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Diwali

**"SAMVAT 2080"**

*Wishing all our customers a Profitable Year!!!*

**Investment Picks - SAMVAT 2080**



**Indbank**

Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)



# SAMVAT 2080 INVESTMENT PICKS 2023

## INVESTMENT PICKS 2023

Stocks	Buy price * (Rs)	Support Level *# (Rs)	Target ^ (Rs)	Upside Potential (%)
Union Bank	102	85	160	53
NBCC	65	52	90	38
HAL	1950	1860	2350	20
CDSL	1540	1430	1750	13
GoldBees (Gold ETF)	51	47	60	17

## SAMVAT 2079 PERFORMANCE OF INVESTMENT PICKS 2022

Stocks	Stock recommended at	High post recommendation	Target	Return at high post recommendation (in %)	Remarks
ITD Cementation	119	250	165	110	Target Achieved
Coal India	236	319	300	35	Target Achieved
Silverbees	55	76	68	38	Target Achieved
SBI	527	629	650	19	Recommendation open
M&M	1230	1670	1500	36	Target Achieved

# SAMVAT 2080 INVESTMENT PICKS 2023

## UNION BANK OF INDIA

<b>No. of shares (cr)</b>	<b>741</b>
Market Cap (cr)	75,644
52-week high/low	113 / 51.2
BSE Code	532477
NSE Code	UNIONBANK

### Business Operations

Union Bank of India is India's 5th largest Public Sector Bank with a market share of nearly 11% among PSBs in banking business. It is engaged in the business of banking services, Government business, Merchant Banking, Agency business insurance, mutual funds, wealth management etc. Andhra Bank and Corporation Bank were merged with the Union Bank of India w.e.f 1 April 2020. The total business of the bank nearly doubled post the merger with these two banks.

Financial Highlights (cr.)

### Financial Highlights

(Rs in crs.)	Q2FY23	Q2FY24	yoy
Sales	19,778	24,732	25.0%
EBITDA	10,180	16,770	64.7%
PAT	1,853	3,572	92.7%
OPM	51%	68%	

### Investment Rationale

- Significant low-cost deposit base resulting in enhanced income.
- Steadily improving NIMs and cost to income ratios resulting in improved profitability.
- Pan-India network and international presence.
- Improving asset quality and adequate provisioning.
- Slippages expected to moderate.
- Traction in retail home loan, high value education loans and corporate portfolios to drive growth in the following year.
- Cost of deposits is expected to moderate over the next two quarters thereby boosting the revenue visibility.

# SAMVAT 2080 INVESTMENT PICKS 2023

## NBCC (India) Ltd.

No. of shares (cr)	180
Market Cap (cr)	11,878
52-week high/low	74.4 / 31.0
BSE Code	534309
NSE Code	NBCC

### Business Operations

NBCC is a construction arm of the Government of India established to execute civil engineering projects for the state governments, various central government ministries, public and private sectors. It achieved the status of 'Navratna' company in 2014.

### Financial Highlights

(Rs in crs.)	Q1FY23	Q1FY24	yoy
Sales	1,366	1,478	8.2%
EBITDA	49	48	-2.0%
PAT	-13	63	584.6%
OPM	4%	3%	

### Investment Rationale

- The construction sector is the second largest contributor to India's GDP
- Increased capex spending by central government which will translate to the company securing a robust order pipeline
- NBCC is diversifying in areas such as aviation and health infrastructure, defence works, smart city mission projects, and irrigation projects.
- The company has been making significant strides in executing stalled projects of realtors and is expected to continue to do so
- At around 19%, the company's ROE is substantially higher than its industry average
- Stock has been witnessing higher high, higher low pattern on daily charts and is above an important pivot level of 65.

# SAMVAT 2080 INVESTMENT PICKS 2023

## HINDUSTAN AERONAUTICS LTD

No. of shares (cr)	66.9
Market Cap (cr)	1,29,140
52-week high/low	2,090 / 1,150
BSE Code	541154
NSE Code	HAL

### Business Operations

Hindustan Aeronautics Limited (the Company) is a public company domiciled in India. It specializes in the design, development, manufacture, repair, overhaul, upgrade and servicing of a wide range of products including, aircraft, helicopters, aero-engines, avionics, accessories and aerospace structures.

### Financial Highlights

(Rs in crs.)	FY21	FY22	FY23
Sales	22,882	24,620	26,928
EBITDA	5,341	5,420	6,669
PAT	3,239	5,086	5,811
OPM	23%	22%	25%

### Investment Rationale

- HAL has industry leading market share of above 50%
- The company is expected to play a pivotal role in achieving self-reliance in the Indian Aerospace and defense industry with a healthy order book at Rs 81784 Crores
- There has been steady increase in inflow from FIIs in the last 7-8 quarters.
- HAL has been able to generate a robust profit growth at 23% CAGR over last five years.
- Mutual Funds have increased holdings from 6.60% to 7.20% in Sep 2023 qtr.
- The stock is available at an attractive valuation of 21.49%, much lower than the industry average.
- Make in India, PLI schemes to benefit defense manufacturing in India.

# SAMVAT 2080 INVESTMENT PICKS 2023

## CDSL

No. of shares (cr)	10.4
Market Cap (cr)	16,260
52-week high/low	1,569 / 881
NSE Code	CDSL

### Business Operations

Central Depository Services Limited (CDSL) is a market infrastructure institution. It facilitates the holding of securities in dematerialized form and enables security transactions for exchanges, clearing corporations, depository participants (DPs), issuers and investors.

### Financial Highlights

	FY21	FY22	FY23
Sales	343.72	551.33	555.09
EBITDA	211.82	365.45	318.91
PAT	200.34	311.18	275.94
OPM	62%	66%	57%

### Investment Rationale

- Being one of only two depositories in the country, CDSL has near monopoly market position with more than 70% market share in number of demat accounts.
- CDSL became the First Depository to reach the milestone of 9.62 crore demat accounts.
- A zero debt company.
- Stock recently broke out of two long term resistance levels of 1300 & 1400 with high volumes.
- Growing demand for demat accounts and higher participation in capital markets to aide growth for the company.
- Compulsory dematerialization to work in favor of the company.

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