ValueGuide

April 2020

Intelligent Investing	Regular Features	Products & Services	Trader's Edge
Market Outlook	Report Card	PMS	Technical View
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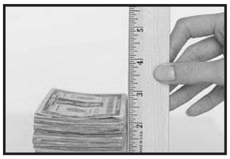
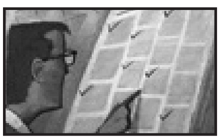
From the Editor's Desk

Stay at home, stay safe. Practicing social distancing and maintaining hygiene are the key practices to follow in order to beat the Coronavirus pandemic haunting the world today. The war on the virus is more about avoiding its spread and taking measures to minimise the transmission.

PMS DESK





EQUITY

FUNDAMENTALS

CURRENCY

FUNDAMENTALS

TECHNICALS

STOCK IDEAS STANDING (AS ON APRIL 03, 2020)

COMPANY	CURRENT RECO	PRICE AS ON 03-APR-2020	PRICE TARGET*	52 WEEK		ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
				HIGH	LOW	1M	3M	6M	12M	1M	3M	6M	12M
Automobiles													
Apollo Tyres	Buy	79	116	221	74	-43.8	-51.1	-53.5	-64.7	-21.8	-27.9	-36.4	-50.5
Ashok Leyland	Hold	38	50	98	34	-47.3	-52.5	-43.9	-56.3	-26.6	-29.9	-23.4	-38.8
Bajaj Auto	Buy	2033	2625	3315	1793	-25.0	-33.0	-29.0	-29.1	4.5	-1.3	-3.1	-0.6
Hero MotoCorp	Buy	1584	2200	3021	1475	-22.6	-33.1	-40.7	-40.0	7.7	-1.4	-19.0	-15.8
M&M	Buy	281	435	696	246	-40.8	-46.4	-50.2	-57.1	-17.6	-21.0	-32.0	-39.8
Maruti Suzuki	Hold	4012	5500	7755	4002	-37.2	-43.0	-39.7	-43.6	-12.5	-16.0	-17.6	-20.9
TVS Motor	Hold	253	350	525	240	-38.3	-43.5	-36.3	-48.2	-14.2	-16.6	-13.0	-27.3
BSE Auto Index		***10270***		***20412***	***10141***	***-34.4***	***-42.6***	***-38.0***	***-46.7***	***-8.6***	***-15.4***	***-15.4***	***-25.3***
Banks & Finance													
Axis Bank	Buy	326	882	827	285	-52.3	-54.9	-50.4	-57.3	-33.5	-33.6	-32.2	-40.1
Bajaj Finance	Buy	2207	3400	4923	2083	-48.5	-44.8	-43.4	-27.4	-28.3	-18.6	-22.8	1.7
Bajaj Finserv	Buy	4512	6800	10297	4161	-48.7	-50.1	-45.6	-38.4	-28.6	-26.5	-25.7	-13.6
Bank of Baroda	Hold	49	105	144	47	-33.6	-49.2	-45.1	-62.9	-7.5	-25.1	-25.0	-47.9
Bank of India	Hold	33	70	104	30	-32.6	-52.6	-46.1	-67.8	-6.2	-30.1	-26.4	-54.9
Federal Bank	Buy	40	110	110	36	-52.1	-54.2	-53.4	-58.0	-33.4	-32.4	-36.4	-41.1
HDFC	Buy	1499	2800	2500	1473	-32.0	-37.1	-24.2	-26.5	-5.3	-7.3	3.6	3.0
HDFC Bank	Buy	814	1510	1304	739	-29.2	-34.5	-31.6	-64.4	-1.4	-3.4	-6.6	-50.1
ICICI Bank	Buy	287	569	552	269	-43.7	-45.5	-30.8	-26.3	-21.6	-19.6	-5.5	3.4
LIC Housing Finance	Hold	219	460	587	186	-31.8	-47.4	-41.3	-59.0	-5.0	-22.4	-19.8	-42.6
Max Financial	Buy	335	650	611	280	-43.4	-39.5	-17.4	-23.7	-21.2	-10.8	12.9	7.0
Punjab National Bank	Hold	30	65	95	29	-33.2	-51.6	-48.7	-68.3	-7.0	-28.7	-30.0	-55.5
SBI	Buy	176	415	374	174	-38.5	-45.0	-29.8	-45.4	-14.3	-18.9	-4.1	-23.5
Union Bank of India	Reduce	29	48	96	24	-21.2	-45.9	-43.0	-69.0	9.7	-20.2	-22.2	-56.5
BSE Bank Index		***19754***		***37193***	***18430***	***-40.0***	***-44.6***	***-36.9***	***-41.2***	***-16.5***	***-18.3***	***-13.8***	***-17.6***
Consumer goods													
Britannia	Buy	2561	3050	3444	2101	-16.4	-15.2	-9.9	-15.9	16.4	25.1	23.0	18.0
Emami	Hold	182	235	410	141	-27.0	-40.4	-41.0	-55.6	1.6	-12.1	-19.5	-37.7
GSK Consumer	Hold	9367	10260	11290	6905	-1.4	12.7	12.4	34.2	37.2	66.2	53.5	88.2
Godrej Consumer Products	Buy	531	690	772	425	-16.0	-23.9	-20.5	-21.4	17.0	12.3	8.5	10.2
Hindustan Unilever	Buy	2154	2575	2614	1657	-1.1	12.4	10.8	29.1	37.7	65.7	51.3	81.0
ITC	Buy	178	190	310	135	-5.1	-24.4	-30.9	-39.6	32.0	11.5	-5.6	-15.4
Jyothy Laboratories	Buy	95	134	198	86	-23.0	-35.6	-42.7	-48.3	7.2	-5.1	-21.8	-27.5
Marico	Buy	261	350	404	234	-11.6	-21.3	-31.0	-26.4	23.1	16.0	-5.8	3.2
Zydus Wellness	Hold	1216	1350	1859	1070	-16.2	-15.3	-24.3	-6.3	16.7	24.9	3.4	31.4
BSE FMCG Index		***9982***		***12378***	***8491***	***-8.6***	***-11.7***	***-13.2***	***-14.3***	***27.3***	***30.2***	***18.5***	***20.2***
IT / IT services													
HCL Technologies	Buy	405	680	624	376	-28.0	-30.4	-62.5	-63.1	0.2	2.6	-48.7	-48.3
Infosys	Buy	585	770	847	511	-22.8	-20.7	-26.2	-21.8	7.4	16.9	0.8	9.7
Persistent Systems	Buy	508	750	740	420	-28.1	-25.6	-8.8	-17.6	0.1	9.7	24.6	15.5
Tata Consultancy Services	Buy	1654	2150	2296	1504	-20.6	-24.8	-20.4	-17.9	10.6	10.9	8.7	15.2
Wipro	Hold	180	230	302	160	-21.3	-28.6	-24.3	-30.5	9.5	5.2	3.4	-2.5
BSE IT Index		***11781***		***16587***	***10937***	***-24.2***	***-25.0***	***-23.9***	***-23.4***	***5.6***	***10.6***	***3.9***	***7.4***
Capital goods / Power													
CESC	Buy	424	-	855	366	-30.5	-41.8	-42.1	-41.8	-3.3	-14.3	-20.9	-18.4
Finolex Cable	Hold	217	260	497	165	-32.9	-43.9	-40.6	-53.6	-6.6	-17.3	-18.9	-34.9
Greaves Cotton	Hold	67	90	157	66	-48.3	-50.0	-51.1	-54.0	-28.1	-26.3	-33.2	-35.6
Kalpataru Power Transmission	Buy	181	250	554	170	-45.3	-56.4	-60.1	-61.0	-23.8	-35.7	-45.6	-45.3
KEC International	Buy	161	220	358	155	-48.8	-47.1	-39.5	-44.3	-28.7	-22.0	-17.4	-21.9
Thermax	Hold	716	775	1180	644	-20.4	-34.5	-36.7	-25.5	10.7	-3.4	-13.6	4.4
Triveni Turbine	Hold	57	72	120	46	-37.5	-39.7	-42.7	-49.6	-13.0	-11.1	-21.8	-29.4

STOCK IDEAS STANDING (AS ON APRIL 03, 2020)

COMPANY	CURRENT RECO	PRICE AS ON 03-APR-2020	PRICE TARGET*	52 WEEK		ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
				HIGH	LOW	1M	3M	6M	12M	1M	3M	6M	12M
V-Guard Industries	Buy	153	225	260	149	-24.2	-27.6	-31.9	-30.6	5.5	6.8	-7.0	-2.7
BSE Power Index		***1331***		***2159***	***1275***	***-24.7***	***-30.9***	***-30.0***	***-34.4***	***4.8***	***1.9***	***-4.4***	***-8.0***
BSE Capital Goods Index		***10584***		***20387***	***9499***	***-31.2***	***-37.9***	***-41.3***	***-42.2***	***-4.3***	***-8.4***	***-19.9***	***-19.0***
Infrastructure / Real estate													
Larsen & Toubro	Buy	775	1250	1607	661	-34.2	-41.1	-45.6	-43.4	-8.4	-13.2	-25.7	-20.6
Sadbhav Engineering	Buy	26	85	274	24	-60.5	-78.8	-80.5	-89.6	-45.0	-68.7	-73.3	-85.3
CNX Infra Index		***2280***		***3438***	***2108***	***-24.6***	***-29.6***	***-27.2***	***-28.8***	***5.0***	***3.9***	***-0.6***	***-0.1***
BSE Real estate Index		***1321***		***2565***	***1275***	***-38.1***	***-40.8***	***-30.5***	***-37.4***	***-13.8***	***-12.7***	***-5.1***	***-12.2***
Oil & gas													
Oil India Ltd	Buy	84	115	189	66	-23.7	-45.2	-41.5	-52.9	6.2	-19.2	-20.1	-33.9
Petronet LNG	Buy	196	300	302	171	-20.3	-26.7	-23.5	-18.0	11.0	8.1	4.5	15.0
Reliance Ind	Buy	1078	1710	1618	876	-19.5	-28.2	-17.5	-20.3	12.1	5.9	12.6	11.7
BSE Oil and gas Index		***10007***		***15930***	***8724***	***-20.9***	***-30.9***	***-32.5***	***-32.0***	***10.1***	***1.8***	***-7.8***	***-4.6***
Pharmaceuticals													
Aurobindo Pharma	Hold	382	600	838	281	-26.6	-13.8	-32.6	-51.1	2.2	27.1	-7.9	-31.5
Cadila Healthcare	Hold	275	300	359	206	7.4	7.8	18.5	-20.1	49.6	58.9	61.7	12.1
Cipla	Buy	449	650	586	357	0.3	-3.8	7.4	-14.0	39.6	41.9	46.6	20.6
Divi's Labs	Buy	1901	2430	2258	1467	-12.6	3.4	17.3	11.6	21.6	52.4	60.1	56.4
IPCA Lab	Buy	1385	1750	1821	844	-3.0	21.6	55.0	44.3	35.0	79.2	111.6	102.3
Lupin	Hold	655	840	882	505	-1.4	-14.1	-4.6	-17.0	37.3	26.6	30.2	16.4
Sun Pharmaceutical Industries	Hold	376	470	480	315	-7.3	-14.5	-2.6	-19.3	29.0	26.0	33.0	13.1
Torrent Pharma	Hold	2077	2105	2641	1453	-5.1	10.2	27.4	9.2	32.1	62.4	74.0	53.1
BSE Health Care Index		***12395***		***14664***	***10948***	***-12.0***	***-7.3***	***1.0***	***-13.4***	***22.5***	***36.7***	***37.9***	***21.4***
Building materials													
Grasim	Hold	455	576	959	380	-34.0	-38.2	-30.4	-45.5	-8.1	-8.9	-5.0	-23.5
Shree Cement	Buy	15783	19501	25341	15500	-32.2	-25.2	-12.9	-16.1	-5.6	10.3	18.9	17.6
The Ramco Cements	Buy	474	581	883	470	-36.8	-36.9	-34.3	-37.4	-12.0	-6.9	-10.3	-12.2
UltraTech Cement	Buy	3041	3891	4904	2913	-27.2	-26.8	-23.6	-25.5	1.4	7.9	4.3	4.5
Discretionary consumption													
Arvind @	Buy	20	48	91	19	-44.7	-50.1	-55.5	-77.9	-23.1	-26.5	-39.3	-69.1
Century Plyboards (India)	Buy	104	137	206	95	-32.8	-36.9	-36.5	-49.4	-6.4	-7.0	-13.2	-29.1
Info Edge (India)	Buy	2008	2800	3125	1580	-24.4	-20.3	-11.5	8.7	5.2	17.5	20.8	52.5
Inox Leisure	Buy	259	400	511	231	-32.0	-30.1	-19.7	-14.4	-5.3	3.0	9.7	20.0
Relaxo Footwear #	Buy	598	765	830	383	-13.5	-4.3	21.5	-29.2	20.4	41.0	65.9	-0.7
Titan Company Limited	Buy	863	1130	1390	720	-31.0	-25.5	-31.1	-22.1	-4.0	9.8	-5.9	9.3
Wonderla Holidays	Hold	133	158	320	122	-34.2	-46.2	-50.3	-57.2	-8.4	-20.7	-32.1	-39.9
Diversified / Miscellaneous													
Bajaj Holdings	Buy	1927	4654	3949	1472	-42.0	-44.1	-46.3	-42.3	-19.3	-17.7	-26.7	-19.0
Bharat Electronics	Buy	70	95	122	56	-6.5	-27.8	-33.3	-28.1	30.2	6.4	-8.9	0.8
Bharti Airtel	Buy	424	610	569	306	-18.0	-5.7	24.8	18.9	14.2	39.0	70.4	66.7
Gateway Distriparks	Buy	87	150	154	73	-30.4	-28.2	-12.4	-33.1	-3.1	5.9	19.6	-6.2
PI Industries	Buy	1182	1750	1626	974	-25.0	-16.7	-7.0	15.4	4.4	22.8	27.0	61.8
Ratnamani Metals and Tubes	Buy	897	1250	1384	716	-32.6	-18.5	-5.4	-0.6	-6.1	20.1	29.1	39.4
Supreme Industries Limited	Buy	796	1120	1414	791	-35.7	-30.1	-33.5	-29.4	-10.5	3.1	-9.2	-1.1
UPL	Buy	298	432	709	240	-41.7	-49.0	-48.8	-68.0	-18.8	-24.8	-30.1	-55.1
BSE500 Index		***10527***		***16158***	***9758***	***-28.3***	***-31.9***	***-27.0***	***-31.0***	***-0.1***	***0.3***	***-0.3***	***-3.3***
CNX500 Index		***6638***		***10119***	***6243***	***-28.3***	***-31.9***	***-27.0***	***-31.0***	***-0.2***	***0.4***	***-0.3***	***-3.3***
CNXMCAP Index		***11317***		***18368***	***10991***	***-32.4***	***-33.1***	***-27.3***	***-37.5***	***-5.9***	***-1.3***	***-0.8***	***-12.3***

@ Reco price adjusted for demerger   # Reco price adjusted for bonus   ^ Reco price adjusted for stock split

*** Price targets will be reviewed after we get further clarity on operations from companies post Q4FY2020 result announcements.**

From the Editor's Desk

War on Virus, lessons for investors!

Stay at home, stay safe. Practicing social distancing and maintaining hygiene are the key practices to follow in order to beat the Coronavirus pandemic haunting the world today. The war on the virus is more about avoiding its spread and taking measures to minimise the transmission. Some of the countries like Singapore, South Korea and Japan have shown how a proactive approach has enabled them to curtail the spread effectively and thereby minimise the social and economic damage from the pandemic.

There are important lessons for investors here as well. After all, successful investing is about managing risk and not avoiding it. Risk can be managed effectively by following some basic and simple rules of investing.

Social distancing - No crowding please, as investors need a well-diversified portfolio. High-sector concentration and/or skewed allocation to mid-caps/small-caps are susceptible to high volatility. On the other hand, a well-diversified portfolio with a two-third allocation to quality liquid companies from across the sectors tends to far, far better in volatile times.

Maintain basic hygiene – Never invest through borrowed money. Investing is all about the time spent in the markets rather than timing the markets. So allocate only that part of your funds into equity that you can hold over a longer period of time.

Stay safe - Make volatility your friend by investing in a phased manner. A systematic investment plan (SIP) into mutual funds or direct equity is a sensible way to mitigate the impact of volatility.

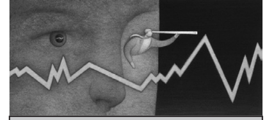
And yes, if you someone does show symptoms, be proactive – Get tested and take appropriate medical treatment. Similarly, it is never too late. If your direct or indirect portfolios suffer from the volatility flu, do not hesitate to take professional advice.

We, at Sharekhan, have released a detailed investment strategy report to help understand the current status of the correction as compared to previous deep corrections. Also, we have prepared three distinct investment portfolios keeping in mind the risk profile and investment horizon. There are a basket of mutual fund schemes and quality companies also given to invest in a phased manner. Please refer to our special report - **2020 – A Virus Story** on page 07.

The team has identified 10 quality companies that have fallen sharply and can be accumulated in these volatile times. The report can be referred to on page 12. The Research team is also coming out sector notes to highlight the impact on sector and individual companies to help investors take necessary decisions.

Finally, the world has seen tough times earlier too and has eventually come out of it. Similarly, the markets have also seen deep corrections earlier too and have eventually recovered to give handsome returns to investors over the next few years. This time too, it would be no different. From the investor's side, it is how one reacts in volatile times, which would eventually make all the difference to the performance of your individual portfolios.

Happy Investing!

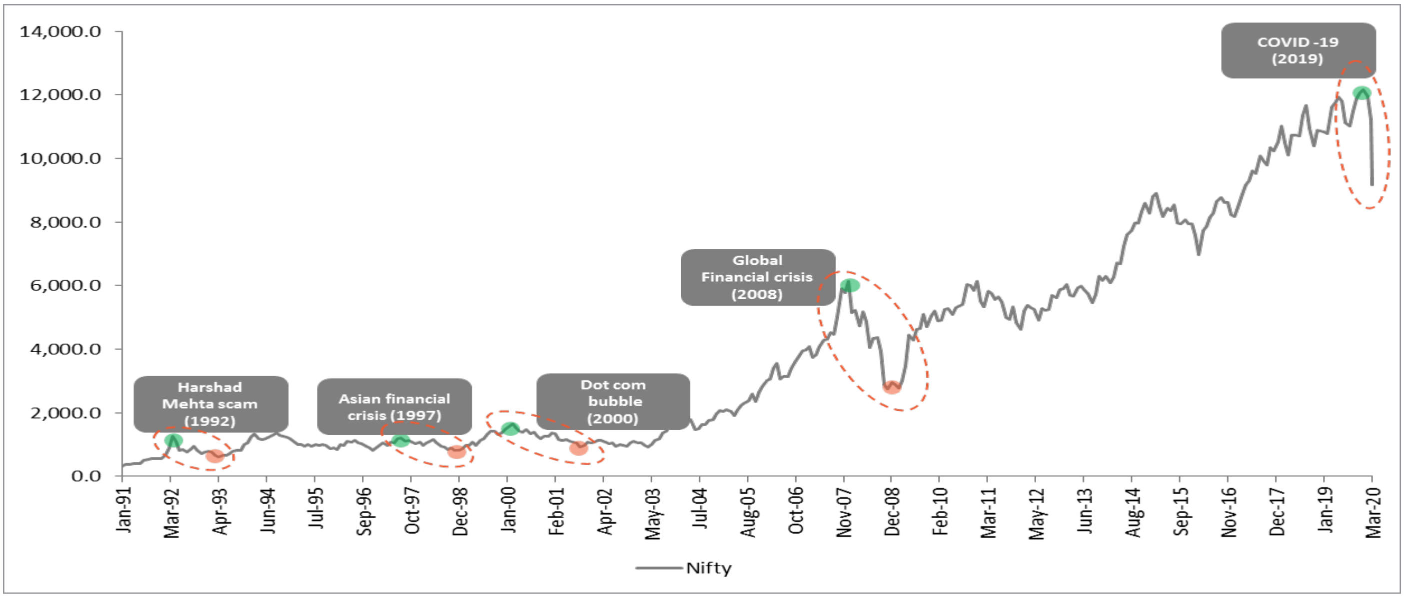


MARKET OUTLOOK — MARCH 18, 2020

2020 – A VIRUS STORY: Anatomy of a Bear Market

Phir Teri Kahaani Yaad Aayi...

- We have seen it earlier too. In 2000 and 2008, equity market across the globe corrected sharply.
- Indian stock markets retracted by 60-70% in previous severe global corrections. The carnage in the broader markets was all the more severe!

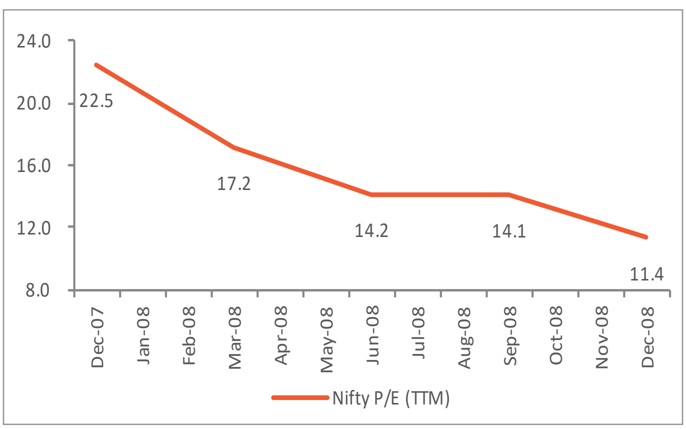


Source: Bloomberg, Sharekhan Research

Kal... the Great Fall of 2008 – Where Are We Now?

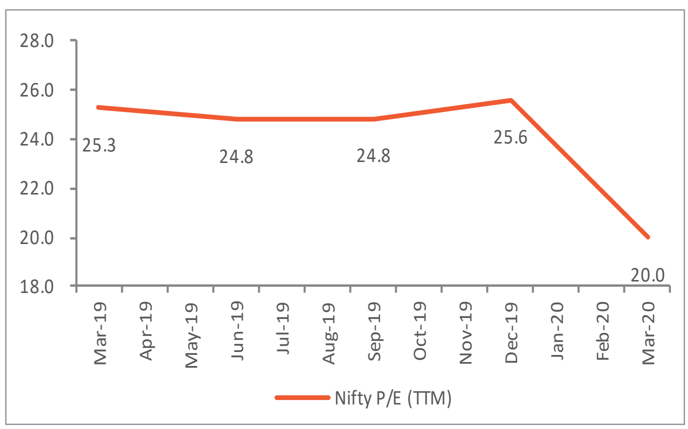
- Nifty finds bottom at PE of 11-12x trailing earnings and we are still at 20x now. But the valuations are close to the bottom at 2.3x on a PBV basis!

NIFTY trailing P/E (Dec 2007 – Dec 2008)



Source: Bloomberg, Sharekhan Research

NIFTY trailing P/E (Mar 2019 – Mar 2020)



Source: Bloomberg, Sharekhan Research

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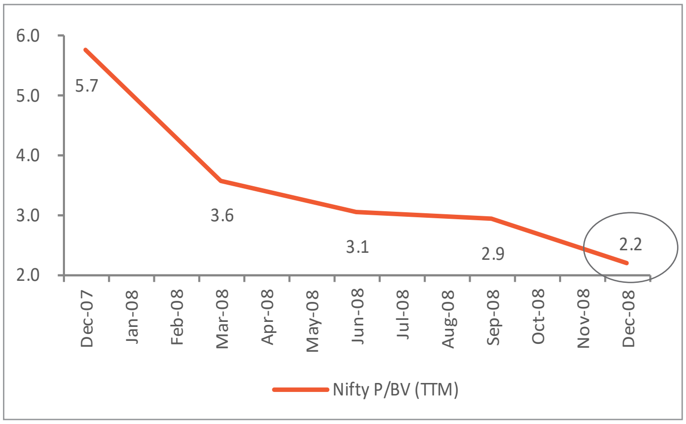

Source: Bloomberg, Sharekhan Research

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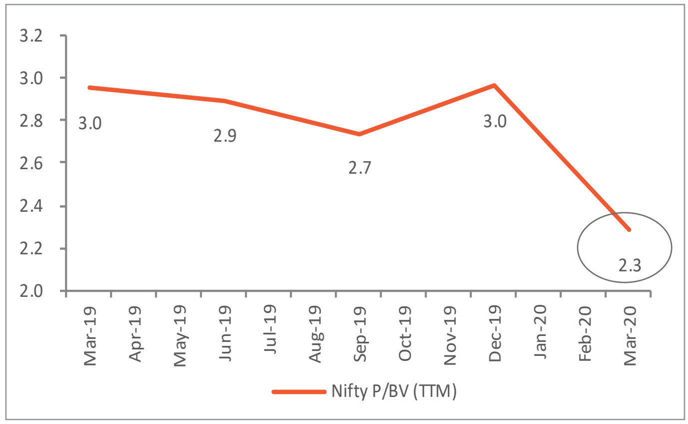
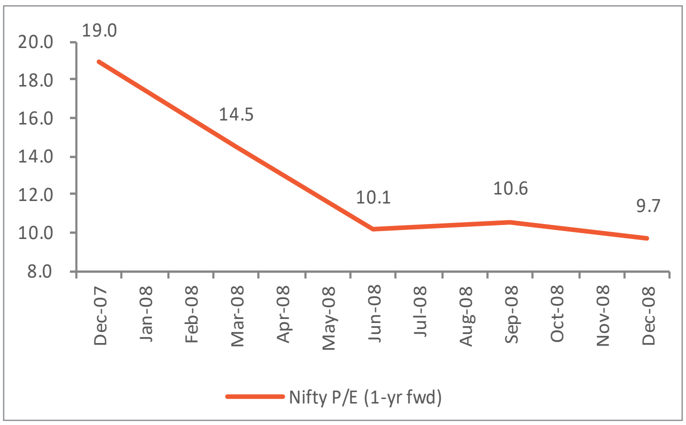


Source: Bloomberg, Sharekhan Research

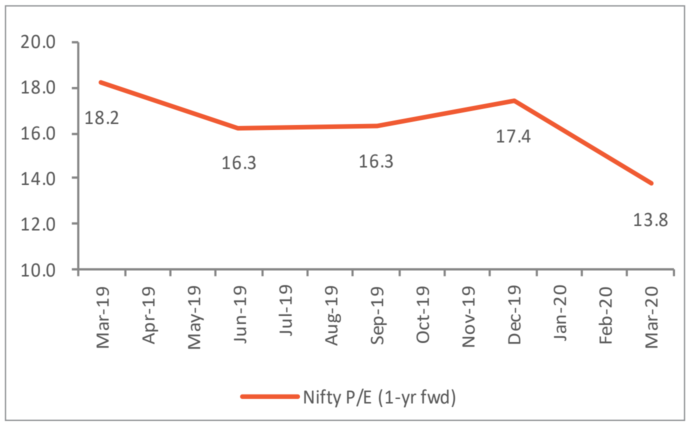
- On a forward earnings basis, the NIFTY is still 15-18% higher than the bottom in 2008, both in terms of PE and PBV valuations

NIFTY forward P/E (Dec 2007 – Dec 2008)



Source: Bloomberg, Sharekhan Research

NIFTY forward P/E (Mar 2019 – Mar 2020)



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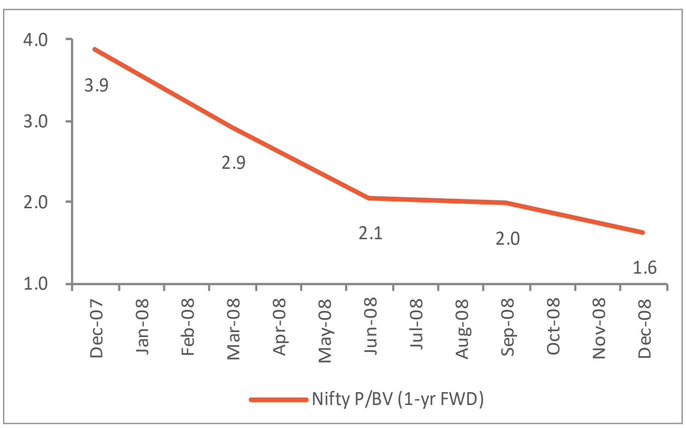
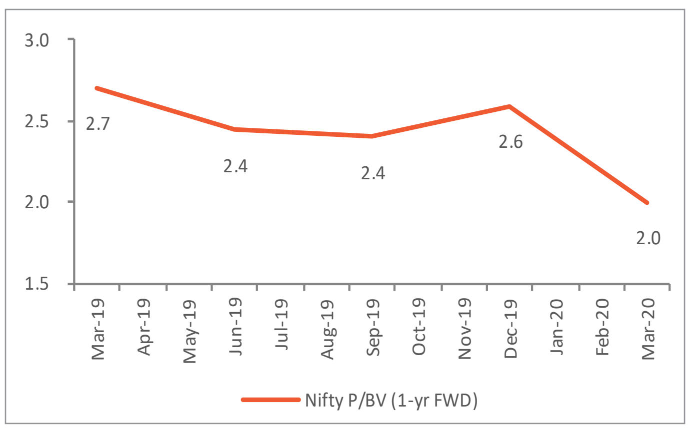


Source: Bloomberg, Sharekhan Research

NIFTY forward P/BV (Mar 2019 – Mar 2020)

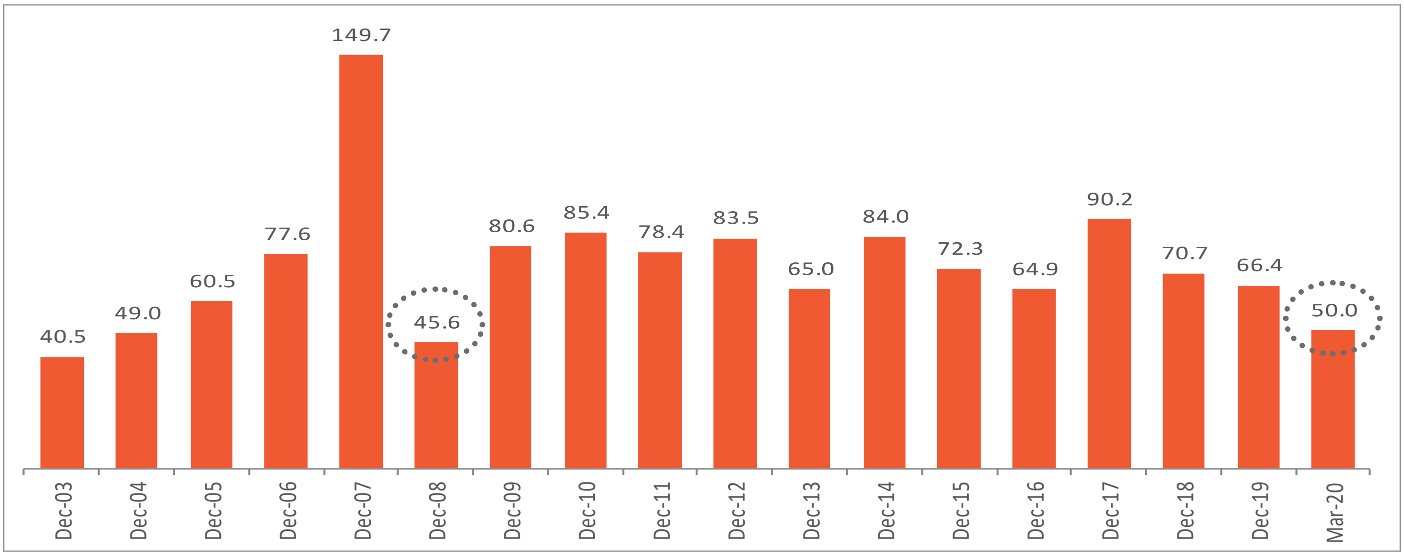


Source: Bloomberg, Sharekhan Research

Aaj... Market Cap to GDP Ratio – We Are Not Far from the Bottom

- The market cap to GDP ratio, at 50% is significantly lower than the long-term average of 80%. This is close to the ratio we witnessed during the 2008 global financial crisis.

Market Cap to GDP Ratio (%)

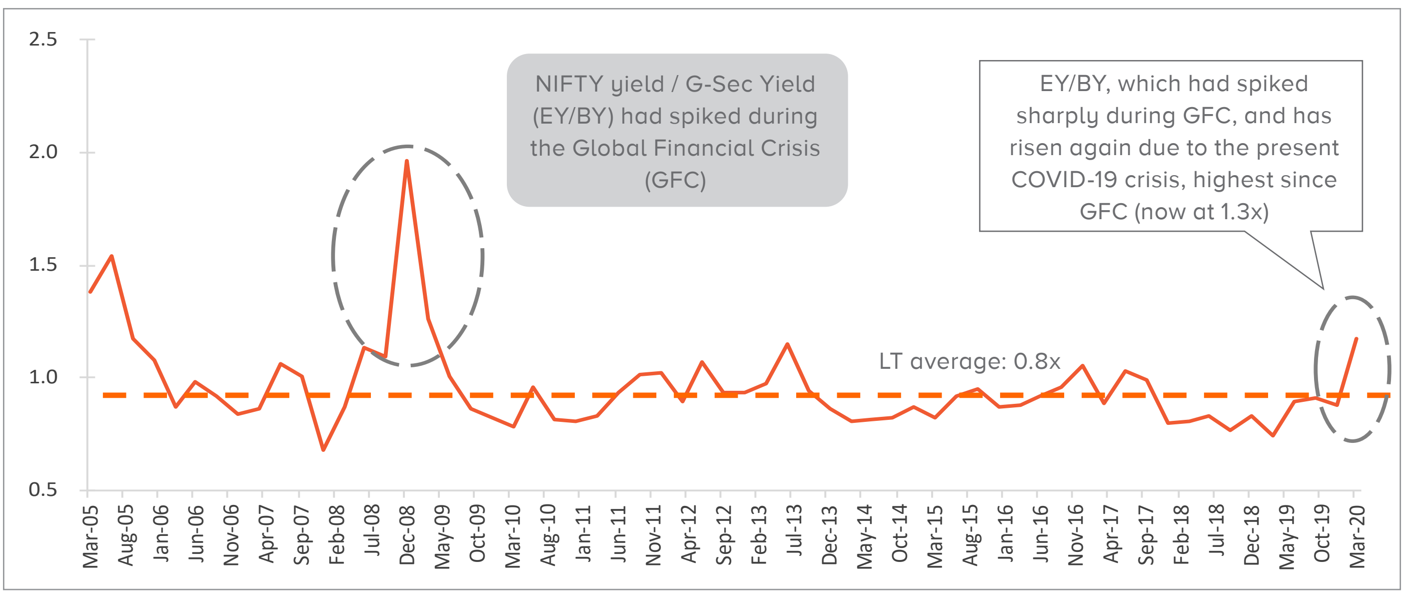


Source: Bloomberg, Sharekhan Research

Aaj... Earnings Yield Getting Attractive, but May Not Have Peaked!

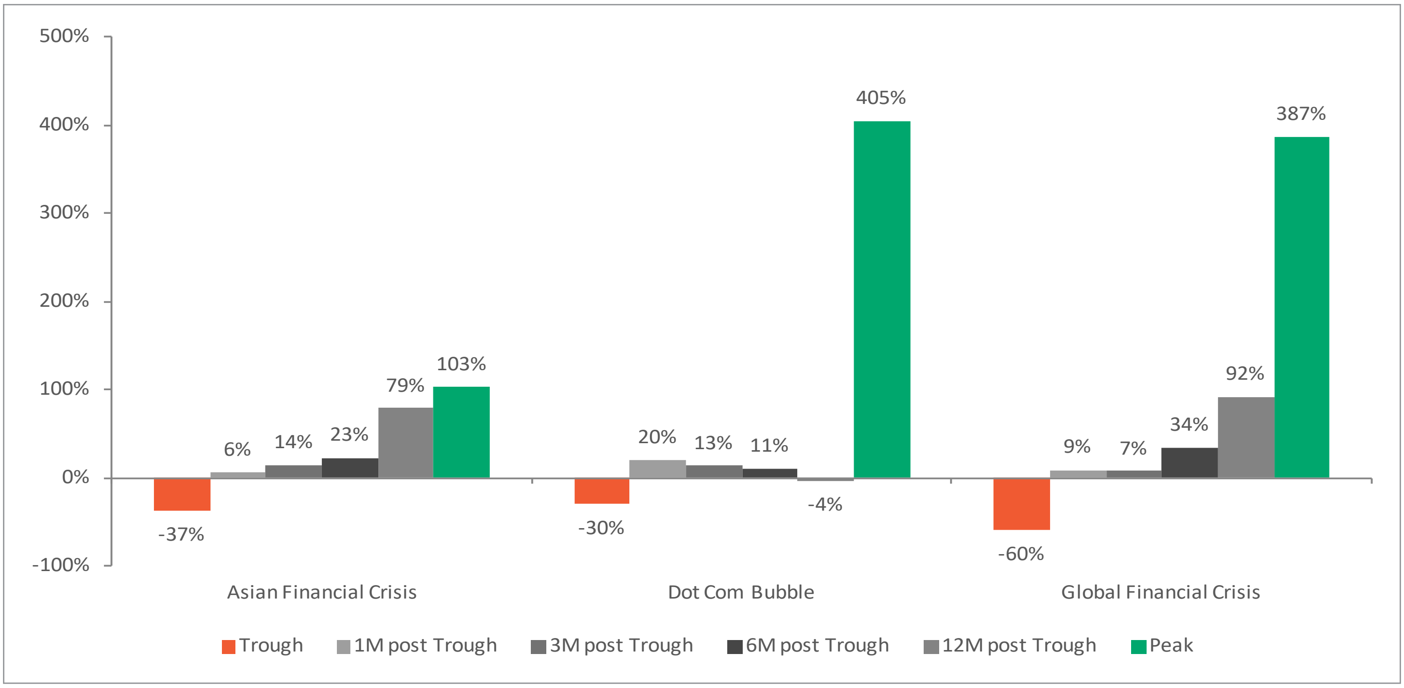
- Due to recent market corrections, the relative attractiveness of equities versus bonds is increasing. The Nifty's earnings yield is now fairly close to the 10-year bond yield, which suggests the rising attractiveness of equity versus debt.
- It remained below 1x for most of the period in the last six years (except during demonetisation). Historically, when the earnings yield is close to the 10-year bond yield, it has been a good indicator of a Nifty bottom.

NIFTY Earnings Yield (1-year forward) / G-Sec Yield at Multi-year High



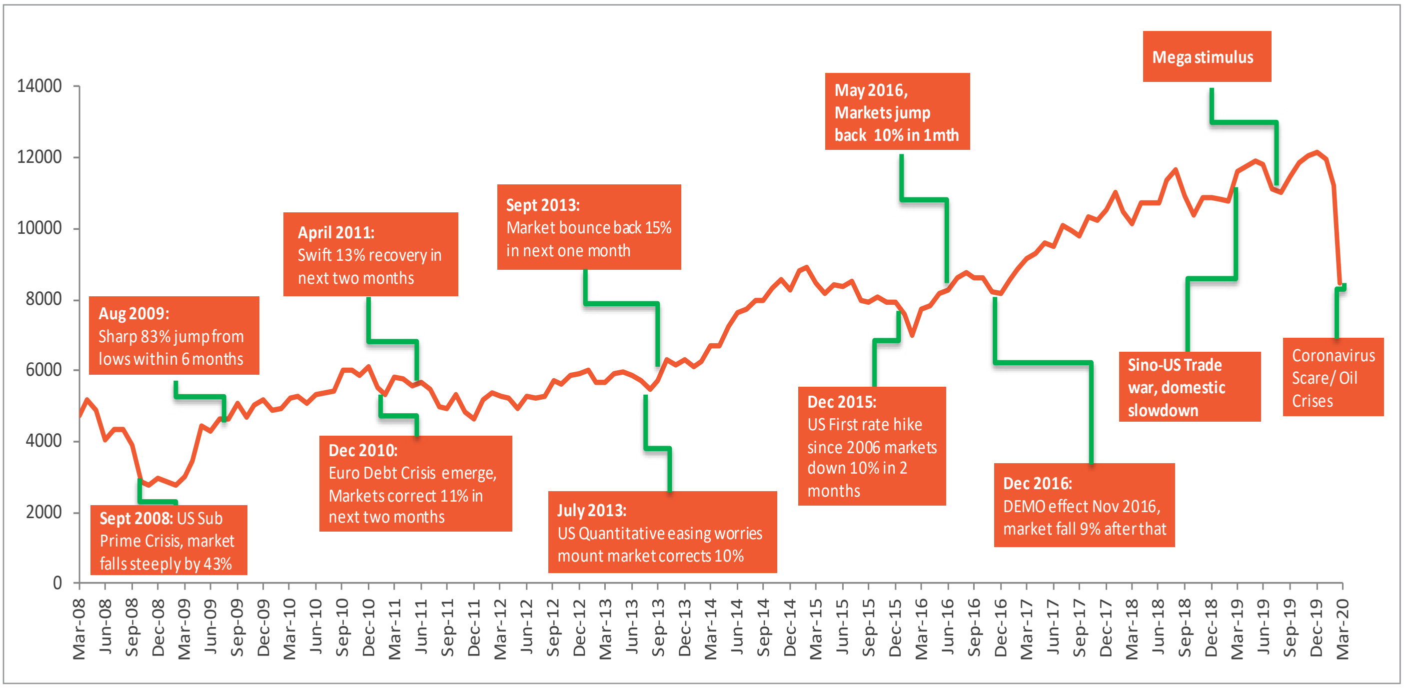
Source: Bloomberg, Sharekhan Research

Phir Kal... Handsome Returns Post Sharp Corrections



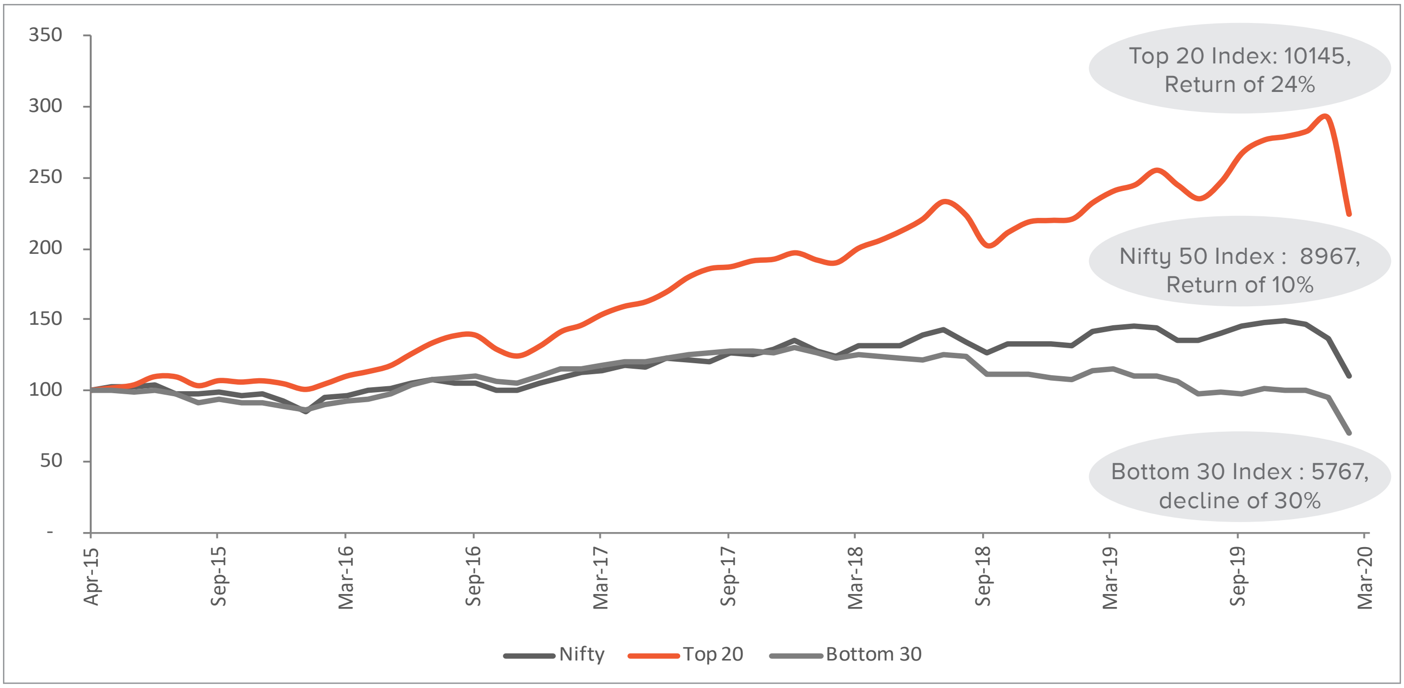
Source: Bloomberg, Sharekhan Research

Ultimately, Market Recovers, which Provides Multiple Attractive Opportunities



Source: Bloomberg, Sharekhan Research

NIFTY Top 20 Delivered Consistent Outperformance



Source: Bloomberg, Sharekhan Research

SURVIVING MARKET CORRECTIONS

The Do's to survive tough market conditions

The market is under pressure amid the ongoing global sell-off and some stocks are available at much lower levels. But because of a lack of clarity on how big this cut is going to be, it is not advisable to go all out and buy. We believe that depending on the risk appetite and patience for investment duration, it is better to hold a higher cash position and only deploy money if you are a long-term investor. So now, "Cash is King".

Investors should have dynamic assets allocation plans to maximise return potential while at the same time minimizing the overall risks of the investment portfolio.

The top-performing sectors change in every bull market. It was banks and commodities that led the 1992 and 2008 rallies. Similarly, the FMCG, Pharma and IT sectors were running the show in the 2000 and 2015 rallies. Investors should look at portfolio churn from the potential underperforming sectors to relatively outperforming sectors in these tough market conditions. It's important to place a bet on the right sector at the right time to get a strong outperforming portfolio.

Taking calculated risks based on individual risk appetite could deliver big returns in the long term. Investors should look to build a long-term super portfolio by accumulating quality stocks in current market weakness.

Investors should keep long-term wealth creation in mind without worrying about short-term pain. They should not break their long-term portfolios just because of short-term gains.

The events of the next couple of months are quite critical from the economic, healthcare and policy point of view. However, the outlook remains constructive for the Indian economy for the next decade, as we are already on road to becoming a USD 5 trillion economy. Notwithstanding near-term uncertainties, don't miss the big picture and don't let near-term issues cloud your investment decisions.

The Don'ts to survive tough market conditions

Taking overleveraged bets in a falling market could lead to huge losses. Overleveraged trading should be avoided in volatile market conditions, as there is a high degree of uncertainty in the market. It's better to preserve capital.

Do not set a preconceived benchmark price for the shares you hold. In a falling market, holding on to stocks that do not have strong fundamentals and waiting for your buying price to come could result in heavy losses. Also, do not tend to average your investment in weak stocks. If the price drops owing to fundamental reasons, it is better to exit and book losses. Don't keep false hopes...

Avoiding news flows and corporate developments in the company you have invested in and sticking to one's Confirmation Bias could prove costly. Discuss with your investment advisors and figure out if anything has materially changed in the company's fundamentals from the time you have invested in it. Sticking to one's Confirmation Bias in a falling market will only result in mounting losses.

SO...WHERE TO INVEST NOW?

Our past experience suggests that investing in high-quality companies always pays in the long term and these would be the first to recover when the dust settles. Further, a bear market provides ample opportunities for first-time investors to build a long-term portfolio. Thus, we have created three distinctive portfolios keeping in mind the risk appetite of different sets of investors -

SAFETY FIRST PORTFOLIO

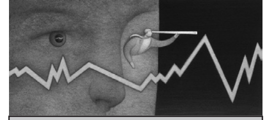
Conservative Approach – Limited Draw-down and Reasonable Gains

		Allocation (%)
	Conservative Hybrid Funds (Balanced Funds)	**40%**
1	Kotak Debt Hybrid Fund	
2	ICICI Prudential Regular Savings Fund	
3	IDFC Regular Savings Fund	
	Large -cap Fund (Do SIP or STP)	**20%**
1	HDFC Top 100 Fund	
2	ICICI Pru Bluechip Fund	
	Alternate Asset (Debt/Gold)	**25%**
1	ICICI Pru Short Term Fund	
2	IDFC Low Duration Fund	
3	Gold ETF	
	Cash	**15%**
	Total	**100 %**

QUALITY FIRST PORTFOLIO

Defensive Portfolio with High-quality Companies – The Right Mix for Difficult Times

		Allocation (%)
	Consumer Staples	**40%**
1	Asian Paints	
2	Hindustan Unilever	
3	Dabur India	
4	Nestle India	
	Pharma	**15%**
1	Abbott Ltd	
2	Divi's Labs	
	Others	**15%**
1	Mahanagar Gas	
2	SRF	
3	Bharti Airtel	
	Banking & Financials	**15%**
1	HDFC Bank	
2	HDFC Life	
	Cash	**15%**
	Total	**100 %**



OPPORTUNISTIC APPROACH PORTFOLIO

Take advantage of the volatility to accumulate quality companies; for investors willing to take short-term pain for handsome long-term gains

		Allocation (%)
	Banking and Financials	**35%**
1	Kotak Bank	
2	ICICI Bank	
3	Bajaj Finance	
4	HDFC Life	
	Consumers	**25%**
1	Asian Paints	
2	Tata Consumer	
3	Bata India	
4	Hindustan Unilever	
5	Trent	
	Speciality Chemicals + Gas	**10%**
1	SRF	
2	Mahanagar Gas	
	Others	**15%**
1	Reliance Industries	
2	Bharti Airtel	
	Cash	**15%**
	Total	**100 %**

QUALITY FIRST PORTFOLIO

Defensive Portfolio with High-quality Companies – The Right Mix for Difficult Times

MUTUAL FUND – EQUITY PORTFOLIO	CATEGORY	Stock SIP
ICICI Pru Bluechip Fund	**Large-cap**	**Kotak Mahindra Bank**
HDFC Top 100	Large-cap	Asian Paints
Kotak Standard Multi-cap Fund	Multi-cap	Reliance Industries
Aditya Birla Sun Life Equity Fund	Multi-cap	Bajaj Finserv
DSP Equity Opportunity Fund	Large & Mid-cap	Titan
		SRF

STAY AWAY FROM THESE...

In a bear market, the selling pressure can be relentless and will pull down even the best of stocks. However, it is important to understand which companies are more vulnerable in terms of an adverse impact on their business due to the COVID-19 outbreak and also other factors like balance sheet issues, negative free cash flows, promoter pledge and so on...

Vulnerable Sectors:

- Consumer Discretionary: Automobiles, Retail, Hotels and Travel, Aviation, Building Materials and Construction, Engineering, among others
- Export-driven Businesses: Textiles, IT Services and Auto Ancillaries
- Banks and Financials: Weak banks and NBFCs owing to rising risk of NPAs and weaker credit demand

Defensives Better Place than Others...

There are certain sectors that are expected to do better than ever in troubled times:

- Consumer staples
- Select Pharma and specialty chemicals companies
- Life insurance companies
- Multinationals with high return ratios and a dividend-paying track record

SHAREKHAN SPECIAL MARCH 25, 2020

Opportunity in adversity

"There are decades when nothing happens; and there are weeks when decades happen." In the last two weeks we have witnessed a once-in-a decade event, when the stock market went into a turmoil led by the synchronised sell-off globally, amid the Coronavirus outbreak. The last time we saw such a sell-off was during the 2008 Global Financial Crisis (GFC), but what has surprised market participants in 2020 is the pace of sell-off as the market lost more than 20% in a month.

Governments across the world are putting their best efforts to restrict the spread of the pandemic, but because of the lockdowns and demand-supply restrictions there would be a global economic impact and it goes without saying that India will also face the brunt (and sting) of the Coronavirus. Nevertheless, we have learnt from the GFC 2008 that the stock market will ultimately react to economic signals and recover. Thus, it is important to stay invested to gain from market recovery over next 12-15 months, but the caveat here is to invest in the right stocks, which have their long-term structural story intact and are strong enough to withstand the crisis and emerge much stronger than before to ride the economic recovery.

It is difficult to predict a bottom for the market, but history suggest us that market correction always provides an opportunity for long-term investors to create wealth by accumulating the right quality stocks at the right valuation. In times of market turbulence, it's advisable to use the accumulation route for investing in stocks to beat volatility and have patience to invest for the long term, as the probability of negative returns decreases as the investment horizon increases.

The current market correction offers a great opportunity for long-term investors as well as first-time investors to start investing in high-quality stocks in a staggered manner. We have identified ten high-quality companies across sectors, where investors could start a stock SIP and build a healthy long-term portfolio.

Happy Investing!

Build it SIP by SIP

Valuations

Companies	CMP (Rs.)	Market Cap (Rs cr.)	EPS (Rs.)			P/E (x)			P/BV (x)			RoE (%)		
			FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Asian Paints	1,594	1,52,901	27.3	33.9	40.2	58.4	47.0	39.7	13.6	11.5	9.6	25.9	27.5	27.4
Bajaj Finserv	4,824	76,777	285.2	381.9	492.8	16.9	12.6	9.8	2.7	2.2	1.8	18.5	19.6	19.7
Bata India	1,130	14,524	29.5	37.8	44.9	38.3	29.9	25.2	8.0	6.5	5.4	21.3	24.4	23.7
HDFC Bank	856	4,69,123	47.7	59.9	74.9	17.9	14.3	11.4	2.8	2.4	2.1	16.5	18.2	19.7
IPCA Labs	1,311	16,561	52.2	63.4	75.3	25.1	20.7	17.4	4.4	3.6	3.0	19.1	19.2	18.8
Kotak Mahindra Bank	1,294	246,737	33.5	40.0	50.4	38.6	32.4	25.7	4.9	4.3	3.7	12.8	13.3	14.4
Mahanagar Gas	745	7,360	75.9	81.8	86.5	9.8	9.1	8.6	2.6	2.3	2	28.9	27	24.9
Reliance Industries	1,081	6,85,433	75.4	81.8	105.8	14.3	13.2	10.2	1.7	1.5	1.3	11.7	11.4	12.8
SRF	2,668	15,337	163.1	176.4	212.2	16.4	15.1	12.6	3.2	2.7	2.3	20.9	18.8	19.0
TCS	1,752	6,57,493	87.0	92.8	102.1	20.1	18.9	17.2	6.7	6.1	5.5	34.6	33.7	33.7
Titan	884	78,436	17.0	18.5	26.3	52.0	47.8	33.6	10.4	8.9	7.3	23.3	21.9	26.1

Source: Company, Sharekhan Research;
 # The current estimates of companies are based on last update report and we will be reviewing the same going ahead

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Mar 02, 2020</td><td>Affle (India) Limited</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>1,801</td><td>10-12%</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• We stay Positive on Affle India (Affle) and expect a 10-12% upside in the next 10-12 months.
• Affle is set to acquire Spain-based Mediasmart, with a focus on self-serve mobile programmatic platforms and online-to-offline (O2O) platforms, for a consideration of €5.12 million.
• The transaction appears to be at a fair valuation of 0.9x EV/total sales or 2.2x EV/net sales; acquisition will be margin dilutive initially.
• The acquisition would allow Affle to expand its presence in developed markets (including LatAm), strengthen its omnichannel platform and up/cross-selling opportunities.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Affle-Mar02_2020.pdf</td></tr>
<tr><td>Mar 02, 2020</td><td>ICICI Prudential Life Insurance Company</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>450</td><td>12-14%</td><td>↔</td></tr>
<tr><td colspan="8">Summary
• ICICI Prudential Life Insurance Company (IPRU) has strong business fundamentals with strong growth in value of new business (VNB; 9MFY2020 growth of 25%), diversifying business mix and robust margins.
• We believe there is a large opportunity in the Indian life insurance industry, and there is large runway for strong players.
• IPRU's diversifying business and distribution mix and retail strength are positive support for its growth and profitability. The successful execution of IPRU's strategy, would be critically positive for the stock.
• We maintain our Positive view on the stock and expect a 12-14% upside from current levels.

Read report - https://www.sharekhan.com/MediaGalary/Equity/ICICI_Prue-Mar02_2020.pdf</td></tr>
<tr><td>Mar 03, 2020</td><td>Balkrishna Industries</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>1,110</td><td>28-30%</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• In recent interaction, Balkrishna Industries Ltd (BKT) stated that demand continues to be healthy, amid a favourable weather in Europe and inventory re-stocking by dealers.
• Coronavirus is unlikely to have material impact on the demand; also the company has shifted its raw material sourcing which would keep production unaffected. Company has kept its FY20 volume guidance unchanged.
• Further, the recent correction in crude oil prices is expected to help improve margins.
• We have broadly retained our estimates. The stock has corrected by 13% in past two weeks and provides a good entry point. We stay positive on BKT and expect 28-30% upside from current levels.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Balkrishna-Mar03_2020.pdf</td></tr>
</table>

◆ Upgrade	↑	◆ No change	↔	◆ Downgrade	↓

◆ Note: The arrow indicates change in call and price target, if any, vis-à-vis the previous report

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Mar 03, 2020	**KEI Industries**	Viewpoint	POSITIVE	↔	511	20-22%	↑

Summary

- We stay Positive on KEI Industries and expect a 20-22% upside potential considering strong earnings growth outlook for FY2019-FY2022E.
- Management reiterated its revenue growth guidance along with stable OPM for FY2020 during our interaction with the management.
- Management stated that KEI has no impact from Corona virus as exposure from China is negligible.
- Management has raised funds through QIP and it will be utilising this for green field capex for setting up a cable plant and reducing debt.

Read report - https://www.sharekhan.com/MediaGalary/Equity/KEI-Mar03_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Mar 03, 2020	**Varun Beverages**	Viewpoint	BOOK PROFIT	-	823	-	-

Summary

- With exponential gains of 139% (2.4x) in a span of two years, we believe that it is time to take home profits. Post the run up, the stock trades at hefty valuations of 40x CY2020 earnings estimates and factors in the positives but is ignoring near term challenges.
- With lower margins in some newly-acquired territories and expected higher spends for the Tropicana brand, OPM is expected to remain lower over the next two to three years.
- Consolidated debt has increased by ~Rs. 1,500 crore to Rs. 3,848 crore in CY2019 due to acquisition of new territories and working capital requirement (debt-equity ratio of 1.2x) does not provide much comfort.
- Thus, it is advisable to take home superior returns and wait for a better entry point.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Varun-Mar03_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Mar 04, 2020	**Max Financial Services**	Stock Update	BUY	↔	593	700	↑

Summary

- Max Financial Services (MFS) has agreed on a non-cash deal with Mitsui Sumitomo (MSI), where MFS will issue shares to MSI, and in return MFS's holding in Max Life Insurance (MLIC) will increase to 93.10%.
- The move is likely to further consolidate the ownership of MLIC, which will pave way for possible stake sale/acquisition by another entity.
- Valuation for MFS continues to be attractive and is at a significant discount when compared to some of the listed bank-owned insurance players.
- We view the recent chain of events as positive and maintain our Buy rating on MFS with a revised price target of Rs. 700.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/MaxFinSer-Mar04_2020.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Mar 05, 2020	**Aarti Industries Limited**	Viewpoint	POSITIVE	↔	992	14-16%	↔

Summary

- We reiterate our Positive stance on Aarti Industries Limited (Aarti) with a revised potential upside of 14-16%.
- High-margin, multi-year contracts, growth lever expected to play out in the next 6-12 months and overweighs near-term concerns led by COVID-19.
- We believe the company is likely to benefit from lower crude prices (raw material largely crude-based derivatives) and depreciating rupee (high export contribution), however there could be some inventory loss in Q4.
- Management reiterates its PAT growth guidance of 10-15% and capex of Rs. 1,200 crore for FY2020E. We expect revenue and earnings CAGR of 19.3% and 25.4% over FY2019-FY2022E, respectively.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Aarti-Mar05_2020.pdf

Mar 05, 2020	**GAIL (India) Limited**	Viewpoint	POSITIVE	↔	107	28-30%	↓

Summary

- Sharp fall in GAIL (India) Ltd's stock price offers opportunity to invest as valuation of core business at 2.4x FY22E EV/EBITDA factors in concerns of weak commodity prices. Hence, we stay Positive on GAIL and expect a 28-30% upside.
- Majority of GAIL's US LNG contracts are hedged for FY2021E and medium-term contracts with upcoming fertiliser plants on Jagdishpur-Haldia pipeline allays concerns of marketing of US LNG volumes amid recent decline in spot LNG prices.
- Phased commissioning of Jagdishpur-Haldia and Bokaro-Dhamra pipelines over December 2020-2021 would boost GAIL's gas transmission volumes.
- DoT's demand of Rs. 1.83 lakh crore is untenable as GAIL's telecom revenue is insignificant; clarity on exclusion of PSUs (having telecom licenses) from SC's AGR order would remove major overhang on the stock.

Read report - https://www.sharekhan.com/MediaGalary/Equity/GAIL-Mar05_2020.pdf

Mar 06, 2020	**Godrej Consumer Products Limited**	Stock Update	BUY	↔	639	865	↔

Summary

- Coronavirus outbreak has driven up demand for small soaps, hand-wash and hand sanitisers; Godrej Consumer Products (GCPL) will benefit from higher demand of sanitisers and soaps in Q4.
- The company had hiked soap prices by 5%, which will drive value growth in the category; HI category has been recovering over past two quarters.
- Management expects demand to recover gradually by Q1FY2021 led by a good rabi crop and government efforts to boost rural consumption. This along with a recovery in demand for HI and good response to new products will help sustain volume growth at 7-9%.
- Stock has corrected by ~19% from recent highs and trades at 33.7x its FY2021E and 28.5x its FY2022E earnings; we maintain a Buy on the stock with an unchanged PT of Rs. 865.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/GCPL-Mar06_2020.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Mar 09, 2020	**Max Financial Services**	Stock Update	BUY	↔	497	650	↓

Summary

- Max Financial Services (MFS) stock was impacted by Yes Bank problems (has bancassurance relation constituting ~11% of its APE) and exposure to its tier-II bonds.
- For now it appears that these bonds may not need to be marked down, but VNB and EV estimates have been marginally revised downwards.
- MLI's dominant bancassurance partnership with Axis Bank becomes even more important and can potentially offset/replace Yes Bank in the long term.
- We have revised our estimates and maintain Buy with a revised price target of Rs. 650 for MFS.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/MaxFinSer-Mar09_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target Latest	Price Target Chg
Mar 09, 2020	**Yes Bank**	Stock Update	BOOK OUT	-	21	-	-

Summary

- Yes Bank's board superseded by RBI that has proposed recapitalisation; wherein SBI would initially contribute ~Rs 2,450 crore and may infuse more later.
- Notwithstanding SBI's capital infusion, uncertainties have increased manifold and in fact, the going concern status of Yes bank itself is at doubt.
- Outlook for existing shareholders is negative too as current networth may get wiped out due to provisions requirements for Yes Bank's stressed assets book.
- Hence, effective immediately, we are terminating coverage on Yes Bank and advise investors to Book Out of the stock.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/YesBank-Mar09_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target Latest	Price Target Chg
Mar 11, 2020	**UltraTech Cement**	Stock Update	BUY	↔	3,994	5,200	↔

Summary

- We reiterate our Buy rating on UltraTech with an unchanged PT of Rs. 5,200, as we view the recent correction in the stock price led by Coronavirus pandemic as an opportunity to invest, with key variables remaining favourable.
- Cement production during January 2020 maintained positive growth seen since November 2019, while pan-India cement prices in Q4FY2020 (till date) continued to remain strong (+5.3% y-o-y/+2.2% q-o-q).
- The recent steep decline in crude prices if sustained may further lead to lower pet coke and diesel prices improving upon the company's profitability in the wake of higher realisation and improving cement demand.
- We believe UltraTech to be one of the key beneficiaries from the government's Rs. 103 lakh crore infrastructure investment envisaged over the five-year period.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/UltraTech-Mar11_2020.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Mar 12, 2020	**Reliance Industries**	Stock Update	BUY	↔	1,062	1,710	↓

Summary

- Recent correction of 34% in RIL's stock price from 52-week high of Rs. 1,618 provides an opportunity to enter the stock as current valuation ignores improving prospects for telecom, given potential ARPU hike and continued high growth for retail.
- Hence, we maintain our Buy rating on RIL with a revised SoTP based PT of Rs. 1,710 to factor in lower downstream margins and delay in potential re-rating given concerns over likely deferment of RIL-Saudi Aramco deal amid recent sharp correction in oil price.
- Refining margins remains weak but likely lower fuel & loss, higher crude discounts (from recent fall in oil prices) and rupee depreciation provide a cushion.
- We have cut our FY2020E-FY2022E EPS by 4-10% to factor a lower assumption on refining and petrochemical margins.

Read report - https://www.sharekhan.com/MediaGalary/Equity/RIL-Mar12_2020.pdf

Mar 13, 2020	**HDFC Bank**	Stock Update	BUY	↔	1,071	1,510	↔

Summary

- HDFC Bank stands out with its earnings visibility, consistency of growth and quality of assets, demonstrated over the years, which we believe still hold strong.
- Due to market weakness, the price has corrected by ~17% from its highs and at present, the stock is available at below its long term average 1-yr forward PBV multiple.
- We opine any further weakness in the stock could be an opportunity for investors to add it to their long-term portfolio.
- We maintain our Buy rating with an unchanged price target of Rs 1510.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HDFCBank-Mar13_2020.pdf

Mar 13, 2020	**Larsen & Toubro**	Stock Update	BUY	↔	1,053	1,285	↓

Summary

- We maintain our Buy rating on Larsen and Toubro (L&T) owing to its attractive valuation post the recent correction. Our revised PT of Rs. 1,285 factors current global and domestic uncertainties on future order inflows.
- L&T's exposure to the Middle East may hamper order inflow, execution and working capital cycle in its hydrocarbon segment led by sustained lower oil prices.
- Weakness in domestic tendering along with Covid-19 related uncertainties cast shadow on future order inflows and execution guidance.
- Global and domestic uncertainties have led to steep decline in L&T's stock price, yielding a favourable risk-reward ratio.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/LnT-Mar13_2020.pdf

Mar 13, 2020	**Inox Leisure**	Stock Update	BUY	↔	317	400	↓

Summary

- We maintain our Buy rating on INOX Leisure Limited (ILL) as the structural growth story remains intact; however, we have reduced our PT to Rs. 400 owing to near-term headwinds due to COVID-19 outbreak.
- We have cut our earnings estimates by 5-10% for FY2020E/FY2021E/FY2022E and lowered our target multiple.
- The recent shutdown of movie theatres in some large states, owing to COVID-19, impacts ILL's revenue, which could potentially aggravate further with the closure of movie theatres in others states.
- The stock of ILL has corrected around 36% from its peak in the past one month, which offers an attractive entry point to investors [44% discount to one-year forward PE (five-year average)].

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Inox-Mar13_2020.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Mar 16, 2020	**Jubilant FoodWorks Limited**	Viewpoint	POSITIVE	↔	1,408	20-22%	↓

Summary

- The outbreak of Coronavirus will affect the dine-out business, which is about 50% of Jubilant Foodworks Limited's (JFL) overall sales.
- We expect same-store-sales growth (SSSG) to reduce to 3-4% in the near term (from ~6% in Q3FY2020) and gradually improve once the virus scare recedes.
- We have reduced our earnings estimates for FY2020/FY2021 by 5-6% and have broadly maintained our earnings estimates for FY2022.
- The stock price has corrected by ~21% in the past one month, in-line with broader indices, and is trading at a discount to its historical valuations. We maintain our Positive view with 20-22% upside from current levels.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Jubilant-Mar16_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Mar 17, 2020	**Bajaj Auto**	Stock Update	BUY	↔	2,274	2,850	↓

Summary

- Bajaj Auto Limited (BAL) is expected to continue outpacing the 2W industry. We expect 3% volume growth for BAL as compared to low single digit drop expected for 2W industry.
- BAL has introduced electronic injection system in entry level bikes (resulting in cost savings compared to fuel injection introduced by competition) which would result in market share gains.
- Motorcycle exports are healthy driven by healthy demand in key geographies and entry into new markets. We expect 6-7% volume growth in FY2021.
- Given demand headwinds in domestic market due to transition to BS6 norms and impact of coronavirus, we have reduced our FY2021 and FY2022 estimates by 9-10%.
- We have reduced our target multiple to 15x, driven by domestic demand headwinds in the near term. We retain Buy rating on the stock with a revised PT of Rs. 2,850. P/E valuations of 12x FY22 earnings are below historical averages.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BajajAuto-Mar17_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Mar 17, 2020	**Hero MotoCorp**	Stock Update	HOLD	↔	1,839	2,000	↓

Summary

- 2W industry volumes are expected to remain under pressure in next 2 to 3 quarters impacted by transition to BS6 emission norms and slowdown in economic activity due to coronavirus.
- HeroMotocorp (Hero) is expected to continue underperforming industry due to highest exposure to entry bikes which would see sharpest 12-14% cost hike. We expect Hero's domestic volumes to fall 7% in FY21.
- Hero's margins are likely to be impacted given the phased price hikes to pass on BS-VI costs and negative operating leverage due to drop in volumes. We cut our FY2021 and FY2022 estimates by 15-17%.
- We reduce our target multiple to 13x and retain Hold rating with revised PT of Rs 2,000. While Hero's current P/E of 12.1x FY22 earnings is at discount to historical average of 14-15x; discount is justified given the demand headwinds and Hero's underperformance.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HeroMoto-Mar17_2020.pdf

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Mar 18, 2020</td><td>Bajaj Finance</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>3,077</td><td>4,500</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• The impact of Coronavirus outbreak on the Indian economy is expected to result in higher delinquencies and lower credit offtake for BFSI players, including Bajaj Finance.
• Though Bajaj Finance is a strong player and should be able to relatively better manage its asset quality and profitability, we have revised our estimates to factor in the rising risk and accordingly also adjusted the valuation multiples.
• We maintain our Buy recommendation with a revised price target of Rs. 4500.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BajajFin-Mar18_2020.pdf</td></tr>
<tr><td>Mar 19, 2020</td><td>ITC</td><td>Stock Update</td><td>HOLD</td><td>↔</td><td>162</td><td>190</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• According to new dividend policy, ITC has fixed dividend payout at 80-85% of PAT, effective FY2020, which is better than last three years' average of ~69%.
• Dividend distribution shall take into account company's financial performance, cash flows and liquidity position.
• The ongoing Coronavirus outbreak will impact ITC's hotels, agri exports and consumer goods businesses in the near term.
• We have thus lowered earnings estimates by 2-5% for FY2020/21/22; Retain Hold rating with a revised PT of Rs. 190.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/ITC-Mar19_2020.pdf</td></tr>
<tr><td>Mar 19, 2020</td><td>UPL Limited</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>296</td><td>432</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• We maintain our Buy rating on UPL Limited (UPL) revised price target of Rs. 432/share.
• Coronavirus scare to impact global economy and global agrochemicals industry; UPL's leverage is high as well, prompting us to reduce our target multiple.
• However, we believe the company will be able to deliver revenue and earnings CAGR of 10.0% and 29.5% over FY2020-22E.
• Management is confident of achieving its FY2020 guidance for revenue growth of 8-10% & EBITDA growth of 16-20% for FY2020E and also lower debt by $500 million by end of Q4FY2020E.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/UPL-Mar19_2020.pdf</td></tr>
<tr><td>Mar 20, 2020</td><td>ICICI Bank</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>345</td><td>569</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• The recent Covid-19 outbreak (WHO has already declared it a pandemic) is expected to result in higher delinquencies and lower credit offtake for BFSI players, including ICICI Bank.
• Although the bank is welldiversified, it will benefit from lower cost of funds, is adequately capitalised (CET-1 at 13.6%), and demand recovery may get prolonged.
• We have revised our estimates to factor in rising risks and accordingly have adjusted valuation multiples.
• We maintain our Buy recommendation with a revised price target of Rs. 569.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/ICICIBank-Mar20_2020.pdf</td></tr>
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<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Mar 20, 2020</td><td>Gujarat Gas Limited</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>242</td><td>30-32%</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• Sharp fall in Gujarat Gas's stock price offers investment opportunity, as fall in crude oil price would drag down crude-linked contracted LNG prices, boosting margins. Hence, we stay positive on Gujarat Gas and expect a 30-32% upside.
• Management has indicated that industrial PNG volumes could actually improve, if ceramic demand from Morbi rises due to lower ceramic supplies from China amid the Coronavirus outbreak.
• Management maintained volume growth guidance at 10% for FY2021E and expects EBITDA margin of Rs. 4.5-5/scm.
• Earnings visibility (expect 15% PAT CAGR over FY20E-FY22E) makes valuation attractive at 14.2x FY22E EPS.

Read report - https://www.sharekhan.com/MediaGalary/Equity/GujGas-Mar20_2020.pdf</td></tr>
<tr><td>Mar 23, 2020</td><td>Ipca Laboratories</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>1,372</td><td>1,590</td><td>↔</td></tr>
<tr><td colspan="8">Summary
• We maintain Buy recommendation on IPCA labs with an unchanged PT of Rs 1,590.
• The USFDA has made an exception to the import alert on Ipca for its API and formulations of Hydroxychloroquine Sulphate (HCQS) and Chloroquine Phosphate (CP), which have shown efficacy to treat COVID-19. The exception would enable IPCA to supply the medicine to US.
• The Indian Health Ministry has also indicated HCQS for treating COVID-19. Collectively this points at a strong growth potential for IPCA over the near to medium term as it can lead to a sudden surge in demand for the drug.
• We expect Ipca to report a sales and profit CAGR of 16% and 20% over FY2020-FY2022, respectively.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Ipca_Lab-Mar23_2020.pdf</td></tr>
<tr><td>Mar 24, 2020</td><td>Titan Company</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>830</td><td>1,130</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• Titan Company Limited (Titan) has decided to shut down its manufacturing units and retail stores for a week to avoid the risk of spreading of Coronavirus. The closure of stores is likely to continue in Q1FY2021 due to extended period of lock down in most states.
• Thus, store closures and postponement of weddings will affect Titan's Jewellery business performance in H1FY2021; recovery is likely in H2FY2021 as postponement of wedding season and festive season will drive demand.
• In view of the worst case scenario and with stores likely to open for limited days in Q1FY2021, we expect FY2021 earnings to be lower by ~16% and for FY2022, earnings to be lower by ~5%. However, if the virus scare reduces in the next 45 days, the recovery in key business performance will be faster than anticipated currently.
• The stock has corrected by ~35% in the past one month, in-line with the fall in broader indices, and is trading at a discount to its historical valuations; we maintain Buy with a revised PT of Rs. 1,130.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Titan-Mar24_2020.pdf</td></tr>
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<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Mar 26, 2020</td><td>Info Edge (India)</td><td>Stock Update</td><td>BUY</td><td>↑</td><td>2,033</td><td>2,800</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• We upgrade our ratingon Info Edge (India) to Buy from Hold with a revised PT of Rs. 2,800.
• We believe that a decline in core businesses'volumes would be transient, growth would return as things get normalised as we have seen in the times of GFC and demonetisation.
• With its dominant market share in core businesses and strong cash flow generation capabilities, any slowdown in the economy would provide company an opportunity to gain market share among close peers.
• Stock price has sharply corrected around 34% in last one month, which offers good entry point to the investors from a 15-18 months perspective.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/InfoEdge-Mar26_2020.pdf</td></tr>
<tr><td>Mar 26, 2020</td><td>V-Guard Industries</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>161</td><td>225</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• We retain Buy on V-Guard Industries Limited (V-Guard) with a revised PT of Rs. 225,factoring in the near-term weak demand environment and the ongoing COVID-19 pandemic leading to uncertainty on the extent and timing of recovery.
• COVID-19 led restricted mobility with factory lockdown is expected to impact sales, supply chain working capital and higher fixed costs until normalcy returns.
• The company remains better equipped during the current environment owing to its strong cash position and unutilised working capital limits.Inorganic expansion at favourable valuation cannot be ruled out.
• Global and domestic uncertainties haveled to a steep decline in V-Guard's stock price, yielding a favourable risk reward ratio to investors. Hence, we maintain our Buy rating on the stock.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/V-Guard-Mar26_2020.pdf</td></tr>
<tr><td>Mar 27, 2020</td><td>HDFC Life Insurance Company</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>441</td><td>25-30%</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• The recent Covid-19 outbreak is an unprecedented global event which raises health and livelihood concerns.
• Initial signs indicate that the pandemic may result in challenges like slower growth, risk of rating downgrades and potentially reduced investment earnings.
• Structurally HDFC Life (HLIC) is better placed with healthy capitalization and higher proportion of Protection and Savings related products, which we believe are better placed in present environment.
• We maintain our Positive view on the stock and expect 25-30% upsides potential for the stock.

Read report - https://www.sharekhan.com/MediaGalary/Equity/HDFC_Life-Mar27_2020.pdf</td></tr>
</table>

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Mar 31, 2020	**Petronet LNG**	Stock Update	BUY	↔	200	300	↓

Summary

- Retain Buy rating on Petronet LNG (PLNG) with revised PT of Rs. 300 as sharp fall in stock price makes valuation attractive at 8.7x FY22E EPS and near term impact on volume from lockdown and Covid-19 is transient in nature with long term volume growth outlook intact.
- Petronet LNG's stock price is factoring in sub 80-85% Dahej utilization and low Kochi volume in perpetuity while ignoring volume visibility from long term contracted volume of 17.2mmt and potential higher Kochi utilization.
- Lockdown to impact volume temporarily; but a recovery is likely to follow in FY2022E. We cut our earnings by 3.6%/12.1%/3.4% for FY2020E/FY2021E/FY202E to reflect impact on volumes due to lockdown and Covid-19.
- Decent earnings visibility, healthy dividend yield of ~7% and robust balance sheet (cash of Rs. 4,678 crore as of Dec-19) provides comfort.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/PetronetLng-Mar31_2020.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Mar 31, 2020	**Bata India**	Viewpoint	POSITIVE	↔	1,229	24-26%	↓

Summary

- Bata India's FY2021 performance to be affected by the current lockdown in India due to spread of Coronavirus. We expect revenue and PAT to be lower by ~11% and ~12%, respectively, for FY2021E.
- If the country manages to contain the virus spread in another 30-45 days, recovery in performance will be much faster than anticipated.
- Store addition, focus on women's footwear segment and improving contribution from premium end-products (currently contributes 50%+ to total revenue) remain key growth drivers in the long run.
- The stock has corrected by ~25% in the past one month and is currently trading at ~30x its FY2022E EPS, which is at a discount to its historical average multiples. We maintain our Positive view on the stock with 24-26% upside from current levels.

Read report - https://www.sharekhan.com/MediaGalary/Equity/BataIndia-Mar31_2020.pdf

Date	Sector	Report Type	Sector View	
			Latest	Chg
Mar 02, 2020	**Automobiles**	Sector Update	Neutral	↔

Summary

- Automotive sales continued to remain in the negative trajectory due to weak economic growth coupled, OEMs intensified efforts to correct BS4 stocks and production impact on select OEM due to coronavirus.
- While sales dropped across segments, performance in February 2020 improved compared to YTD (April 2019 to February 2020) sales.
- 2W players volumes declined 11% yoy while PV players reported drop of 7% drop yoy. CV players reported 33% yoy drop in volumes while tractor sales grew strongly 18% yoy.
- Transition to BS6 norms, coronavirus would impact the automotive volumes in the near term. We expect gradual recovery driven by pick-up in economic growth and rural demand. We retain Neutral view on the sector.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Auto-Mar02_2020.pdf

Mar 24, 2020	**IT**	Sector Update	Neutral	↔

Summary

- We believe the potential impact of COVID-19 on IT companies would be (1) A delay in allocation of funds owing to deterioration of performance of enterprises, (2) risk in service and delivery execution, and (3) lower deal wins.
- Further, profitability would be affected owing to moderation of spending by BFSI (due to recent Fed rate cut) and energy sector clients with oil revenue dependent economies (a sharp fall in crude prices).
- Though recent issues would lead to a slowdown in FY2021E, we expect growth to normalise across companies in FY2022E.
- We stay Neutral on the sector; recent 24-38% correction in IT stock prices making stocks attractive; except TCS, remaining tier-I companies trading at reasonable valuations (9-12x FY2022E EPS, while TCS at 16.5x).
- Preferred picks: TCS, Infosys, HCL Tech, Tech Mahindra, L&T Infotech and L&T Tech.

Read report - https://www.sharekhan.com/MediaGalary/Equity/IT-Mar24_2020.pdf

Mar 27, 2020	**Automobiles**	Sector Update	Neutral	↔

Summary

- Coronavirus outbreak has led to Indian Government announcing nationwide lockdown for three weeks; economic growth and consumer discretionary like autos to be impacted.
- Volume drop and resultant margin hit to impact earnings; have cut earnings estimates of universe by 5-25% depending on impact on respective auto segments.
- Valuations are close to ones seen during Global financial crisis (GFC) of 2008 but GFC valuations are optically low as stimulus for auto sector in following year led to strong growth.
- Retain Neutral stance on sector; duration and extent of coronavirus unknown and if it persists estimates will have to be lowered further.
- Preferred picks: Bajaj Auto, M&M and Balkrishna Industries among large caps; Exide Industries and Mayur Uniquoters among mid-caps.

Read report - https://www.sharekhan.com/MediaGalary/Newsletter/Auto-Mar27_2020.pdf

Upgrade	↑	No change	↔	Downgrade	↓
Note: The arrow indicates change in call and price target, if any, vis-à-vis the previous report					

Date	Sector	Report Type	Sector View	
			Latest	Chg
Mar 30, 2020	**Consumer Goods**	Sector Update	Neutral	↔

Summary

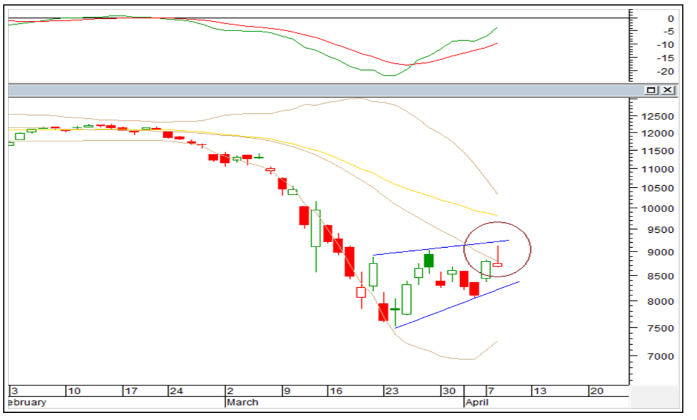
- Certain consumer staple companies with high contribution of revenues from essential items are expected to have limited impact on their earnings. Colgate, Britannia and Tata Consumer have highest exposure to essential services within our coverage in the consumer staples sector.
- However, the supply disruption caused due to current lockdown will impact the performance of most companies in H1FY2021. We have reduced our earnings estimates for the companies under our coverage in the range of 2-15% for FY2021/22 considering the categories of operations, direct distribution reach and international presence.
- Baring HUL and GSK Consumers, all other companies have seen correction in the stock price in the range of 12-40% in last one month and are trading at discount to their historical average multiples.
- Prefer picks: HUL, Britannia Industries, Dabur India, Tata Consumer Products and Jyothy Laboratories.

Read report - https://www.sharekhan.com/MediaGalary/Equity/ConsumerGoods-Mar30_2020.pdf

Turbulence ahead

Daily view

- The Nifty registered a low of 7511 in March
- The index attempted a short-term bounce thereon, which is now approaching a key resistance zone
- In terms of price patterns, the index has formed a bearish wedge pattern on the daily chart
- Near the upper end of the pattern, the index has formed a Shooting Star pattern, which is a bearish candlestick pattern
- The daily momentum indicator is in bullish mode
- Crucial support will be at 8000 whereas crucial resistance will be at 9300

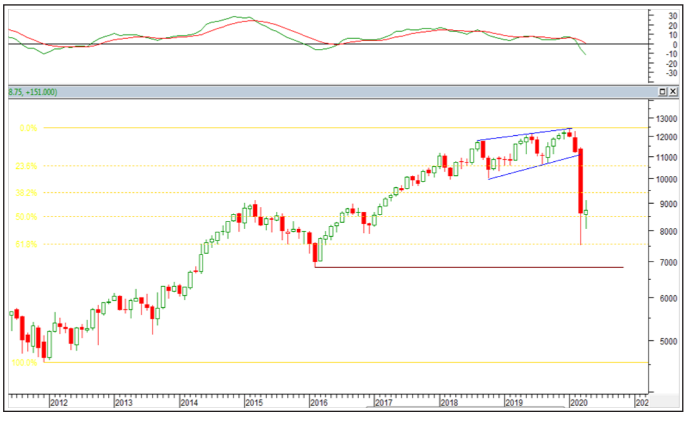


Weekly view

- In terms of wave structure, the index had broken down from a multi-month Ending Diagonal pattern in the beginning of March
- As a result, Nifty tumbled down sharply in the last few weeks.
- The index went down to breach the level of 8000 as well as a crucial swing low of 7893 post which the bulls got some breathing space
- The overall structure shows that the index is likely to resume the larger downtrend
- The weekly momentum indicator is in bearish mode
- Crucial support will be at 7511, whereas crucial resistance will be at 9500

Monthly view

- The Nifty had formed an Engulfing Bear candle on the monthly chart for January
- The bearish candlestick pattern was formed near the upper end of a multi month Ending Diagonal pattern
- Consequently, we witnessed a sharp follow through on the downside
- The Nifty has so far retraced 61.8% of the rally that started from the 2011 low
- The index can head lower to test the 2016 low of 6825
- The monthly momentum indicator is in bearish mode
- Crucial support will be at 7000 whereas crucial resistance will be at 9800



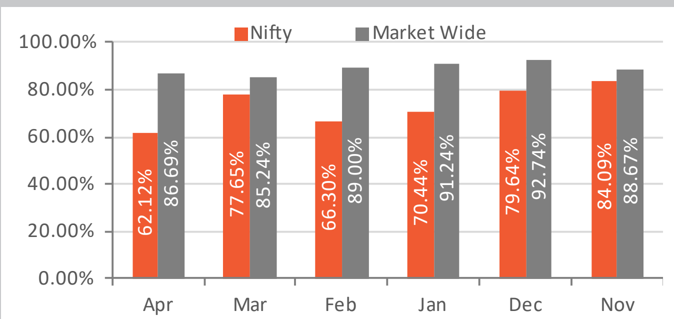
Trend	Target	Support	Resistance	Trend reversal
Down	6825	6825	9800	9800

Shorts getting added in the index; it's time for sell-on-rise

The March expiry was unforgettable as it saw a sharp sell-off post the Coronavirus panic across the world and India too was no exception. Resultantly, the Nifty plunged by 25%, reporting the highest month-on-month decline since 2008, while the Bank Nifty slid by more than 36%. The open interest in the Nifty and Bank Nifty saw significant addition on the short side during this decline. However, surprisingly, rollover in both the indices was lower. The Nifty saw a rollover of around 62% versus the three-month average of 72%, while Bank Nifty also saw a very low rollover of 55% versus the three-month average of 72%. However, positions have rolled over in the next series; despite seeing a lower rollover, we feel majority of them are mostly on the shorter side. Nifty also started the April series with a very low open interest of around 1.15 crore shares.

FII action has been negative throughout March series. Especially in the Derivatives segment, after being net long on index futures in the past two trading sessions of March series, it has again turned net short with around 49,000 contracts. It has rolled over more shorts than long positions in the next series. In the cash market too, it continued to be net seller in March, offloading a whopping Rs. 58,000 crore of equity on a net basis.

MARKET WIDE VS NIFTY ROLLOVER ACTIVITY:



Rollover highlights:

- Nifty Futures began April series with a low open interest of 1.16 crore shares versus 1.52 crore shares in open interest.
- April series started with Rs. 59,180 crore versus Rs. 1,12,006 crore in stock futures, Rs.10,046 crore versus Rs. 17,687 crore in Nifty futures, Rs. 52,803 crore versus Rs. 114,291 crore in index options and Rs. 3,748 crore versus Rs. 17,721 crore in stock options.
- Nifty April month rollover was at 62.12% versus 77.65%.
- Market-wide rollover was at 86.84% versus 85.67%.

Top five stock futures with the highest open interest in the current series are:

FUTURES	OPEN INTEREST (Rs. Cr)
RELIANCE	4356.27
HDFC	4253.39
TECHM	2536.18
BHARTIARTL	2382.48
ICICIBANK	2370.53

Source: Sharekhan

Top five stock options with the highest open interest in the current series are:

OPTIONS	OPEN INTEREST (Rs. Cr)
SBIN	1022.65
RELIANCE	851.61
ITC	410.12
HDFCBANK	403.23
ICICIBANK	396.90

Source: Sharekhan

View for April series:

On the options front, in the April monthly expiry, the build-up is quite scattered, with the 7,500 PE and 8,000 PE having the highest open interest of around 21-22 lakh shares. On the call side, 9,000 CE has the highest in open interest of 15.22 lakh shares followed by 10,000 CE, which has 14.60 lakh shares.

The Put Call Ratio (PCR) has started on the higher side at 1.42, which is a negative (currently at around 1.18). The volatility index has been continuously soaring amid the Coronavirus panic and it skyrocketed to around 86 levels and is currently at around 52 levels. While the Nifty has also started the new series with a low open interest of 1.15 crore shares versus 1.52 crore shares, it started in the last series and simultaneously FII data shows a negative outlook for the Indian market. Hence, keeping in mind the above data, we feel market trend remains negative and the strategy should be 'sell-on-every-rise' with a target of 7,500 for April expiry. ■

Rupee slips on ongoing concern over coronavirus outbreak

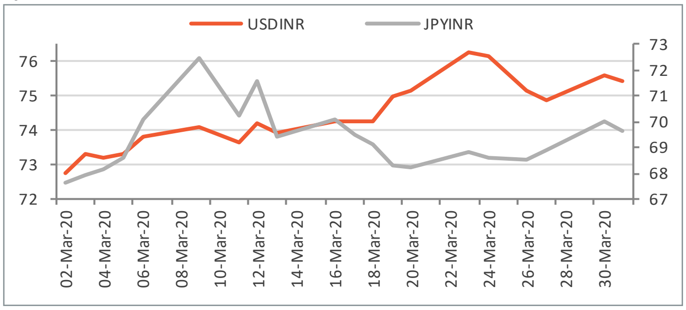
Key points

- India CPI data showed inflation increased by 6.58% in February 2020 compared to 7.59% in January 2020
- India Industrial Production improved by 2.0% in January 2020 compared to 0.3% decline in December 2019
- US Federal Reserve slashed interest rates by 100 bps to 0-0.25%
- RBI slashed Repo rates by 75 bps to 4.4% and Reverse Repo Rate by 90 bps to 4%. RBI even reduced CRR by 100bps to 3% for 1 year

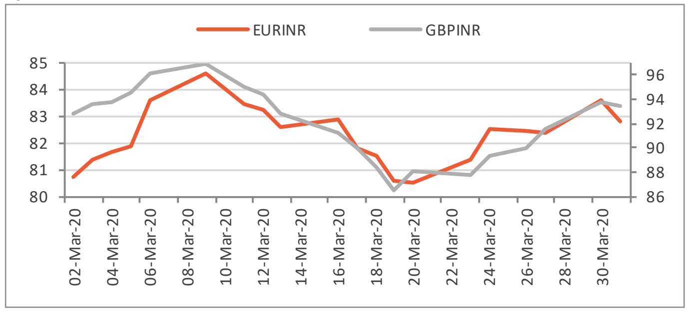
CURRENCY LEVELS IN MARCH (IN RS.)

Currency	High	Low	Close	% Monthly Change
USDINR	76.30	72.04	75.45	4.52
EURINR	85.02	79.63	82.78	4.20
GBPINR	97.81	85.89	93.53	0.62
JPYINR	72.82	66.50	69.65	4.86

Spot INR Movement in March



Spot INR Movement in March



USD-INR: CMP - Rs. 75.90

Indian Rupee depreciated by 4.52% in the previous month amid global sell-off in stocks and FII outflows from local shares. Market sentiments remained as World Health Organization (WHO) declared the Coronavirus outbreak a pandemic. However, a further fall in the Rupee was prevented by a drop in crude oil price. India announced a Rs. 1.7 trillion spending plan as part of measures to ease the economic impact of the pandemic. Furthermore, the RBI cut the repo rate by 75 bps to 4.4% and the reverse repo rate by 90 bps to 4%. Furthermore, RBI allowed banks to trade in the offshore rupee market from June 1, 2020.

Outlook: *Indian Rupee is expected to trade with negative bias on a strong US dollar, ongoing concerns on the rapidly spreading Coronavirus and fears over deteriorating economic growth. Demand for US Dollars may go up as worries over global recession looms. Number of cases and death toll is rising steadily. India's Coronavirus cases have crossed the 5,000 mark. Investors are also concerned about the impact of the lockdown on the economy. Additionally, continued FII outflows and disappointing macroeconomic data will hurt the Rupee. Market participants will remain cautious ahead of the International Monetary Fund (IMF) and OPEC meetings. The Rupee is expected to trade near 74.50-77.0 in the near term.*

EUR-INR: CMP - Rs. 82.25

The Euro appreciated marginally by 0.01% in the previous month amid weakness in Dollar. Further, European central bank expanded its bond purchase program by 120 billion Euros on 12th March 2020. On March 18, 2020, the ECB announced an extra emergency bond-buying program worth 750 billion euros to cope with the pandemic. However, a sharp upside was capped on disappointing economic data's and ongoing concern over the Coronavirus outbreak.

Outlook: *The euro currency expected to trade with negative bias amid a strong US Dollar and expectation of disappointing economic data from Eurozone. The situation in the Eurozone is worsening due to the Coronavirus. Traders fear that the outbreak may push the EU into a recession. Market participants will remain cautious ahead of European Central Bank monetary policy meeting. The euro is expected to trade at 81.10– 83.20 in the near term.*

GBP-INR: CMP Rs. 94.00

The euro currency expected to trade with negative bias amid a strong US Dollar and expectation of disappointing economic data from Eurozone. The situation in the Eurozone is worsening due to the Coronavirus. Traders fear that the outbreak may push the EU into a recession. Market participants will remain cautious ahead of European Central Bank monetary policy meeting. The euro is expected to trade at 81.10–83.20 in the near term.

Outlook: *The Pound is expected to trade with negative bias on strong dollar and ongoing concern over the Coronavirus outbreak. Several lawmakers including Prime Minister Boris Johnson tested positive for Covid-19. Further, Fitch downgraded credit rating on UK by one notch to AA- from AA. Additionally, expectation of disappointing economic data's from UK will hurt Pound. Market Participants will remain cautious ahead of International Monetary Fund (IMF) meetings. It is expected to trade at 92.0-95.0 in the near term.*

JPY-INR: CMP Rs. 70.30

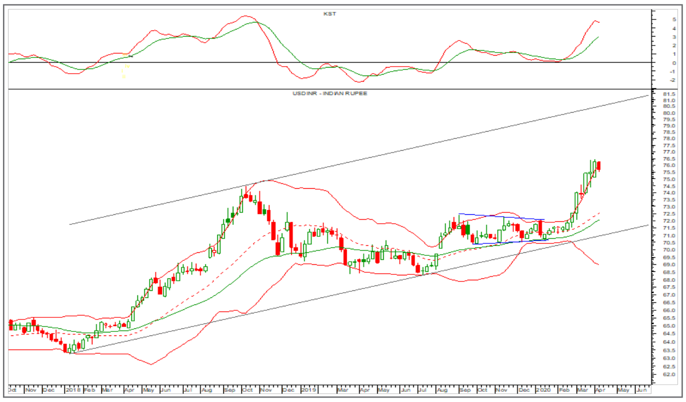
The Yen appreciated by 0.48% in the previous month on weakness in Dollar. Further, demand for safe haven increased on risk aversion in global markets. Market sentiments were hurt as World Health Organization (WHO) declared the Coronavirus outbreak as a pandemic. However, a sharp gain was prevented as Bank of Japan expanded its monetary stimulus to combat the pandemic.

Outlook: *The Japanese Yen is expected to trade with positive bias as safe-haven demand may increase amid concerns over the fast-spreading Coronavirus. The number of cases and death toll worldwide increased. Situations in the Eurozone and the US are worsening due to corona virus pandemic. Furthermore, investors fear that the outbreak will hurt global economic growth. Market Participants will remain cautious ahead of the IMF meeting. However, sharp gains may be prevented on strong Dollar and as major central banks across globe announced additional stimulus packages to combat the virus. The Yen is expected to trade at 69.4-71.70 in the near term.*

CMP as on April 03, 2020

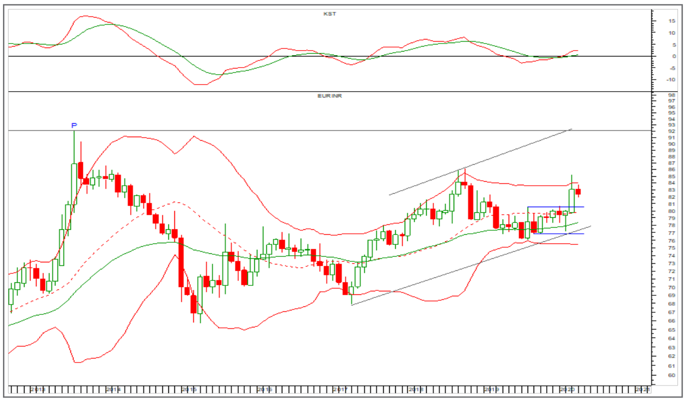
USD-INR - All-time high

- In March, the USD-INR pair witnessed follow-through buying interest after breaking out of a consolidating range (72.40-70.34) on the upside. It touched an all-time high of 76.37 and closed around the highs for the month.
- Monthly and weekly Bollinger Bands are expanding and prices are trading along the upper band, indicating that the positive momentum is likely to continue.
- Monthly and weekly momentum indicators have a positive crossover which is a Bullish sign for the pair. Both price and momentum indicators are indicating that the uptrend is likely to continue.
- On the upside, we expect the pair to reach levels of 80.30, which is around the upper end of the upward sloping channel.



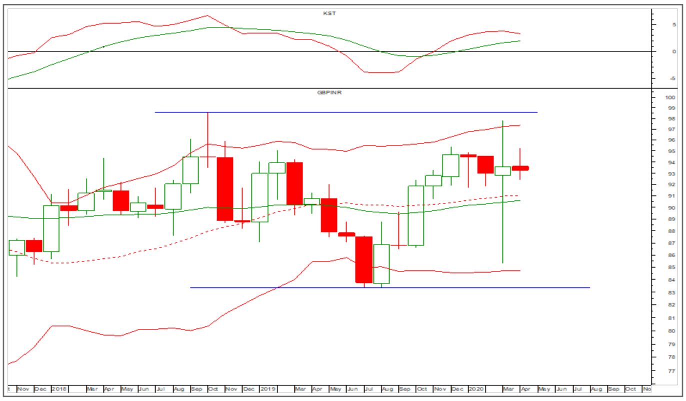
EUR-INR - Breakout

- In March, EURINR witnessed follow through buying interest from February and the pair broke out of the six-month range (80.65-76.86) on the upside.
- The breakout faced resistance around the monthly upper Bollinger Band (84.00) and has witnessed some amount of selling pressure at that resistance.
- On account of a sharp breakout, there can be a sideways price action however it should be bought into as the monthly and weekly momentum indicator has a positive crossover which is a Buy signal.
- On the upside, we expect the pair to reach levels of 92.00 which is the previous all-time high.



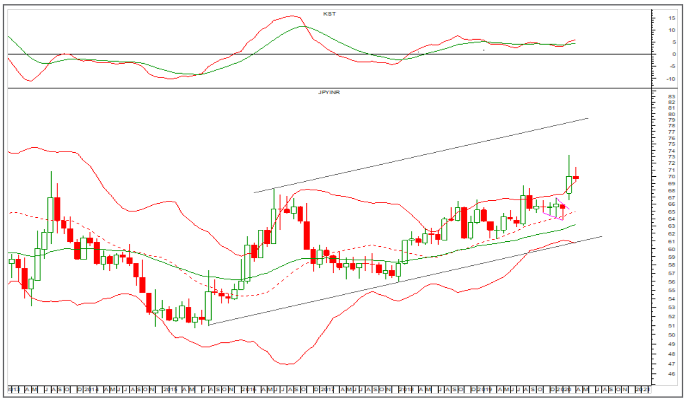
GBP-INR - Heightened volatility

- In March, the pair swung wildly on either side ultimately closing with mild gains. The range for the month was 97.80 on the upside and 85.28 on the downside.
- The pair has been hovering at 98.52-83.29 since October 2018. In March 2020, the pair faced strong selling pressure from around the upper end of the range.
- The higher top, higher bottom formation on the lower timeframe, i.e. weekly charts has been breached and also the weekly momentum indicator has a negative crossover which is a sign of weakness.
- We expect the pair to drift lower during April 2020 and reach 83.29, which is around the monthly lower Bollinger band and also the monthly swing low.



JPY-INR - Bulls in driving seat

- In March, the pair opened with a huge gap up and thus breaking out of the six month sideways consolidation. It registered an all-time high of 73.28 before giving up some of the gains.
- On account of the sharp upmove monthly Bollinger bands are expanding and prices are trading along the upper band indicating that the pair is likely to witness continued positive momentum.
- The pair might witness sideways price action on account of a sharp rise in March. Thus, any dip should be used as a buying opportunity as both Monthly and weekly momentum indicator has a positive crossover.
- On the upside we expect the pair to reach levels of 75 initially with potential to rise till 79.40 during April.



Currency	View	Reversal	Supports	Resistances	Target
USD-INR	UP	73.50	75.10 / 74.48	77.90 / 78.78	80.30
GBP-INR	DOWN	97.80	89.75 / 85.28	95.30 / 96.30	83.29
EUR-INR	UP	79.50	81.15 / 80.20	84.11 / 85.16	92.00
JYP-INR	UP	66.40	68.55 / 67.45	71.45 / 73.28	79.40

PRIME PICKS STRATEGY

OVERVIEW

Prime Picks is a multi-cap discretionary PMS scheme.

It aims to outperform the BSE 200 & CNX Mid Cap 100 indices across market cycles.

Scheme comprises two folios, Quality and Alpha, with a distinct investing style to offer.

Based on the client risk profile allocation between conservative /moderate / aggressive.

It's a long only fund.

INVESTMENT STRATEGY

- Right mix of two different strategies with a high standard of management and corporate governance through in-depth research by experienced in-house fundamental research team.
- Aims to leverage on investment opportunities in structural growth sectors through Quality folio whereas the allocation to more aggressive Alpha folio would add to superior outperformance across market cycles.
- Maintain judicious mix between Quality and Alpha through dynamic investment strategy and providing flexibility to investors to make changes to allocations between the two folios once every year.

PRICING & PRODUCT FEATURES

- Minimum investment of Rs.50 lakh
- Charges
  - 2% per annum (plus taxes); AMC fee charged every quarter.
  - 0.5% brokerage on every trade executed.
  - 20% profit sharing after the 18% hurdle is crossed at the end of every fiscal (with higher watermark basis).

Prime Picks Portfolio Performance (as of March 2020)

Duration	Prime Picks*	BSE 200
1 Month	**-21.2%**	-23.5%
3 Months	**-24.0%**	-28.9%
6 Months	**-21.3%**	-24.7%
1 Year	**-22.6%**	-26.4%
Since inception (25 June, 2018)	**-17.9%**	-22.2%

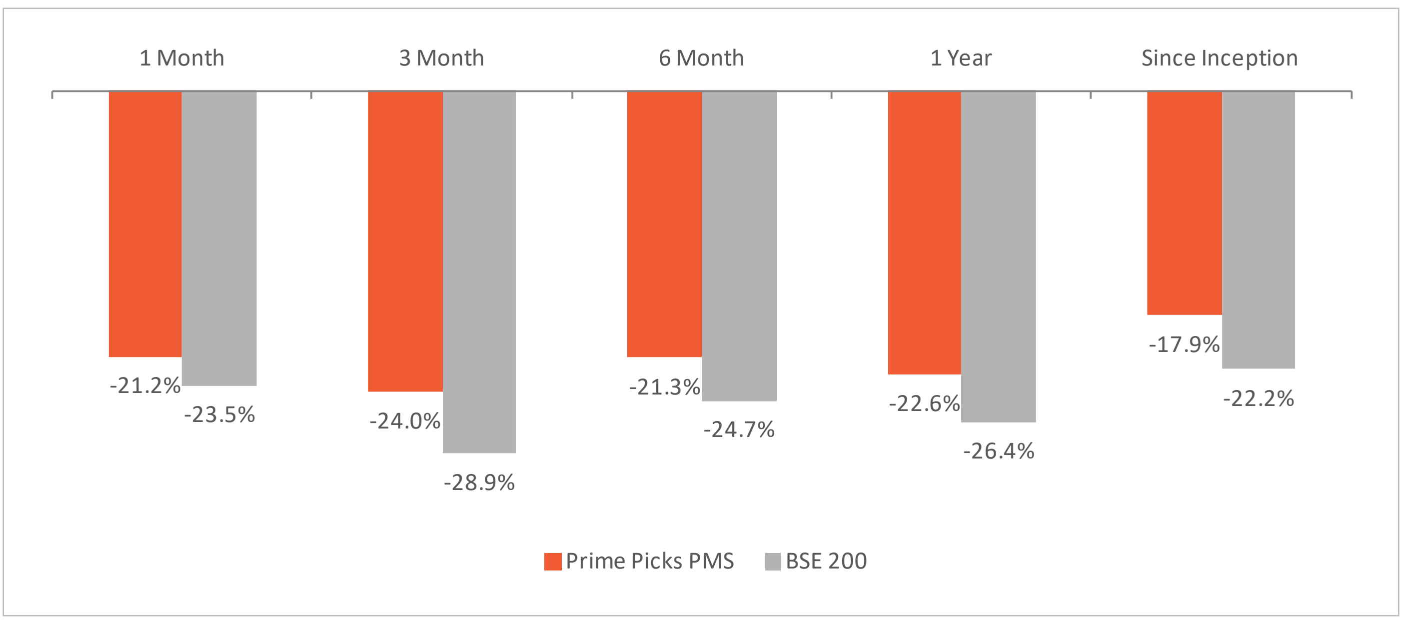
*Note: Net of Quarterly AMC Fees

*Note: Returns mentioned are weighted average

Disclaimer: Returns are based on a client's returns since inception and may be different from those depicted in the risk disclosure document.

Top 5 Stocks – Prime Picks QUALITY	
1	ASIAN PAINTS
2	HDFC BANK
3	ICICI BANK
4	KOTAK BANK
5	RELIANCE INDUSTRIES

Top 5 Stocks – Prime Picks ALPHA	
1	BATA INDIA
2	MAHANAGAR GAS
3	MAYUR UNIQUOTERS
4	SPANDANA SPHOORTY
5	TATA CONSUMER



DIVERSIFIED EQUITY STRATEGY

OVERVIEW

Diversified Equity is a large-cap oriented, multi-cap discretionary PMS scheme.

The investment product aims to outperform the BSE 500 Index, with relatively lower volatility in the portfolio.

The product is suitable for investors having a moderate risk profile and seek to generate superior risk-adjusted returns.

It's a long-only fund.

INVESTMENT STRATEGY

- DE is a multi-cap strategy with endeavour to have two-thirds exposure to Top 100 companies at any given point of time. While the rest is either invested in good quality midcaps or partly in cash to take advantage of volatility in the markets.
- The portfolio endeavors to deliver superior risk-adjusted returns across market cycles through a well-defined stock selection process and has a low churn. The composition of large-cap and mid-cap companies is fine-tuned depending upon market conditions.

PRICING & PRODUCT FEATURES

- Minimum investment of Rs.50 lakh
- Charges
  - 2.5% per annum (plus taxes); AMC fee charged every quarter.
  - 0.5% brokerage on every trade executed.
  - 20% profit sharing after the 15% hurdle is crossed at the end of every fiscal (with higher watermark basis).

Diversified Equity Portfolio Performance (as of March 2020)

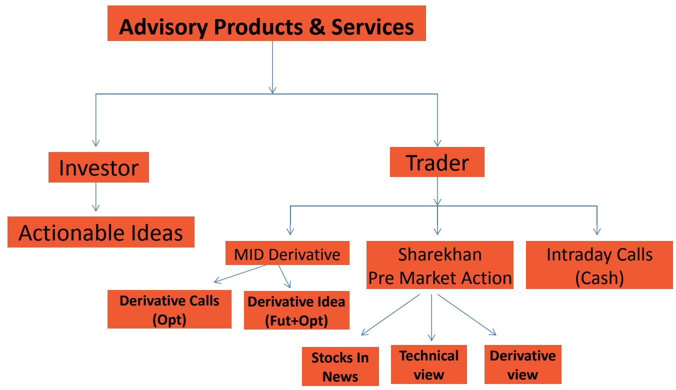
Duration	Diversified Equity*	BSE 500
1 Month	**-23.7%**	-24.1%
3 Months	**-27.0%**	-29.2%
6 Months	**-23.1%**	-25.1%
1 Year	**-24.8%**	-27.5%
2 Years	**-9.5%**	-11.4%
3 Years	**-3.7%**	-4.2%
5 Years	**2.5%**	0.1%

**Note: Net of Quarterly AMC Fees*
Annualised returns of 2 years, 3 years & 5 years

Disclaimer: Returns are based on a client's returns since inception and may be different from those depicted in the risk disclosure document.

Top 10 Stocks – Diversified Equity	
1	BAJAJ FINSERV
2	BATA INDIA
3	HDFC BANK
4	HINDUSTAN UNILEVER
5	ICICI BANK
6	INFOSYS
7	KOTAK BANK
8	LARSEN & TOUBRO
9	MAHANAGAR GAS
10	RELIANCE INDUSTRIES

Advisory Products and Services



The Advisory Desk is a central desk consisting of a Mumbai-based expert team that runs various sample model portfolios for illustrative purposes only for clients of all profiles, be they traders or investors.

These products are different from Sharekhan research-based technical and fundamental offerings as these essentially try to capture the trading opportunities in stocks where momentum is expected before or after some event including the announcement of results or where some news/event is probable.

Advisory products are ideal for those who do not have time to either monitor the market tick by tick or shift through pages of research for data or pour over complex charts to catch a trend. However, all these products require perfect discipline and money management.

For Investor

ACTIONABLE IDEAS

These calls focus on generating absolute returns over a timeframe of 6-12 months and have a favourable risk-reward ratio. Stocks are closely tracked based on regular interaction with companies' management to stay abreast of the business outlook. For details about the product, please write to us at advisory@sharekhan.com.

For traders

INTRADAY CALLS

These are technical analysis calls. Calls will be generated in the cash segment and closed before the end of the trading day. These calls have pre-defined stop loss, targets. For details of the product, please write to us at advisory@sharekhan.com.

DERIVATIVE CALLS

These calls are based on the analysis of open interest, implied volatility and put-call ratio in the derivatives market. It is a leveraged product and ideal for aggressive traders. These calls have a pre-defined stop loss, target, timeframe and quantity to be executed. For more details on this product, please write to us at derivative@sharekhan.com.

DERIVATIVE IDEA FUTURES

Calls are in (stocks & index) futures segment, based on an analysis of open interest, implied volatility and the put-call ratio in the derivatives market. It is a leveraged product and ideal for aggressive traders. These calls have pre-defined stop loss, targets, timeframe and quantity to be executed. For more details on this product, please write to us at derivative@sharekhan.com.

SHAREKHAN PRE-MARKET ACTION

This report gives us stocks in news, with likely the price effect which is valid for a day. The report has different sections - Stocks in News, Events, Technical View and Derivative View alongwith positive and negative bias stocks. The report is valid for a day, for more details please write to us on advisory@sharekhan.com.

Report Card

Product	Intraday Calls (Cash)		Derivative Calls		Derivative Idea Future and Strategy	
Month	Mar 20	CY 20	Mar 20	CY 20	Mar 20	CY 20
No. of calls	0	74	51	253	19	34
Profit booked	0	41	22	138	11	20
Stop loss hit	0	33	29	115	8	15
Strike rate (%)	-	55%	43%	55%	58%	59%

Sharekhan Mutual Fund Finder — March 2020

Top Equity Fund Picks

Data as on March 02, 2020

Scheme Name	*Riskometer	NAV (Rs.)	Absolute % (Point to Point)	Compounded Annualised % (Point to Point)			
			6 Months	1 yr	3 yrs	5 yrs	Since Inception
Large Cap Funds							
Axis Bluechip Fund - Growth	Moderately High	32	8.3	17.2	16.4	9.2	12.0
Mirae Asset Large Cap Fund - Reg - Growth	Moderately High	50	2.4	5.1	9.5	8.5	14.5
UTI Mastershare Unit Scheme - Growth	Moderately High	122	4.0	5.6	7.7	4.8	15.1
Kotak Bluechip Fund - Reg - Growth	Moderately High	236	4.9	7.3	7.4	5.3	19.0
Nippon India Large Cap Fund - Growth	Moderately High	32	2.3	-1.4	6.9	4.9	9.8
ICICI Prudential Bluechip Fund - Growth	Moderately High	41	1.0	2.1	6.8	5.7	12.7
HDFC Top 100 Fund - Growth	Moderately High	443	-4.4	-4.0	4.6	4.1	18.6
Large & Mid Cap Fund							
Invesco India Growth Opportunities Fund - Growth	Moderately High	35	6.3	8.3	11.0	7.6	10.5
Sundaram Large and Mid Cap Fund - Reg - Growth	Moderately High	36	8.5	9.7	10.3	8.8	10.3
Kotak Equity Opportunities Fund - Reg - Growth	Moderately High	124	8.4	10.7	8.5	7.5	17.7
SBI Large & Midcap Fund - Growth	Moderately High	226	9.4	9.2	8.4	7.1	13.9
Principal Emerging Bluechip Fund - Growth	Moderately High	107	11.5	9.4	8.3	8.9	23.3
DSP Equity Opportunities Fund - Reg - Growth	Moderately High	225	7.0	9.2	7.1	8.1	17.0
IDFC Core Equity Fund - Reg - Growth	Moderately High	44	6.5	3.6	5.7	5.8	10.7
ICICI Prudential Large & Mid Cap Fund - Growth	Moderately High	310	2.1	1.9	2.9	4.2	17.2
Mid Cap Fund							
Axis Midcap Fund - Growth	Moderately High	41	13.7	15.6	15.5	9.6	16.7
Edelweiss Mid Cap Fund - Growth	High	27	11.7	9.1	7.9	6.9	8.6
DSP Midcap Fund - Reg - Growth	Moderately High	58	14.2	13.1	7.9	9.4	14.2
Kotak Emerging Equity Fund - Reg - Growth	Moderately High	41	13.4	12.0	7.2	9.3	11.5
BNP Paribas Mid Cap Fund - Growth	High	33	11.9	11.3	5.8	6.7	9.1
Franklin India Prima Fund - Growth	Moderately High	938	5.8	2.9	4.9	6.6	18.9
ICICI Prudential MidCap Fund - Growth	Moderately High	89	2.5	-0.8	2.6	4.2	15.3
Small Cap Fund							
Axis Small Cap Fund - Reg - Growth	Moderately High	34	17.3	29.3	14.2	11.9	21.6
HDFC Small Cap Fund - Growth	Moderately High	37	-1.3	-10.8	5.3	7.3	11.6
Kotak Small Cap Fund - Reg - Growth	Moderately High	75	15.7	12.7	4.8	7.4	14.4
ICICI Prudential Smallcap Fund - Ret - Growth	Moderately High	26	9.1	15.6	3.7	4.1	8.0
L&T Emerging Businesses Fund - Reg - Growth	High	22	1.0	-8.2	3.0	8.1	14.3
Franklin India Smaller Companies Fund - Growth	Moderately High	48	2.5	-5.4	-0.4	4.4	11.7
Focused Fund							
Axis Focused 25 Fund - Growth	Moderately High	30	10.2	17.6	14.5	10.2	15.5
SBI Focused Equity Fund - Growth	Moderately High	154	13.5	17.8	14.1	10.6	19.3
Sundaram Select Focus - Reg - Growth	Moderately High	185	4.9	10.9	11.5	6.4	18.0
Motilal Oswal Focused 25 Fund - Reg - Growth	Moderately High	23	9.2	15.8	9.3	6.8	13.2
Aditya Birla Sun Life Focused Equity Fund - Growth	Moderately High	60	5.0	7.1	6.5	5.7	13.2
Franklin India Focused Equity Fund - Growth	Moderately High	39	0.8	1.9	4.6	4.8	11.3
Multi Cap Funds							
Canara Robeco Equity Diversified Fund - Growth	Moderately High	142	10.8	11.8	12.4	6.8	17.5
Kotak Standard Multicap Fund - Reg - Growth	Moderately High	35	3.9	7.2	8.5	8.0	12.8
SBI Magnum Multi Cap Fund - Growth	Moderately High	49	3.7	7.9	7.9	8.3	11.6
Principal Multi Cap Growth Fund - Growth	Moderately High	139	6.2	3.8	7.3	6.9	14.6
Aditya Birla Sun Life Equity Fund - Growth	Moderately High	730	7.4	6.3	6.5	7.8	22.1
Nippon India Multi Cap Fund - Growth	Moderately High	91	3.8	-1.6	6.4	3.1	16.0
HDFC Equity Fund - Growth	Moderately High	599	-3.6	-3.8	4.7	4.1	17.6
ICICI Prudential Multicap Fund - Growth	Moderately High	274	0.0	-1.6	4.4	6.0	13.9

Data as on March 02, 2020

Scheme Name	*Riskometer	NAV (Rs.)	Absolute % (Point to Point)	Compounded Annualised % (Point to Point)			
			6 Months	1 yr	3 yrs	5 yrs	Since Inception
Value & Contra Funds							
Invesco India Contra Fund - Growth	Moderately High	48	7.3	6.4	10.3	8.0	13.0
Kotak India EQ Contra Fund - Reg - Growth	Moderately High	53	3.9	5.4	10.2	6.8	12.0
Tata Equity P/E Fund - Reg - Growth	Moderately High	127	-1.0	-0.8	4.4	6.2	17.6
HDFC Capital Builder Value Fund - Growth	Moderately High	263	-0.9	-5.9	3.9	4.7	13.3
IDFC Sterling Value Fund - Reg - Growth	Moderately High	46	3.2	-5.6	3.3	3.9	13.5
ELSS							
Axis Long Term Equity Fund - Growth	Moderately High	49	10.1	17.2	14.2	9.2	16.8
Canara Robeco Equity Tax Saver Fund - Growth	Moderately High	69	11.6	13.6	12.2	7.0	19.1
Mirae Asset Tax Saver Fund - Reg - Growth	Moderately High	18	4.4	8.1	11.6	--	14.9
Invesco India Tax Plan - Growth	Moderately High	53	9.0	10.8	10.4	7.6	13.5
BNP Paribas Long Term Equity Fund - Growth	Moderately High	40	7.5	13.7	9.5	5.8	10.4
Aditya Birla Sun Life Tax Relief 96 - Growth	Moderately High	31	7.9	3.2	8.9	7.0	10.0
Kotak Tax Saver Fund - Reg - Growth	Moderately High	45	7.5	9.5	8.1	6.6	11.1
DSP Tax Saver Fund - Growth	Moderately High	49	4.7	9.4	7.7	8.0	12.9
Thematic/Sector Funds							
Aditya Birla Sun Life India GenNext Fund - Growth	High	89	9.1	14.4	11.5	10.1	16.2
ICICI Prudential Banking and Financial Services Fund - Retail - Growth	High	64	5.3	7.7	9.4	10.2	17.4
Aditya Birla Sun Life Banking and Financial Services Fund - Reg - Growth	High	29	6.2	9.5	9.2	9.8	18.5
L&T Infrastructure Fund - Reg - Growth	High	14	1.7	-3.6	2.2	4.7	3.0
DSP Natural Resources & New Energy Fund - Reg - Gth	High	26	-6.8	-14.4	-4.2	7.2	8.5

BNP Paribas Equity schemes

Scheme name	*Riskometer	Scheme Category	Absolute % (Point to Point)	Compounded Annualised % (Point to Point)			
			6 Months	1 yr	3 yrs	5 yrs	Since Inception
BNP Paribas Large Cap Fund - Growth	Moderately High	Large Cap	4.5	14.1	9.9	6.0	15.6
BNP Paribas Long Term Equity Fund - Growth	Moderately High	ELSS	7.5	13.7	9.5	5.8	10.4
BNP Paribas Multi Cap Fund - Growth	Moderately High	Multi Cap	5.7	10.4	7.1	6.2	11.4
BNP Paribas Mid Cap Fund - Growth	High	Mid Cap	11.9	11.3	5.8	6.7	9.1
BNP Paribas Focused 25 Equity Fund - Reg - Growth	Moderately High	Focused	5.6	10.3	--	--	-0.7
BNP Paribas India Consumption Fund - Reg - Growth	High	Thematic	13.9	23.4	--	--	19.8
BNP Paribas Substantial Equity Hybrid Fund - Reg - Growth	Moderately High	Aggressive Hybrid	7.7	15.8	--	--	8.9

*The Riskometer will indicate five levels of risk – low (principal at low risk), moderately low (principal at moderately low risk), moderate (principal at moderate risk), moderately high (principal at moderately high risk) and high (principal at high risk).

Every individual has a different investment requirement, which depends on his financial goals and risk-taking capacities. We at Sharekhan first understand the individual's investment objectives and risk-taking capacity, and then recommend a suitable portfolio. So, we suggest that you get in touch with our Mutual Fund Advisor before investing in the best funds.

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a postition in the mutual funds mentioned in the article.

SHAREKHAN MUTUAL FUND FINDER MARCH 2020

Top SIP Fund Picks

(*invested on 1st day of every month) Data as on March 02, 2020

SIP INVST (Monthly Rs. 1,000)*			1 year		3 years		5 Year	
Total amount invested			12,000		36,000		60000	
Scheme Name	*Riskometer	NAV (Rs.)	Present Value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)
Large Cap Fund								
Axis Bluechip Fund - Growth	Moderately High	32	12,495	9.1	42,672	12.0	82,081	12.9
Mirae Asset Large Cap Fund - Reg - Growth	Moderately High	50	11,735	-4.8	37,994	3.7	74,189	8.7
Kotak Bluechip Fund - Reg - Growth	Moderately High	236	11,912	-1.6	37,961	3.7	70,391	6.5
UTI Mastershare Unit Scheme - Growth	Moderately High	122	11,927	-1.3	37,880	3.5	70,353	6.5
ICICI Prudential Bluechip Fund - Growth	Moderately High	41	11,549	-8.1	36,620	1.2	69,634	6.1
Nippon India Large Cap Fund - Growth	Moderately High	32	11,322	-12.0	35,855	-0.3	68,407	5.4
HDFC Top 100 Fund - Growth	Moderately High	443	10,928	-18.8	34,738	-2.4	66,154	4.0
Large & Mid Cap Fund								
Mirae Asset Emerging Bluechip Fund - Growth	Moderately High	55	12,257	4.7	39,654	6.7	80,503	12.1
Sundaram Large and Mid Cap Fund - Reg - Growth	Moderately High	36	12,192	3.5	39,125	5.8	75,963	9.7
Invesco India Growth Opportunities Fund - Growth	Moderately High	35	12,143	2.6	38,974	5.5	74,960	9.1
Kotak Equity Opportunities Fund - Reg - Growth	Moderately High	124	12,253	4.6	38,742	5.1	73,933	8.6
SBI Large & Midcap Fund - Growth	Moderately High	226	12,247	4.5	38,442	4.6	72,312	7.6
DSP Equity Opportunities Fund - Reg - Growth	Moderately High	225	12,101	1.8	37,750	3.3	72,561	7.8
Principal Emerging Bluechip Fund - Growth	Moderately High	107	12,403	7.4	37,395	2.6	73,249	8.2
ICICI Prudential Large & Mid Cap Fund - Growth	Moderately High	310	11,573	-7.7	35,361	-1.2	66,113	4.0
Mid Cap Fund								
Axis Midcap Fund - Growth	Moderately High	40	12,884	16.5	42,454	11.6	80,895	12.3
DSP Midcap Fund - Reg - Growth	Moderately High	58	12,750	14.0	39,017	5.6	75,327	9.3
Kotak Emerging Equity Fund - Reg - Growth	Moderately High	41	12,589	10.9	38,410	4.5	73,780	8.5
Edelweiss Mid Cap Fund - Growth	High	27	12,480	8.9	37,147	2.2	70,348	6.5
BNP Paribas Mid Cap Fund - Growth	High	33	12,545	10.1	36,943	1.8	68,172	5.2
Franklin India Prima Fund - Growth	Moderately High	938	11,932	-1.2	35,983	0.0	68,149	5.2
ICICI Prudential MidCap Fund - Growth	Moderately High	89	11,490	-9.1	33,951	-4.0	63,832	2.5
Small Cap Fund								
Axis Small Cap Fund - Reg - Growth	Moderately High	34	13,565	29.8	44,307	14.7	84,316	14.0
SBI Small Cap Fund - Growth	Moderately High	55	12,609	11.3	38,550	4.7	78,164	10.9
Kotak Small Cap Fund - Reg - Growth	Moderately High	75	12,732	13.6	37,241	2.3	69,878	6.2
ICICI Prudential Smallcap Fund - Ret - Growth	Moderately High	26	12,328	6.0	36,290	0.6	66,364	4.1
Nippon India Small Cap Fund - Growth	Moderately High	39	12,085	1.5	34,826	-2.3	69,557	6.0
HDFC Small Cap Fund - Growth	Moderately High	37	11,133	-15.3	32,535	-6.8	65,051	3.3
L&T Emerging Businesses Fund - Reg - Growth	High	22	11,357	-11.4	31,924	-8.1	65,005	3.3

(*invested on 1st day of every month)

Data as on March 02, 2020

SIP INVST (Monthly Rs. 1,000)*			1 year		3 years		5 Year	
Total amount invested			12,000		36,000		60000	
Scheme Name	*Riskometer	NAV (Rs.)	Present Value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)
Focused Fund								
SBI Focused Equity Fund - Growth	Moderately High	154	12,606	11.2	41,832	10.6	80,787	12.2
Axis Focused 25 Fund - Growth	Moderately High	30	12,557	10.3	41,131	9.3	81,310	12.5
Sundaram Select Focus - Reg - Growth	Moderately High	185	12,058	1.1	39,404	6.3	75,181	9.2
Motilal Oswal Focused 25 Fund - Reg - Growth	Moderately High	23	12,370	6.8	39,309	6.1	73,843	8.5
Aditya Birla Sun Life Focused Equity Fund - Growth	Moderately High	60	11,902	-1.8	37,435	2.7	70,057	6.3
Franklin India Focused Equity Fund - Growth	Moderately High	39	11,329	-11.9	35,702	-0.6	66,807	4.4
Multi Cap Funds								
Canara Robeco Equity Diversified Fund - Growth	Moderately High	142	12,466	8.6	40,521	8.3	76,891	10.2
Kotak Standard Multicap Fund - Reg - Growth	Moderately High	35	11,821	-3.2	37,972	3.7	73,482	8.3
SBI Magnum Multi Cap Fund - Growth	Moderately High	49	11,888	-2.0	37,696	3.2	72,037	7.5
Aditya Birla Sun Life Equity Fund - Growth	Moderately High	730	12,052	1.0	37,319	2.5	71,909	7.4
Principal Multi Cap Growth Fund - Growth	Moderately High	139	11,962	-0.7	36,125	0.2	70,318	6.5
Nippon India Multi Cap Fund - Growth	Moderately High	91	11,479	-9.3	35,766	-0.5	66,093	3.9
ICICI Prudential Multicap Fund - Growth	Moderately High	274	11,359	-11.4	35,476	-1.0	66,800	4.4
HDFC Equity Fund - Growth	Moderately High	599	10,974	-18.0	34,537	-2.8	65,736	3.7
Value & Contra Funds								
Kotak India EQ Contra Fund - Reg - Growth	Moderately High	52	11,896	-1.9	38,423	4.5	74,012	8.6
Invesco India Contra Fund - Growth	Moderately High	48	12,121	2.2	38,158	4.0	74,531	8.9
Tata Equity P/E Fund - Reg - Growth	Moderately High	127	11,409	-10.5	34,343	-3.2	67,586	4.9
HDFC Capital Builder Value Fund - Growth	Moderately High	263	11,194	-14.3	33,681	-4.5	64,318	2.8
IDFC Sterling Value Fund - Reg - Growth	Moderately High	46	11,444	-9.9	32,534	-6.8	62,859	1.9
Tax-saving funds (ELSS)								
Axis Long Term Equity Fund - Growth	Moderately High	49	12,569	10.5	41,483	10.0	79,166	11.4
Canara Robeco Equity Tax Saver Fund - Growth	Moderately High	69	12,581	10.8	41,005	9.1	77,198	10.3
Invesco India Tax Plan - Growth	Moderately High	53	12,397	7.3	39,359	6.2	74,780	9.0
BNP Paribas Long Term Equity Fund - Growth	Moderately High	40	12,327	6.0	38,995	5.6	71,628	7.2
Kotak Tax Saver Fund - Reg - Growth	Moderately High	45	12,104	1.9	38,675	5.0	73,208	8.1
Motilal Oswal Long Term Equity Fund - Reg - Growth	Moderately High	18	12,501	9.2	38,524	4.7	76,479	10.0
DSP Tax Saver Fund - Growth	Moderately High	49	11,946	-1.0	38,059	3.9	72,929	8.0
Aditya Birla Sun Life Tax Relief 96 - Growth	Moderately High	31	12,048	0.9	37,050	2.0	70,918	6.8

*The Riskometer will indicate five levels of risk – low (principal at low risk), moderately low (principal at moderately low risk), moderate (principal at moderate risk), moderately high (principal at moderately high risk) and high (principal at high risk).

Every individual has a different investment requirement, which depends on his financial goals and risk-taking capacities. We at Sharekhan first understand the individual's investment objectives and risk-taking capacity, and then recommend a suitable portfolio. So, we suggest that you get in touch with our Mutual Fund Advisor before investing in the best funds.

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a postition in the mutual funds mentioned in the article.

Sharekhan Earnings Guide

Prices as on April 03, 2020

Company	CMP (Rs)	Sales			Net profit			EPS			(%) EPS growth	PE (x)			RoCE (%)		RoNW (%)		DPS Rs.	Div Yld(%)
		FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E		FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E		
Automobiles																				
Apollo Tyres	79	17,548.8	16,480.1	15,758.9	879.7	533.7	702.8	15.4	9.3	11.1	-15%	5.1	8.4	7.1	5.0	6.1	5.2	6.5	3.3	4.1
Ashok Leyland	38	29,055.0	18,721.8	18,772.2	2,040.7	601.8	361.2	7.0	2.1	1.2	-59%	5.5	18.2	31.8	6.7	3.9	7.3	4.6	3.1	8.1
Bajaj Auto	2,033	30,250.0	29,769.9	30,145.7	4,333.2	4,873.6	4,710.3	149.8	168.5	162.9	4%	13.6	12.1	12.5	25.2	22.9	19.9	17.6	60.0	3.0
HERO MOTOCORP	1,584	33,650.5	28,732.2	31,591.1	3,384.9	3,132.5	2,887.9	169.5	156.9	144.6	-8%	9.3	10.1	11.0	27.5	25.1	22.4	19.5	87.0	5.5
M&M	281	52,848.2	46,318.5	45,947.0	5,423.9	3,892.7	3,026.1	43.6	31.3	24.3	-25%	6.4	9.0	11.6	13.3	9.8	10.4	7.7	8.5	3.0
Maruti Suzuki	4,012	86,020.3	78,001.4	74,489.0	7,500.6	5,796.0	5,255.9	248.3	191.9	174.0	-16%	16.2	20.9	23.1	13.8	11.8	11.5	9.7	80.0	2.0
TVS Motor	253	18,209.9	16,625.4	18,304.5	670.1	635.0	609.6	14.1	13.4	12.8	-5%	17.9	18.9	19.8	17.7	16.7	16.9	14.7	2.5	1.0
Banks & Financials																				
Axis Bank	326	21,708.0	24,979.0	28,151.0	4,675.9	7,363.0	9,250.0	18.2	28.6	36.0	41%	17.9	11.4	9.0	-	-	10.6	12.1	0.0	0.0
Bajaj Finance	2,207	11,762.4	13,216.9	13,758.3	3,994.9	6,062.1	5,120.7	68.9	100.7	85.1	11%	32.0	21.9	25.9	-	-	22.7	14.2	4.0	0.2
Bajaj Finserv	4,512	42,606.0	50,476.0	59,881.0	3,219.0	4,635.0	5,404.0	202.3	291.3	339.6	30%	22.3	15.5	13.3	-	-	-	-	1.8	0.0
Bank of Baroda	49	18,683.8	25,942.9	28,378.8	433.5	865.7	4,894.8	1.6	3.2	18.3	236%	30.0	15.2	2.7	-	-	1.7	9.7	0.0	0.0
Bank of India	33	13,658.0	15,155.0	16,774.0	(5,546.9)	958.0	2,829.0	-20.1	2.9	8.6	-	-	11.2	3.8	-	-	2.0	5.8	0.0	0.0
Federal Bank	40	4,176.4	4,574.9	5,655.6	1,243.9	1,556.2	2,130.8	6.3	8.0	11.0	33%	6.4	5.0	3.6	-	-	11.3	14.0	1.0	2.5
HDFC	1,499	11,403.0	12,689.0	14,452.0	9,632.5	12,394.0	12,794.0	55.9	71.7	74.1	15%	26.8	20.9	20.2	-	-	22.1	14.2	20.0	1.3
HDFC Bank	814	48,243.0	57,079.0	69,780.0	21,069.5	26,123.6	32,767.1	38.7	47.7	59.9	24%	21.0	17.0	13.6	-	-	16.5	18.2	13.0	1.6
ICICI Bank	287	27,014.8	30,811.7	36,739.3	2,970.8	9,263.2	17,316.1	4.6	14.4	26.9	141%	62.0	19.9	10.7	-	-	8.3	14.3	1.5	0.5
LIC Housing Finance	219	4,349.9	5,334.5	6,580.5	2,431.0	2,675.8	3,325.2	48.1	53.0	65.8	17%	4.5	4.1	3.3	-	-	16.2	18.3	6.8	3.1
Max Financial	335	19,501.0	22,621.0	26,015.0	263.0	289.0	315.0	9.8	10.7	11.7	9%	34.2	31.3	28.6	-	-	-	-	0.0	0.0
Punjab National Bank	30	17,156.0	16,270.0	18,124.0	(9,975.5)	1,214.0	1,891.0	-46.9	5.7	8.9	-	-	5.2	3.3	-	-	3.4	7.1	0.0	0.0
SBI	176	88,349.0	1,02,605.0	1,17,155.0	862.2	16,200.0	27,787.0	1.0	18.2	31.1	467%	181.7	9.6	5.6	-	-	7.1	11.4	0.0	0.0
Union Bank of India	29	10,215.0	11,325.0	13,243.0	(2,887.3)	(254.7)	1,190.4	-16.4	-0.7	3.5	-	-	-	8.2	-	-	-	3.0	0.0	0.0
Consumer Goods																				
Britannia	2,561	11,054.7	11,695.1	12,710.1	1,156.4	1,420.0	1,565.9	48.2	59.1	65.2	16%	53.1	43.3	39.3	38.2	36.0	30.3	27.9	15.0	0.6
Emami	182	2,692.9	2,840.8	3,079.9	513.3	596.4	611.9	11.3	13.1	13.5	9%	16.1	13.9	13.5	33.6	36.2	27.9	27.5	4.0	2.2
GSK Consumer	9,367	4,782.0	5,096.4	5,328.1	868.8	1,151.6	1,128.7	206.6	273.8	268.3	14%	45.3	34.2	34.9	33.3	30.2	26.2	22.5	105	1.1
Godrej Consumer Products	531	10,314.3	10,326.5	10,915.7	1,478.5	1,589.1	1,700.5	14.5	15.5	16.6	7%	36.6	34.2	31.9	17.7	18.0	21.0	20.7	3.0	0.6
Hindustan Unilever	2,154	38,224.0	40,781.4	44,698.6	6,199.4	7,459.5	8,544.1	28.7	34.5	39.6	17%	75.0	62.4	54.4	115.5	104.5	91.7	83.0	22.0	1.0
ITC	178	45,784.4	48,828.4	52,021.8	12,386.6	14,680.1	15,341.4	10.1	12.0	12.6	12%	17.6	14.8	14.1	27.5	28.1	24.9	25.2	5.8	3.2
Jyothy Laboratories	95	1,813.6	1,871.2	2,007.3	197.6	201.6	222.6	5.4	5.5	6.1	6%	17.5	17.3	15.6	13.5	13.5	14.5	14.7	3.0	3.2
Marico	261	7,333.8	7,389.2	7,798.9	938.8	1,043.4	1,115.1	7.3	8.1	8.6	9%	35.9	32.3	30.2	40.1	38.2	32.3	29.9	3.8	1.4
Zydus Wellness	1,216	842.8	1,765.4	1,906.7	171.2	125.5	159.9	29.7	21.8	30.3	1%	41.0	55.9	40.1	5.1	5.9	3.7	4.5	5.0	0.4
IT / IT services																				
HCL Technologies	405	60,427.0	70,849.6	77,516.9	10,123.0	10,842.0	11,498.0	36.8	40.0	42.4	7%	11.0	10.1	9.6	27.1	25.5	24.6	23.3	8.0	2.0
Infosys	585	82,675.0	91,339.1	99,594.3	15,862.0	16,520.6	17,593.7	35.4	38.7	41.3	8%	16.5	15.1	14.2	34.3	36.8	25.6	27.4	21.5	3.7
Persistent Systems	508	3,365.9	3,590.0	3,916.5	351.7	356.8	391.8	44.0	46.5	51.3	8%	11.5	10.9	9.9	19.3	19.7	14.7	15.0	11.0	2.2
Tata Consultancy Services	1,654	1,46,463.0	1,57,904.0	1,71,945.6	31,472.0	32,638.6	34,844.5	83.1	87.0	92.8	6%	19.9	19.0	17.8	40.0	39.7	34.6	33.7	26.0	1.6
Wipro	180	58,906.0	61,053.2	64,391.5	8,984.5	9,843.1	10,170.3	14.9	16.8	17.8	9%	12.1	10.7	10.1	16.7	16.4	17.8	16.8	1.0	0.6
Cap goods / Power																				
CESC	424	7,754.0	8,015.4	8,790.8	937.0	854.0	1,067.1	70.3	64.1	80.1	7%	6.0	6.6	5.3	7.7	8.7	8.5	9.9	17.5	4.1
Finolex cable	217	3,077.8	2,848.4	2,709.3	344.1	336.8	302.9	22.5	22.0	19.8	-6%	9.7	9.9	11.0	17.5	14.4	27.5	23.2	4.5	2.1
Greaves Cotton	67	2,015.3	2,075.8	2,138.1	180.5	163.1	127.6	7.5	7.2	5.5	-14%	9.0	9.3	12.2	26.4	21.1	22.2	17.5	5.5	8.2

Company	CMP (Rs)	Sales			Net profit			EPS			(%) EPS growth	PE (x)			RoCE (%)		RoNW (%)		DPS Rs.	Div Yld(%)
		FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E		FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E		
Kalpataru Power Transmission	181	7,115.1	7,873.9	8,442.1	401.3	473.2	424.7	26.2	32.4	27.7	3%	6.9	5.6	6.5	19.4	16.3	14.2	11.4	3.0	1.7
KEC International	161	11,000.5	11,813.0	12,664.0	486.4	538.7	491.9	18.9	21.0	19.1	1%	8.5	7.7	8.4	21.9	18.5	20.7	16.6	3.4	2.1
Thermax	716	5,973.2	5,903.8	5,327.2	325.4	271.9	280.2	28.9	24.1	24.9	-7%	24.8	29.7	28.8	15.0	14.5	9.9	11.5	7.0	1.0
Triveni Turbine	57	840.0	871.7	934.7	100.2	113.1	127.5	3.1	3.5	3.9	13%	18.4	16.3	14.4	32.4	27.4	22.1	20.8	0.0	0.0
V-Guard Industries	153	2,566.4	2,739.4	3,005.6	165.5	217.4	230.6	3.9	4.6	5.1	15%	39.5	33.3	30.1	28.8	25.6	22.0	19.8	0.8	0.5
Infra / Real Estate																				
Larsen & Toubro	775	1,41,007.1	1,45,999.1	1,48,846.9	8,610.4	9,080.2	8,863.3	63.4	64.8	63.2	0%	12.2	12.0	12.3	8.1	7.8	13.9	12.7	10.0	1.3
Sadbhav Engineering	26	3,549.2	2,321.2	2,740.9	186.1	89.3	95.8	10.8	5.2	5.6	-28%	2.4	4.9	4.6	5.3	5.8	4.3	4.5	1.0	3.9
Oil & gas																				
Oil India Ltd	84	13,735.0	11,491.5	8,543.2	3,616.9	2,332.4	1,284.7	33.4	21.5	11.8	-40%	2.5	3.9	7.1	10.5	6.2	8.2	4.4	10.7	12.6
Petronet LNG	196	38,395.4	34,024.7	25,235.3	2,291.4	2,949.1	2,820.6	15.3	19.7	18.8	11%	12.8	10.0	10.4	28.7	28.9	28.6	26.2	10.0	5.1
Reliance Ind	1,078	5,67,135.0	5,38,542.1	5,33,034.5	39,837.0	42,322.1	47,084.4	67.3	71.5	79.6	9%	16.0	15.1	13.6	10.0	10.1	11.2	11.2	6.5	0.6
Pharmaceuticals																				
Aurobindo Pharma	382	19,563.6	23,731.7	27,471.1	2,513.3	2,762.0	3,309.7	42.9	47.1	56.5	15%	8.9	8.1	6.8	17.0	18.6	18.1	18.2	2.5	0.7
Cadila Healthcare	275	13,165.6	14,210.9	15,491.5	1,801.9	1,550.5	1,636.3	17.6	15.1	16.0	-5%	15.6	18.2	17.2	11.1	11.2	13.5	13.0	3.5	1.3
Cipla	449	16,362.4	17,460.4	18,931.8	1,492.4	1,736.7	2,135.6	18.7	21.5	26.5	19%	24.0	20.9	16.9	12.3	13.9	11.0	12.2	3.0	0.7
Divi's Labs	1,901	4,946.3	5,538.4	6,578.6	1,352.7	1,404.6	1,742.6	51.0	52.9	65.6	13%	37.3	35.9	29.0	22.7	23.6	17.6	18.6	16.0	0.8
IPCA Lab	1,385	3,773.2	4,600.3	5,345.3	442.2	658.2	821.5	35.1	52.2	65.1	36%	39.5	26.5	21.3	20.3	21.3	19.1	19.8	3.0	0.2
Lupin	655	16,718.2	16,414.2	17,325.1	946.5	867.0	1,235.0	20.9	19.2	27.3	14%	31.3	34.1	24.0	6.5	6.8	6.3	8.2	5.0	0.8
Sun Pharmaceutical Industries	376	29,065.9	32,638.5	35,853.4	3,879.8	4,352.4	5,148.9	16.2	18.1	21.5	15%	23.2	20.8	17.5	10.6	11.7	9.6	10.3	2.8	0.7
Torrent Pharma	2,077	7,462.0	8,144.5	8,987.6	793.0	1,022.5	1,308.3	46.6	60.1	77.0	28%	44.5	34.6	27.0	15.6	18.0	19.7	20.9	4.0	0.2
Building Materials																				
Grasim	455	20,550.4	18,381.5	18,834.8	2,883.3	1,262.2	1,214.8	43.8	19.2	18.5	-35%	10.4	23.7	24.7	2.6	2.4	2.9	2.7	7.0	1.5
Shree Cement	15,783	11,722.0	12,053.3	12,934.3	1,138.7	1,351.1	1,346.8	326.8	374.4	373.2	7%	48.3	42.2	42.3	11.1	10.2	11.9	10.8	110.0	0.7
The Ramco Cements	474	5,146.3	5,376.6	5,566.9	501.0	563.0	508.3	21.3	23.9	21.6	1%	22.3	19.8	22.0	8.1	6.7	12.0	9.9	2.5	0.5
UltraTech Cement	3,041	40,000.8	40,842.5	40,583.8	2,526.3	3,566.1	2,874.3	87.5	123.6	99.6	7%	34.7	24.6	30.5	9.6	7.6	12.1	8.8	11.5	0.4
Discretionary																				
Arvind @	20	7,142.2	7,442.9	7,315.2	264.8	185.9	201.6	10.3	7.1	7.8	-13%	2.0	2.8	2.6	6.5	6.3	6.6	6.9	2.0	9.9
Century Plyboards (India)	104	2,280.4	2,320.8	2,301.5	166.2	215.2	177.8	7.5	9.7	8.0	3%	13.9	10.8	13.0	16.6	13.2	20.2	14.4	1.0	1.0
Info Edge (India)	2,008	1,098.3	1,244.5	1,266.3	315.1	331.8	367.3	25.6	27.0	29.9	8%	78.4	74.5	67.2	17.8	17.4	13.1	12.9	6.0	0.3
Inox Leisure	259	1,692.0	1,895.0	2,239.0	139.0	112.0	170.0	14.1	11.3	17.2	11%	18.4	22.9	15.1	18.6	14.3	16.4	18.6	1.0	0.4
Relaxo Footwear #	598	2,292.1	2,452.6	2,573.5	175.4	214.7	236.4	7.1	8.7	9.5	16%	84.3	69.1	62.7	26.2	24.8	18.1	17.4	1.8	0.3
Titan Company Limited	863	19,778.5	20,997.8	21,393.6	1,519.0	1,520.4	1,621.5	17.1	17.1	18.3	3%	50.6	50.4	47.2	30.8	28.0	23.4	21.7	5.0	0.6
Wonderla Holidays	133	282.0	278.5	205.6	55.4	49.4	27.3	9.8	8.7	4.8	-30%	13.6	15.2	27.5	8.8	4.1	6.0	3.3	1.8	1.4
Diversified / Miscellaneous																				
Bajaj Holdings	1,927	426.7	-	-	3,048.8	-	-	273.9	-	-	-	7.0	-	-	-	-	-	-	32.5	1.7
Bharat Electronics	70	12,164.0	12,493.0	13,125.0	1,886.0	1,585.0	1,765.0	7.7	6.5	7.2	-3%	9.0	10.8	9.7	16.3	17.2	16.7	17.3	3.4	4.9
Bharti Airtel	424	80,780.2	86,614.1	99,465.0	(3,977.8)	(4,975.6)	1,712.0	-10.0	-9.5	3.3	-	-	-	127.1	4.2	7.5	-	3.7	2.5	0.6
Gateway Distriparks	87	430.6	1,267.7	1,416.2	84.6	50.3	60.5	7.8	4.6	5.6	-15%	11.2	18.8	15.6	7.1	8.7	3.8	4.6	4.5	5.2
PI Industries	1,182	2,841.0	3,528.0	4,844.0	410.0	529.0	737.0	29.8	38.5	53.6	34%	39.7	30.7	22.1	27.1	30.7	21.0	23.8	4.0	0.3
Ratnamani Metals and Tubes	897	2,755.0	2,576.0	2,799.0	253.0	288.0	299.0	54.1	61.7	63.9	9%	16.6	14.5	14.0	20.1	19.1	17.5	15.7	9.0	1.0
Supreme Industries	796	5,612.0	5,648.0	5,744.0	381.0	489.0	448.0	30.0	38.5	35.2	8%	26.5	20.7	22.6	21.5	18.8	19.8	16.2	13.0	1.6
UPL	298	21,837.0	34,120.0	37,959.0	1,898.0	2,390.0	3,297.0	24.8	31.2	43.1	32%	12.0	9.6	6.9	10.2	13.1	15.7	19.6	5.3	1.8

Note: Grasim- Changed reporting to standalone financial numbers

	Remarks
	Automobiles
Apollo Tyres (ATL)	• While COVID-19 would impact topline growth in FY2021, FY2022 is likely to witness strong recovery as economic growth picks momentum (post control of Covid-19) and Apollo's capacity increases in Europe. A steep fall in crude prices and restructuring at Europe's Netherlands plant is expected to improve margins. Valuations are at a steep discount to long term historical average multiples. Hence, we retain a Buy recommendation on the stock.
Ashok Leyland	• Ashok Leyland Limited (ALL), the second-largest CV manufacturer in India, is a pure play on commercial vehicles. MHCV industry is expected to be in declining trend over next 2-3 quarters given weak economic growth, COVID-19 outbreak and cost increases due to the shift to BS-VI norms. Post normalization of business activity (after the Covid-19 is curbed) and pick-up in economic growth and rural demand, the medium & heavy commercial vehicle (MHCV) segment is expected to revive from FY2022. We retain a Hold rating on the stock.
Bajaj Auto	• While two-wheeler industry volumes would be under pressure in near term due to Covid-19 outbreak, Bajaj Auto Limited (BAL) is expected to continue outpacing the domestic motorcycle industry with launch of new products with enhanced features. BAL has launched the electronic injection system in its entry motorcycles to meet BS-VI emission norms as against fuel injection launched by competition. As per management, electronic injection system costs slightly lower than fuel injection and the company can utilize the differential to provide additional features, leading to market share gains. Moreover, export outlook continues to remain robust with the company expecting double-digit growth to continue for the next two to three quarters. We retain our Buy recommendation on the stock.
Hero MotoCorp	• While two-wheeler industry is expected to remain under pressure in FY2021, due to slowing economic growth due to COVID-19, Hero expects the industry to recover from FY2022, driven by normalization of business activity and pick-up in economic growth post control of Covid-19. Also, with launch of e-carburetors in entry bikes, Hero has allayed market share loss fears. Hero's valuations are lower than long term historical averages and close to its multiple during global financial crisis. Hence, we upgrade our recommendation to Buy.
M&M	• While FY2021 volumes would be impacted by COVID-19, volume growth is expected to improve from FY2022 driven by pent up demand and improvement in economic growth post control of Covid-19. New launches in the utility vehicle segment and conversion of the entire portfolio to petrol (industry expected to shift towards petrol post the implementation of BS-VI emission norms) would also shore up volumes. Moreover, with higher rabi sowing and relatively no impact of Covid-19 on tractors (agriculture comes under essential category and unaffected by the lockdown), M&M tractor segment is expected to grow in FY2021. Valuations are lower than long term historical average and global financial crisis. We retain Buy rating on the stock.
Maruti Suzuki	• Maruti Suzuki India Limited (MSIL) is India's largest passenger vehicle (PV) manufacturer. The company held a strong 51% market share as of FY2019. We expect MSIL's volumes to remain muted for 2-3 quarters, due to economic slowdown post the spread of Covid-19. Moreover, the company's exit from the diesel segment with the introduction of BS-VI norms would keep volumes subdued. We expect increased competitive intensity to maintain pressure on market share. Hence, we retain our Hold rating on the stock.

TVS Motor	• TVS Motor (TVSM) is India's fourth largest two-wheeler manufacturer present in the scooter segment. The company manufactures mopeds and motorcycles as well. Two–wheeler industry volumes are expected to remain under pressure in the near term driven by slowdown on account of COVID-19.Volumes pressures would keep TVS Motors margins under check as lower volumes offset the benefits of cost control measures. The industry is expected to revive in FY2022 once the Covid-19 is curbed and pick-up in economic growth. We retain Hold rating on the stock.
Banks & Financials	
Axis Bank	• Axis Bank is the third-largest private sector bank, which is growing faster than the industry and has a well-diversified loan book with strengths in both retail and corporate segments. The bank's liability profile has improved significantly that would help keep margins healthy. Business restructuring along with drivers such as normalisation of corporate fee income and growth from retail and midmarket groups are steps in the right direction, which will augment sustainability and profitability. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including Axis Bank. We expect banks with strong balance sheet and capital position better placed to recover once business environment normalises. Going forward, the bank may explore opportunities in the insurance business, as the new leadership settles down. The bank has a strong market position across most digital payment products.
Bajaj Finance	• Bajaj Finance, owned by Bajaj Finserv, is a fast-growing, well-diversified leading NBFC. The company has its assets spread across products, viz. loans for consumer durables, two-wheelers and three- wheelers, loans to small and medium enterprises (SME), mortgage loans and commercial loans. The company's strong loan growth, asset quality and provisioning, sets Bajaj Finance's performance among the best in the system. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the financial sector, including Bajaj Finance. We expect NBFCs with strong balance sheet and capital position likely to recover faster, once business environment normalises.
Bajaj Finserv	• Bajaj Finserv is a financial conglomerate with subsidiaries in the financing, life insurance and general insurance segments. We expect its subsidiary, BFL, to maintain its loan book trajectory as well as profitability and margins (for the long term), which will be the key support for present valuations of Bajaj Finserv. Bajaj Allianz General Insurance Company (BAGIC) is expected to continue its healthy operating metrics and profitability going ahead. BALIC is focusing well on strengthening its distribution channel and protection business, but profitability will depend on the pace and segment of new business growth. The Covid-19-led lockdown is expected to put economy under severe financial strain, and the resultant ratings downgrades are likely to put pressure on corporate bond valuations as well. Insurance companies would be sensitive to bond downgrades, and if market volatility persists, the investment portfolios and investment earnings too may be impacted as well.
Bank of Baroda	• Bank of Baroda has over 9,400 branches across India and abroad, along with a diversified products and services portfolio and strong client relationships. Business growth as well as profitability and asset-quality improvement is gradual but in the desired direction. Two other PSU banks have been merged with Bank of Baroda. Notwithstanding the synergies that will accrue over the long run, we believe near-term challenges in terms of asset quality and integration issues of the merged entity may mute medium-term performance. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including Bank of Baroda.

Bank of India	• Bank of India (BOI), established in 1906, is one of the largest PSU banks in the country. The Mumbai-based bank has a strong presence in Western and Eastern regions of India. The bank has over 5,100 branches and 5,800 ATMs across India. The government holds a stake of ~89% in the bank. Operating performance and earnings have been affected by a sharp rise in non-performing assets (NPAs). However, going forward, credit traction is expected to start gradually as the bank has exited the prompt corrective action (PCA) framework. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including Bank of India. As several segments are undergoing stress and weak credit demand, we expect credit growth and margins for BOI are likely to be muted for the medium term.
Federal Bank	• Federal Bank is among the better-performing old private-sector banks in India with a strong presence in South India, especially Kerala. We believe the bank's growth is in the desirable direction and the accompanying vectors indicate sustainability and quality of the bank. We believe incremental loans to better-rated borrowers, lesser addition to the stressed asset pool, and high provision coverage are positives, but asset-quality performance will continue to be a key monitorable for the medium term. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, and sectors like MSME and unsecured loans, among others will likely to see significant impact in the medium term.
HDFC	• HDFC Limited is among the top-performing housing finance companies in the country having deep roots in the retail segment. Despite the general slowdown in credit growth, HDFC continues to report strong growth in advances with stable margins. Aided by a strong business franchise, best-in-class credit ratings and impeccable asset quality, HDFC is a safe long term bet with a scope for steady business growth-led value creation. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the financial sector, including HDFC. We expect NBFCs with strong balance sheet and capital position likely to recover faster, once business environment normalises.
HDFC Bank	• HDFC Bank is among the top performing banks with deep roots in the retail segment. Despite the general slowdown in credit growth, the bank continues to report strong growth in advances from retail products. Relatively high margins (as compared to peers), a strong branch network and better asset quality make HDFC Bank a safe bet with a scope for expansion in its valuations. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including the Bank. We expect banks with strong balance sheets and a strong capital position to recover faster once business environment normalizes.
ICICI Bank	• ICICI Bank is India's largest private sector bank with over 5,200 branches. The bank has made inroads in to the retail loan segment and has significantly improved its liability franchise. We believe that its NPA cycle is peaking and uncertainty regarding top leadership behind, along with strong capital adequacy and a wide branch network and business will gather pace in the long run. The bank has shown improvement in key operating parameters and has a better asset-quality outlook. The bank appears to be well- positioned to benefit from a reduction in competitive intensity from NBFCs, and political stability is expected to gather pace in reforms such as the Insolvency & Bankruptcy Code (IBC), which will be positive for recoveries/resolutions and credit demand revival. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including the Bank. We expect banks with strong balance sheet and capital position better placed to recover once business environment normalizes.

LIC Housing	• LIC Housing Finance is one of the largest mortgage financiers in India and is promoted by Life Insurance Corporation of India. With over 282 marketing offices, the company has one of the strongest distribution networks to support business expansion. Though factors such as rising interest rates and a strong parent bode well for the NBFC, we believe increasing competitive pressures may keep NIM range bound in the near to medium term. A soft scenario in the builder loan segment and deterioration in the asset quality warrants caution. Recoveries in retail and developer book and loan growth momentum in the next few quarters would be key monitorables. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the Financial sector, including LIC Housing. We expect NBFCs with strong balance sheet and capital position likely to recover faster, once business environment normalises.
Max Financial Services	• Max Life Insurance is owned by Max Financial Services (MFS) and is among the leading private sector insurers that has gained critical mass and enjoys the best operating parameters in the industry. MFS is effectively building an attractive insurance franchise characterised by a multi-channel distribution network built upon a conservatively underwritten insurance business. Management has reiterated its strategic guidance of more than a 25% growth in VNB, ~25% VNB margin and ~25% ROEVs by FY2022. The strategy to achieve a balanced product mix and focus on non-par savings with the protection segment will be margin-accretive. The Covid-19 induced lockdown is expected to put economy under severe financial strain, and the resultant rating downgrades are likely to put pressure on corporate bond valuations as well. Insurance companies would be sensitive to bond downgrades, and if market volatility persists, the investment portfolios and investment earnings too may be impacted as well.
PNB	• Punjab National Bank (PNB) has strong liability mixes in the banking space, with low-cost deposits constituting over 40% of its total deposits. PNB has done a significant amount of business and process enhancement/upgradation to mitigate operational and credit risks after the fraud, yet asset-quality performance has been subdued. Further development in resolution/recovery of NCLT exposures as well stress in the SME segment warrant a cautious approach. Risks of chunky slippages/haircuts are present in the near term. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including the Bank.
SBI	• State Bank of India (SBI) is India's largest bank. The successful merger of its associate banks and value unlocking from the insurance business could provide further upside for the bank. While the bank is favourably placed in terms of liability base and the operating profit is better than peers, asset quality is also improving aided by strong resolution/recoveries. SBI is well capitalised (Tier-1 at 11.6% and CET-1 at 10.18%) and, coupled with an enviable reach and business strength, we believe SBI is a strong business franchise, which is well placed to gain market share as well as quality clients in the medium to long term. However, in the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including the Bank. SBI's status as the market maker in terms of domestic interest rates places it at an advantage to other PSU bank peers, providing a cushion to margins.

Union Bank of India	• Union Bank of India has a strong branch network and an all-India presence. The bank's asset-quality challenges have come to the fore (mainly from the corporate portfolio), whereas weak capital position remains an area of concern. An increase in credit cost guidance indicates a wobbly asset-quality outlook for Union Bank of India largely as stressed exposures of the bank continue to be a dampener. In the medium term, the Covid-19 impact poses challenges for the credit growth and asset quality of the banking sector, including the Bank. Other concerns pertaining to growth, provisions, impact of taxation going ahead, etc. also add up to dim the overall outlook.
Consumer Goods	
Britannia	• Britannia is one of the largest domestic biscuit and snacking companies (it gained top position in domestic biscuit market, beating Parle) with a turnover of over Rs. 10,000 crore. Under a new leadership, the company has been able to leverage and monetise its strong brand and premium positioning in the biscuits and snacks segments (achieved volume growth of 2% in Q3FY2020). A recovery in the volume growth to 4-5% is expected in H2FY2021 as biscuit category is one of the essential categories would see stable demand in the near to medium term. Sustained innovation in the product portfolio, expanding distribution reach, entry into newer categories and focus on cost efficiency will help the company maintain steady earnings growth in the medium term.
Emami	• Emami is one of the largest players in the domestic FMCG market with a strong presence in underpenetrated categories such as cooling oil, antiseptic creams, balm and men's fairness creams. The initiatives behind key brands (such as Kesh King and Boroplus) have started giving positive results for the company with brands such as Kesh King hair oil, Navratna and 7-oils-in-1 delivering double-digit revenue growth in Q3FY2020. Q1FY2021 (key season for summer products) will be affected by supply disruption caused by lockdown due to outbreak of Corona Virus. As most of the categories are in non-essential space, FY2021 will be dismal for Emami and expect some recovery in FY2022.
GSK Consumer	• GSK Consumer Healthcare is a leading player in the malt food drinks (MFD) segment with a ~70% share in the domestic market. We expect volume growth to sustain at 3-5% in the coming quarters as allied products and new launches are gaining good traction in the domestic market. In December, 2018, GSK Plc exited the Indian nutrition business and sold 100% stake in GSK Consumer to HUL in an all-equity deal valued at Rs. 31,700 crore (share exchange ratio is 4.39 shares of HUL for every share of GSK Consumer). The merger has become effective as on April 01, 2020 with the Board's approval. The record date for allotment of shares by HUL is on April 17, 2020. The company's business fundamentals have improved, which will result in better performance in the coming quarters. We maintain our Hold recommendation on the stock.
GCPL	• Godrej Consumer Products Limited (GCPL) is a major player in the personal wash, hair colour and household insecticide market segments in India. GCPL registered soft operating performance in Q3FY2020 affected by price-offs in the domestic market and volatile currency in the international markets. Covid-19 will have significant impact on the revenues and PAT of GCPL in FY2021 as due to supply disruption in the domestic and international markets (including Indonesia). GCPL's stock price has seen significant correction in the recent past which factors in near term headwinds.

HUL	• Hindustan Unilever Limited (HUL) is India's largest fast-moving consumer goods (FMCG) company. With of the most categories catering to essential segments, the impact of Covid-19 will be limited in comparison to some of the consumer goods companies. The lower input prices and judicious ad-spends would support the profitability in the near to medium term. Further, the recent acquisition of GSK Consumers' domestic health food business will scale up HUL's food business and will help it grow in double digits in the near to medium term. HUL remains one of our top picks in the FMCG space
ITC	• ITC's core cigarette business, hotel business and agri business would be significantly affected by lockdown in India due to outbreak of Covid-19. Though the company is trying to supply the essential consumer goods products, we expect revenues to be lower in the near term and will gradually improve post the normalization of pandemic situation. ITC has significantly decline in last one year and is trading at stark discount to some of the large consumer goods stock. With risk-reward ratio remaining favorable, we maintain our Buy recommendation on the stock.
Jyothy Labs	• Jyothy Laboratories Limited (JLL) is the market leader in the fabric whitener segment in India. JLL is largely a consumer staples company with 45-50% of its revenue coming from essential products such as detergents, dishwashing and personal wash items. Further, Q1 is seasonally a strong quarter for the household insecticides (HI) category. However supply disruption will impact Q4FY2020 and Q1FY2021 revenues and would gradually improve post normalization of pandemic situation. Falling crude prices and consequential fall in the crude derivative prices would support the margins in the coming quarters. In view of long-term growth prospects and discounted valuations, we upgrade our rating on the stock from Hold to Buy.
Marico	• Marico is among India's leading FMCG companies. Core brands such as Parachute and Saffola have a strong foothold in the market. With most of Marico's products lies in non-essential categories (except for edible oil), we expect the recovery in the performance will take some time. However, with strong footings in the value-added hair oil and enhancing presence in low penetrated categories such as premium hair care and mail grooming space would help the company to achieve good growth in the long run.
Zydus Wellness	• Zydus Wellness now has a product portfolio of brands such as EverYuth, Nutralite and Sugar Free along with Glucon D and Complan post the acquisition of Heinz India. Zydus Wellness has a strong portfolio of leading brands, which are largely placed in low-penetrated categories. The company is working on cost synergies through the merger and expects a saving of Rs. 40 crore in 2-3 years. However, due to lack of clarity on the seasonality of the Heinz portfolio over the next two quarters, we would not like to change our stance on the stock. We have a Hold rating on the stock.

IT/IT services	
HCL Tech	• HCL Technologies has a leadership position in infrastructure management services (IMS) and engineering and research & development (ERD) space. HCL Tech's recent update on the impact from COVID-19 outbreak highlighted that there will be less impact on its business during Q4FY2020 owing to lower exposure to the troubled verticals. Management had tightened its revenue growth guidance to 16.5-17% for FY2020E during Q3FY2020 earnings con-call, implying 0.3-2% q-o-q revenue growth in Q4FY2020. We believe the company may report the report revenue growth at the lower end of the implied band given the supply disruption and material deterioration in the demand environment owing to global spread of Covid-19. However, qualified deal pipeline is at an all-time high for HCL Tech, which provides hope of higher conversion into deals in Q4FY2020. Strong performance during the first nine months of FY2020 provides visibility of industry-leading organic revenue growth among large peers in FY2020.
Infosys	• Infosys is India's premier IT and ITeS company that provides business consulting, technology, engineering and outsourcing services. The company expects its Pentagon agile digital service architecture to help to address the client's digital requirements. The rapid spread of Covid-19 across the globe would impact the earnings of IT companies given the reduction in discretionary spending by clients, loss of billing due to lockdown in India and other countries globally and pricing pressure. Though the management had raised revenue growth guidance to10-10.5% in CC from 9-10% earlier, we think that the guidance issued by Infosys would not have adequately baked in the Covid-19 impact. Infosys had retained EBIT margin guidance band to 21-23% for FY2020 and we expect a stable margin during Q4FY2020 despite lower billing and utilisation, as the headwinds will be offset by rupee depreciation.
Persistent	• Persistent Systems has proven expertise and a strong presence in newer technologies, strength to improve its IP base and a decent margin profile, all of which set it apart from other mid-cap IT companies. PSL is focusing on the development of Internet of Things (IoT) products and platforms, as it sees a significant traction from industrial machinery, SmartCity, healthcare and smart agriculture verticals. With the rapid spread of Covid-19 in the US (contributes 80% of its revenue), travel restrictions and exposure to troubled verticals, the company could face challenges in terms of revenue growth in Q4FY2020 and FY2021E.Reasonable valuation and high cash &cash equivalents (30% of market capitalisation) offer us comfort on the stock.
TCS	• Tata Consultancy Services (TCS) is among the pioneers in the IT services outsourcing businesses in India and is the largest IT services firm in the country. TCS has managed the cost structure well during Q3FY2020, resulting in 100 bps q-o-q increase in EBIT margins. The rapid spread of Covid-19 in India and other developed markets has caused supply disruption and is expected to result in material deterioration in demand environment in coming quarters. Though TCS has lower exposure to the troubled verticals in the wake of COVID-19, we believe the company's revenue would be impacted owing to cut in discretionary spends by clients, lower billing, pricing pressure and continued weakness in BFSI vertical. However, TCS is expected to continue to gain market share given relatively weaker balance sheet of smaller players, integrated offering, leadership position across markets, digital competencies and new market expansion opportunities.

Wipro	• Wipro is among the top five IT companies in India. The management has guided revenue growth guidance of 0-2% for Q4FY2020E, in line with our expectation. We expect revenue growth in FY2020E could be lower than under lying revenue growth of FY2019 owing to its high exposure to the impacted segments of financial services, viz. capital markets and European banks and deterioration of global enterprises health owing to Covid-19 outbreak. Further, the company has higher exposure to energy vertical which could see moderation of IT spending by clients owing to lower crude prices. With inconsistent execution along with macro uncertainties, underperformance on revenue growth among large peers will likely continue.
Capital Goods/Power	
CESC	• CESC, an RP-Sanjiv Goenka Group company, is a fully integrated power utility company. The company has stable earnings contribution from standalone operations with regulated power generation and distribution businesses getting assured RoE of 15.5% on generation assets and 16.5% for distribution assets. Reducing loss at Dhariwal Infrastructure and Rajasthan distribution franchisee makes CESC an attractive investment proposition. Although electricity demand is expected to get impacted due to Covid-19 led lockdown but regulated tariff model assures fixed RoE and thus provides earnings visibility in uncertain times.
Finolex Cables	• Finolex Cables, a leading manufacturer of power and communications cables, is set to benefit from improving demand for cables, its core business. The company is leveraging its brand strength to build a high-margin consumer product business, although scaling up the business would be gradual. The company was already facing near-term headwinds due to slowdown in construction activity affecting its electrical division which will further aggravate due to the outbreak of covid-19 leading to postponement of deferment of projects by the government. Consumer sentiment is also expected to be lower impacting its consumer durable business, while funding crunch in the telecom industry is expected to affect optical fibre cable revenue, affecting its communication cable segment. Further, increased advertising spends in consumer durables are expected to limit its profitability in the FMEG space. Hence, we maintain Hold rating on the stock due to near-term challenges in its key business verticals.
Greaves Cotton	• Greaves Cotton Limited (GCL) is a mid-sized and well-diversified engineering company. Core competencies of the company are in diesel/petrol engines, power gensets, agro engines and pump sets (engine segment). Going ahead, we expect volume pressure to sustain due to slowing economic growth due to Covid-19and fall in diesel three-wheelers engines due to steep cost increases (about 40-45% cost increase expected) on account of implementation of BS-VI emission norms. We expect share of diesel three-wheelers to fall further in post BS-VI era. We expect recovery in FY2022 driven by pick-up in economic growth (post control of Covid-19).We retain our Hold rating on the stock.

Kalpataru Power	• Kalpataru Power Transmission (KPTL) is a leading EPC player in the power transmission and distribution space in India. Opportunities in this space are likely to grow significantly, thereby providing healthy growth visibility which remains the key monitorable in the wake of recent pandemic. Due to the recent COVID-19 outbreak and subsequent lockdown is expected to impact execution impacting revenues. Further, post the lockdown, there might be some more delays in resuming construction activities in full swing as labour, machinery and materials would be re-mobilised affecting FY2021E estimates. Weakness in domestic tendering along with COVID-19 related uncertainties is expected to impact future order inflow. On the positive side, order book remains strong, providing healthy revenue visibility along with stringent working capital and balance sheet. Management trimmed its revenue growth guidance to 18-20% for FY2020 versus a guidance of more than 20% y-o-y earlier along with stable OPM of 10.5-11% for FY2020 which remains the key monitorable in the wake of recent pandemic. Currently the valuation is attractive which we believe provides an attractive investment proposition considering its execution capabilities and its capability to bag orders in tough scenarios too. We maintain our Buy rating on the stock and hence we maintain our Buy rating on KPTL.
KEC	• KEC International is a Global Power Transmission Infrastructure EPC major. The company is present in the T&D, cables, railways, water, renewable (solar energy) and civil works verticals. Globally, the company has powered infrastructure development in more than 61 countries.KEC is a leader in power transmission EPC projects and has more than seven decades of experience. Over the years, it has grown through the organic as well as inorganic route. Due to the outbreak of COVID-19 and lockdown to impact execution and likely impact of workforce availability affecting FY2021 estimates. Weakness in domestic tendering along with COVID-19 related uncertainties can impact future order. On the positive side, order book remains strong, providing healthy revenue visibility along with stringent working capital and balance sheet control. At the CMP, the valuation is attractive which we believe provides an attractive investment proposition, considering its execution capabilities, diverse businesses and its capabilities to bag orders in an adverse situation. Hence, we retain our Positive outlook on the stock.
Thermax	• The energy and environment businesses of Thermax are direct beneficiaries of the continuous rise in India Inc's capex. The company's declining order book remains a concern, which is currently at Rs. 5,439 crore order backlog (0.8x TTM revenue; down 17% y-o-y). Weak international order inflows and limited visibility for big ticket- size domestic orders led to management's reiteration for similar order inflows in FY2020 as seen in FY2019. Lower carry-forward order book along with lower capacity utilisation in most core user industries is likely to impact order inflows at least for FY2020.Further, deferment of project execution and production owing to the recent COVID-19 outbreak and subsequent lockdown, likely impact of workforce availability along with delayed payment from government agencies will impact FY2021 revenue. Factoring lower execution and lower carry-forward order book along with reduced capacity utilisation in most core user industries, which is likely to impact order inflows at least for FY2021, hence we maintain our Hold rating on the stock.

Triveni Turbines	• Triveni Turbines Limited (TTL) is a market leader in 0-30 MW steam turbine segment. TTL order book came lower at Rs. 694 crore amounting to ~0.8x of its TTM consolidated revenue. Exports order booking declined in 9MFY2020; although domestically, the company was able to book higher orders. Enquiry pipeline remained healthy, although fructifying of the same remains to be seen in a weak macro environment. Conversion of exports opportunity remains a key monitorable going ahead. Further, owing to the recent Covid-19 outbreak and subsequent lockdown announced by the government, the company is expected to get impacted by (1) a pause in execution of projects; (2) Temporary closure of manufacturing plants; (3) Likely delays in new order inflows both domestic and international; and 4) Longer working capital cycles and stress on cash flow generation owing to liquidity issues. Factoring near-term uncertainties in terms of execution and order inflows, we have lowered our valuation multiple and maintain our Hold rating on the stock.
V-Guard	• V-Guard Industries is an established brand in the electrical and household goods space, particularly in South India. Over the years, the company has successfully ramped up its operations and network to become a multi-product company. Due to Covid-19-led restricted mobility with factory lockdown is expected to impact sales, supply chain working capital and higher fixed costs until normalcy returns. The company remains better equipped during the current environment owing to its strong cash position and unutilised working capital limits. We factor in the near-term weak demand environment and the ongoing Covid-19 pandemic that has led to uncertainty on the extent and timing of recovery. Global and domestic uncertainties have led to a steep decline in V-Guard's stock price, yielding a favourable risk reward ratio to investors. Hence, we maintain Buy rating on the stock.
	Infrastructure/Real Estate
L&T	• Larsen &Toubro (L&T), being the largest engineering and construction company in India, is a direct beneficiary of the domestic infrastructure capex cycle. The government's thrust on infrastructure investment to remain and expect revival in project tendering. Due to weakness in domestic tendering along with Covid-19 related uncertainties cast shadow on L&T's future order inflow and execution guidance. Further, L&T's exposure to the Middle East may hamper its order inflow, execution and working capital cycle in its hydrocarbon segment led by sustained lower oil prices. The global and domestic uncertainties have led to steep decline in L&T's stock price and valuation seems attractive. Hence, we have maintained a Buy rating on the stock.
Sadbhav Engineering (SEL)	• SEL is engaged in 1) EPC business for transport, mining and irrigation sectors and 2) development of roads and highways on BOT basis through SIPL. SEL has a healthy order book of Rs. 8,726 crore (3x its TTM standalone revenue). The company has robust in-house integrated execution capabilities with qualified human resource and owned equipment. The covid-19 led stoppage of work is expected to affect execution of projects and new project awards during Q4FY2020 and Q1FY2021. However, we expect once project sites reopens, SEL to gather pace in execution while on the other hand receipt of funds pertaining to asset divestment before Covid-19 should aid in improving liquidity position of the company. Hence, we have maintained Buy rating on the stock.

Oil & Gas	
Oil India	• Oil India has several hydrocarbon discoveries across reserves in Rajasthan and the northeastern regions of India. The company holds domestic 2P (proved and probable) reserves of 76 mmt for oil and 130 bcm for gas. Reserve-replacement ratio of the company is also healthy. The stock offers a high dividend yield. However, recent sharp decline in oil prices given weak demand due to Covid-19 and oil price war by Saudi Arabia is a cause of concern for upstream PSUs.
Petronet LNG	• Petronet LNG is the largest LNG re-gasifier in India with 17.5 mmt LNG terminal at Dahej and 5 mmt LNG terminal at Kochi. The company's Dahej terminal enjoys a competitive edge compared to other LNG import terminals given its low tariff and long-term contracted volume with use or pay clause. Covid-19 led lockdown to impact volume temporarily and we expect the Dahej terminal's utilization to revert back to 100% in H2FY2021 as gas demand recovers supported by low LNG prices. Kochi terminal utilisation is also expected to improve with resolution of pipeline connectivity issues in southern India. Petronet LNG would be the key beneficiary of rising share of LNG in India's overall gas consumption.
Reliance Industries	• Reliance Industries has one of the largest and complex refining businesses in India and enjoys a substantially higher refining margin over the benchmark Singapore Complex gross refining margins (GRM). Likely APRU hike in telecom business and rupee depreciation could mitigate earnings volatility from decline in refining and petrochemical margins amid weak demand given concern of Covid-19. Large investment in Reliance Jio could add value in the long term. Potential induction of strategic partner for telecom and retail business could act as key catalyst for value unlocking from consumer business.
Pharmaceuticals	
Aurobindo Pharma	• Aurobindo is witnessing higher USFDA scrutiny over the past six to nine months, pointing at elevated regulatory risks. More than 50% of the company's fillings are from impacted plants; hence, resolution of USFDA issues is a key parameter to watch for, as revenue from the US hold a 50% share in the total pie. The management is confident of submitting the responses in a timely manner and re-inspection of the plants is likely to happen in the near term. We believe the uncertainty related to regulatory hurdles at various units will weigh on the stock performance (until they are resolved successfully). Also recent announcement of termination of Sandoz deal too is likely to impact earnings adversely. Further with the widespread Covid-19, the USFDA has withheld all its inspections. With most of the key plants of Aurobindo under the USFDA scanner, the approvals are likely to get delayed. We maintain our Hold rating on the stock.
Cadila	• Cadila's India and US businesses are well placed to capitalise on growth opportunities. Management has guided for healthy growth in the both the Indian as well as US business. Further, following a warning letter to Moraiya plant, the company has stopped production and has initiated a site transfer, which is expected to be completed by FY2020.The widespread of Covid-19 has resulted in delay of new patient diagnostics and elective surgeries, leading to lesser growth in new prescriptions. The Acute portfolio accounts for ~65% of the company's sales and with a lockdown in India and a pre buying in March 2020 the secondary sales could be adversely impacted. Logistics issues could also lead to low revenues due to deferred sales. The management has mentioned that it is doing trials for Covid-19 vaccine and if approved could lead to new order inflows, though it is a parameter to watch out for. We expect the regulatory issues at Moraiya plant to overweigh on the stock until completely resolved. We retain our Hold recommendation on the stock.

Cipla	• Cipla has completed Stage-III of the clinical trials for Fluticasone Propionate and Salmeterol inhalation powder, which are generic versions of Advair Duskus. The company plans to file for the new drugs with the USFDA in the near term. As per IQVIA, Advair Duskus along with its generic equivalents has generated USD 2.9 billion sales over 12 month ending February 2020, thus pointing at substantially big opportunity. Also the company has received USFDA approval for Albuterol Sulphate inhalation aerosol, well ahead of the expected timeline of H2FY2021. The Albuterol inhalation market in US is huge $2.8bn in size, and could significantly add to the earnings. Cipla's domestic business is on a strong footing and is a key growth driver. The management's effort to merge the three businesses (prescription, trade generics and consumer health) is expected to yield synergies, which augur well for the company. Cipla derived around 55% of its sales from the chronic drugs segment, demand for which is sticky. Though in the immediate near term logistics issues could have an impact on the supplies to end markets. New launches lined up by the company in the US in the near to medium term would boost revenues. Also, the management is working closely with the USFDA to resolve issues at its Goa plant (OAI indicated by the USFDA) and seems confident of are solution. We retain our Buy recommendation on the stock.
Divis Labs	• Divis Laboratories management has maintained its revenue growth guidance of 10% for FY2020, despite a slow topline growth in the previous two quarters. This points to likely sturdy revenue growth for Q4FY2020. Further, the recent outbreak of Corona virus in China has resulted in a hunt for an alternative sourcing base and global players are looking at India for the same. This augurs well for API focused companies like Divis. Further the company has very less dependence on external raw material as it manufactures most of them in house, consequently, is less exposed to lockdown issues in India. This is a key advantage. With partial commencement of the backward integration project, gross margins have improved sequentially and are expected to rise further. We believe Divis could benefit from its focus on completing backward integration and a large capex project, as well as from a supply disruption in China. We retain our Buy recommendation on the stock.
IPCA Lab	• USFDA's exception to IPCA on the export ban for the APIs - Hydroxychloroquine Sulphate (HCQS) and Chloroquine Phosphate (CP) augurs well as both these drugs have shown efficacy for treatment of Covid-19, which is spread across the globe. IPCA is amongst the largest manufacturers of these drugs. Elevated enquiries point at probable high order inflow. The nationwide lockdown though could have a short lived impacts logistics, packaging material availability could be low. Traction across the formulation and API business, improved product mix and a substantial drop in there medial cost are expected to be the key earnings drivers. We expect IPCA's sales and profit to report CAGR of 16% and 20%, respectively, over FY2020-FY2022. Further, a successful inspection outcome from the USFDA would be a key trigger for earnings upgrades. We retain our Buy recommendation on the stock.

Lupin	• Lupin is working towards resolution of regulatory issues. Going ahead, regulatory hurdles – observations, Warning letters, OAI status are likely to be the key dampeners. This would lead to delay in new approvals and further intensify pressure on the US business, which is already facing tough competition in Metformin and base business. Uncertainty on the timeline on the USFDA resolution would be a key to watch for. Lupin has also filed for Albuterol with the USFDA, from a plant not under regulatory scanner. Given the fact that Cipla has got an approval, the probability of Lupin getting an approval is also quiet high as there is a shortage of the medicine in the US. Levothyroxin ramp up and healthy growth in the domestic formulations business would be the key driver for earnings. We upgrade our recommendation on the stock to Hold.
Sun Pharma	• Sun Pharma is confronting issues in the US pertaining to price erosion. This coupled with higher specialty promotional spends and increased R&D spends, are likely to moderate the earnings growth and we expect FY2020 to reflect full impact of increased costs (on account of specialty pipeline build-up). Further the US business is languishing due to the lack of new product launches. Going ahead we expect the headwinds and overhang to stay and hence despite reasonable valuations we don't have a constructive view on Sun Pharma. Also the recent widespread of the Covid-19 leading to a lockdown across country, could have an impact on the company, though short-lived. Further Sun Pharma derives around 52% of its sales from Chronics while the balance is from Acute, which could see come slow growth. The Chronics on the other hand have a sticky demand and would not be materially impacted. We maintain our Hold recommendation on the stock.
Torrent Pharma	• Torrent's three plants – Indrad, Dahej and US (Levittown - Pennsylvania) have been under USFDA regulatory issues with a warning letter issued to all the three plants. As a result of this, new product approvals from all the three plants have been with held. Off the three plants, the Dahej plant is a critical one for Torrent as it has several new product fillings coming from this unit. The management expects the re-inspection at Dahej plant to happen in mid of CY2020, while the other two plants would have a re-inspection by end of CY2020. We feel this event is likely to remain as an overhang until successfully closed/resolved. In wake of the Covid-19 outbreak, the USFDA has held back its inspections of plants. With Torrent's three plants under the scanner, the approval could be delayed, especially for Dahej, for which the inspection was likely to happen in mid CY2020.We maintain our Hold recommendation on the stock.
Building Materials	
Grasim	• Grasim's standalone operations have been halted with few plants running at low utilization since Mid-March 2020 led by Covid-19 pandemic. It expects to resume plant operations by April 2020 end as permission for the same has been obtained. However, uncertainty over demand and supply chain disruption is expected to normalize gradually due to which it has put its major capex plans on hold as of now. The company has not received any funding call from ABCL or Vodafone Idea. We believe Ultratech remains a safe bet, which comprises major value of Grasim's sum-of-the-parts (SOTP) valuation. We believe investors can directly have exposure in UltraTech, which has no overhangs and a better earnings growth outlook over the next two years. Hence, we have a Hold rating on Grasim.

Shree Cement	• Shree Cement is expected to be affected by lower demand on account of covid-19 led disruption since mid-March 2020. The company may have to delay its expansion plan to reach 60 mtpa from 40 mtpa currently due to stoppage of work led by Covid-19 pandemic. The funds raised through QIP prior to Covid-19 pandemic should aid in better liquidity position and help in maintaining its long term expansion strategy. The company provides attractive investment proposition considering its continuous expansion strategy. Hence, we have a Buy rating on the stock.
The Ramco Cements	• The Ramco Cements, one of India's most cost-efficient cement producers, will benefit from capacity additions carried out ahead of its peers in the southern region. Ramco has embarked upon capital expenditure plan of Rs. 3,430 crore to reach cement capacity of 20 million tonnes per annum (MTPA) by 2020-end. The expansion aims to strengthen reach in Andhra Pradesh, West Bengal and North Eastern states. However, the company may have to delay its expansion plan due to covid-19 led disruption in the industry which is expected to lead to low demand during FY2021. The company's healthy balance sheet and its efficiency should aid in faster recovery in growth path as normalcy returns. Hence, we have a Buy rating on the stock.
UltraTech Cement	• UltraTech Cement is India's largest cement company. The Covid-19 led pandemic is expected to affect cement demand in the near term due to stoppage of work at government infrastructure projects and housing projects. However, as normalcy returns, we expect gradual pick up of government spending while healthy pricing discipline in the industry along with lower key input costs should aid in maintaining profitability going ahead. The company is better placed in reviving its growth trajectory considering its leadership position and timely capacity expansion.
Discretionary Consumption	
Arvind	• Arvind demerged into three separate entities of Arvind (textile business), Arvind Fashion (branded and retail business) and Anup Engineering (engineering business) with an aim to unlock value for shareholders. Post the demerger, Arvind becomes a textile hub present in segments such as denim, fabric, garments and advanced material (AMD). Arvind posted good operating performance in Q3FY2020 clocking a healthy growth in the textiles and advanced materials business (AMD) and strong growth of 40% in garment volumes. Arvind's exports will be severely impacted in FY2021 as a result of the complete lockdown in India as well as other key countries amid the Covid-19 outbreak. The performance of FY2022 will depend on the recovery of the export market. However, the recent correction in the stock has factored in the near-term headwinds. We maintain our Buy rating on the stock.
Century Plyboards	• Century Plyboards is a leading player in the organised plywood industry with a market share of 25%. The company also has laminate, particle board and medium-density fibreboard (MDF) division having a capacity of 600 cubic metres per day. The company like other building material players is likely to be affected by weak demand on account of country wide lockdown led by Covid-19 pandemic. We believe the company is among the few organized players to benefit from lower input costs and is expected to recover at a faster pace once normalcy returns in the industry. Hence, we have a Buy rating on the stock.

Info Edge (India)	• Info Edge is India's premier online classified company in the recruitment, matrimony, real estate, education and related service sectors. Naukri.com is a quality play and is directly related to GDP growth and internet/mobile penetration. Management highlighted that accelerated investments in its core businesses will continue to gain market share along with acquiring more customers. Further, its investee companies, particularly Zomato and PolicyBazaar, have been progressing well in their respective businesses. As lockdowns increase, businesses shut down and economic slowdown concerns grow owing to the Coronavirus pandemic, there has definitely been a drop in hiring across sectors and a lower billing rate in 99acres owing to lower property sales. However, we continue to derive comfort on Info Edge's business strength, with leading market share in key businesses.
Inox Leisure	• Inox Leisure Limited (ILL), incorporated in 1999, is one of the largest multiplex operators in India. ILL currently operates 146 properties (614 screens and over 1.42 lakh seats) located in 68 cities across the country. ILL is the only multiplex operator having such a diverse presence across India. The company accounts for 20% share of multiplex screens in India and ~11% share of domestic box office collections. The ILL mega show is supported by improving content quality in the Indian mainstream and regional cinema, with its movies regularly hitting the Rs. 100 crore or Rs. 200 crore box-office collection mark. The recent shutdown of movie theatres owing to nationwide lockdown due to COVID-19 is likely to impacts ILL's performance in Q4FY2020 and Q1FY2021E. We have cut our earnings estimates by 5-10% for FY2020E/FY2021E/FY2022E and have also lowered our target multiple considering the uncertain times ahead. We maintain our Buy rating on INOX Leisure Limited (ILL) as the structural growth story remains intact.
Relaxo Footwear	• Relaxo Footwear (Relaxo) is present in the fast-growing footwear category, where it caters to customers with its four top-of-the-mind recall brands, such as Hawaii, Sparx, Flite and Schoolmate. Relaxo's focus is on driving sales through distribution expansion (COCO and franchisee stores) and improving the brand presence. GST implementation has been a silver lining for the company, as it is witnessing a gradual shift of demand from the unorganised to organised market. The company is expected to enhance its current capacity, which will add to revenue growth. Relaxo's FY2021 performance will be severely impacted by store closures due to spread of Coronavirus. However, sustained operating performance backed by steady volume growth, premiumisation and expansion of distribution reach will be key growth drivers in the medium term. Further, focus on strong distribution enhancement (especially in South India) and expected high growth in premium categories (due to reduction in GST rate) make Relaxo one of our preferred picks in the discretionary consumption space.

Titan Company	• Titan is India's largest specialty retail player, operating more than 1,600 stores spread across over 2 million sq. ft. in 279 towns having businesses in jewellery, watches and eyewear. Revenue of Titan's jewellery business reported a CAGR of 23% over FY2016-FY2019. Sustained launch of new collection, expansion in domestic footprint, shift of consumers to trusted brands and strong growth in diamond jewellery remain the key pillars of growth. The target is to achieve 2.5x sales and grab market share of 10% by FY2023. In the eyewear business, Titan's focus is to build a strong customer base through a calibrated expansion plan and offer products at affordable prices. H1FY2021 will be affected by the closure of retail stores and postponement of weddings. However, an increase in scale of the watches and eyewear businesses along with expansion into tier-II and tier-III markets and continuous shift from non-branded to branded jewellery players would help Titan achieve consistent double-digit revenue growth and gradual improvement in margins in the long run. With a lean balance sheet and strong financial background, Titan is one of the best retail plays among peers.
Wonderla Holidays	• Wonderla Holidays Limited (WHL) is the largest amusement park company in India with over a decade of successful and profitable operations. Q3FY2020 performance was affected by a slowdown in the discretionary environment, which dragged down footfalls by ~5%. The spread of Covid-19 is expected to severely impact the footfalls of all the parks in the last 15-20 days of Q4F2020 and Q1FY2021. However, the management is confident of domestic tourism recovering post the normalisation of situation and achieving higher footfalls in a stable economic environment (expects Bengaluru park footfalls to reach 1.25 million p.a. in the next 2-3 years). The company has acquired 61.87 acres of land for the new amusement park project in Kelambakkam in Chennai. The project will commence soon. The company has approved the proposal of the Odisha government to set up a park. The sustenance of growth in footfalls has to be keenly monitored in the coming quarters. Hence, we maintain our Hold recommendation on the stock.
Diversified/Miscellaneous	
Bajaj Holdings	• Bajaj Holdings & Investment Limited (BHIL, erstwhile Bajaj Auto) was demerged in December 2007, whereby its manufacturing business was transferred to the new Bajaj Auto Limited (BAL) and its strategic business consisting of the wind farm and financial services businesses was vested with Bajaj FinServ (BFS). All the businesses and properties, assets, investments and liabilities of erstwhile Bajaj Auto, other than the manufacturing and strategic ones, now remain with BHIL. BHIL is a primary investment company focusing on new business opportunities. Given the strategic nature of its investments [namely BAL (Bajaj Auto Limited) and BFL (Bajaj Finserv Limited)], we have given a holding company discount to its equity investments. Liquid investments have been valued at cost. We retain our Buy recommendation on BHIL.
Bharat Electronics	• Bharat Electronics Limited (BEL) is a defence PSU, with strong manufacturing and R&D capabilities, along with good cost-control measures, growing indigenisation and a strong balance sheet with improving return ratios. Further, the company is well positioned to capture incremental spends by the government on defence through the Make- in-India initiative. The company has posted a turnover in excess of Rs. 12,500 crore (provisional & unaudited) during FY2020 registering a growth of 6%. Order intake during the year was Rs 13,000 crore resulting in cumulative order book of Rs. 51,800 crore as of April 1, 2020. We believe that the award of some key order has been postponed owing to the lockdown due COVID-19. Though order intake remained low during FY2020, order book remains healthy at Rs 51,800 crore (4x FY2020 revenues) which provides revenue visibility; hence maintain our Buy rating on the stock.

Bharti Airtel	• Bharti Airtel (Bharti) is one of the leaders in the Indian mobile telephony space. The management continues to focus sharply on increasing retail ARPUs, non-mobile services (enterprise services) and value-added services (Airtel TV and music) to boost revenue and reduce the churn rate. ARPU in Q4FY2020E would be better compared to Q3FY2020 as the exit ARPU was at Rs. 140. With the complete lockdown mandates across the country, the impact would be felt during Q4FY2020 in net subscriber additions and lower revenue owing to extension of validity for low income subscribers (8 crore) with additional Rs. 10 talk-time. From a long-term perspective, explosive growth in the data segment, rapid network expansion and reach will help Bharti emerge stronger. We have a Buy rating on the stock
GDL	• With its dominant presence in container freight station (CFS) and rail freight businesses, Gateway Distriparks Limited (GDL) has evolved as an integrated logistics player. The company's CFS and rail verticals are expected to face a tough business environment on account of both global and domestic trade disruption caused by Covid-19 led pandemic. However, once normalcy returns along with commencement of dedicated freight corridor (DFC), the demand environment is expected to improve. Additionally due to comfort on valuation, we have a Buy rating on the stock.
PI Industries	• Incorporated in 1947, PI Industries focuses on developing complex chemistry solutions in the agri-science space. The company delivered in-line results during Q3FY2020 with revenue up by 20% y-o-y to Rs. 850 crore; operating margin improved by 94 BPS y-o-y to 21.9% and PAT increased by 13.0% y-o-y to Rs. 121 crore. Management had retained its FY2020E guidance of ~20% y-o-y improvement in performance, led by healthy order book, commissioning of additional capacity and contribution from newly launched brands. However the impact of Covid-19 is expected to be seen in Q4FY20 to some extent and Q1FY21 owing to nationwide lockdown, also the demand off-take is expected to take a little longer once the lockdown is lifted, However the company's product categorized as essential products the impact is expected to be lower as manufacturing facilities are allowed to operate. Also opportunities in the export market is expected to increase multifold as global MNCs and innovators would consider Indian players as their preferred partners over China. We maintain our Buy rating on PI Industries Limited owing to aggressive expansion strategy to tap the robust and encouraging demand environment.
Ratnamani Metals	• Ratnamani Metals and Tubes Limited (RMTL) is the largest stainless steel tube and pipe manufacturer in India. As RMTL's manufacturing units have been closed since March 23 owing to the countrywide lockdown; causing the company to lower revenue guidance for FY2020. EBITDA margin guidance, however, stays steady. Further, impact of Covid-19 would be felt in – (i) delay in the trial run of units by 1-2 months and (ii) a delay in order intake on government projects given the stress in government's financial position due to the Covid-19 outbreak. We remain positive on RMTL, led by its strong balance sheet, ability to generate superior return ratios and capacity expansion programmes. Hence maintain our buy rating on the stock.

Supreme Industries	• Supreme Industries Limited (SIL) is a leading manufacturer of plastic products with a significant presence across the piping, packaging, industrial and consumer segments. Management maintained FY2020E volume growth guidance at 10-12%, translates 13.8% to 20.7% y-o-y growth in Q4FY2020E; this seems challenging considering 9MFY2020 volume growth. However raised margin guidance to 14.0-14.5% for FY2020E from 13-14% earlier driven by better product mix and increased pricing power in CPVC. Demand outlooks looks promising in plastic piping system; enhanced capex commitment to Rs. 500 crore to capture the upcoming opportunities especially in plastic piping segment. However we believe that the performance is likely to be impacted in the short to medium term owing to COVID-19 led by delay in demand off-take due to i) real estate sector to be adversely impacted, ii) postponement/deferment of projects by government as the focus and funds will be deployed in tackling the COVID-19 crisis, iii) consumer sentiments to remain low for a while and fixed overhead will be under absorption during the shutdown period and thereafter until operations normalises. However we remain Positive on SIL for the long term, given recovery in the rural economy, affordable housing sector and the new scheme for piped water connection – 'Nal se Jal'. Given positive demand outlook coupled with healthy cashflow generation and a strong balance sheet, we retain our Buy rating on the stock.
UPL	• Covid-19 scare is likely to impact global economy and global agrochemicals industry as several countries have announced lockdown. Also UPL's has a presence across the globe and is also highly leveraged owing to Arysta acquisition in FY2019, hence this has prompted us to reduce our target multiple. However, we believe the company will be able to deliver revenue and earnings CAGR of 10.0% and 29.5% over FY2020-22E. Management is confident of achieving its FY2020 guidance for revenue growth of 8-10% & EBITDA growth of 16-20% for FY2020E and also lower debt by $500 million by end of Q4FY2020E. We maintain our Buy rating on the stock.

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