

# ET WEALTH TOP 50 STOCKS

Every week we put about 3,000 stocks through four key filters and rate them on a mix of factors. The end result of this exercise is the listing of the top 50 stocks based on the composite rating to help ease your fortune hunt.

	RANK		PRICE		GROWTH*		VALUATION RATIOS				RISK		RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	Div Yield	PEG	Downside Risk	Bear Beta	No. of Analysts	Consensus Rating	
Indian Oil Corporation	1	1	378.80	25.48	83.06	16.31	2.41	6.01	0.16	1.23	1.28	35	4.69	
PGCIL	2	2	195.45	45.20	51.27	17.00	2.38	1.28	0.33	0.94	0.51	40	4.50	
HCL Technologies	3	3	875.85	71.71	59.36	16.77	4.41	2.73	0.28	1.07	0.90	51	4.14	
ONGC	4	4	183.90	27.10	77.07	16.71	1.28	3.97	0.20	1.06	0.67	37	3.73	
CESC	5	5	843.70	32.34	161.75	30.52	1.78	1.20	0.18	1.08	1.00	26	4.00	
Manappuram Finance	6	6	97.50	105.32	130.37	23.21	2.97	1.52	0.18	2.36	2.58	11	5.00	
Mahindra & Mahindra	7	7	1,279.85	37.79	54.25	23.59	2.65	0.94	0.46	0.98	1.30	47	4.32	
Oberoi Realty	8	10	370.35	88.94	124.74	29.21	2.37	0.54	0.23	1.75	1.75	18	4.67	
Techno Electric & Engineering	9	8	398.00	421.46	110.20	32.33	4.48	0.52	0.29	1.07	0.42	16	4.63	
GAIL India	10	11	379.00	18.22	107.83	28.47	1.81	2.31	0.27	1.01	0.95	38	3.50	
VA Tech Wabag	11	9	679.00	43.63	92.13	40.06	3.73	0.58	0.44	1.20	0.74	23	4.78	
Petronet LNG	12	12	400.25	49.38	88.16	32.33	4.67	0.62	0.37	1.32	0.98	40	4.03	
South Indian Bank	13	14	20.25	29.93	49.07	9.06	0.79	2.27	0.27	1.26	1.73	14	4.14	
Lakshmi Vilas Bank	14	13	160.55	49.33	61.58	15.98	1.63	1.88	0.34	1.41	1.32	10	3.90	
Indiabulls Housing	15	15	990.60	68.81	51.11	16.55	3.90	3.74	0.41	1.42	1.79	13	4.54	
HSIL	16	20	332.60	24.37	77.22	27.00	1.75	1.24	0.35	1.43	1.37	10	4.50	
Engineers India	17	21	143.75	35.17	79.68	37.05	3.55	2.39	0.46	1.60	1.69	21	4.38	
Shriram Transport	18	17	1,052.70	25.09	51.53	20.18	2.35	0.94	0.39	1.50	2.06	40	3.90	
Cyient	19	16	474.80	32.35	34.13	16.31	2.79	1.16	0.49	1.15	-0.17	22	4.09	
Ashoka Buildcon	20	18	194.15	28.48	131.07	61.63	1.94	0.83	0.50	1.87	1.69	22	4.82	
Glenmark Pharma	21	24	862.20	37.65	114.58	34.47	5.70	0.23	0.31	1.09	1.38	37	4.24	
NCC	22	22	80.80	17.88	152.53	40.60	1.28	0.73	0.27	1.55	2.51	18	4.61	
DB Corp	23	23	375.20	25.70	49.89	23.23	5.12	2.23	0.47	0.89	0.89	21	4.43	
KEC International	24	19	198.05	16.71	65.81	26.58	3.37	0.52	0.41	1.31	0.87	29	4.69	
Maruti Suzuki	25	30	5,956.60	36.45	70.42	38.29	6.48	0.59	0.54	1.06	1.61	55	4.38	
Natco Pharma	26	27	830.40	99.84	210.25	91.25	11.14	0.84	0.45	1.38	0.33	19	4.16	
Choi mandalam Invest	27	31	960.60	90.01	55.88	25.32	4.09	0.56	0.52	1.41	1.22	24	4.13	
Oil India	28	26	328.70	19.22	14.50	13.15	1.17	4.68	0.42	0.90	0.57	33	3.55	
UPL	29	32	714.50	37.94	63.14	23.58	4.51	0.70	0.58	1.32	1.73	29	4.45	
L&T Finance Holdings	30	28	123.40	46.51	54.89	32.56	3.01	0.65	0.39	1.55	2.23	13	4.46	
J Kumar Infraprojects	31	25	277.10	46.17	42.33	18.58	1.63	0.74	0.52	2.46	2.47	18	4.89	
Sun Pharma	32	33	687.05	24.04	67.00	35.05	5.26	0.15	0.53	1.15	0.07	46	4.59	
Hindustan Zinc	33	36	285.80	52.98	27.37	14.79	3.23	18.41	0.54	1.38	1.16	29	3.35	
Kalpataru Power	34	29	320.85	22.39	69.27	42.00	2.12	0.48	0.61	1.17	1.13	23	4.70	
Gateway Distriparks	35	35	252.90	22.51	32.91	25.09	2.92	2.35	0.65	1.41	0.85	21	4.43	
JK Cement	36	34	909.60	22.56	390.59	100.40	3.91	0.44	0.26	1.37	1.66	23	4.48	
NALCO	37	38	74.35	20.95	44.91	26.18	1.48	4.88	0.28	1.65	1.43	16	2.88	
India Cements	38	39	160.50	19.85	137.69	36.73	1.44	0.62	0.30	1.91	3.09	23	3.74	
Aurobindo Pharma	39	44	671.70	30.72	39.23	19.80	5.57	0.29	0.50	1.31	1.40	40	4.68	
Lupin	40	40	1,446.95	39.64	43.94	28.68	5.94	0.52	0.67	1.17	0.64	47	4.06	
Minda Industries	41	42	436.70	59.74	83.10	31.21	7.40	0.46	0.42	1.52	2.07	12	4.75	
Skipper	42	37	174.85	39.46	36.09	18.80	4.69	0.81	0.52	1.27	1.61	14	4.71	
NMDC	43	43	132.10	41.48	10.51	17.86	1.75	4.22	0.46	1.49	2.04	26	2.85	
Sobha	44	46	353.95	35.13	29.90	22.64	1.36	0.56	0.73	1.30	1.28	18	4.67	
Granules India	45	45	139.10	26.37	67.06	24.28	4.53	0.62	0.49	1.54	1.71	14	4.64	
IRB Infra	46	41	236.40	30.03	17.41	13.07	1.72	0.86	0.67	1.45	2.58	24	4.54	
Simplex Infra	47	47	314.85	21.23	68.77	22.77	0.98	0.16	0.33	1.39	1.24	13	3.69	
Tech Mahindra	48	49	461.20	13.64	10.66	13.17	2.56	2.62	1.17	1.10	1.02	51	4.28	
NTPC	49	48	163.10	18.64	10.07	13.21	1.51	2.66	1.41	0.98	1.07	37	4.30	
Orient Cement	50	NR	128.75	62.30	55.98	42.35	2.60	0.78	0.68	1.56	1.02	14	3.79	

\* The figures under this head are for expected growth. NR: Not in the ranking. Data as on 30 March 2017. Source: Bloomberg

## Methodology

### The four filters used to arrive at the Top 50 stocks

**Only traded stocks:** Of the about 7,000 listed stocks, only actively traded stocks were considered.

**Only big stocks:** Only companies with an average market capitalisation and revenue of over ₹1,000 crore were considered.

**Only well tracked:** We picked stocks that are tracked by at least 10 analysts.

**Only profitable and growing:** We considered only those stocks that are

expected to show growth in revenue, net profit and EPS (earnings per share) in the next four quarters. The final two filters were that the companies should have made profits in the past four quarters and have a positive net worth.

#### Rating rationale

Having arrived at the final stocks universe, we ranked them using the following four principles. A percentile rating (on a 1-100 scale) is given to each parameter and the composite ranking is arrived at using the weighted average of these parameters.

#### 1. Growth is the key...

Total weight: 30%, which comprises 10% weight to revenue growth, 10%

weight to net profit growth and 10% to growth in EPS (the higher, the better, for each parameter). Growth is calculated by comparing the 'consensus estimate' for the next 12 months with the historical 12-month values.

#### 2. ... but only at reasonable valuation.

Total weight: 40%, which comprises 10% weight to PE ratio, 10% to PB ratio, 10% to PEG ratio (the lower, the better, for all three parameters) and 10% to dividend yield (the higher, the better).

#### 3. Analysts' views matter...

Total weight: 20%, which comprises 10% weight to the total number of

analysts covering the stock (the higher, the better) and 10% to consensus rating (a composite rating based on the recommendations by all analysts who track a stock. Again, the higher, the better).

#### 4. ... and so do the risks.

Total weight: 10%. Two kinds of risks were considered. A 5% weight was assigned to downside risk and bear beta each (the lower, the better, in both cases).



The ranking methodology has been developed by Narendra Nathani. A detailed explanation of the methodology is available at [www.etwealth.com/etwealth](http://www.etwealth.com/etwealth)