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year



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Diwali Picks 2017

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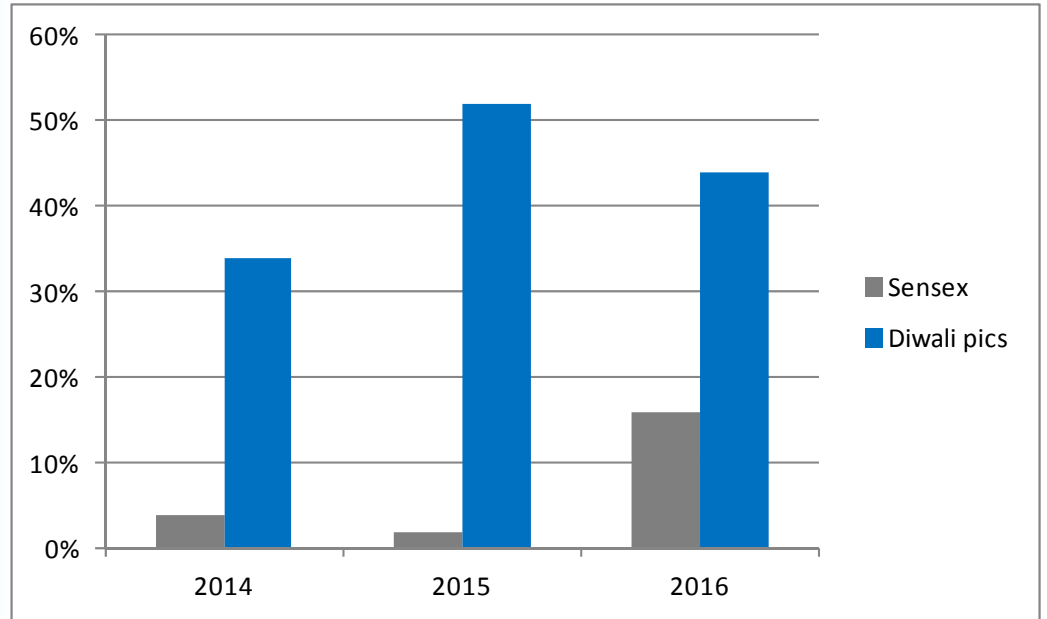
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Our Diwali Picks Performance for last 3 years

Returns in (%)



Diwali Picks 2017



October 12, 2017

Our recommendation of Diwali Picks 2017

Sr No	Name	Sector	Reco Price	Target Price	Upside %	Time Frame
1	VST Tillers Tractors Ltd.	Auto	2,146	2,545	20%	1 Year
2	Time Technoplast Ltd.	Plastic products	198	246	24%	1 Year
3	Himadri Specialty Chemicals Ltd.	Specialty Chemicals	163	193	19%	1 Year
4	J K Cements Ltd (OSCL)	Cement	980	1,137	16%	1 Year
5	Rain Industries Ltd	Multiple sectors	187	235	26%	1 Year

** CMP updated as on 10th October 2017



Our Diwali Pick 2017 Recommendations

VST Tillers Tractors Ltd.	BUY	CMP(₹): 2,146	Target (₹): 2,575	Upside: 20%
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VST Tillers Tractors Ltd: VST Tillers Tractors is one of the largest manufactures of Tillers & Tractors in India. The company exports products to Africa, Russia, and Myanmar. The company has a market leadership in power tillers at 59% as on FY17. The management expects strong double-digit growth in tractor volume and hopes to sell close to 11,000-12,000 tractors in FY18. In the tiller segment, the company expects to sell close to 27,000 tillers in FY18, implying high single-digit growth. The company is looking at ~200bps YoY margin expansion in FY18 and is expecting improvement in margins in 3QFY18/4QFY18. Margins in 1QFY18 stood at 13.8% and in FY17 they stood at 14.2%. With government support for the farm equipment through subsidies and schemes and good monsoons followed by revival in rural demand given the tiller subsidies by the government and loan waivers to the farmers, we expect the company's revenue to grow by 20 % in FY 18 to ₹8325 mn from ₹6951 mn in FY17. We are recommending **BUY** on the stock for the upside target of ₹2,575/- which implies 20% upside from current level

Time Technoplast Ltd.	BUY	CMP(₹): 198	Target (₹): 246	Upside: 24%
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Time Technoplast Ltd: The company is involved in manufacturing and marketing of polymer products such as industrial drums, conipails, packaging solutions, automotive components, Syringes etc. The company has focused on research and development. With its futuristic product design and superior customer service, facilitated by 28 manufacturing units & 10 regional and marketing offices, it has become the market leader in 8 of the 9 countries in which it operates. Strong order book will help company to achieve the higher double digit growth. The company also has better product mix which helps them to expand its operating margins. The healthy balance sheet and return ratios makes business structure more robust. We recommend **BUY** on Time Technoplast Ltd with Upside target of ₹246/- which implies 24% upside from current level

Himadri Specialty Chemicals Ltd.	BUY	CMP(₹): 163	Target (₹): 193	Upside: 19%
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Himadri Specialty Chemicals Ltd.: Himadri Specialty Chemical Limited (HSCL), the largest manufacturer and only organized player of coal tar pitch in India. HSCL is the third largest manufacturer of Carbon Black (CB) with a capacity of 1,20,000 MTPA enjoying 17% market share in overall CB industry as of FY17. HSCL has emerged as a carbon conglomerate leveraging its competence in diversified businesses including coal tar pitch, chemical oils, carbon black, naphthalene and advanced carbon material with the use of single raw material -coal tar. HSCL enjoys a healthy market share of 70% in Coal Tar Pitch segment and 17% in Carbon Black segment. We recommend **BUY** on the stock with upside target of ₹193/- which implies 19% upside from current level.

Diwali Picks 2017



October 12, 2017

J K Cement Ltd. (JKCL)	BUY	CMP(₹): 980	Target (₹): 1,137	Upside: 16%
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J K Cements Ltd. (JKCL): J K Cements Ltd. (JKCL) is one of the old cement manufacturing companies in India. The company has better manufacturing capacity and favorable products mix. The company holds 40-45% market share in white cement which can create better business opportunity in the upcoming quarters. The rising expenditure on infrastructure will boost the sales in the upcoming quarters for the company. We also believe that scaling the manufacturing capacity of grey cement will help to boost the revenue. Hence we are positive on the stock & recommend **BUY** with a target price of ₹1,137/- which implies 16% upside from current level.

Rain Industries Ltd.	BUY	CMP(₹): 187	Target (₹): 235	Upside: 26%
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Rain Industries Ltd.: Rain Industries Ltd. is mainly operating into three main segments through its fully own subsidiaries. Rain cements Ltd. into cement segment. Rain CII Carbon into calcined petroleum coke and power and Rutgers through speciality chemicals. All three segments are trending higher on the business lifecycle and have higher business perspective in the upcoming quarters. We believe that the strong business matrix and robust balance sheet makes Rain industries more lucrative. Hence we are positive on the stock & recommend **BUY** with a target price of ₹235/- which implies 26% upside from current level.

** CMP updated as on 10th October 2017



NOTES

Recommendation Rationale

Recommendation	Expected Absolute Return (%) over 12 months
BUY	>20%
ACCUMULATE	<20% and >10%
NEUTRAL	<-10% and <10%
REDUCE	>-10% and <-20%
SELL	>-20%

Expected absolute returns are based on share price at market close unless otherwise stated. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Our target price represents the fair value of the stock based upon the analyst's discretion. We note that future price fluctuations could lead to a temporary mismatch between upside/downside for stock and our recommendation.

GEPL CAPITAL Pvt Ltd (formerly known as Gupta Equities Pvt. Ltd.)

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Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report:

Name : Omkar Tanksale / Tanvi Shetty

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