

**Core Purpose :** To continuously delight our customers by offering trustworthy services for Wealth creation

**Core Values :** We meet Statutory and Non-statutory Obligations on Due date.

We do not encourage speculation. Right attitude towards Clients.

Client is always Right. Client deserves Trustworthy Advice. We are Trustee of Client's Assets when in our Custody.

**Our Mission :** To pursue Quality Advice and Otime Services in Healthy Atmosphere leading to benefit of all Stakeholders

## HAPPY NEW YEAR 2019!!

2018 has been a year of sharp ups and downs. However, one can say that markets have matured with every event passing by, as was depicted when markets recovered when the state-elections results ruled out BJP. India remained ahead of China to retain the tag of world's fastest growing large economy withstanding several ups and downs, spike in oil prices and global trade war like situation during 2018, amidst interest rate hikes. Adding fuel to the global woes were domestic happenings of liquidity crunch in NBFCs, banking scams, and other hiccups. Foreign portfolio investors pulled out over Rs 30,000 crore in 2018, their biggest net outflow since 2008, while they were net investors in the preceding years. All major equity indices in developed as well as emerging markets ended the year in the red. However, Nifty gained a little over 3%.

Today looking ahead, 2019 being an election year is going to be one of its kind as the foreign fund managers, too, see a different outcome in the general elections. Yet, they maintain that India is their favorite emerging market destination. Stocks across market capitalization corrected during the year in the range of anything between 40-50% providing pockets of opportunities. The micros of a company may give some support to the stocks but the macros would be vulnerable to oil prices, currency movements and other global and domestic events. In such a scenario, we believe it would be an apt time to accumulate select stocks on sentimental declines to reap a golden harvest for mature investors. Stability could return to the markets after elections when investors would again turn their focus on fundamentals. Any steep decline ahead of elections could give an opportunity to accumulate stocks. However, in case of unfavorable outcome or a necessity to form a coalition government would demand a rethink on the investment strategy with a cautious approach.

## MARKET REVIEW

### Index and data indicators

Source: RBI, NSE, ET, Prowess

\*Global indices corrected sharply in 2008 January, so the data prior to the month is taken for reference, FY19 GDP estimate by RBI at 7.4 %

| Time period               | 31/12/2018 | 30/11/2018 | 31/12/2007 |
|---------------------------|------------|------------|------------|
| <b>Nifty</b>              | 10862.55   | 10876.75   | 6138       |
| <b>Valuation</b>          |            |            |            |
| <b>Trailing PE</b>        | 26.17      | 26.31      | 27.62      |
| <b>Trailing PB</b>        | 3.38       | 3.44       | 6.39       |
| <b>Mcap/GDP</b>           | 0.86       | 0.85       | 1.23       |
| <b>Nifty return</b>       |            |            |            |
| <b>1 year</b>             | 3.15%      | 6.36%      | 54.77%     |
| <b>2 year</b>             | 15.20%     | 15.00%     | 47.11%     |
| <b>3 year</b>             | 10.98%     | 11.08%     | 43.43%     |
| <b>EPS growth</b>         |            |            |            |
| <b>1 year</b>             | 6.11%      | 5.75%      | 19.13%     |
| <b>2 year</b>             | 5.45%      | 4.22%      | 15.95%     |
| <b>3 year</b>             | 3.93%      | 3.77%      | 17.85%     |
| <b>Other data points</b>  |            |            |            |
| <b>Credit growth</b>      | 15.0%      | 14.6%      | 25%        |
| <b>10-year bond yield</b> | 7.37       | 7.61       | 7.57       |
| <b>Brent Oil Futures</b>  | 53.8       | 59.46      | 93.25      |
| <b>USD/INR</b>            | 69.77      | 69.59      | 39.23      |
| <b>Gold (oz/USD)</b>      | 1281       | 1226       | 843.2      |

Nifty continued to pullback amid volatility during the last month of the calendar year. However, global cues capped the gains.

Key developments during the month were,

- India's industrial production surged at 11-month high pace of 8.1% in October 2018, compared with 4.5% growth recorded in September 2018. The industrial production growth for September 2018 has been retained unchanged from 4.5% increase reported provisionally.
- The annual rate of inflation, based on monthly WPI, stood at 4.64% for the month of November 2018 as compared to 5.28% for the previous month and 4.02% during the corresponding month of the previous year. The CPI inflation dipped to 17-month low of 2.33% in November 2018, compared with 3.38% in October 2018. The core CPI inflation eased to 5.71% in November 2018 compared with 6.20% in October 2018.
- Trade deficit for November 2018 narrowed down to \$16.67 billion due to a fall in gold imports. In October 2018, the trade deficit was at \$17.13 billion. Gold imports dipped 15.59% to \$2.76 billion in November. The oil imports however surged last month to \$13.49 billion, up 41.3% from a year earlier.
- India's current account deficit (CAD) increased to US\$ 19.1 billion (2.9% of GDP) in Q2FY19 increased from US\$ 6.9 billion (1.1% of GDP) in Q2FY18 and US\$ 15.9 billion (2.4% of

GDP) in the preceding quarter. The widening of the CAD on a y-o-y basis was primarily on account of a higher trade deficit at US\$ 50.0 billion as compared with US\$ 32.5 billion a year ago.

- India's fiscal deficit in the first eight months of FY19 rose to Rs 7.17 lakh crore, hitting around 115% of the budgeted target for the current financial year. The government had set a fiscal deficit target of Rs 6.24 lakh crore for FY2019.
- Indian manufacturing activity expanded at a slower pace in December as growth in new orders and output waned, despite factories cutting their prices. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, declined to 53.2 in December, below November's 54. However, the PMI indicated that the sector ended 2018 on a high, with growth stronger than seen at the start of the year.

As the month began, investors turned cautious in the run-up to the announcement of five state elections' results. However, in spite of BJP losing in the states, markets recovered. The RBI in its fifth bi-monthly monetary policy review for FY2018-19 kept the key interest rates unchanged. Thereafter, markets remained volatile though heading north, backed by positive global cues. Stable rupee and oil prices supported the sentiments. Meanwhile, the government revised the Minimum Support Price (MSP) of 23 items of Minor Forest Produce (MFP) items and introduced MSP for 17 new MFP items.

Global stocks dropped as resurgent trade worries worsened investor fears about global economic growth. Crude oil prices remained volatile as they moved higher on expectations of production cuts to reduce the inventories, but softened due to renewed concerns of slower global economic growth. The final rate hike of the year in USA along with its shutdown news spooked the market sentiment globally.

Among key indices, Infrastructure was the lead gainer, up 2.4%. Marginal gains were posted by Bank index gaining 0.5%, FMCG, Realty, MNC and India Consumption gaining nearly 0.7%. Pharma and Metal lost 2.6% and 2.2% respectively, followed by IT losing 2%. Auto, Realty and Energy indices lost 0.8%, 0.7% and 0.3%.

### Market Outlook

The US Federal Reserve's Beige Book report showed there were concerns about higher tariffs from a widening trade war, rising interest rates and tight labor markets. GDP is forecast to grow 2.3% in 2019 and 2% in 2020, slightly weaker than what the Fed anticipated previously. The unemployment rate, which is

currently at a 49-year low of 3.7%, is expected to fall to 3.5% next year and rise slightly in FY20 and FY21.

- In US, consumer credit grew at its fastest pace in 11 months in October, the Federal Reserve reported. The Conference Board said its consumer-confidence index dropped to 128.1 this month from a revised 136.4 in November.
- China's industrial output in November grew 5.4% from a year ago but lower than the 5.9% in October. Retail sales rose 8.1%, down from 8.6% in October. Fixed asset investment rose 5.9% from January to November. It rose 5.7% from January to October. China's November exports only rose 5.4% from a year earlier, annual growth for exports to all of China's major partners slowed significantly. Import growth was 3%, the slowest since October 2016. Imports of iron ore fell for a second time, reflecting waning restocking demand at steel-mills as profit margins narrow.
- In Japan, confidence among Japan's big firms remained unchanged from three months ago, but sentiment on the outlook soured for the first time in three quarters as trade frictions and global growth concerns hurt the business mood. The gauge of big manufacturers' sentiment stood at plus 19, unchanged from three months ago.
- In Europe, the European Central Bank (ECB) said it is bringing to an end a crisis-era bond-buying program this month. Bond purchases by the ECB will fall from 15 billion euros (\$17.04 billion) a month to zero by the end of December, but the central bank plans to spend cash from maturing bonds to purchase additional debt. The ECB also left benchmark interest rates unchanged.
- Credit ratings agency Fitch Ratings revised India's growth forecast for the current financial year to 7.2% from the earlier 7.8% in its Global Economic Outlook citing higher financing cost and reduced credit availability. The 2019-20 and 2020-21 estimates of GDP growth are 7% and 7.1%. The RBI held India's economic growth forecast for FY19 at 7.4%. It also slashed inflation projection to 2.7-3.2% by March 2019 from its prior forecast of 3.9-4.5%. But it also foresaw inflation picking up again projecting a rate of 3.8-4.2% in H1FY20 with risks tilted to the upside.

National and global macro-economic data and events will dictate the movement of the markets and influence investor sentiment in the near future.

## TECHNICAL VIEW



Nifty began the month strong as it approached 11000, however, could not surpass the resistance and remained volatile within the channel as it moved lower near 10330. However, as the month progressed, Nifty recovered and moved higher closing the month and the year at 10862.

On weekly charts Nifty is marking higher lows and has moved above all key averages, the RSI also moving in tandem. On monthly charts, however, the RSI is below its average and Nifty forming a 'Doji' on indicates at indecision and a possibility of movement on either side. Though, the short term trend remains positive as Nifty trades in a rising channel, the upside might be capped.

Going ahead, 11070 is a key resistance for Nifty. A move above this could take Nifty towards 11300. On the other hand, below immediate support of 10750, the support of this trend is placed at 10530.

## INVESTMENT IDEAS (MEDIUM TERM)

### ICICI BANK LIMITED

**CMP (AS ON 31 DECEMBER 2018) – 360 TARGET – 420**

ICICI Bank Limited is an Indian multinational banking and financial services company headquartered in Mumbai. The bank has seen a key change in the management, after recent controversies surrounding the bank. The bank is nearing end of its NPA recognition cycle leading to an improved asset quality. Net NPA ratio improved to 3.65% in Q2FY19 as against 4.19% in Q1FY19. ICICI Banks CAR is 17.8% indicating that the bank is well capitalized. Besides, ICICI has a strong liability franchise along with pan India presence of 4,867 branches. Bank is focused on retail segment as it forms 57% of the loan book and advances have grown at 12% y-o-y. The CASA ratio stood at 50.8% in Q2 and NIM was 3.3%. ICICI Bank through its subsidiaries has an established presence in life and general insurance, asset management, and equity broking segments. The stock trades at a P/B of 2.

### HDFC STANDARD LIFE INSURANCE COMPANY LIMITED

**CMP (AS ON 31 DECEMBER 2018) – 387 TARGET – 450**

HDFC Life is one of India's leading life insurance companies, offering a range of individual and group insurance solutions. Growth rate of individual annual premium equivalent (APE), a measure used to calculate sales by insurance companies, moderated between April and July but picked pace in later months. HDFC Standard Life Insurance Co. Ltd reported an annual growth of 37% in October from the previous year. The APE growth in H1FY19 was 18% y-o-y, led by both individual and group segments and continued growth in protection and annuity products. In November, however, it reported a decline of 20%. The operating expenses/total premium ratio has been stable near 14%. The protection gap in India is very large, and sustained focus is required to fill it. HDFC's protection share has increased significantly in both group credit protect and individual segment. The insurance sector in India is on a structural growth path, with an increasing share taken by private insurers like HDFC. The ROE is 26%.

## COMPANY ANALYSIS REVIEW

**SENSEX – 36068 NIFTY – 10862**

**JANUARY 2019**

### ASHOK LEYLAND LIMITED

*The stock was earlier reviewed in our Sajag Online publication of June 2016. We maintain a positive outlook of the stock owing to improving financials, anticipated demand improvement owing to BS-VI norms and CV scrappage policy implementation, and introduction of newer products.*

**CMP (As on 31 DECEMBER 2018) – 102**

**INDUSTRY – COMMERCIAL VEHICLES**

#### STOCK INFO

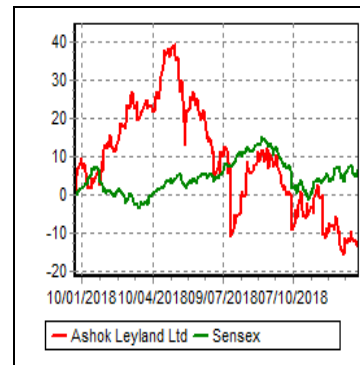
|                  |             |            |
|------------------|-------------|------------|
| Mkt. Cap.        | 30089.15 Cr | BSE Group  |
| Equity           | 293.55      | BSE Code   |
| Trading Vol.     | 11768308    | NSE Symbol |
| 52 Week High/Low | 167/97      | Bloomberg  |
| Face Value       | 1           | Reuters    |

|          |                      |
|----------|----------------------|
| A        | Shareholding Pattern |
| 500477   | Promoters 51.12      |
| ASHOKLEY | Institutions 32.77   |
| ALIN     | Public 11.50         |
| ASOK.BO  | Others 4.61          |

Ashok Leyland, flagship of the Hinduja group, is the 2nd largest manufacturer of commercial vehicles in India, the 4th largest manufacturer of buses in the world, and the 12th largest manufacturers of trucks. Headquartered in Chennai it has 9 manufacturing plants gives an international footprint - 7 in India, a bus manufacturing facility in UAE, one in the UK and a joint venture with the Alteams Group for the manufacture of high-pressure die-casting extruded aluminum components for the automotive and telecommunications sectors.

#### Investment rationale

- In Q2, Ashok Leyland grew faster than the industry as volumes grew by 32%. The total industry volume (MHCV) grew by 26% y-o-y. Ashok Leyland's market share in the truck business in Q2 was 34.3%, bus was 42%. And overall, market share as per SIAM was 35.0% as against 33.5% in Q2 of last year.
- 40% to 45% of volumes in the industry is driven by construction segment. The level of investment in roads and infrastructure has increased and that has been driving the demand of commercial vehicles. Further, recent ban on overloading of trucks in few states has resulted in strong volume growth in MHCVs in the past few months, which is likely to continue in the near term. Also, due to the shift to BS-VI emission norms in FY20 pre-purchases are likely to happen which will propel the volume growth. The vehicle scrappage policy implementation would further support the demand as older trucks will have to be replaced.
- To diversify the product portfolio, the company has been focusing on LCV and defence supply segment. LCV volumes grew by 42% while company's market share has gone up from 16% to 18%. The Company is targeting export markets like Africa and Middle-east. The domestic demand is gradually recovering on the LCV front. In the defence segment, Ashok Leyland has been pre-qualifying for tenders under the defence vehicle programme and benefitting from 'Make in India' campaign.
- On the product innovation front, Ashok Leyland's core business is transforming itself to produce vehicles from 2 tonnes all the way up to 65 tonnes, which will be Euro-VI compliant. It will be electric compliant, modular, left-hand drive, right-hand drive, which would be a huge market.



In last 5 years, the company has turned from a loss making business to a profit making business with a sales CAGR of 20% and increased PBDITA margin to 15%. The long term debt-equity ratio is 1.3 and RONW has been above 20% in last 3 years. The stock trades at a Price/Sales of 1, PE of 17. We recommend investing with a long term perspective.

| Consolidated Financial Performance (Rs. Cr) |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Year End                                    | 201803    | 201703    | 201603    | 201503    | 201403    |
| Equity                                      | 292.71    | 284.59    | 284.59    | 284.59    | 266.07    |
| Networth                                    | 7,420.59  | 6,392.95  | 5,263.70  | 3,489.50  | 2,815.30  |
| Capital Employed                            | 23,765.63 | 19,844.60 | 16,736.98 | 12,739.52 | 11,451.61 |
| Sales                                       | 30,037.23 | 23,265.39 | 21,727.85 | 15,708.18 | 11,859.20 |
| Other Income                                | 206.84    | 338.26    | 90.18     | 556.94    | 665.04    |
| PBIDTA                                      | 4,442.55  | 3,450.62  | 2,657.73  | 1,410.65  | 1,035.25  |
| PAT   | 1,734.75  | 1,538.16  | 918.26    | -776.95   | -639.78   |
| Book Value (Rs)                             | 25.35     | 22.44     | 18.5      | 12.26     | 10.58     |
| EPS (Rs.)                                   | 6.01      | 5.58      | 2.4       | 0.38      | 0         |
| Dividend (%)                                | 243       | 156       | 95        | 45        | 0         |
| Payout (%)                                  | 25.17     | 16.56     | 21.64     | -53.35    | 0         |

| Quarter Ended (standalone) | 201809   | 201709   | Var. (%) |
|----------------------------|----------|----------|----------|
| Sales                      | 7,369.71 | 5,915.41 | 24.58    |
| Other Income               | 28.15    | 55.66    | -49.43   |
| PBIDT                      | 818.13   | 664.81   | 23.06    |
| PBT                        | 660.58   | 482.66   | 36.86    |
| PAT                        | 459.58   | 334.26   | 37.49    |

## CESC LIMITED

The stock was earlier recommended in our report on Investing Opportunities Midcaps in the month of June 2014. We maintain our positive outlook of the company as the demerger is likely to be beneficial for the company.

**CMP (As on 31 DECEMBER 2018) – 668**

**INDUSTRY – POWER UTILITY**

### STOCK INFO

|                  |            |            |
|------------------|------------|------------|
| Mkt. Cap.        | 4429.72 Cr | BSE Group  |
| Equity           | 132.56     | BSE Code   |
| Trading Vol.     | 540330     | NSE Symbol |
| 52 Week High/Low | 926/624    | Bloomberg  |
| Face Value       | 10         | Reuters    |

| A       | Shareholding Pattern |       |
|---------|----------------------|-------|
| 500084  | Promoters            | 49.92 |
| CESC    | Institutions         | 36.74 |
| CESCIN  | Public               | 7.46  |
| CESC.BO | Others               | 5.88  |

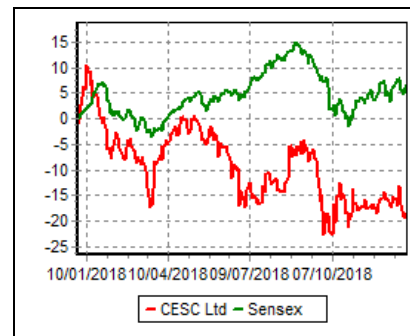
CESC is the flagship company of RP-Sanjiv Goenka Group. CESC owns and operates 4 thermal power plants generating a total of 1,225 MW of power. It also operates two 20 MW gas turbine units as a Peak Load Power Plant. The company has also established its footprint in unconventional energy with a 9 MW solar project in Gujarat and a 50 MW wind project in Rajasthan. It is also developing three hydro power projects, with a combined capacity of 236 MW, in Arunachal Pradesh.

### Investment rationale

- Under the new demerger scheme, CESC has now been demerged into three entities viz. CESC, new retail and venture companies. CESC will continue to have generation and distribution business along with other power business like Haldia Energy

and Chandrapur, solar, hydel and power distribution business in other states. RP-SG Retail Ltd will have Spencer's & FMCG business. RP-SG Business Process Services Ltd will have IT, Quest Mall, real estate & other non-power/non-retail business.

- More than 80% CESC customers' electricity requirement is met from its own generating plants, balance electricity is purchased from third parties. Its captive coal mines provide about 50% of the coal requirement. The remainder is mostly provided by Coal India Limited.
- CESC also has its own Transmission & Distribution system through which it supplies electricity to its consumers. This system comprises a 474-kilometre circuit of transmission lines linking the company's generating and receiving stations with 85 distribution stations; a 3,837-kilometre circuit of HT lines further linking distribution stations with LT substations, large industrial consumers and a 9,867-kilometre circuit of LT lines connecting its LT substations to LT consumers.
- CESC added nearly 98,000 new connections in 2018, taking the tally to 3.27 million. In Q2, volume sold increased by 2.6%. CESC has grown its sales at a CAGR of 15% and PAT at 27%. It has been generating consistent CFO with a ROCE of 9%. The D/E ratio is 1.5, while interest coverage ratio is more than 20. After this demerger, CESC is now purely integrated electrical utility company, which generates stable cashflows. The demerger would ensure that the cashflow is not diverted to the unrelated businesses now. We recommend investing in the stock with a long term perspective.



| Consolidated Financial Performance (Rs. Cr) |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Year End                                    | 201803    | 201703    | 201603    | 201503    | 201403    |
| Equity                                      | 133       | 133.22    | 133.22    | 133.22    | 125.6     |
| Networth                                    | 11188     | 10,622.69 | 10,603.71 | 5,178.48  | 4,673.78  |
| Capital Employed                            | 29,157.00 | 30,889.93 | 30,027.98 | 23,708.03 | 20,590.77 |
| Sales                                       | 16,161.00 | 13,903.50 | 12,124.19 | 11,066.63 | 10,110.85 |
| Other Income                                | 396.00    | 392.74    | 327.69    | 160.3     | 185.49    |
| PBIDTA                                      | 3,777.00  | 3,613.92  | 3,401.56  | 2,131.91  | 1,874.80  |
| PAT   | 1,155.00  | 627.42    | 691.13    | 194.23    | 481.05    |
| Book Value (Rs)                             | 844.01    | 621.11    | 620       | 302.79    | 289.86    |
| EPS (Rs.)                                   | 59.02     | 38.81     | 32        | 10.19     | 29.44     |
| Dividend (%)                                | 120       | 100       | 100       | 90        | 80        |
| Payout (%)                                  | 13.77     | 16.93     | 37.16     | 43.45     | 17.98     |

| Quarter Ended | 201809   | 201709   | Var. (%) |
|---------------|----------|----------|----------|
| Sales         | 2,220.00 | 2,088.00 | 6.32     |
| Other Income  | 65       | 44       | 47.73    |
| PBIDT         | 576      | 547      | 5.3      |
| PBT           | 345      | 315      | 9.52     |
| PAT           | 271      | 247      | 9.72     |

## M&M FINANCIAL SERVICES LIMITED

*The stock was earlier recommended in our Sajag Online publication of July 2012. We remain positive about the stock owing to its stable management, presence in different areas of asset financing and improving NPA scenario.*

**CMP (As on 31 DECEMBER 2018) – 473**

**INDUSTRY – NBFC**

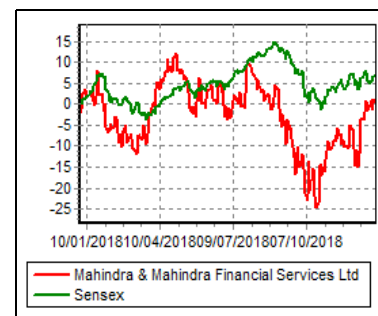
### STOCK INFO

|                  |             |            |         |                      |       |
|------------------|-------------|------------|---------|----------------------|-------|
| Mkt. Cap.        | 29620.44 Cr | BSE Group  | A       | Shareholding Pattern |       |
| Equity           | 123.55      | BSE Code   | 532720  | Promoters            | 51.19 |
| Trading Vol.     | 836362      | NSE Symbol | M&MFIN  | Institutions         | 39.97 |
| 52 Week High/Low | 538/351     | Bloomberg  | MMFSIN  | Public               | 4.32  |
| Face Value       | 2           | Reuters    | MMFS.BO | Others               | 4.52  |

Mahindra & Mahindra Financial Services Limited (MMFS) is a subsidiary of Mahindra and Mahindra Limited, India's largest tractor and utility vehicle manufacturer. MMFS is one of India's leading non-banking finance companies focused in the rural and semi-urban sector.

### Investment rationale

- MMFS is the largest tractor financier and has also got into financing of second-hand tractor. The company has had very aggressive growth in the past because rural is still registering decent growth. The company is a multi-product company and 45% of its business comes from Mahindra while the balance is from other OEMs.
- The company is well-diversified as the asset mix is as follows: 25% auto, 17% tractors, 21% cars, 15% CV, 8% pre owned vehicles, 14% SME loans. MMFS also offers housing finance, insurance broking and asset management services of its subsidiaries. The loan book till H1 FY19 is Rs. 55482 crores.
- MMFS has diversified funding from debentures, commercial papers, term loans, deposits. CARE Ratings has reaffirmed its credit ratings as 'stable' for MMFS. NIM has been close to 6% and GNPA is 9%, while the company aims at a GNPA of 7%. The company



has grown its NW at a CAGR of 21% and PAT at 16%. Operating income has grown at a CAGR of 20%. ROA improved to 2.3% in H1 FY19 from 1.6% in H1 FY18.

MMFS has been present in the rural space which is outperforming urban in terms of the growth rate. In Q2, MMFS registered strong growth in disbursement due to market share gains across OEMs and the stronger OEM performance in rural areas. MMFS achieved its highest ever volume of financing 84,000 Vehicles/Tractors in the month of November 2018. The company is aiming at 19-20% y-o-y growth owing to the rural recovery, government spending during the election phase and asset quality challenges being overcome. The stock trades at P/B of close to 3. We recommend investing with a long term perspective.

| Consolidated Financial Performance (Rs. Cr) |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Year End                                    | 201803    | 201703    | 201603    | 201503    | 201403    |
| Equity                                      | 122.9     | 113.01    | 112.92    | 112.83    | 112.71    |
| Networth                                    | 9,915.21  | 6,960.16  | 6,469.40  | 5,942.72  | 5,293.70  |
| Capital Employed                            | 58,600.05 | 48,653.02 | 41,437.45 | 35,829.56 | 31,796.74 |
| Operating income                            | 8,612.41  | 7,189.06  | 6,585.79  | 6,050.87  | 5,293.81  |
| Other Income                                | 11.82     | 11.59     | 11.66     | 10.04     | 6.74      |
| Gross Profit                                | 1,716.95  | 891.48    | 1,269.82  | 1,445.38  | 1,487.61  |
| PAT   | 993.52    | 511.6     | 771.79    | 912.85    | 954.4     |
| Book Value (Rs)                             | 161.36    | 123.18    | 114.58    | 105.34    | 93.94     |
| EPS (Rs.)                                   | 16.66     | 9.05      | 13.68     | 16.18     | 16.94     |
| Dividend (%)                                | 200       | 120       | 200       | 200       | 190       |
| Payout (%)                                  | 13.26     | 0         | 30.68     | 25.87     | 23.27     |

| Quarter Ended | 201809   | 201709   | Var. (%) |
|---------------|----------|----------|----------|
| Sales         | 2,497.01 | 2,123.08 | 17.61    |
| Other Income  | 9.56     | 9.49     | 0.74     |
| PBIDT         | 1,697.84 | 1,266.36 | 34.04    |
| PBT           | 813.03   | 448.16   | 81.42    |
| PAT           | 499.9    | 278.22   | 79.68    |

Source: Company, Prowess, Capital line, Sajaq Research

## GAINERS AND LOSERS OF THE MONTH (from Nifty-50)

| GAINERS                         |       |         |        | LOSERS                         |        |         |        |
|---------------------------------|-------|---------|--------|--------------------------------|--------|---------|--------|
| COMPANY                         | OPEN  | CLOSE   | %      | COMPANY                        | OPEN   | CLOSE   | %      |
| Indiabulls Housing Finance Ltd. | 725   | 853.85  | 17.77% | H C L Technologies Ltd.        | 1021.1 | 964.35  | -5.56% |
| Bharat Petroleum Corpn. Ltd.    | 322   | 362.75  | 12.66% | Grasim Industries Ltd.         | 869.7  | 825.6   | -5.07% |
| Hindustan Petroleum Corpn. Ltd. | 229.8 | 253.25  | 10.20% | Tata Consultancy Services Ltd. | 1984   | 1893.05 | -4.58% |
| Power Grid Corpn. Of India Ltd. | 181.1 | 198.65  | 9.69%  | Reliance Industries Ltd.       | 1174.9 | 1121.25 | -4.57% |
| Bajaj Finserv Ltd.              | 6060  | 6476.95 | 6.88%  | Dr. Reddy'S Laboratories Ltd.  | 2738.6 | 2616.5  | -4.46% |

## CORPORATE ACTIONS DURING THE MONTH

| COMPANY          | RECORD DATE | PURPOSE                |
|------------------|-------------|------------------------|
| O N G C          | 04/01/2019  | Buy Back of Shares     |
| Godrej Inds.     | 07/01/2019  | Scheme of Amalgamation |
| Tata Inv. Corpn. | 11/01/2019  | Buy Back of Shares     |
| Gujarat Gas      | 16/01/2019  | Stock Split            |
| TCS              | 18/01/2019  | Third Interim Dividend |

## MUTUAL FUND PERFORMANCE

NAV as on 31-DECEMBER-2018, Return %

| ULTRA SHORT TERM FUNDS                  | NAV      | 30 DAYS | 3 MON | 6 MON | 1 YR |
|---|----------|---------|-------|-------|------|
| L&T - MONEY MARKET FUND (G)             | 18.10    | 0.78    | 2.08  | 3.79  | 7.34 |
| FRANKLIN - INDIA FLOATING RATE FUND (G) | 27.39    | 0.65    | 1.89  | 3.45  | 6.7  |
| AXIS - TREASURY ADVANTAGE FUND (G)      | 2,039.82 | 0.83    | 2.24  | 3.93  | 7.29 |
| ARBITRAGE FUNDS                         | NAV      | 30 DAYS | 3 MON | 6 MON | 1 YR |
| Reliance - Arbitrage Fund (G)           | 18.65    | 0.31    | 1.51  | 3.03  | 6.77 |
| Kotak - Equity Arbitrage Fund (G)       | 26.01    | 0.31    | 1.46  | 3.1   | 6.32 |
| IDFC - Arbitrage Fund Reg (G)           | 22.93    | 0.33    | 1.45  | 3.02  | 6.26 |
| SBI - Arbitrage Opp Fund Reg (G)        | 23.69    | 0.23    | 1.39  | 2.79  | 6.23 |
| HYBRID EQUITY SAVINGS FUNDS             | NAV      | 6 MON   | 1 YR  | 2 YR  | 3 YR |
| HDFC - Equity Savings Fund (G)          | 35.56    | 1.24    | 8.48  | 10.23 | 9.66 |
| ICICI Pru - Equity Savings Fund (G)     | 13.32    | 3.58    | 7.09  | 8.45  | 0    |

|   |            |             |             |             |             |
|---|------------|-------------|-------------|-------------|-------------|
| Kotak - Equity Savings Fund Reg (G)               | 13.86      | 4.33        | 8.99        | 8.14        | 0           |
| <b>HYBRID DYNAMIC ASSET MANAGEMENT FUNDS</b>      | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| HDFC - Balanced Advantage Fund (G)                | 188.63     | -3.08       | 11.31       | 10.68       | 15.59       |
| Aditya Birla SL - Balanced Advantage Fund (G)     | 51.48      | 0.74        | 7.73        | 10.51       | 12.3        |
| Reliance - Balanced Advantage Fund (G)            | 87.04      | 0.45        | 12.14       | 10.19       | 13.32       |
| ICICI Pru - Balanced Advantage Fund Reg (G)       | 34.38      | 2.44        | 10.4        | 9.37        | 12.49       |
| <b>HYBRID AGGRESSIVE FUNDS</b>                    | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| Principal - Hybrid Equity Fund (G)                | 75.35      | -1.54       | 15.82       | 13.9        | 15.49       |
| Mirae - Asset Hybrid Equity Fund Reg (G)          | 14.01      | 1.28        | 13.75       | 11.99       | 0           |
| ICICI Pru - Equity & Debt Fund (G)                | 128.05     | -1.91       | 10.62       | 11.62       | 15.62       |
| HDFC - Hybrid Equity Fund (G)                     | 51.39      | -2.79       | 11.3        | 10.77       | 16.22       |
| SBI - Equity Hybrid Fund Reg (G)                  | 128.32     | -0.06       | 12.93       | 9.77        | 15.25       |
| <b>DEBT MEDIUM/LONG TERM FUNDS</b>                | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| ADITYA BIRLA SL - ST OPPORTUNITIES FUND REG (G)   | 30.2796    | 6.5         | 6.05        | 7.78        | 8.61        |
| HDFC - BANKING AND PSU DEBT FUND REG (G)          | 14.6423    | 5.87        | 6.1         | 7.65        | N.A         |
| AXIS - STRATEGIC BOND FUND (G)                    | 17.7427    | 6.66        | 7.07        | 8.57        | 9.46        |
| <b>EQUITY FOCUSED PLANS</b>                       | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| Axis - Focused 25 (G)                             | 26.82      | 0.64        | 20.83       | 15.15       | 17.09       |
| SBI - Focused Equity Fund Reg (G)                 | 132.23     | -3.81       | 17.96       | 12.47       | 18.58       |
| IDFC - Focused Equity Fund Reg (G)                | 35.26      | -12.72      | 16.07       | 11.1        | 11.55       |
| <b>EQUITY VALUE PLANS</b>                         | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| Tata - Equity P/E Fund Reg (G)                    | 131.02     | -7.06       | 13.79       | 14.58       | 20.67       |
| IDFC - Sterling Value Fund Reg (G)                | 50.74      | -12.95      | 18.48       | 12.37       | 17.36       |
| HDFC - Capital Builder Value Fund (G)             | 286.16     | -5.47       | 15.96       | 11.77       | 17.29       |
| L&T - India Value Fund (G)                        | 34.58      | -11.44      | 11.83       | 10.59       | 21.58       |
| <b>TAX PLANS</b>                                  | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| Mirae - Asset Tax Saver Fund Reg (G)              | 16.68      | -2.27       | 20.19       | 18.37       | N.A         |
| Motilal Oswal - Long Term Equity Fund Reg (G)     | 16.59      | -8.73       | 14.61       | 13.89       | N.A         |
| Principal - Tax Saving Fund (G)                   | 202.77     | -9.19       | 16.22       | 12.78       | 17.09       |
| L&T - Tax Advantage Fund (G)                      | 52.89      | -8.08       | 14.34       | 12.23       | 16.06       |
| Aditya Birla SL - Tax Relief 96 Fund ELSS Reg (G) | 30.90      | -4.54       | 16.88       | 12.2        | 18.97       |
| <b>EQUITY MULTICAP FUNDS</b>                      | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| Mirae - Asset India Equity Fund Reg (G)           | 48.15      | -0.64       | 17.32       | 14.16       | 18.84       |
| Aditya Birla SL - Equity Fund Reg (G)             | 702.72     | -4.09       | 13.14       | 13.83       | 18.91       |
| Kotak - Standard Multicap Fund (G)                | 33.29      | -0.88       | 15.36       | 13.35       | 18.81       |
| Motilal Oswal - Multicap 35 Reg (G)               | 25.13      | -7.85       | 14.79       | 12.64       | 0           |
| <b>EQUITY SMALL CAP FUNDS</b>                     | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| L&T - Emerging Businesses Fund (G)                | 24.84      | -13.72      | 19.83       | 16.53       | N.A         |
| HDFC - Small Cap Fund (G)                         | 42.54      | -8.08       | 21.53       | 15.91       | 20.21       |
| SBI - Small Cap Fund Reg (G)                      | 50.40      | -19.62      | 19.81       | 13.29       | 29.85       |
| Reliance - Small Cap Fund (G)                     | 39.75      | -16.69      | 16.5        | 12.73       | 26.64       |
| <b>EQUITY MID CAP FUNDS</b>                       | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| L&T - Mid Cap Fund (G)                            | 133.13     | -12.03      | 15.74       | 13.72       | 24.22       |
| Axis - Midcap Fund (G)                            | 35.67      | 3.51        | 21.2        | 12.49       | 20.44       |
| HDFC - Mid Cap Opportunities Fund (G)             | 53.49      | -11.2       | 12.14       | 11.87       | 21.21       |
| <b>EQUITY LARGE AND MID CAP FUNDS</b>             | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| Mirae - Asset Emerging Bluechip Fund Reg (G)      | 50.26      | -5.42       | 18.69       | 16.48       | 27.18       |
| Principal - Emerging Bluechip (G)                 | 101.08     | -10.99      | 15.19       | 13.83       | 23.01       |
| Can Robeco - Emerging equities Reg (G)            | 89.03      | -9.29       | 17.42       | 12.24       | 25.66       |
| DSP - Equity Opp Fund Reg (G)                     | 210.28     | -9.24       | 12.77       | 12.22       | 16.86       |
| IDFC - Core Equity Fund Reg (G)                   | 44.13      | -5.11       | 14.12       | 12.04       | 13.73       |
| <b>EQUITY LARGE CAP FUNDS</b>                     | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| HDFC - Top 100 Fund - (G)                         | 464.45     | 0.13        | 14.93       | 12.75       | 14.55       |
| ICICI Pru - Bluechip Fund Reg (G)                 | 40.53      | -0.81       | 14.73       | 12.35       | 14.83       |
| Axis - Bluechip Fund (G)                          | 27.03      | 6.54        | 21.24       | 12.32       | 14.53       |
| <b>SECTORAL AND THEMATIC FUNDS</b>                | <b>NAV</b> | <b>1 YR</b> | <b>2 YR</b> | <b>3 YR</b> | <b>5 YR</b> |
| SBI - Banking & Financial Services Fund Reg (G)   | 16.66      | 9.54        | 24.11       | 21.7        | N.A         |
| Tata - India Consumer Fund Reg Plan (G)           | 17.66      | -2.14       | 30.18       | 20.43       | N.A         |
| Aditya Birla SL - India Gen Next Fund Reg (G)     | 79.94      | -1.55       | 17.12       | 13.8        | 19.06       |
| ICICI Pru - FMCG Fund (G)                         | 236.72     | 7.06        | 20.44       | 13.58       | 15.28       |

**Systematic investment in different Equity Oriented Mutual funds at the rate of Rs. 10000/- p.m. and its values at different time intervals**

| Scheme                                 | Value & Return (3 Yr) |     | Value & Return (5 Yr) |      | Value & Return (8 Yr) |      | Value & Return (10 Yr) |      | Value & Return (15 Yr) |      |
|--|-----------------------|-----|-----------------------|------|-----------------------|------|------------------------|------|------------------------|------|
|  | Value                 | %   | Value                 | %    | Value                 | %    | Value                  | %    | Value                  | %    |
| <b>Total Investment</b>                | <b>360000</b>         |     | <b>600000</b>         |      | <b>960000</b>         |      | <b>1200000</b>         |      | <b>1800000</b>         |      |
| Aditya Birla SL - MNC Fund Reg (G)     | 410,794               | 8.7 | 826,444               | 12.8 | 1,999,902             | 17.8 | 3,299,808              | 19.2 | 8,518,267              | 18.7 |
| Can Robeco - Emerging equities Reg (G) | 416,475               | 9.7 | 883,870               | 15.5 | 2,267,509             | 20.8 | 3,725,642              | 21.4 | N.A                    |      |
| Franklin - India Bluechip Fund (G)     | 395,253               | 6.2 | 737,777               | 8.2  | 1,480,983             | 10.6 | 2,161,416              | 11.3 | 5,230,829              | 13.1 |
| Franklin - India Prima Fund (G)        | 400,284               | 7.0 | 817,532               | 12.3 | 2,005,816             | 17.9 | 3,152,002              | 18.4 | 7,163,269              | 16.7 |
| ICICI Pru - Value Discovery Fund (G)   | 391,000               | 5.4 | 752,833               | 9.0  | 1,777,027             | 15.0 | 2,866,315              | 16.6 | N.A                    |      |
| Sundaram - Mid Cap Fund Reg (G)        | 386,060               | 4.6 | 797,894               | 11.3 | 1,907,304             | 16.7 | 2,979,018              | 17.3 | 8,404,089              | 18.5 |

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