

# 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
Vedanta	1	1	308.80	31.55	118.72	16.36	1.87	6.29	0.22	1.46	1.39	23	4.87
Power Grid Corp of India	2	2	209.05	30.69	35.69	14.68	2.19	2.10	0.40	0.82	0.52	39	4.46
Apollo Tyres	3	3	252.80	16.37	338.83	11.65	1.76	1.21	0.04	1.26	1.71	26	4.42
JK Cement	4	9	1000.10	27.24	77.72	30.86	3.97	0.80	0.39	1.09	0.59	26	4.61
Petronet LNG	5	4	253.40	76.23	39.48	22.07	4.65	0.99	0.23	1.15	1.35	40	3.85
PTC India	6	7	119.90	42.19	30.75	8.64	0.93	2.49	0.27	1.40	2.72	13	4.61
Gujarat State Petronet	7	5	207.90	41.52	63.78	21.73	2.63	0.71	0.34	1.38	1.35	31	3.93
VA Tech Wabag	8	10	555.75	25.22	95.81	29.77	3.07	0.73	0.31	1.20	1.15	19	4.63
NMDC	9	8	126.75	32.67	39.43	15.67	1.77	4.09	0.21	1.20	2.13	24	3.21
Hindalco Industries	10	11	255.25	18.10	177.68	27.32	1.22	0.43	0.18	1.41	2.01	29	4.62
CEESC	11	12	1018.25	19.02	42.47	19.51	1.33	0.97	0.23	1.37	2.37	28	4.36
GAIL India	12	6	462.90	24.31	43.55	23.23	1.99	1.93	0.53	1.01	1.32	38	3.74
Oberoi Realty	13	15	513.00	146.50	184.08	45.39	3.00	0.39	0.25	1.42	0.98	20	4.05
Oil & Natural Gas Corp	14	13	181.70	10.34	25.05	11.38	1.05	3.35	0.47	0.92	1.27	37	4.32
NTPC	15	17	180.40	22.29	18.58	13.82	1.51	2.63	0.72	0.85	1.14	34	4.47
Tata Power Co	16	16	93.15	16.82	136.13	39.81	1.90	1.40	0.23	0.88	1.13	26	3.19
Cyient	17	18	581.65	18.74	30.92	19.25	3.13	1.80	0.63	1.10	0.93	26	4.65
InterGlobe Aviation	18	19	1169.05	37.76	59.56	25.40	11.16	2.92	0.49	1.21	1.55	19	4.32
JK Lakshmi Cement	19	20	393.30	37.57	193.66	54.18	3.32	0.19	0.28	1.24	1.12	27	4.15
Ambuja Cements	20	21	264.95	26.71	70.78	46.90	2.69	1.05	0.73	0.93	0.87	41	3.12
J Kumar Infraprojects	21	14	299.90	42.63	40.65	21.43	1.63	0.68	0.44	2.30	2.47	12	4.75
ACC	22	22	1712.25	30.77	95.38	53.13	3.72	0.99	0.60	0.96	1.14	41	3.29
Cholamandalam Invnt.	23	25	1274.15	40.32	52.00	27.58	4.59	0.43	0.59	1.32	1.33	25	4.64
Jubilant Life Sciences	24	24	647.30	34.98	39.77	17.32	2.97	0.47	0.48	1.42	2.05	16	4.94
Bharat Heavy Electricals	25	23	92.85	19.47	221.46	74.76	1.05	1.19	0.34	1.28	2.27	42	2.10
JSW Steel	26	29	266.85	22.54	37.75	18.21	2.83	0.84	0.48	1.31	1.84	33	3.88
IRB Infrastructure	27	28	229.80	6.04	25.24	11.27	1.53	3.24	0.43	1.33	2.62	26	4.19
Oil India	28	34	363.65	23.60	13.43	18.29	0.99	3.92	0.92	1.04	0.15	31	3.68
Cadila Healthcare	29	27	443.75	37.03	46.27	30.51	6.52	0.72	0.68	1.45	1.58	41	3.83
Trident India	30	32	86.05	14.70	30.90	13.06	1.60	1.54	0.41	1.63	2.87	12	4.58
Cipla India	31	30	617.60	23.14	98.42	49.36	3.97	0.32	0.49	1.05	1.25	42	3.67
Natco Pharma	32	36	908.50	34.42	62.81	32.59	9.61	0.80	0.51	1.74	1.98	19	4.63
Kalpataru Power	33	26	437.40	11.15	69.99	35.39	2.72	0.47	0.35	1.17	1.93	21	4.48
Engineers India	34	35	183.60	46.75	36.22	37.35	4.33	1.65	0.92	1.38	1.44	18	4.28
Maruti Suzuki India	35	39	8463.40	31.91	26.52	34.09	6.91	0.88	1.28	0.73	0.96	54	4.39
KEC International	36	31	308.15	22.53	47.31	25.93	4.98	0.53	0.54	1.45	2.00	29	4.38
HeidelbergCement	37	46	160.35	3.42	122.99	47.95	3.78	1.21	0.39	1.51	1.09	10	4.50
DB Corp	38	37	363.85	18.69	22.32	17.79	4.18	1.11	0.77	0.87	0.21	22	4.41
India Cements	39	42	175.75	12.26	103.79	35.63	1.04	0.57	0.24	1.78	3.56	22	3.86
Havells India	40	44	505.35	52.53	82.85	64.46	9.49	0.70	0.74	1.31	0.95	40	3.00
Motherson Sumi Sys.	41	--	342.75	48.51	22.90	45.16	8.71	0.58	0.65	1.04	1.20	37	4.14
JSW Energy	42	41	83.15	44.52	37.27	21.18	1.29	0.64	0.54	1.59	2.83	24	2.50
Dr Reddy's Laboratories	43	40	2306.25	15.03	46.18	31.99	3.09	0.85	0.67	1.14	1.14	46	3.22
KEI Industries	44	--	336.45	38.45	61.38	26.42	5.50	0.18	0.43	1.58	1.82	11	4.64
Sobha	45	33	528.20	23.87	37.68	31.95	1.93	0.47	0.74	1.50	0.93	18	4.33
Dalmia Bharat	46	45	3029.55	27.63	156.78	77.81	5.41	0.07	0.51	1.35	1.89	27	4.52
Reliance Industries	47	38	947.00	26.85	20.68	18.56	2.11	0.59	1.01	0.96	1.94	41	4.17
Container Corp Of India	48	49	1336.55	20.46	32.66	47.51	3.70	1.12	0.67	1.05	0.79	32	3.34
Persistent Systems	49	43	654.65	14.59	20.70	16.77	2.59	0.92	0.83	0.86	0.79	36	3.94
Jagran Prakashan	50	--	165.35	14.65	16.37	15.62	2.52	1.80	0.75	0.94	1.16	20	4.30

\* The figures under this head are for expected growth. NR: Not in the ranking. Data as on 15 Nov 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.

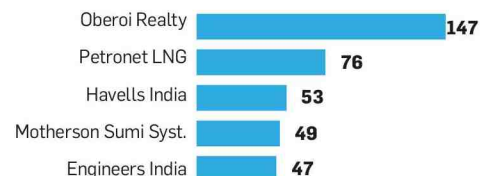
Total weight: 10%. Two kinds of risks were considered. A 5% weight was assigned to downside risk and bear beta each (the lower, the better, in both cases).



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

## Fast Growing Stocks

**Top 5 stocks with the highest expected revenue % growth over the previous year.**



See revenue column in the adjacent table.

## Least Expensive Stocks

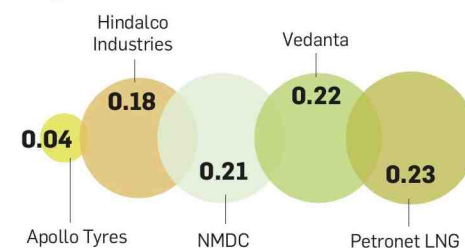
**The 5 stocks with the lowest forward PE.**



See PE column in the adjacent table.

## Best PEGs

**Top 5 stocks with the least price earning to growth ratio.**



See PEG column in the adjacent table.

## Income Generators

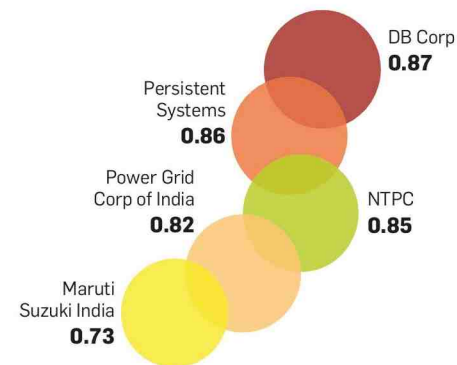
**Top 5 stocks with the highest dividend yield.**



Dividend stocks are considered safe stocks during a downturn. Figures indicate what an investor can earn as dividend for every ₹100 invested.

## Least Risky

**Top 5 stocks with the lowest downside risk.**



See downside risk and bear beta columns in the adjacent table.