

Value Dividend Yield Stocks

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3 October 2019

Dividend yield stocks: A cushion during bouts of volatility

- ❑ Indian equities have given one of the highest returns (29%) in 2017 outperforming its global peers. Policy stimulus and stabilizing macro economics have been the crucial driving force behind the rally. Increasing domestic investors participation (MFs and retail investors) supporting the rally has emerged as new fundamental factor and boosts up the confidence in further rally.
- ❑ Amid all these, there are some stocks which are fundamentally strong but have relatively stable and range-bound movement but yield returns in the form of dividend. These stocks provide an opportunity of executing safer and tax saving strategy called '**Dividend Stripping**'. Here, one buys a stock just for earning dividends, holds the stock till ex-date to gain entitlement of dividend and immediately sales the holding at dividend adjusted lower prices. The double thread strategy provides tax saving benefits as well as dividend earning.
- ❑ One must choose stocks from the large cap pack, as paying out dividends can restrict the growth potential of mid-caps much more than that of large-cap companies. In any case, it's mostly the large-caps that pay out consistent dividends, as they do not have to reinvest a large part of their cash flow back into their operations. Dividend yield is the annual dividend per share by the stock's share price. For example, if a company's annual dividend is Rs 1.5 and the stock trades at Rs 25, the dividend yield works out to six per cent.
- ❑ We present you a list of cash rich companies that have a good historic dividend yield records with relatively low debt and rich fundamentals which can provide a cushion during the bouts of volatility.

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Company Name	CMP (Rs.)	Mcap (Rs. Cr)	Total Debts (Rs. Cr)	EV (Rs. Cr)	PAT Margin (%)	ROE (%)	Adj. PE (x)	PB(x)	EPS (Rs)	FV (Rs.)	Div Yield(%)
Procter & Gamble Health Ltd.	4538.0	7532.7	0.0	3876.4	98.8	73.8	6.1	3.3	505.3	10.0	14.3
Graphite India Ltd.	283.7	5542.8	359.6	8683.2	43.3	84.1	2.6	1.6	173.8	2.0	12.3
National Aluminium Company Ltd.	45.8	8535.2	66.8	6906.0	15.1	16.5	6.0	1.0	9.3	5.0	10.4
Vedanta Ltd.	151.3	56241.1	66226.0	126212.0	10.5	15.5	9.7	1.1	19.0	1.0	10.3
SJVN Ltd.	24.3	9549.4	2155.1	8698.3	51.3	12.4	7.0	0.8	3.5	10.0	8.9
Hindustan Zinc Ltd.	214.0	90400.7	2538.0	119294.0	37.7	22.9	14.7	3.5	18.8	2.0	7.2
REC Ltd.	123.6	24410.0	244248.8	272320.4	22.6	17.1	5.3	0.9	29.1	10.0	7.2
NLC India Ltd.	56.1	7772.1	20598.4	29711.4	15.6	11.8	6.4	0.8	10.9	10.0	6.5
Balmer Lawrie & Company Ltd.	164.9	1879.9	79.1	1751.5	8.7	10.4	13.6	1.4	13.6	10.0	5.9
NHPC Ltd.	22.1	22149.3	19065.8	41682.0	31.5	12.1	9.6	1.1	2.6	10.0	5.9
Indian Oil Corporation Ltd.	148.6	139847.3	96765.0	245075.9	2.6	14.0	8.6	1.3	18.9	10.0	5.7
Hindustan Petroleum Corporation Ltd.	309.5	47154.7	28191.5	71173.3	1.9	20.6	6.5	1.4	43.9	10.0	5.6
Coal India Ltd.	194.1	119618.6	2209.9	117019.2	11.8	74.9	8.4	5.5	28.3	10.0	5.5
Oil India Ltd.	143.0	15507.0	15113.7	28797.6	15.1	7.2	6.2	0.7	29.9	10.0	5.5
PTC India Ltd.	54.6	1616.2	13320.3	15289.0	2.0	12.8	5.1	0.5	14.4	10.0	5.4
DB Corp Ltd.	140.3	2454.5	50.8	3196.6	11.1	14.6	12.0	1.8	15.7	10.0	5.3
NMDC Ltd.	96.4	29516.2	364.2	27634.4	38.2	18.4	6.9	1.2	15.1	1.0	5.3
PTC India Financial Services Ltd.	12.3	786.8	10918.3	11901.3	13.8	9.2	5.5	0.5	2.9	10.0	5.0
BSE Ltd.	564.5	2923.2	0.0	1617.7	26.7	4.9	15.9	1.0	38.5	2.0	4.9
Bharat Petroleum Corporation Ltd.	493.9	107139.4	44839.1	122133.9	2.2	20.1	10.0	2.0	39.7	10.0	4.8

Source: Dealmoney Research

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Bharti Infratel Ltd.	249.0	46055.2	5.7	57979.7	21.6	9.4	23.2	4.0	13.5	10.0	4.8
Indiabulls Housing Finance Ltd.	267.6	11441.9	105756.2	127771.7	23.8	26.3	9.0	2.2	95.7	2.0	4.7
Bajaj Consumer Care Ltd.	244.2	3602.1	25.0	4584.7	24.1	46.3	20.6	9.8	15.0	1.0	4.5
NTPC Ltd.	117.1	115815.8	161717.9	292858.4	12.5	11.3	10.6	1.2	12.8	10.0	4.5
Oil & Natural Gas Corporation Ltd.	128.2	161279.2	107640.7	303255.7	6.7	14.4	6.6	0.9	24.2	5.0	4.4
Firstsource Solutions Ltd.	46.2	3199.1	557.7	3761.8	9.9	15.0	8.6	1.2	5.5	10.0	4.3
Power Grid Corporation Of India Ltd.	196.5	102800.7	146376.4	245677.5	28.3	22.6	10.3	2.2	19.2	10.0	4.2
Trident Ltd.	58.2	2963.3	2435.8	5986.7	7.1	13.0	9.6	1.2	7.5	10.0	4.2
HEG Ltd.	967.3	3733.2	666.4	8191.5	46.3	107.0	2.7	2.1	784.1	10.0	3.8
MOIL Ltd.	139.2	3585.9	0.0	1834.1	33.3	16.3	8.6	1.3	18.6	10.0	3.8
Thyrocare Technologies Ltd.	506.2	2672.4	2.5	2793.4	21.0	19.4	32.9	6.5	16.1	10.0	3.8
Sonata Software Ltd.	313.0	3291.0	15.6	3330.3	8.4	35.0	14.1	4.6	24.0	1.0	3.8
Bharat Electronics Ltd.	107.2	26108.1	33.3	21794.9	15.2	21.5	12.1	2.5	7.7	1.0	3.6
Tamil Nadu Newsprint & Papers Ltd.	203.1	1405.7	1958.6	3332.6	2.1	5.8	15.1	0.9	13.6	10.0	3.6
Gujarat Pipavav Port Ltd.	84.3	4073.0	0.0	4283.8	29.3	9.4	20.4	2.2	4.9	10.0	3.5
Engineers India Ltd.	114.5	7232.2	0.0	4677.8	15.1	15.9	20.0	3.1	5.8	5.0	3.4
Hero MotoCorp Ltd.	2688.4	53693.6	311.5	51048.7	10.0	27.2	14.8	3.9	172.4	2.0	3.4
Ashok Leyland Ltd.	66.0	19359.8	19167.9	44191.7	6.5	27.1	12.9	3.1	7.1	1.0	3.4
Gateway Distriparks Ltd.	102.7	1116.1	831.7	2242.9	69.7	25.8	3.9	1.1	33.6	10.0	3.4
Castrol India Ltd.	135.4	13387.8	0.0	14236.4	18.1	65.6	21.1	13.0	7.2	5.0	3.3

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Cochin Shipyard Ltd.	335.7	4415.2	123.0	2727.8	16.1	14.5	10.8	1.6	36.3	10.0	3.3
Redington (India) Ltd.	113.8	4427.7	1307.4	4412.6	1.0	13.0	7.8	1.0	13.1	2.0	3.2
Mindtree Ltd.	720.9	11864.0	1.0	15244.5	10.7	25.1	20.6	4.7	45.9	10.0	3.2
Allcargo Logistics Ltd.	103.7	2546.6	598.2	3172.1	3.5	12.2	11.6	1.4	9.8	2.0	3.1
Care Ratings Ltd.	510.8	1504.7	0.0	2881.8	43.3	24.7	21.2	5.5	46.7	10.0	3.0
Infosys Ltd.	793.6	337926.3	0.0	302293.3	18.6	23.8	20.9	5.0	35.5	5.0	2.9
Greaves Cotton Ltd.	141.8	3462.9	11.1	3376.5	8.1	16.8	20.7	3.5	6.7	2.0	2.9
Jagran Prakashan Ltd.	63.2	1873.3	406.4	3943.7	11.6	14.0	13.3	2.0	9.3	2.0	2.8
General Insurance Corporation of India Ltd.	227.5	39912.6	0.0	29628.6		10.1	16.9	1.7	14.4	5.0	2.8
Mphasis Ltd.	937.5	17470.0	542.6	18315.2	13.7	20.2	17.2	3.5	57.6	10.0	2.7

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