its Non-Performing Assets have crept up off late, the bank maintains a sound credit culture despite its large exposure to priority and other NPA prone sectors. Overall, a sound loan book, low cost operations and a strong deposit base will help the bank perform well in future. Operating profit declined from 10786 crores in Q1FY13 to Rs 10329 crores in Q1FY14. Net Profit Stood at 4299 crores in Q1FY14 vs Rs 4875 crores in Q1FY13.

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Colgate Palmolive	1239.95	1387	11.9%	Colgate Palmolive is engaged in the business of Personal Care products, mainly Oral Care and Household Care products. In India, Colgate is the leader in Oral Care category and derives majority of its revenue from the toothpaste business. It is benefitting from a general shift of consumption of toothpowder to toothpaste, led by rising per capita income and awareness. With a relatively low per capita consumption of toothpaste at roughly 127 gms per year there is a sufficient headroom for growth of Indian oral care market. Colgate is also innovative with various product offerings at all price points which offers a wide choice of products right to consumers and gives a chance to trade up as their disposable income levels rise. The company's net profit stood at at Rs 109.52 crore for the second quarter ended September 30, 2013 against Rs 145.08 crore in the second quarter of previous fiscal. Total income rose 15.76% at Rs 895.69 crore for the quarter from Rs 773.77 crore in the similar quarter of previous year.
Federal Bank	79.75	97	21.6%	Federal bank is an mid-sized commercial bank. Its business can be divided into the following broad heads: Personal Banking, NRI Banking, Corporate Banking, SME business and Agri business. Federal bank has a large NRI client base which provides it with low cost deposits. Moreover, its strong risk management and cautious culture will augur well for the stock in future. The company's net profit stood at at Rs 225.81 crore for the second quarter ended September 30, 2013 against Rs 215.10 crore in the second quarter of previous fiscal. Total income rose 11.58% at Rs 1857.84 crore for the quarter from Rs 1665.04 crore in the similar quarter of previous year.
KEC International	34.2	40	17.0%	KEC International is the flagship company of the RPG group. It is engaged in the business of Infrastructure Engineering, Procurement and Construction. The Company also has a growing presence across Power Systems, Cables, Railways, Telecom and Water segments which together contribute around 30% of the Company's turnover. The Company has a footprint in over 50 countries across Africa, Americas, Central Asia, Middle East, South Asia and Southeast Asia. The company is also exploring opportunities in Solar and Wind EPC projects. Overall, the company has a strong fundamentals and a bright future ahead. The company's net profit stood at at Rs 22.09 crore for the second quarter ended September 30, 2013 against Rs 16.48 crore in the second quarter of previous fiscal. Total income rose 6.34% at Rs 1744 crore for the quarter from Rs 1640 crore in the similar quarter of previous year.
CONCOR	760.25	925	21.7%	Container Corporation of India Ltd (CONCOR) is a Public Sector Undertaking engaged in the business of providing inland transport by rail for containers, ports, air cargo complexes and cold storage-chains. The Company's business can be categorized into three distinct activities which are Carrier, Terminal Operator and Warehousing. The Company has the largest network of 62 Inland Container Depots (ICDs) in India of which 18 are export-import container depots, 14 exclusive domestic container depots and the rest perform both functions. Overall, being the leading player in the transportation segment with a competitive service, it is a good bet in the long run. The company's net profit stood at at Rs 242.68 crore for the second quarter ended September 30, 2013 against Rs 232.48 crore in the second quarter of previous fiscal. Total income rose 18.88% at Rs 1254 crore for the quarter from Rs 1054.86 crore in the similar quarter of previous year.

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Blue Dart Express	2721.55	3081	13.2%	Blue Dart is an integrated courier and package distribution Company. Blue Dart is owned by DHL, one of the largest courier companies in the world. It has extensive network of over 33,745 locations in over 220 countries worldwide. It owns a large network of warehouses, on-ground support infrastructure and a fleet of aircrafts. It derives majority of its revenues from contracts with large institutional clients. Its leadership position in courier will be driven by a boom in e-commerce industries like shopping & travel portals as well as other industries like pharma, chemicals etc. As on 31st March 2013, it had zero debt on its balance sheet and a strong cash position. In the long run, decent revenue visibility, an asset light model and debt-free capital structure will help the company deliver superior performance. The company's net profit stood at at Rs 30.06 crore for the second quarter ended September 30, 2013 against Rs 32.20 crore in the second quarter of previous fiscal. Total income rose 12.87% at Rs 471. crore for the quarter from Rs 417.31 crore in the similar quarter of previous year.
Gruh Finance	221.1	257	16.2%	Gruh Finance Ltd is a subsidiary of HDFC Ltd and engaged in the business of housing finance. It provides affordable finance to individuals for purchase, construction, repair and renovation of houses. Its cumulative disbursements as on 30th June 2013 were Rs 9052.25 Crores. The company is recognized by the National Housing Bank for refinance facility. Apart from housing finance, the company also accepts fixed deposits with various interest payment and maturity options. It is spread across 7 states with 136 offices. Its strong parentage and backing will help it outperform in future. The company's net profit stood at at Rs 34.35crore against Rs 27.21 crore in the second quarter of previous fiscal. Total income rose 34.09% at Rs 210.50 crore for the quarter from Rs 156.98 crore in the similar quarter of previous year.
Wipro	486.4	553	13.7%	Wipro provides comprehensive IT solutions and services, including systems integration, Information Systems outsourcing, IT enabled services, package implementation, software application development and maintenance, and research and development services to corporations globally. Wipro Limited is the first PCMM Level 5 and SEI CMM Level 5 certified IT Services Company globally. Wipro has reported better-than-expected result for the second quarter ended September 30, 2013, as revenue in its core business grew at the fastest rate quarter-on-quarter in almost two years. The company's net profit, on consolidated basis, grew 19.01% at Rs 1942.40 crore against Rs 1510.50 crore in the second quarter of previous fiscal. Group's total income from operation rose 19.01% at Rs 10989.4 crore for the quarter from Rs 9233.7 crore in the similar quarter of previous year.

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