

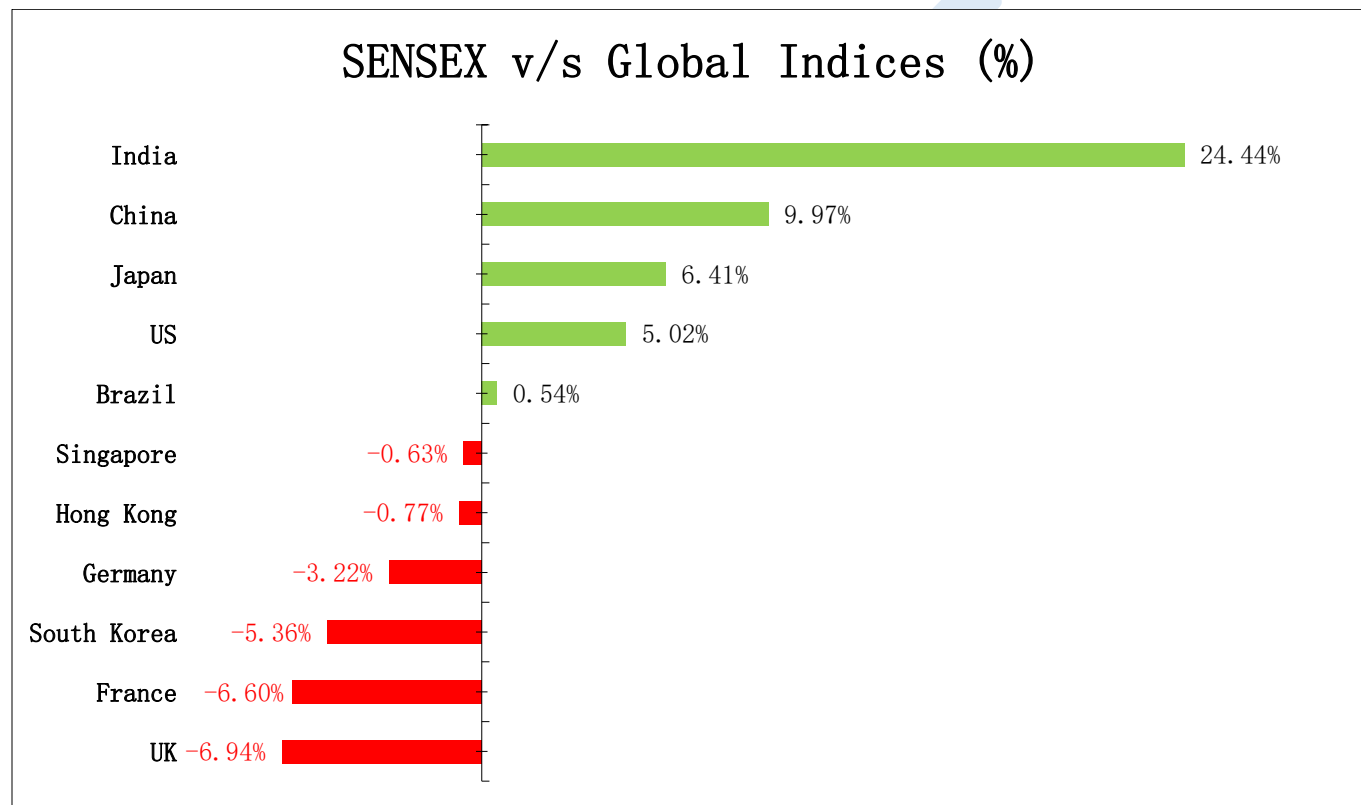
JIMIT ZAVERI'S STOCKS IDEA



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Welcome Samvat 2071..... Bye Bye Samvat 2070.....

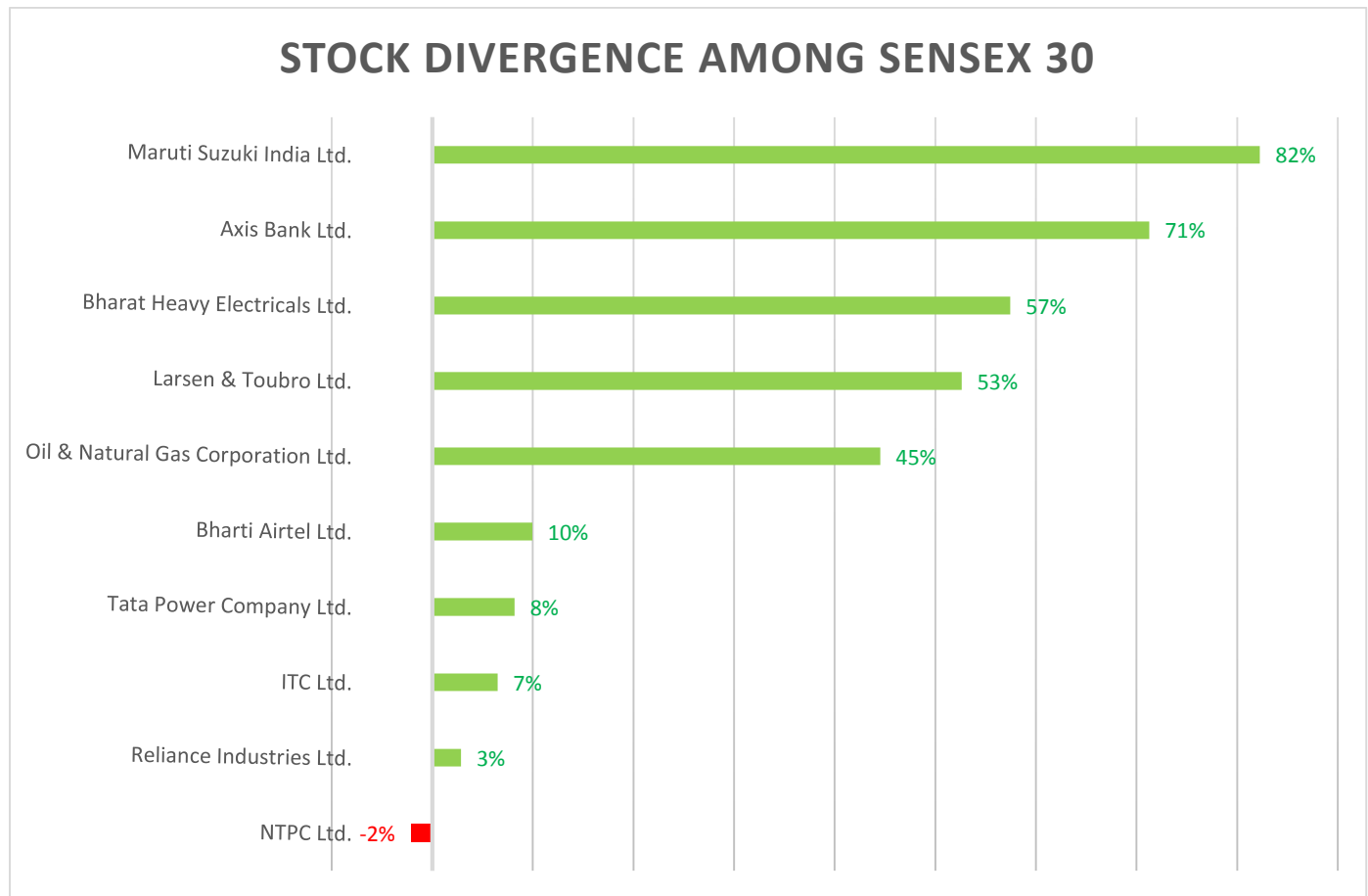
We are welcoming Samvat 2071 with joy and prospects. As our Samvat 2070 was rewarded us with new all-time high of the Indian stock market and give us a handsome return. Our Indian stock market has provided a highest return with 24.44% from last Diwali (03-Nov-2014) to 20-Oct-2014.



Indian Stock market has outperform all other major markets which has a main stream reason is “Ab ki baar Modi sarkaar”, falling inflation and crude oil price, strong RBI policy by Rockstar Mr.Raghuram Rajan who has done as per expectation from him, expectation of come out from the policy paralysis situation, etc.

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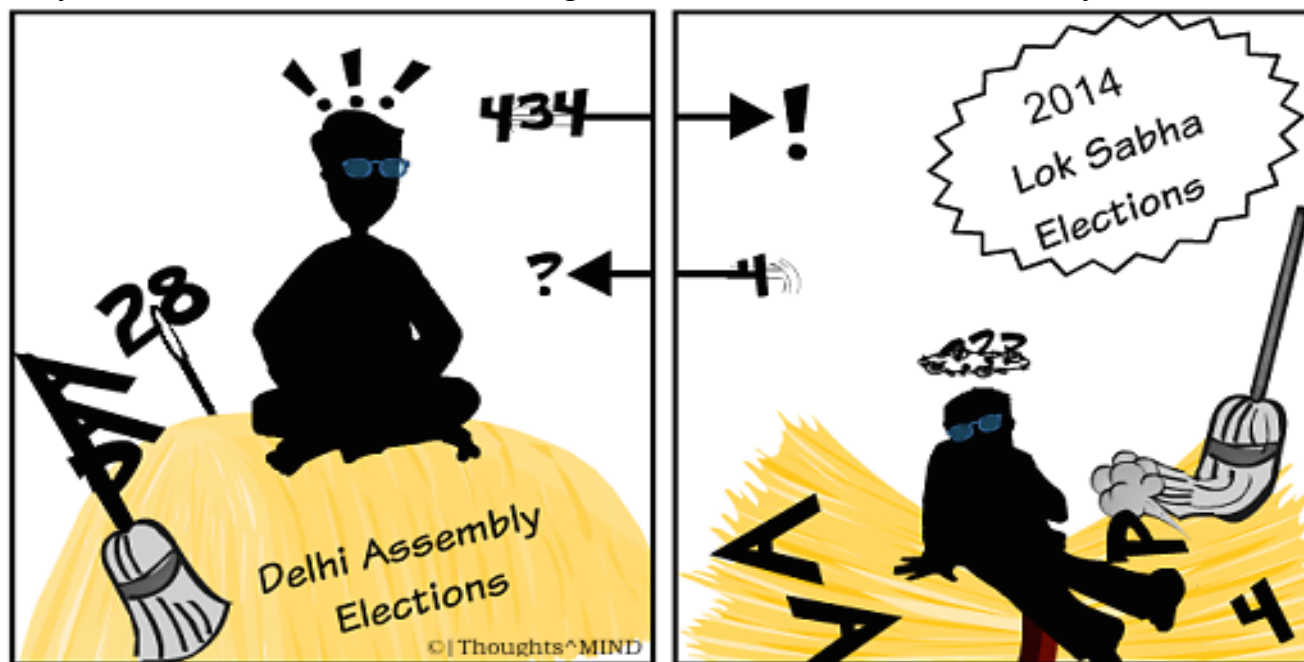
Flash back of SENSEX 30 companies return from last Diwali to current year.....



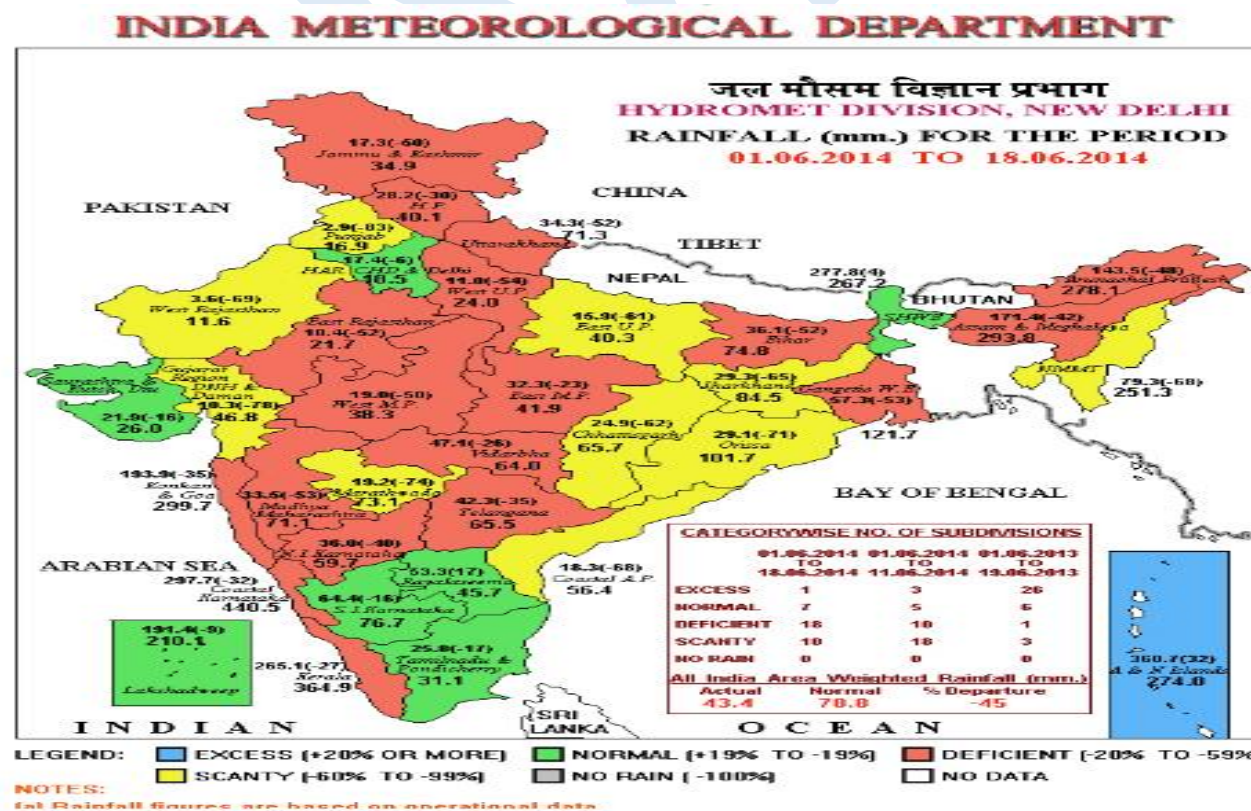
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Some of the major events from Samvat 2070 to Samvat 2071 which are as follow:-

1. Different Political Parties comes into existence and then they deliver many promises to the general public (As they are only good in making fake promises :P). But from these all parties "Aam Aadmi Party" was able to rule at Delhi and forms government at Delhi and rule for 48 days.

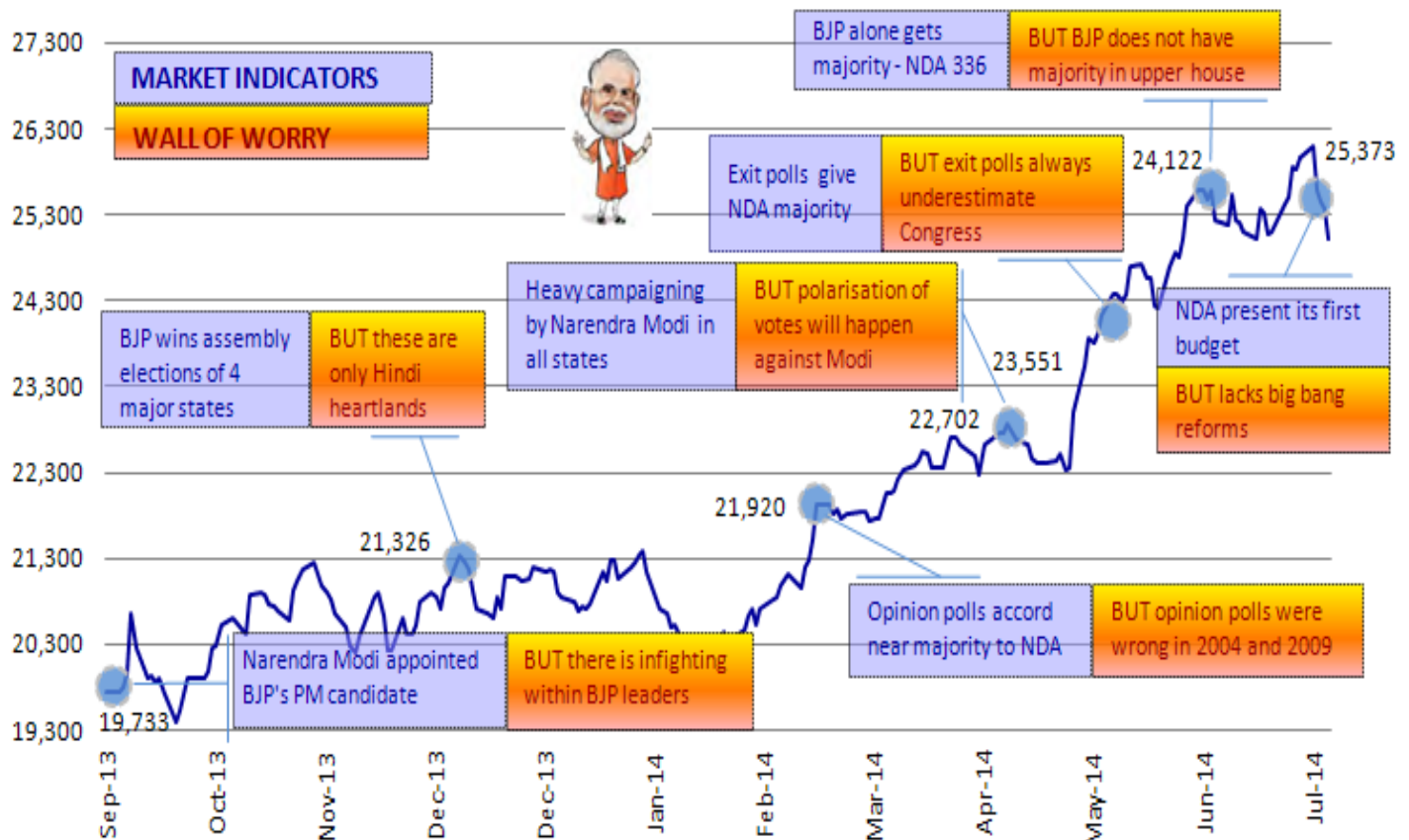


2. El Nino effect was remain in first Phase of monsoon but in second Phase deficit start reducing.



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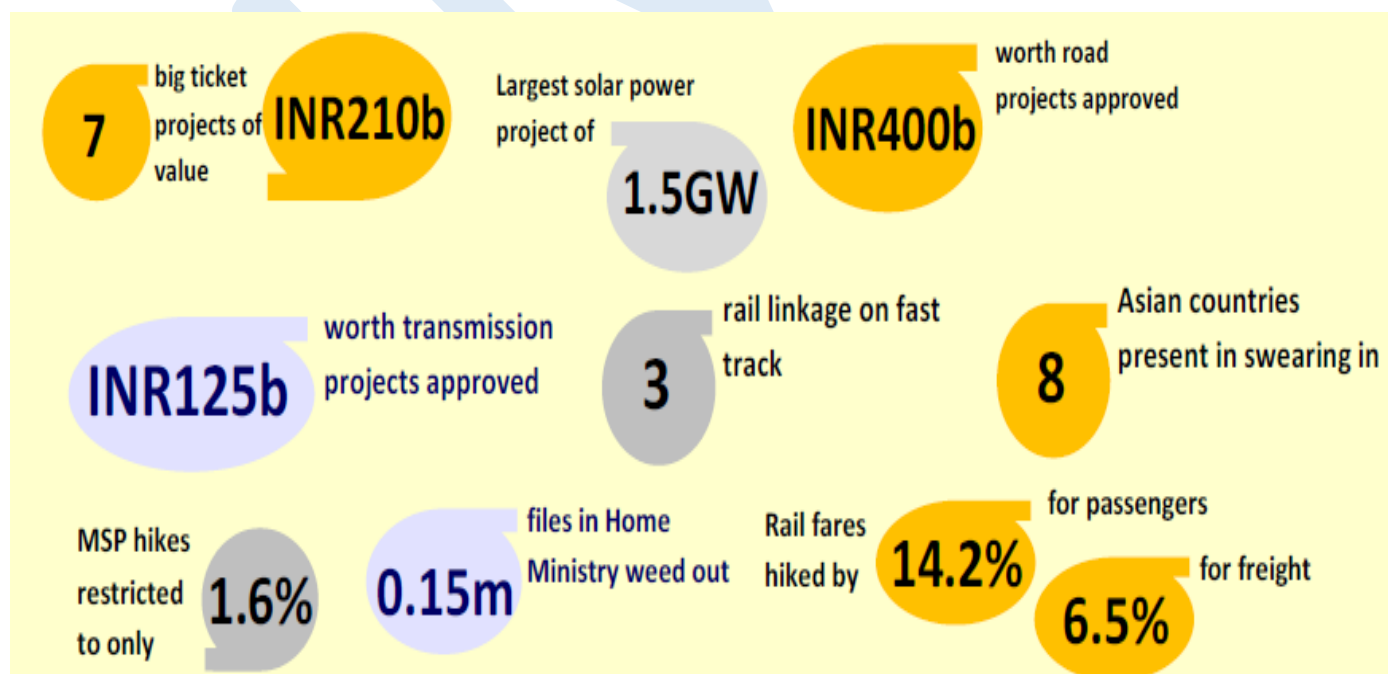
- Mr. Narendra Modi elected as PM of India with majority. BJP comes on seats of 282 and NDA on 336 seats. BJP created a record by elected as majority.



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4. Cancel Coal block allocation by Supreme Court. The court, led by Chief Justice Rajendra Mal Lodha, let off two coal blocks operated by Reliance Power (RPOL.NS) and one each by state firms NTPC Ltd (NTPC.NS) and Steel Authority of India Ltd (SAIL.NS), as some of them are developing mega power projects critical for the country.
5. Work list by Mr.Narendra Modi in 150 days.....

Particulars	Impacted sector
INR125b worth of transmission projects approved	Power
Approved road projects worth about INR400b	Infrastructure
Fast track clearances for 3 rail lines for coal linkage	Power
Railway fares hiked; higher fares for passenger with Fuel adjustment charge	Economy
7 big-ticket projects of INR210b cleared	Infrastructure
Gas price deferred for 3 months to consult with all stakeholders	Energy
Firm resolve to GST implementation	Economy
FDI in insurance and defence raised from 26% to 49%	Insurance
24 Airports identified for development as Domestic Air Cargo Terminals	Infrastructure
PSU Bank consolidation and greater autonomy	Financials
Transfer of units of debt mutual funds to be taxed at 20% (vs 10% earlier)	Economy
Conducive tax regime for REITS and Infrastructure Investment Trusts	Infrastructure
New scheme targeting feeder separate for DISCOMs	Infrastructure
Online environmental clearances	Infrastructure
Large number of infrastructure projects announced (16 ports, 8,500kms of road project completion, developing airports in Tier 2 and 3 cities, developing 100 smart cities)	Economy
Construction under EPC vs. PPP earlier	Infrastructure

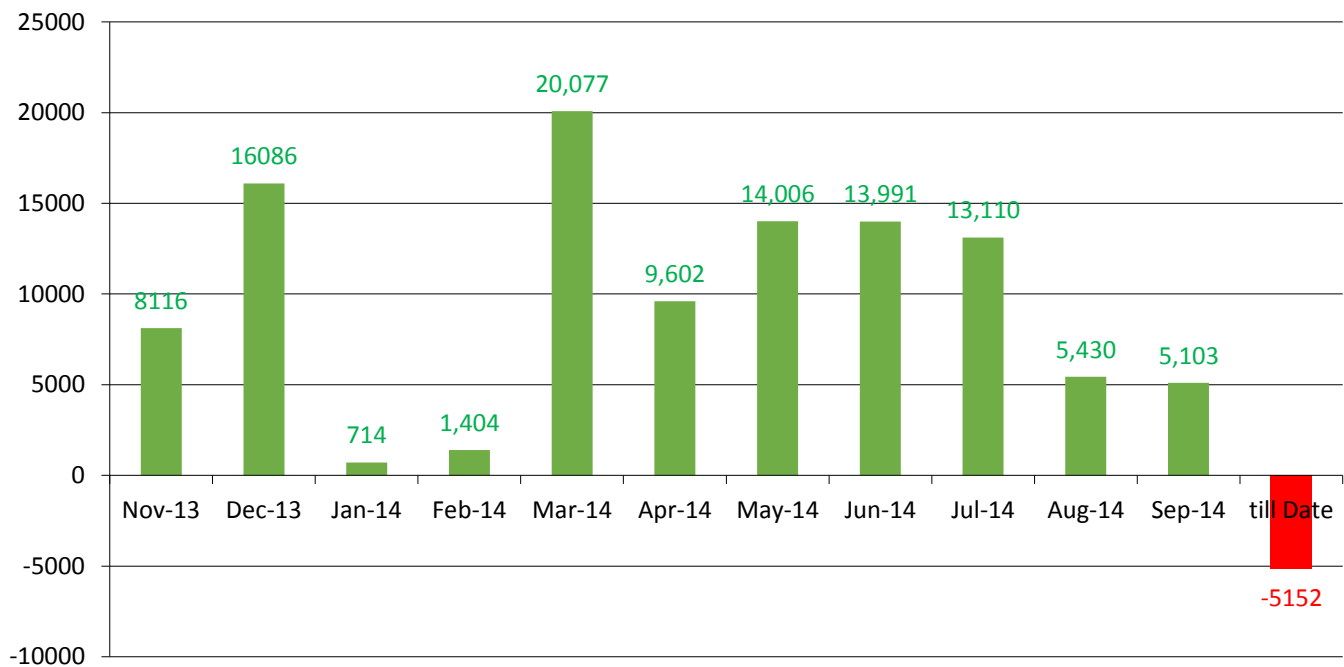


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7. In the department of economic affairs, US-based economist Arvind Subramanian is appointed to fill the long-vacant post of the government's chief economic advisor.
8. FIIs flow pumping to Indian Capital Market....

FIIs flows in Indian Capital Market Since Nov-2013 (Rs. Crore)

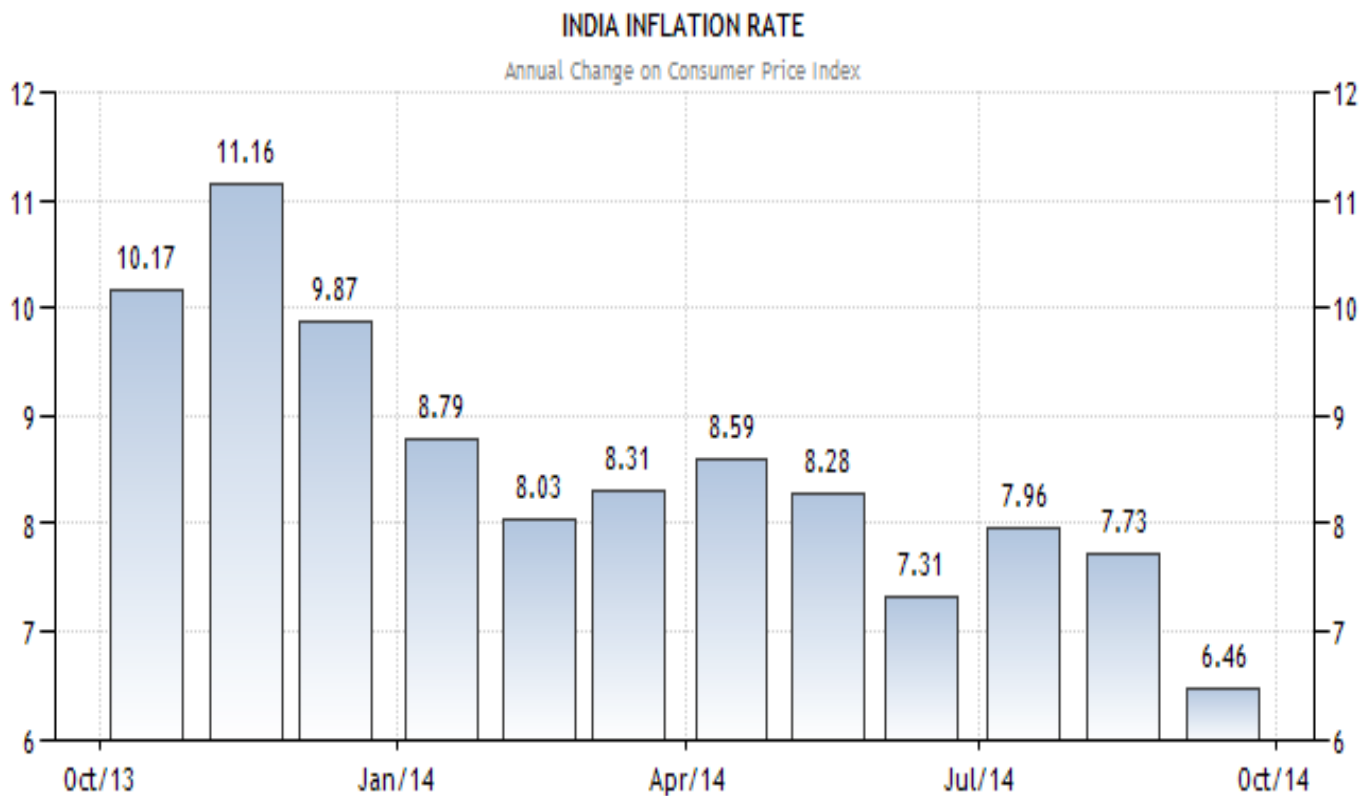


9. Crude oil price falling.....



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10. Falling inflation.....

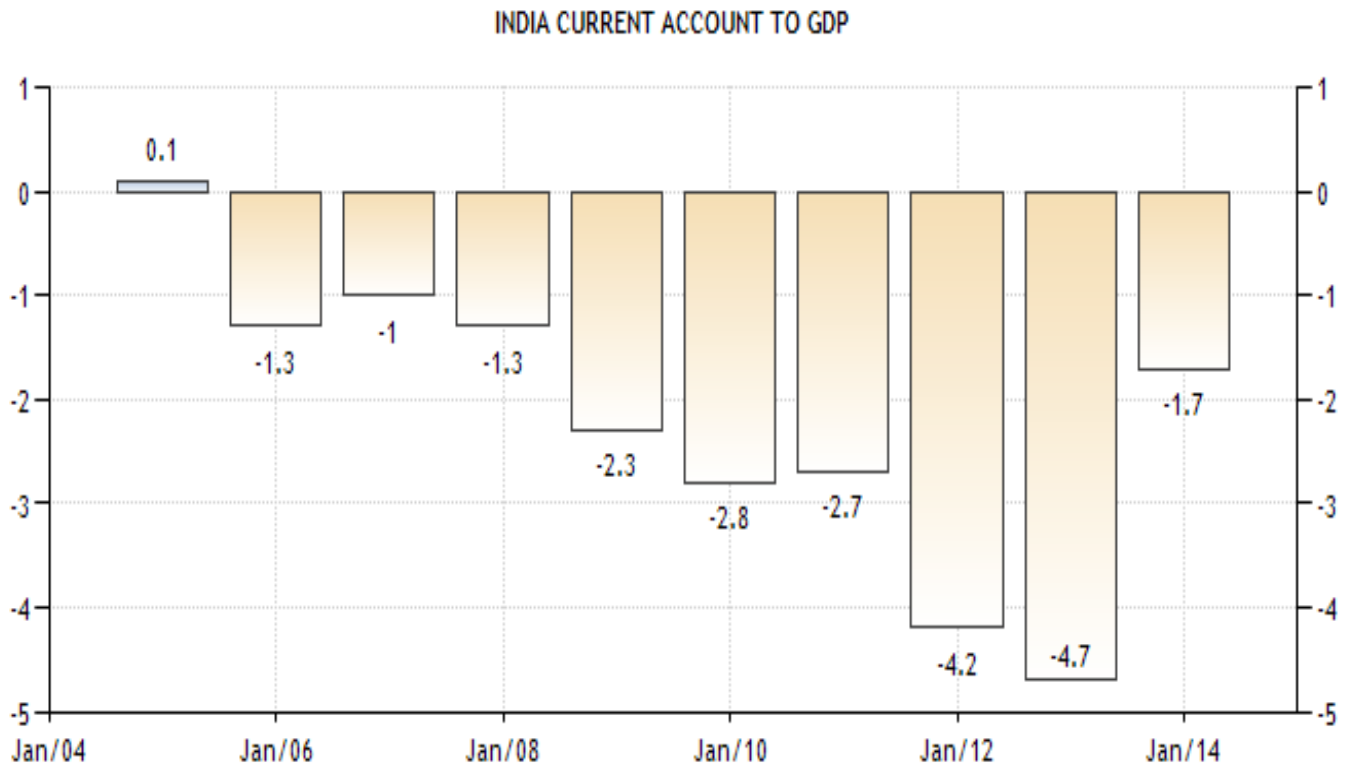


11. Improving GDP.....



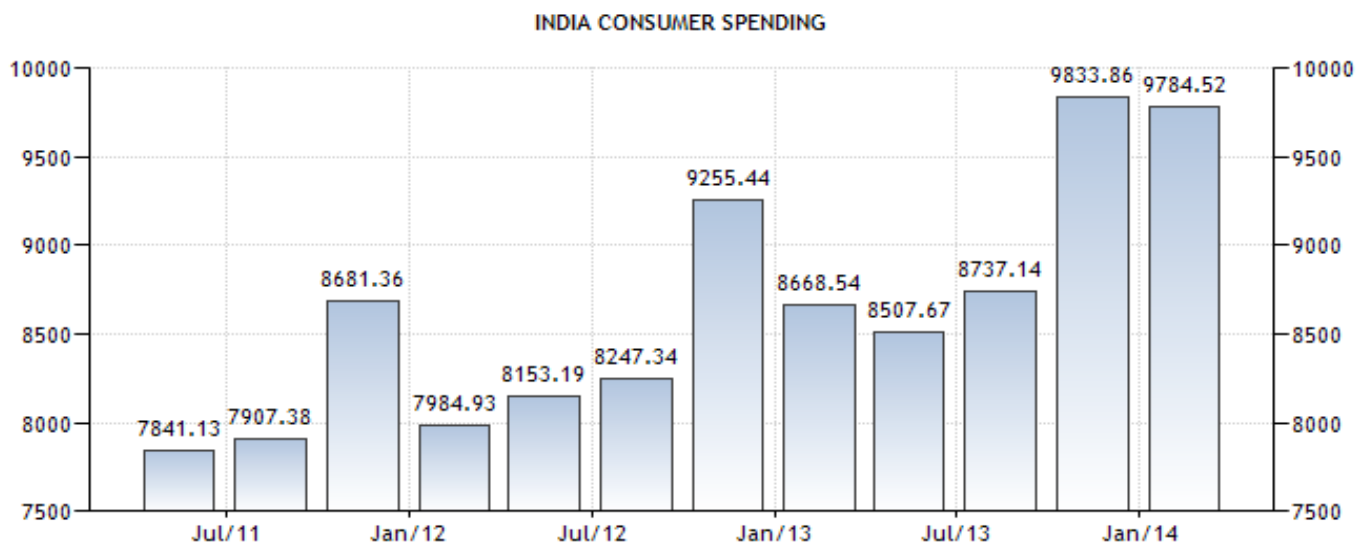
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12. Reducing Current Account Deficit.....



SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF FINANCE, GOVERNMENT OF INDIA

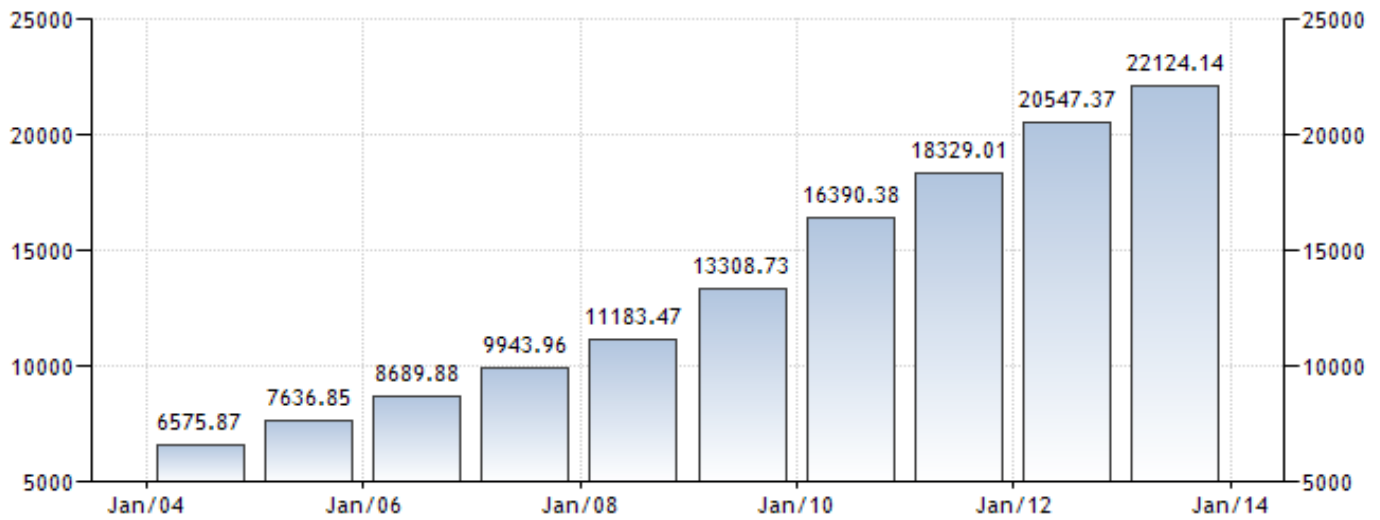
13. Consumer Spending Increasing which is a good sign for companies. Also increasing Disposable Income and personal savings of Indian citizens so that savings can be inject to the Indian equity market.



SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

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INDIA HOUSEHOLDS SAVINGS



SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

INDIA TOTAL DISPOSABLE PERSONAL INCOME

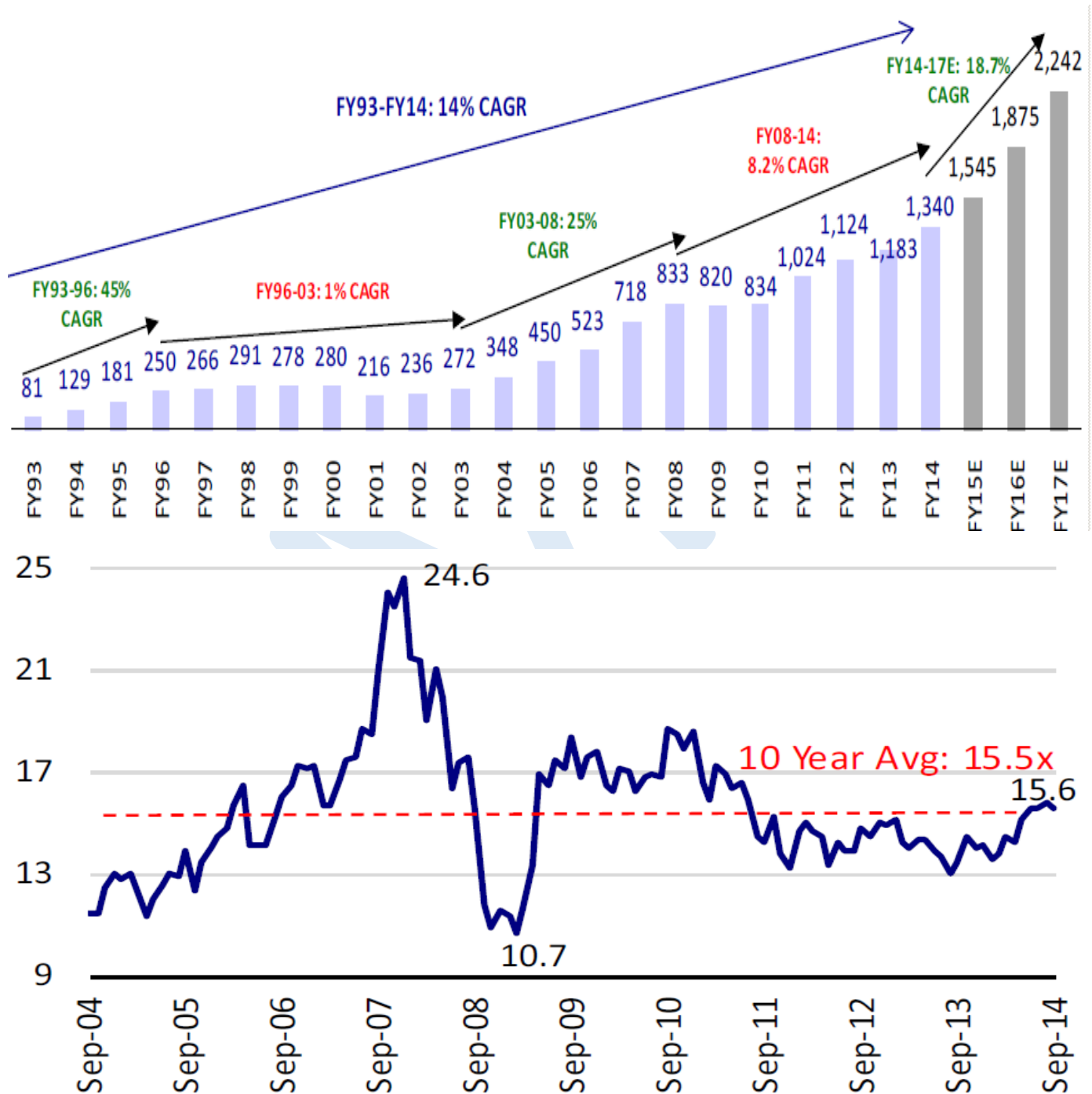


SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

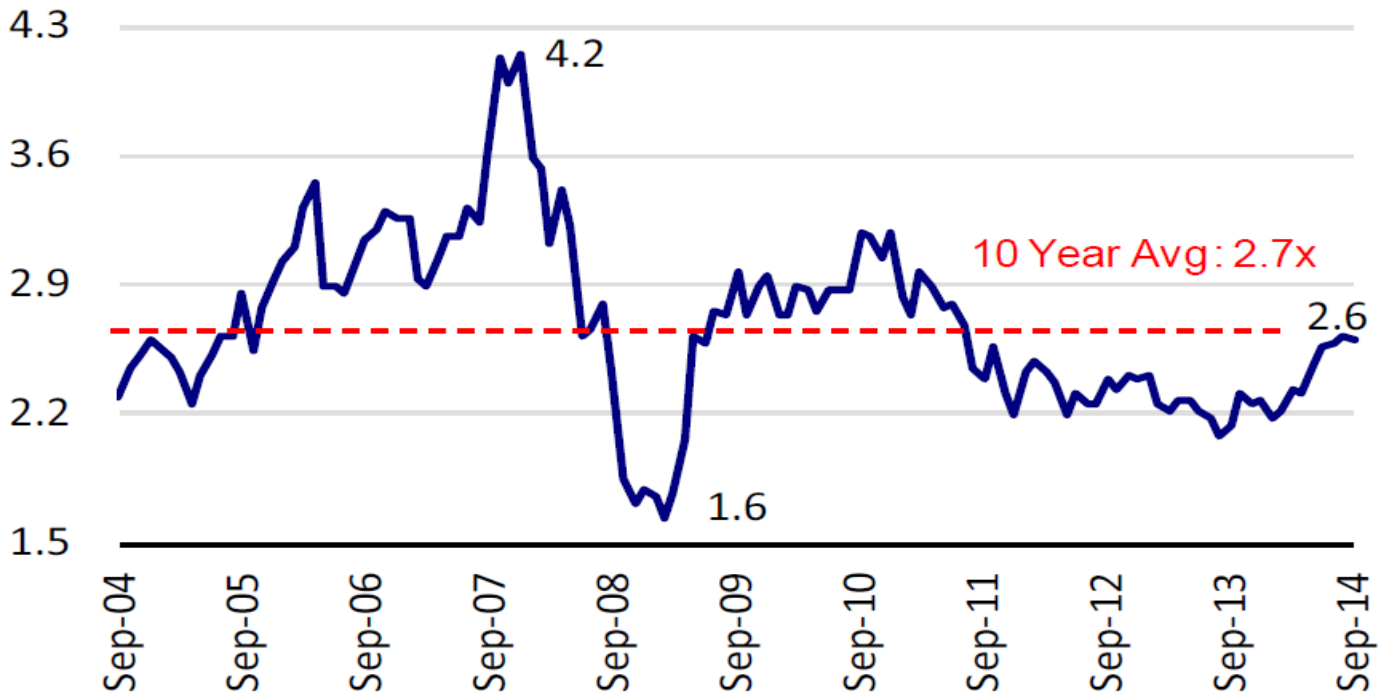
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Next year expectation towards market.....

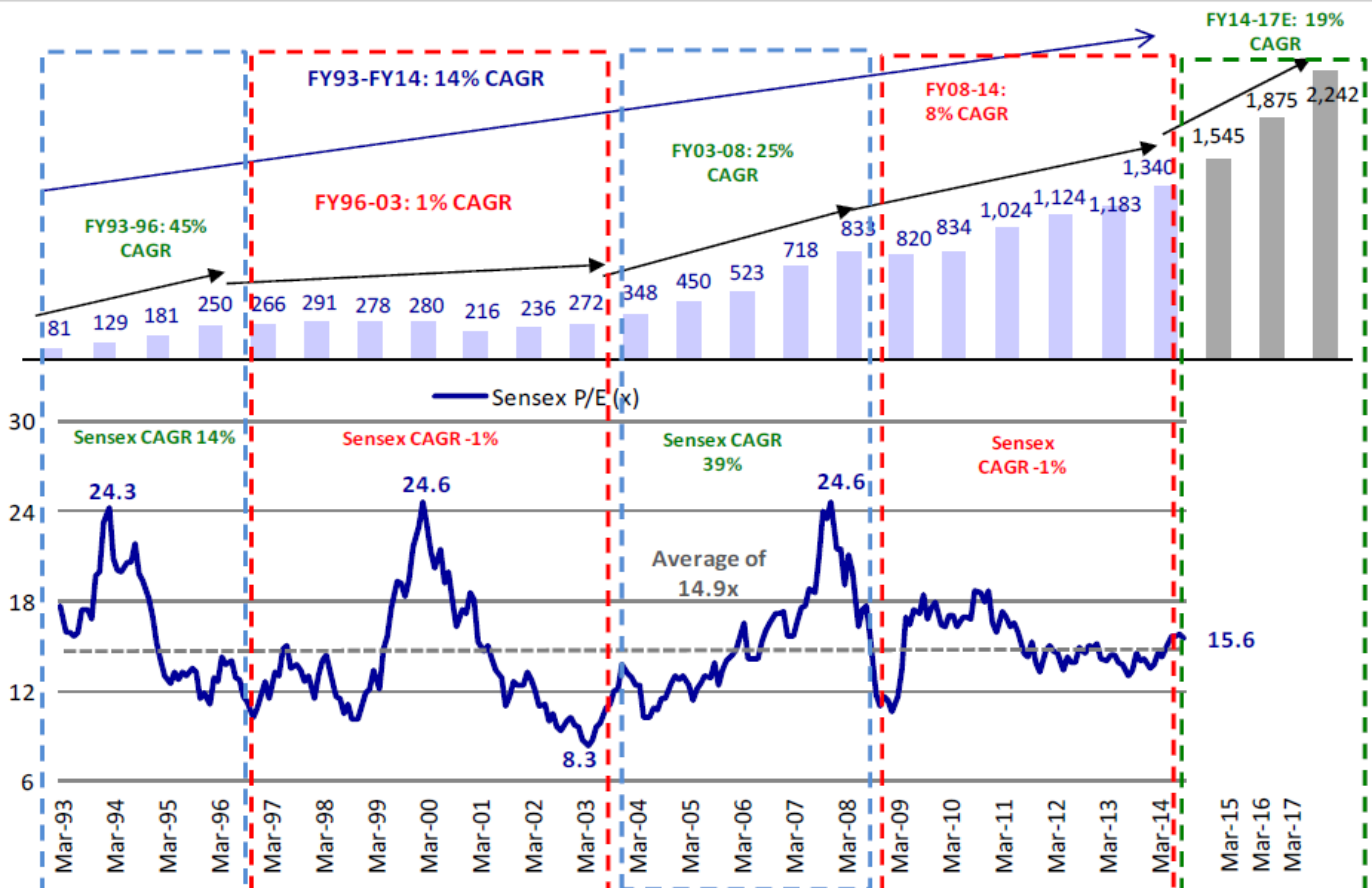
As I mentioned that consumer spending is increasing so that spending improve profitability of the companies. Improving profitability improve EPS of companies and that help to the price of common share to increase. Forward P/E and P/BV is still near to the average so that market is not overvalued but it's not much undervalued so that have to care a lot before investing.



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Source: MOSL India Strategy Report



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Some simple calculation for SENSEX level---

EPS (CAGR 5%) Rs.				EPS (CAGR 10%) Rs.			
P/E (X)	FY14	FY15E	FY16E	P/E (X)	FY14	FY15E	FY16E
	1340	1407	1477		1340	1474	1621
15	20100	21105	22160	15	20100	22110	24321
16	21440	22512	23638	16	21440	23584	25942
17	22780	23919	25115	17	22780	25058	27564
18	24120	25326	26592	18	24120	26532	29185
19	25460	26733	28070	19	25460	28006	30807
EPS (CAGR 15%) Rs.				EPS (CAGR 19%) Rs.			
P/E (X)	FY14	FY15E	FY16E	P/E (X)	FY14	FY15E	FY16E
	1340	1541	1772		1340	1595	1898
15	20100	23115	26582	15	20100	23919	28464
16	21440	24656	28354	16	21440	25514	30361
17	22780	26197	30127	17	22780	27108	32259
18	24120	27738	31899	18	24120	28703	34156
19	25460	29279	33671	19	25460	30297	36054

Some of the points ---

- ✓ As Indian market has given a handsome return in last one year on the front of strong government, falling inflation, falling crude oil prices, rising GDP, stable rupee in range of 60-62 to the USD.
- ✓ BUT some points which we have not focused that can be US exits from QE which will adversely affect to the market as FIIs flow withdraw in proportion from Emerging market.
- ✓ Auto shares have also given a good return but sales data of auto companies not have improve.
- ✓ Banks have given a good return but still NPA front we have to concern.
- ✓ As changing in government with majority, improvement in policy and revival of the economy still I am concern towards some points which can be drive market to downward side. On that front, I prefer to deploy 42% fund in portfolio and 58% fund is on cash for further future opportunity in buy on dips with good companies.

JIMIT ZAVERI'S STOCKS IDEA

Jimit Zaveri's Stocks Idea Diwali Festival Stock Idea – 2014

Company	Industry	Price as on 20-10-2014	Recomm. Price Range	Target	Weightage (%)	Horizon
HT Media Ltd. (532662)	Publishing	111/-	80-113	150	10 %	1-2 Years
Coal India Ltd. (533278)	Mining	361/-	300-352*	400-430	12 %	2-3 Years
Amrutanjan Health Care Ltd.-\$ (590006)	Pharmaceuticals	290/-	230-290	340-400	8 %	1-2 Years
Kitex Garments Ltd. (521248)	Textiles	461/-	350-460	600-650	12 %	2-3 Years
Cash					58 %	

* Coal India – Buy at price range and also Subscribe to OFS.

** Deploy cash in equal proportion when recommended stocks moving towards down ($58\%/4 = 14.5\%$ each stock).

*** You can do a Systematic Investment every month in Kitex Garments in recommended price range. Add on every dips to Kitex Garments

JIMIT ZAVERI'S STOCKS IDEA

HT Media Ltd. (532662)

HT Media was incorporated in 1924 when its flagship newspaper, Hindustan Times was inaugurated by Mahatma Gandhi. Company is in major business of Hindustan Times (English newspaper), Mint business newspaper and Hindustan (Hindi newspaper through a subsidiary Hindustan Media Ventures Limited) and in addition to company publishes mint, Radio partner with fever 104, launched Studymate learning centers for Classes IX-XII, Bridge is a business school which is a joint venture between HT Media Ltd. & Apollo Global, Inc. (USA), partnership with companies to invest in company and helps that company to build the brand faster, from 2013 shine.com (fastest growing recruitment portal) is also part of HT Media.



HT Media Ltd.

Parties enter into agreement

Partner Company

- Both the companies get into strategic partnership
- HT Media invests in the company : buys equity or property
- HT Media advises the company on how to build the brand faster

JIMIT ZAVERI'S STOCKS IDEA

Company increases its readership and consolidates its 2nd position in the English, Hindi and Business Daily Segments.

	2013 IRS Readership	Q4 2012 IRS Readership
¹ Hindustan Times; ² Mint:Business Daily		
HT ¹ - All India	4.34 million	3.82 million
HT Delhi NCR	2.27 million	2.18 million
HT Mumbai	1.36 million	0.82 million
Mint ²	0.31 million	0.22 million
Hindustan (HH) - All India	14.25 million	12.25 million
HH UP & UT	7.63 million	4.62 million
HH Bihar	4.27 million	4.81 million
HH Jharkhand	1.40 million	1.68 million
HH Delhi NCR	1.06 million	1.19 million

Source: Company Presentation

- ✓ Company achieved No.2 position in Hindustan Times English newspaper with high gap between 2nd and 3rd positions. Company expecting that its business newspaper "Mint" will revive as IPO market has start reviving.
- ✓ Digital business continues to report steady growth. 39% increase in revenues from Digital segment to Rs. 237 million in Q1FY15 from Rs. 171 million in Q1FY14.
- ✓ Shine.com registers revenue growth of 41% in Q1 FY15 over Q1 FY14.
- ✓ 12% increase in revenues to Rs.240 million in Q1 FY 15 from Rs. 214 million in Q1 FY14.
- ✓ Company can be grow still in digital business and that can lead to strong financial of company. Company expecting that digital business will be reach at break-even till FY16. Also company want to maintain leadership position in recruitment using social platforms by investment in MyParichay.
- ✓ Company planning to expand its education business "Studymate" from 12 centers to 22-24 centers by FY15-FY16.
- ✓ Company got an approval of demerger of it 100% subsidiary Firefly e-Ventures Ltd. (6 shares of FEVL of every 1 share of HT Media), FEVL has brands portfolio like Hindustantimes.com, Livemint.com, Desimartini.com and Shine.com
- ✓ I prefer this company for investment purpose because of regular & growing business, Company has its own recruitment portal, growth in digital business, expansion in education business, no dilution of equity but buy back of shares (at Maximum price of Rs.110/-) and having a strong management team which drive further growth in the company.

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- ✓ Currently Company is trading at TTM EPS of Rs.7.67 and TTM P/E of 14.52x. I have done relative valuation and estimate EPS of Rs.10.14 in FY16E and P/E of 14.79x which derive the target price of Rs.150.

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Coal India Ltd. (533278)



कोल इण्डिया लिमिटेड
Coal India Limited

भारत सरकार का उपक्रम
A Government of India Undertaking
एक महारत्न कंपनी A Maharatna Company

- ✓ Coal India has a monopoly kind of business. It can supply coal to whole Asia. Operating through 81 mining areas CIL is an apex body with 7 wholly owned coal producing subsidiaries. CIL having fulfilled the financial and other prerequisites was granted the Maharatna recognition in April 2011.
- ✓ Company produces around 81.1% of India's overall coal production and commands nearly 74% of the Indian coal market.
- ✓ In India, more than 54.5% of the primary commercial energy requirement in the country are met by coal and around 72% of the entire power generated in the country is coal based.
- ✓ There are 148 ongoing projects with a production potential of about 484 Mtpa and 126 future projects expected to produce 441 Mtpa.
- ✓ Company has transparency by introducing e-auction for selling coal to any consumer from any location.
- ✓ Huge amount of cash on its balance sheet (Rs.52389.53 cr) which is good for dividend earning. Current dividend yield is 8% which is much good and previously it had given nearly 5% of dividend yield. Company has gradually increased the dividend payout from 23% in FY11 to 121% in FY14, which is expected to be robust dividend payout continuously further.
- ✓ It is a virtually debt free company.
- ✓ Continues improvement in ROE(%) and avg. 9 years PATM(%) is of 16.33% and FY14 PATM(%) is 16.91%.
- ✓ EPS (Rs.) CAGR of 9 years is 11%. Which is again a +ve sign.
- ✓ Net Revenue CAGR of 9 years is 12%, Net profit CAGR of 9 years is 11% and Cash Flow from Operating Activities CAGR of 9 years is 6%.
- ✓ On the back of growing electricity needs which drives demand of coal, increases the performance and profitability of the company.
- ✓ I have done DCF (Discounted Cash Flow) method for deriving the valuation of company, I have took terminal growth of 2%, and WACC is 12% from that I come to the target price of Rs.430.

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Amrutanjan Health Care Ltd.-\$ (590006)

Company was started in the year 1893 by social reformer, journalist and freedom fighter, Nageswara Rao Pantulu Garu. Company is of 118 years-old in the production of pharmaceuticals products.

Company has wide range of ayurvedic and allopathic products. Products portfolio of the company includes Amrutanjan pain balm, Dragon Roll-on liquid balm, Joint ache cream, Pain relief kit, Cold rub, Vaporising gel, Cough drops, Swas mint, Diakyur capsules, Jiffy tablets, Decorn (corn caps), Cutis olive oil, etc. Amrutanjan Pain Balm (Yellow Balm) is the flagship brand of the company. Company has presence over Gulf, African, South East and Asian countries.

Products in Pain Management



Amrutanjan Faster Relaxation balm has powerful ingredients which help in instant relief from headaches. It is the only balm to have 5 'skus' catering to all channel segments and consumers.



Amrutanjan Aromatic balm is the pioneer in the pain category being the only successful unique aroma balm in the market. It is a soft and smooth balm. It is used for immediate relief from headaches. It is helpful in steaming and aroma therapy.



Amrutanjan Roll-on can be easily applied for quick relief from headaches. It is easy to carry and has a pleasant fragrance.



Products in Congestion Management



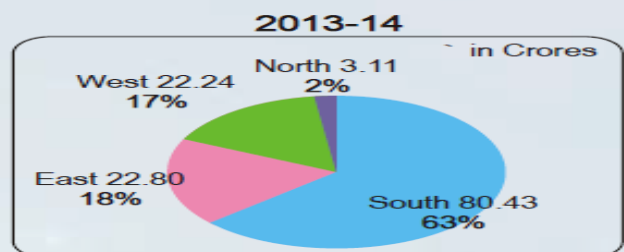
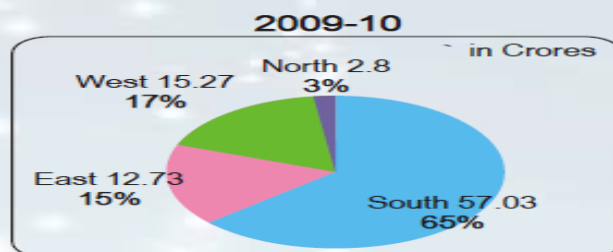
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Products in Health Care & Hygiene

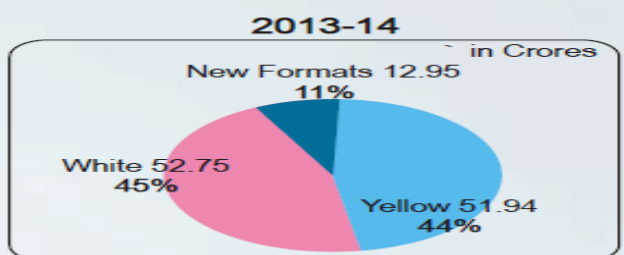
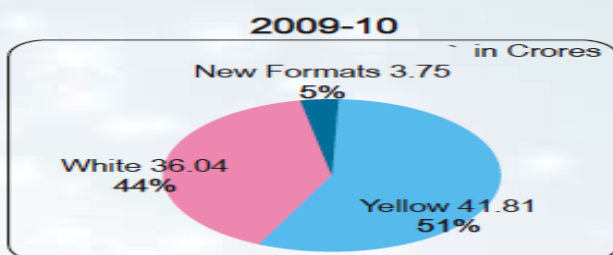


- ✓ Company has started own modern format store in 2009-10 which contributing growth to the revenue of the company. Modern store outlets increased from 4250 to 4800 and turnover increased from Rs.454 lakhs to Rs.607 lakhs in FY14. Company has a very strong presence in south India with Rs.460 lakh of sales (From Rs.607 lakhs of sales) in own modern format stores.

REGIONAL SALES SKEW OVER LAST 5 YEARS



PRODUCT WISE SALES SKEW OVER LAST 5 YEARS



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- ✓ Company paying debt since last 3 years and in FY14 0.09x Total debt/Equity and 11.97x interest coverage.
- ✓ ROE (%) is 14.51% in FY14 which was 12.68% in FY13. ROCE (%) is 21.73% in FY14 which was 18.28% in FY13. Current ratio (X) is 2.87 in FY14 which was 1.67 in FY13.
- ✓ PATM (%) is improved in FY14 to 8.36% after 6.97% and 6.46% in FY13 and FY12 respectively. Cash flow from operating activities continuously positives.

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