ZEN Money Mantra

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Diversifying Across Asset Classes

Volatility is a part and parcel of investing journey and is unavoidable. Instead of being worried, investors should be prepared to overcome the volatile market periods with a well-defined investment strategy by diversifying across asset classes and following a disciplined approach to investments, which helps to reduce risk as well as maximise returns to meet the long term financial goals. Investors should consider the risks and rewards of every investment class and choose the right mix of asset classes that suits as per their risk profile & investment goals and invest accordingly.

Equities: Equities comes under high risk - high return asset class. Though considered risky, investment in equities offers attractive returns i.e inflation beating returns compared to other asset classes in the long run. The current volatile markets provide an opportunity to purchase shares of quality / growth oriented companies at lower prices. Investors with a time frame of more than 5 years can choose to invest in a well-diversified portfolio of quality stocks that have the huge growth potential. However investors should invest only surplus funds in equities with a long term view.

Mutual Funds: By investing in Mutual Funds, investors can get instant diversification and also professional management with minimum investment. There are different categories of funds that invest across market caps, theme based, diversified, hybrid, Sector funds etc. Investors looking for a long term above 5 years can start to build a well-diversified portfolio of mutual funds based on risk taking and time frame. One should invest systematically (SIP) that will inculcate savings habit, helps to beat market volatility due to rupee cost averaging and power of compounding works better in the long run.

Diversification through Global Funds: Apart from popular asset classes available domestically, moderate risk takers looking for investment in emerging or developed economies can diversify out of Indian equities by investing into global equity and debt via RBI's Liberalized Remittance Scheme (LRS) up to $250000 per fiscal year. Global investment options offered by domestic mutual funds are categorized as global Exchange Traded Funds (ETF's) funds, International funds and global Fund of Funds (FoF's) that are available against payment in Indian rupees. These funds directly invest in overseas securities or use feeder route or Fund of Funds route. Capital gains on International funds are taxed the same way as debt mutual funds. Short term capital gains held for less than 3 years are taxed as per investor tax slab and long term capital gains if held for more than 3 years are taxed at 20% with indexation.

Real Estate: Real Estate as an investment option can be a rewarding addition to one's portfolio and can offer risk-adjusted returns if chosen wisely and carefully. Besides, residential property, there are various alternative options like Service Apartment, Co-living, Student housing spaces, Commercial spaces, Co-working, Retail etc that has high demand and offers steady income in form of monthly rentals. Few other options like Real Estate Investment Irusts (REITs) and Infrastructure Investment Trusts (InvITs) enable small retail investors to invest in high quality real estate holdings helping them to diversify their portfolio and provide them with stable investment revenues. Though Investment in Real Estate carries its own set of risks, it gives the investor unique benefits, including capital appreciation, portfolio diversification and tax advantages. Regardless of risk profile, everyone can benefit from this asset class by investing a portion of their portfolio amount into real estate investments.

Gold: Investors can diversify their portfolio by investing in Gold, if one has a long-term investment horizon. Allocating around 8-10% of the portfolio to gold can help to diversify risk, fight the impact of inflation and economic uncertainties in returns and also helps in managing the risks of investing in equities and fixed income. Apart from holding physical gold, investors can look for options like Gold ETFs, Gold FoF's and Sovereign Gold Bonds (earns 2.5% p.a. interest along with capital appreciation).

Fixed Income: Conservative investors looking for fixed income as well as risk free returns can diversify investments by allocating some portion to risk free assets like Public Provident Fund (PPF), National Savings Certificates (NSC), Kisan Vikas Patra, Post Office Monthly Income Scheme(MIS) and Senior Citizen Savings Scheme (SCSS)etc, which offers fixed rate of interest and safety. Investors should allocate the Contingency Funds that are kept aside to meet the liquidity requirements in Bank FD or Liquid Funds. Apart from risk free investments one can also consider allocating some portfolio in debt instruments through a diversified portfolio of debt mutual funds. Considering the interest rate risk and credit risk in debt instruments, investors need to diversify the fixed income portfolio depending on their investment tenure, risk appetite and investment needs.

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MARKET WATCH

Indices	28/02/2020	31/01/2020	% VAR
Nifty 50	11,202	11,962	-6.4
BSE Sensex	38,297	40,723	-6.0
BSE Mid Cap	14,600	15,462	-5.6
BSE Small Cap	13,709	14,668	-6.5
BSE-500	14,628	15,650	-6.5
NASDAQ	8,567	9,151	-6.4
DOW	25,409	28,256	-10.1
FTSE	6,581	7,286	-9.7
NIKKEI	21,143	23,205	-8.9

Other Indicators	28/02/2020	31/01/2020	% VAR
BRENT CRUDE ($/Bl)	50.5	58.8	-14.1
FOREX (Rs/$)	72.9	71.6	-1.8
GOLD (Rs/10Gms)	41397.0	40556.0	2.1

Top Gainers - BSE 500	CMP	% VAR
Shilpa Medicare	449	69%
Mishra Dhatu Nig	246	52%
Abbott India	15,709	26%
Ajanta Pharma	1,386	25%
Trent	736	25%

Top Losers - BSE 500	CMP	% VAR
Gayatri Projects	22	-60%
Future Consumer	12	-48%
Sadbhav Engg.	71	-46%
Tejas Networks	46	-43%
Parag Milk Foods	81	-42%

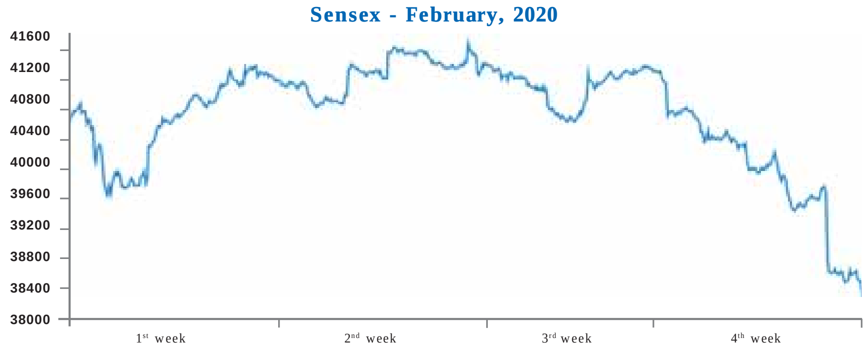
Sectoral Indices	28/2/2020	31/1/2020	% VAR
BSE Realty Index	2,124	2,526	-16%
BSE Auto	15,569	18,161	-14%
BSE Metal	8,241	9,494	-13%
BSE Cap Goods	15,398	17,462	-12%
BSE PSU	5,881	6,567	-10%
BSE Power	1,717	1,899	-10%
BSE Oil&Gas	12,620	13,924	-9%
BSE IT Sector	14,987	15,871	-6%
BSE FMCG Sector	10,964	11,642	-6%
BANKEX	33,416	35,289	-5%
BSE Healthcare	13,480	13,957	-3%
BSE Cons Durable	26,151	26,147	0%

Institutional Activity (Rs. Cr.)

Institution	Feb-2020	Jan-2020	CYTD'20
FII	1,819	12,122	13,942
MF	4,739	1,384	6,123

Key Macro Economic Indicators (Y-o-Y, Gr%)

Indicator	Latest	Feb -2019
Real GDP (%)	4.7	6.6
Industrial Production (%)	1.8	0.5
Manufacturing PMI	54.5	53.5
CPI(%)	7.59	1.59
WPI(%)	2.7	3.5
Core Sector (%)	1.3	2.1
Repo Rate (%)	5.15	6.25



Market Review February 2020

Indian indices witnessed heightened volatility in the month of February resulting in deep losses, tracking slew of events including Union Budget 2020, Corporate earnings, RBI monetary policy and global developments on Coronavirus spread.

Nearly 400 in top 500 companies, 44 out of Nifty 50 companies & 24 out of Sensex 30 companies recorded negative returns in February.

After a tepid start on Union Budget day over fears on widening fiscal slippage and lack of measures on LTCG, sector / stock specific news flows and December quarter earnings directed markets.

Revenues de-grew around 1% for Nifty 50 in December quarter on weak investment cycle and sluggish domestic demand. EBITDA grew 13% (ex-BSFI, grew by 4%) amidst cost rationalization and softer input costs, while PAT grew by 8% on tax cuts. PAT (ex BSFI) remained flat for Q3. Topline of NSE 500 grew 3%, with flat PAT and ex BFSI, PAT degrew 5%. Banks and IT reported strong growth aided by bad loan recoveries and large order wins respectively, Auto, Cap Goods and Metals remained growth laggards.

Macro data points as reflected by high frequency indicators continue to show mixed trends. Manufacturing activity in January and GST collections remained on the positive side, while IIP reported contraction along with continued higher inflation.

RBI kept policy rates unchanged in the sixth MPC meet, while it adopted unconventional measures to bring down cost of funds including easing CRR requirement on incremental loans in the auto, housing and MSME segments.

On the Corporate front, majority of companies opted to pay dividends to shareholders before the new budget proposal, which makes dividend income taxable, takes effect from April.

Global markets suffered the biggest fall since 2008 amid rising fears of coronavirus (COVID-19) hitting the global economy as virus-related disruptions to international travel and supply chains fuelled fears of recession in the US and the EuroZone.

Market Outlook - March 2020

After witnessing a deep rout in the markets across the globe, Investors could face another month of uncertainty as much of the virus's trajectory and economic impact remains uncertain, leaving investors hesitant to equities around the world.

Indian indices would continue to track the overseas markets which are likely to be under stress in the short term as the impact of the outbreak would adversely impact supply chains across the globe including India.

Even as India is relatively less exposed to economic implications from Coronavirus, the disruptions need to be monitored in sectors which are dependent on inputs from China. Corporate mngt commentary will be tracked closely for business updates.

Domestically, rising concerns over economic growth and muted earnings could continue to weigh on sentiment. However, some consolidation can’t be ruled out following the sharp losses in the previous month.

Apart from domestic macro indicators including Inflation and IIP, markets would keep an eye on Crude price trend, FIIs flows and Rupee movement against the dollar for cues.

Developments in global markets would be watched carefully, though the rate of increase in new cases in China has been falling, the ability to control outbreaks in new infections reported around the world is the key factor to watch. Despite major Central Banks assurance on liquidity easing, continued production shutdowns and companies lowering revenue forecasts could affect global growth.

Monthly Technical Outlook - Nifty

Nifty closed the month of February with losses and below crucial supports in the 11500-11700 band indicating short term downtrend in the markets and these levels could act as resistance in any attempt at a recovery. On the downside, immediate support is seen at 11000 and a decisive break below could indicate a deeper correction towards 10600.

Monthly Delivery Trading Call

Reco Date : 3rd, March, 2020

Company Name : Ambuja Cements Ltd.

Ticker (NSE) : AMBUJACEM

CMP : 211.15

Comment :
1) Potential breakout from an extended consolidation.
2) Confirmation of breakout from consolidation above 220.
3) Trading above 20, 50 and 200 EMA in the Daily charts.

Buy Range : 210-220

Stop Loss : 195 / 185

Targets : 235 / 250

Note: All levels on an EOD (End of Day) basis.

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Commodity Review - Outlook

	2/28/2020	1/31/2020	%VAR	Outlook
Gold Apr	41397.00	41000.00	0.97%	Gold prices closed the month with marginal gains and sharply off the highs, towards the end of the month, which saw a near 5% correction, along with Global equity markets and a weaker Dollar which caught everyone by surprise as usually these asset classes are inversely related to Gold. Developments on the Coronavirus spread and resulting reactions from countries which seem to be affected by it would be watched closely in the short term. *Technically, crucial support for prices currently is in the 40000 - 39000 band which has to sustain for the current uptrend to remain intact. On the upside, 43000 could remain immediate resistance.*
Silver Mar	43979.00	46989.00	-6.41%	Silver prices closed the month with losses after witnessing a steep fall of close to 11% in the last four trading sessions of the month, erasing the gains made during the month and slipping into the negative. *Technically, prices are trading at crucial support at 43000 and a decisive fall below could see prices correcting towards 41000-40000 band. On the upside, any recovery is expected to face resistance in the 46000-47000 band.*
Copper Mar	421.85	427.25	-1.26%	Copper prices closed the month with losse as concerns mount that the spread of Coronavirus in China and currently to other countries could further put pressure on an already weak global growth and in turn demand for copper. *Technically, prices are trading close to crucial support at 420 which has held in 2019 and is also 52 week low level and a decisive fall below this level could indicate that further weakness could be seen in the short term. On the upside, any recovery is expected to face resistance at 440 and thereafter strong resistance at 460.*
CrudeOil Mar	3263.00	3683.00	-11.40%	Crude Oil closed the second month with deep losses slipping in to bear market territory as Coronavirus seems to be spreading beyond the source country of China to other parts of the world. Sharp fall in demand from China as it fights the virus has already hammered prices till date. Now with a sharp fall in air travel on restrictions imposed by various countries, disruptions to supply chains for industries across the globe has added to an already weak Global business environment and this fall in demand for oil has pressured to 52 week lows. While there has been chatter about possible production cuts by the OPEC+ nations to stem the fall, market focus is squarely on the demand side issues which could take a significant amount of time to revive from the current virus pandemic. *Technically, prices are currently trading at 52 week lows and close to December 2018 low at 3000 which could be the last hope for prices to find support. On the upside, multiple resistances could be face seen initially at 3600 and thereafter strong resistance at 4000.*
NaturalGas Mar	124.30	132.40	-6.12%	Natural Gas closed the fourth consecutive month with losses and at multiyear lows, not seen since 2016, on the back of elevated production and lack of demand during winter season as weather patterns were largely above normal for average winter temperatures. As weather transitions into low demand spring season, prices could largely be range bound after the recent sharp fall which was witnessed over past few months. *Technically, prices are currently trading at multiyear lows and close to March 2016 low at 109 which could be the last hope for prices to find any support. On the upside, strong resistance could be witnessed in the 135-150 in any attempt at a recovery.*

Note: Rupee movement has to be considered while trading in Dollar denominated international commodities.

CMP: Rs. 292 | Marico Limited (ML) | EPS(TTM): Rs. 9.6

Conservative Investor

Company Profile: Marico Limited (ML), established in 1988, is one of India's leading consumer products companies operating in the beauty and wellness space and has manufacturing facilities in 8 different locations across India. Currently present in 25 countries across emerging markets of Asia and Africa, ML has developed multiple brands in the categories of hair care, skin care, edible oils, health foods, male grooming and fabric care. Marico's India business markets household brands such as Parachute, Saffola, Hair & Care, Nihar, Livon, Set Wet, Mediker among others. The International business offers unique brands such as Parachute, HairCode, Fiancée, Caivil, Hercules, Black Chic among others.

Key Financials (Rs. Cr.)	FY 15	FY 16	FY17	FY18	FY19
Total Income	5,901	6,050	6,071	7,164	8,166
OPM (%)	15.7	18.9	20.7	17.1	16.9
PAT	585	723	811	827	1,135
Equity	65	129	129	129	129
ROE (%)	32.1	35.9	34.0	32.0	37.5
DE (x)	0.2	0.2	0.1	0.1	0.1
EPS (Rs.)	4.5	5.6	6.3	6.4	8.8
Book Value (Rs.)	14.2	15.6	18.5	20.0	23.5
DPS (Rs.)	2.5	4.25	3.5	4.2	4.7
Promoters H(%) Last 5 Qtrs	59.7	59.7	59.7	59.6	59.6

Investment Rationale:

- ML has a robust distribution network with 26 clearing and forwarding agents and about 5,600 stockists and distributors, providing a retail reach of about 50 lakh outlets in India and direct reach of 9 lakh outlets.
- Marico's business strengths stem from the dominant market position of its core brands, Parachute (59%) and Saffola (73%).
- ML's healthy financial risk profile is supported by its strong cash generating ability, and low debt on its balance sheet translating into robust credit metrics (cash surpluses of Rs. 1500+ cr as of H1FY20 and largely unutilized working capital lines of Rs. 150 cr).
- Company would continue to focus on revenue diversity. Increased its share of revenue from healthy foods (Saffola Oats contributed approx. 2-3% in FY19 from < 1% in FY15), male grooming (approx. 3%) and value added hair oils (25% in FY19 from 24% in FY15) in the India business.
- The company has decent presence in exports (accounting to 22% of its total revenues in FY19).
- In Q3FY20, despite degrowth in key products due to economic slowdown, ML witnessed 8% sales growth with 10% constant currency growth rate largely led by 15% growth in Bangladesh.

Concerns:

- Volatility in prices of raw materials (copra, safflower, rice bran, liquid paraffin and polymers) and intense competition in both FMCG and Oil segment restricting pricing power.

Outlook: Marico is a well positioned player in the market with established brands in its portfolio. ML will continue to see challenges in the near term on account of slow revenue growth as weak rural growth, price cuts, reduction in channel inventory will remain as short term hurdles for growth recovery. However, considering ML's brand visibility, strong distribution network, focus on revenue diversity, improving demand in other countries coupled with strong financials (5Yr CAGR Revenue at 12%, PAT at 18%), will make it a good option for long term investment.

CMP: Rs. 2646 | Oracle Financial Services Software Limited (OFSS) | EPS(TTM): Rs. 176.9

Conservative Investor

Company Profile: Oracle Financial Services Software Limited (OFSS) is a world leader in providing products and services to the financial services industry and is a majority owned subsidiary of Oracle Corporation. It offers a comprehensive suite of offerings encompassing retail, corporate and investment banking, funds, cash management, trade, treasury, payments, lending, private wealth management, asset management, compliance, enterprise risk and business analytics among others. Revenue segregation: 49% from implementation fees, 28% from AMC, 11% from Licence fees and 12% from services; Geographically, US at 35%, Asia Pacific 26%, Middle East and Africa 18%, Europe 16% and India 6%; and derives 88% from Products, 9% from Services and 3% from BPO Services.

Key Financials (Rs. Cr.)	FY 15	FY 16	FY17	FY18	FY19
Total Income	4,253	4,342	4,583	4,618	5,135
OPM (%)	44.7	41.5	39.9	41.2	45.2
PAT	1,192	1,049	1,185	1,237	1,386
Equity	42.3	42.4	42.5	42.7	42.9
ROE (%)	34.6	22.4	36.3	26.3	28.1
DE (x)	0.0	0.0	0.0	0.0	0.0
EPS (Rs.)	139.0	122.3	138.2	144.2	161.6
Book Value (Rs.)	401.6	545.0	380.4	548.9	575.6
DPS (Rs.)	665.0	100.0	170.0	130.0	0.0
Promoters H(%) Last 5 Qtrs	73.5	73.5	73.5	73.5	73.4

Investment Rationale:

- OFSS has been a pioneer in building strong product capabilities amid rapidly changing requirements of banks with a wide product offering to suit the diverse needs of banks, such as Core Banking, Analytics, Risk & Compliance, Digital etc, to support banks to be prepared for technology transformation.
- Company's five inhouse R&D development centres develop products that are used by banks in more than 150 countries for running their critical operations, investment in building applications coupled with access to Oracle's technology, providing a competitive edge to its offerings.
- OFSS announced about 57 new deals in FY19 as against 35 deals in FY18. The deals wins were across its product offerings and bulk of them were for its relatively newer offerings. OFSS announced a much awaited OBP (ORACLE Banking Platform) deal in Q1FY20 along with 10 other deal wins.
- OFSS has created strong moat for its business despite modest industry revenue growth through its Brand with global presence, Technology like IP repository, High switching cost, Pricing and Cost Leadership.
- OFSS is operating a healthy balance sheet with debt free status, consistent dividend payout and strong return ratios.

Concerns:

- Increased competition from vendors with digital solutions, pressure on pricing as customers seek to streamline IT budgets, currency fluctuation are among key concerns.

Outlook: Transformation of core banking is a large opportunity for OFSS, as the current level of penetration for contemporary third-party Core Banking Solutions (CBS) is as low as 20-25% globally. OFSS is witnessing growth momentum across its three key product lines with strong traction in its flagship product Flexcube across EMs; Increasing compliance and standardisation of data across markets improving demand for analytics solutions; and strong adoption to digital products. From a valuation perspective, the stock is currently trading at around PE of 14x on FY20E consensus earnings. Expected strong demand for solutions, promising order book, expanding product portfolio, and stability in Service revenues give comfort on growth traction, providing an investment opportunity for long term.

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CMP: Rs. 230 | RPG Life Sciences Limited | EPS(TTM): Rs. 16.7

Moderate Investor

Company Profile: RPG Life Sciences Limited, a part of RPG Enterprises, is an integrated pharmaceutical company derives 60% of revenues from domestic formulations (35% Mass Formulations & 25% from Specialty Formulations), 20% from international formulations (Global Generics (Regulated Markets) and Rest of World (RoW)) and 20% from APIs. RPG has a presence in various therapeutic areas like nephrology, cardiovascular, gastro-intestinal, pain management, etc, with strong domestic brands such as Lomotil, Azoran, Aldactone and Tricaine. RPG also has a portfolio of biosimilars that include monoclonal antibodies like Trastuzumab, Rituximab, Adalimumab and Bevacizumab. The company licenses the products from other companies.

Key Financials (Rs. Cr.)	FY 15	FY 16	FY 17	FY 18	FY 19
Total Income	241	283	313	352	317
OPM (%)	6.2	8.6	12.3	11.2	11.1
PAT	1	12	14	13	11
Equity	13.2	13.2	13.2	13.2	13.2
ROE (%)	0.7	8.7	9.5	8.7	6.8
DE (x)	0.3	0.2	0.3	0.4	0.2
EPS (Rs.)	0.6	7.7	9.2	8.9	7.2
Book Value (Rs.)	82.5	88.1	97	102.1	105.9
DPS (Rs.)	0.8	1.6	2.9	2.4	2.4
Promoters H(%) Last 5 Qtrs	70.3	71	72.1	72.1	72.1

Investment Rationale:

- Company's domestic formulations business benefits from its strong R&D and brands, which continue to hold strong market share in respective therapeutic segments.
- The Company, in domes tic formulations, will continue its emphasis on strengthening of 'Textbook' brands like Azoran, Aldactone, Naprosyn, Lomotil and Serenace. Company will also be focusing on prescription generation and product portfolio augmentation in chronic therapies and line of extensions of these brands such as Naprosyn D, Naprosyn ES and Tricaine Alma.
- Company's specialty segment is expected to grow through greater market penetration, portfolio augmentation and higher medico marketing.
- APIs is the fast growing segment for the company (Rs. 36 Cr in FY16 to Rs. 68 Cr in FY19). With backward integration facilities, company has an edge in competitive scenario. Company is also working on growing its business in Russia, South Korea, China and USA which are key focus markets for API.
- RPG is in the process of launching four new products in the international formulations business over the next three years, aimed at revenue growth and entry into new regulated markets, including USA.
- Company has capex plans of Rs. 25 crore p.a. over the next three years, which are expected to be entirely funded through internal accruals.

Concerns:

- Dependence on legacy brands, high market inventories, low demand in acute therapies & supplements segments and increased competition from generic players.

Outlook: Company's focus on building a sustainable domestic prescription business growing above the Indian pharmaceutical market with brand extensions and new product launches in therapies, where company's core competencies exist, are expected be the future growth drivers. RPG has reported turnaround performance in 9MFY20, driven by prescription demand generation, sales force effectiveness, product portfolio augmentation, sales health and operational excellence control. Inshort, Company's strong brands in the Indian pharma industry, diversified & integrated operations with presence in regulated markets and financial flexibility from being part of the RPG Group will make it a decent investment option for long term.

CMP: Rs. 202 | Ambuja Cements Limited | EPS(TTM): 10.6

Aggressive Investor

Company Profile: Ambuja Cements Ltd is a part of the global conglomerate LafargeHolcim group(63.39% Stake), the world's leader in the building materials industry with presence in around 90 countries. With a cement capacity of 29.65 mtpa, Ambuja has 5 integrated cement manufacturing plants, 8 cement grinding units across the country. It holds 15 Mine leases across India with 7,346 hector area, 5 shipping terminals and 10 ships. Ambuja holds about a 50% stake in ACC Ltd.

Key Financials (Rs. Cr.)	CY 15	CY 16	CY17	CY18	CY19
Total Income	9,809	20,586	24,022	26,627	27,704
OPM (%)	19.3	17.6	17.5	15.9	18.8
PAT	808	1,105	1,516	2,326	2,095
Equity	310.0	397.0	397.0	397.0	397.0
ROE (%)	7.9	5.6	7.3	10.4	8.7
D/E (x)	0.0	0.0	0.0	0.0	0.0
EPS (Rs.)	4.1	5.6	7.6	11.7	10.6
Book Value (Rs.)	51.7	99.8	104.1	112.7	121.3
DPS (Rs.)	2.8	2.8	3.6	1.5	1.5
Promoter H (%) Last 5 Qtrs	63.5	63.5	63.5	63.4	63.4

Investment Rationale:

- Established and preferred brand in India known for its high strength, Portland Pozzolana Cement (PPC) constitutes 93% of the company's product portfolio.
- Strong Parent, zero debt, healthy margin profile and cash flows, with cash around Rs. 4699 Cr as on Dec 2019.
- In house R&D, diversified products portfolio, plans to ramp up high margin premium products market share to 15% (from current 10%) over the next 1-2 years.
- Captive limestone and coal mines reserves which allows better operational control and quality enhancement and optimum utilisation of capacities at 81% in CY19.
- On a consolidated basis the total capacity stands at 63 mtpa. ACC & Ambuja together have about 14% share in the Indian cement market with capacity spread across North & Central (40%), West & South (37%), and East (23%) India. Further efforts to drive up benefits from its Master Supply Agreement (MSA) with ACC would improve the market share.
- Incurred Capex of Rs 2,500 Cr towards greenfield expansion in Rajasthan expected to be commissioned by Sept 2020 (capex accelerated in CY19) will add 4.5 Mn tonnes to cement volumes in key growth markets from FY21 onwards.
- Strong earnings growth with sales growth of 22% CAGR, EBITDA growth of 17% and PAT growth of 7% CAGR during the last 5 years. Current Value of investment in ACC is around Rs 12000 Cr.

Concerns:

- Competitive pressures, demand growth and realisations, raw material costs (Coal & petcoke and other minerals) are among key concerns.

Outlook: Govt. focus on development of transport infrastructure worth Rs.1 02 lakh Cr under the National Infrastructure Pipeline (NIP) in the next 5 years, higher budgetary allocations for core rural schemes on affordable housing, infrastructure and farm income is expected to drive cement demand. Being an established player with consolidated market share of around 14% with nationwide presence would shield operations from regional price volatility and demand-supply imbalances. Capacity expansions coupled with launch of new innovative products with well-defined marketing and commercial strategies to improve sales of new as well as premium products, improved synergy with subsidiary ACC, continuous focus on easing fuel cost coupled with rising cement prices across the geographies, would improve the earnings going forward.

We have provided below a short list of companies which we feel are currently available at attractive valuations, particularly when viewed with a Long Term (L) perspective. The CMP and the Market Cap. are based on 02/03/2020.

CONSERVATIVE INVESTOR (Low Risk Profile)

Sl. No.	Company Name	Industry	CMP (Rs.)	Market Cap (Rs.Cr)	FV (Rs.)	EPS* (Rs.)	P/E* (x)	P/B* (x)	Div. Yld. (%)	Equity (Rs.Cr)	ROE (%)	ROCE (%)
1	ITC	Diversified	196	240,374	1	12.3	15.9	4.1	2.9	1,229	23.0	34.3
2	Marico	FMCG	292	37,656	1	9.6	30.3	10.7	1.6	129	41.0	41.2
3	Oracle Fin.Serv.	IT - Software	2,646	22,720	5	176.9	15.0	4.0	0.0	43	28.7	45.8
4	GSPL	Gas - Infra&Trans.	229	12,914	10	27.6	8.3	3.1	0.9	564	41.6	27.7
5	Unichem Labs.	Pharmaceuticals	130	918	2	-	-	0.4	3.1	14	-	-

MODERATE INVESTOR (Medium Risk Profile)

Sl. No.	Company Name	Industry	CMP (Rs.)	Market Cap (Rs.Cr)	FV (Rs.)	EPS* (Rs.)	P/E* (x)	P/B* (x)	Div. Yld. (%)	Equity (Rs.Cr)	ROE (%)	ROCE (%)
1	HCL Technologies	IT - Software	547	148,437	2	38.5	14.2	3.2	1.5	543	26.0	30.0
2	Tata Chemicals	Chemicals	704	17,935	10	45.6	15.5	1.4	1.8	255	10.3	9.5
3	Century Textiles	Paper & Real Estate	495	5,529	10	55.0	9.0	1.6	1.5	112	22.1	12.1
4	Suprajit Engineering	Auto Ancillaries	200	2,798	1	10.2	19.6	3.4	0.8	14	18.7	21.3
5	RPG LifeSciences	Pharmaceuticals	230	380	8	16.7	13.8	2.2	1.0	13	6.9	9.5

AGGRESSIVE INVESTOR (High Risk Profile)

Sl. No.	Company Name	Industry	CMP (Rs.)	Market Cap (Rs.Cr)	FV (Rs.)	EPS* (Rs.)	P/E* (x)	P/B* (x)	Div. Yld. (%)	Equity (Rs.Cr)	ROE (%)	ROCE (%)
1	Reliance Industries	Diversified	1,315	833,515	10	68.6	19.2	2.1	0.5	6,339	11.7	11.4
2	State Bank of India	Banks	287	256,538	1	13.6	21.1	1.1	0.0	892	1.5	-
3	B P C L	Refineries	412	89,427	10	36.0	11.4	2.2	4.6	2,169	22.6	18.2
4	Ambuja Cements	Cement	202	40,199	2	10.6	19.2	1.7	0.7	397	13.8	14.2
5	Laurus Labs	Pharmaceuticals	405	4,330	10	17.6	23.0	2.7	0.4	107	6.2	8.0

All figures are on Consolidated basis, where ever applicable; ROE (%) - Return on Equity; ROCE (%) - Return on Capital Employed; P / E (x) - Price earnings; P / B (x) - Price to Book Value; Div Yld (%) based on latest FY.

* Trailing 12 Months;

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Data Sources: Stock exchanges, SEBI, Capitaline, company's information from publicly available sources, Tickerplant Marketview Terminal.

Personal Finance Queries

Q) I have my investments in Balanced fund with monthly dividend option. What is the effect of DDT abolition and should I continue?

- Mr. Venu - Guntur

A. In the recent budget the FM abolished the Dividend Distribution Tax. Until this announcement, Asset Management Companies have been paying the tax on dividends declared, before paying them to investors. Consequently, investors have not been required to pay any tax on received dividend. However, by abolishing DDT in the budget, the Govt has shifted the responsibility away from the companies. Now, the investors have to pay tax on the dividends they receive, as per their personal income tax liability and tax slab. If you are in lower or zero tax slab, you may continue to hold the investments in dividend options. But if you are falling under the higher income tax slabs, it is better to move to Growth option in a diversified equity or balanced schemes based on your risk appetite and opt for Systematic Withdrawal Plan option. Even in SWP option, you will get monthly income comparable to the dividend option. In SWP, to give you, the investor, regular income, an AMC sells the mutual fund units in your folio and makes the monthly pay out to you. In both cases i.e. Dividend Payout or Systematic Withdrawal Plan, you receive monthly cash flows irrespective of the profit or growth in the scheme. When there is no profit, monthly amount will be given from the principle. So in both cases there is a possibility of reduction in principle in the short term. While choosing any option think for long term and discuss with your financial advisor.

To clarify your **Personal Finance Queries**, please email your questions to **advisor@zenmoney.com**.

Mutual Fund-SIP returns for top funds in different categories

	Mutual Fund Scheme Names	Inception Date	AUM (Rs.Cr)	NAV (Rs)	1 Year Returns (%)	3 Year Returns (%)	5 Year Returns (%)	Since Inception (%)
Large Cap Funds	Axis Bluechip Fund	05-Jan-10	11,077	32.87	18.91	15.47	14.78	14.12
	Mirae Asset large cap Fund	04-Apr-08	17,140	53.21	6.00	7.84	11.17	15.98
	Aditya Birla SL Focused Equity Fund	24-Oct-05	4,450	62.90	9.31	6.67	8.78	12.37
	ICICI Prudential Bluechip Fund	23-May-08	24,814	43.11	2.56	5.20	8.54	13.08
	Nippon India Large Cap Fund	08-Aug-07	12,741	34.59	-0.08	4.59	8.25	12.15
	SBI Bluechip Fund	14-Feb-06	23,625	40.63	4.02	5.03	7.63	11.72
Large and Mid Cap Funds	Mirae Asset Emerging Bluechip Fund	09-Jul-10	9,806	58.60	16.38	11.01	14.76	21.09
	Canara Robeco Emerging Equities	11-Mar-05	5,625	103.25	20.89	9.19	12.46	17.83
	Sundaram Large and Mid Cap Fund	27-Feb-07	1,110	37.39	15.00	10.02	12.20	12.30
	Invesco India Grw. Opportunities Fund	09-Aug-07	2,447	36.90	13.28	9.42	11.38	13.31
	Kotak Equity Opportunities Fund	09-Sep-04	3,188	131.05	15.89	9.15	11.07	14.09
	DSP Equity Opportunities Fund	16-May-00	5,663	236.68	12.30	6.97	10.15	18.32
Value Funds	Invesco India Contra Fund	11-Apr-07	4,751	50.74	13.18	8.28	11.38	14.86
	Kotak India EQ Contra Fund	27-Jul-05	900	55.41	8.60	8.67	11.04	11.90
	Tata Equity P/E Fund	29-Jun-04	5,061	134.21	0.42	1.16	7.64	14.62
	L&T India Value Fund	08-Jan-10	7,674	36.49	6.29	2.20	7.24	14.43
	HDFC Capital Builder Value Fund	01-Feb-94	4,386	278.61	-4.06	-0.23	5.52	16.50
Focused / Multi Cap Funds	Axis Focused 25 Fund	29-Jun-12	9,627	31.61	20.22	12.86	14.54	15.30
	Canara Robeco Eq. Diversified Fund	16-Sep-03	1,728	148.47	18.41	12.01	12.37	14.53
	UTI Equity Fund	20-Apr-92	10,650	158.52	20.74	12.02	11.82	14.06
	Kotak Standard Multicap Fund	11-Sep-09	30,546	37.43	8.73	8.06	11.00	14.38
	Aditya Birla Sun Life Equity Fund	27-Aug-98	12,098	774.09	12.42	6.79	10.14	18.95
	SBI Magnum Multi Cap Fund	29-Sep-05	8,760	51.39	8.19	6.83	9.81	12.07
	Motilal Oswal Multicap 35 Fund	28-Apr-14	13,062	27.12	7.62	4.17	8.91	10.73
Mid Cap Funds	DSP Midcap Fund	14-Nov-06	7,626	60.83	22.48	8.77	11.42	16.26
	Kotak Emerging Equity Scheme	30-Mar-07	6,733	42.83	21.78	8.31	10.91	15.44
	L&T Midcap Fund	09-Aug-04	6,391	140.25	15.34	3.83	9.26	15.75
	HDFC Mid-Cap Opportunities Fund	25-Jun-07	23,788	56.37	12.12	2.81	7.36	16.32
	Sundaram Midcap Fund	30-Jul-02	6,178	491.34	16.67	2.99	6.88	20.26
Small Cap Funds	SBI Small Cap Fund	09-Sep-09	3,493	56.87	19.67	7.93	12.79	20.16
	Nippon India Small Cap Fund	16-Sep-10	9,064	41.30	14.07	2.72	9.19	18.38
	HDFC Small Cap Fund	03-Apr-08	9,872	39.11	-5.80	-2.31	6.06	13.07
	L&T Emerging Businesses Fund	12-May-14	6,123	22.84	-2.40	-3.93	5.99	7.71
	DSP Small Cap Fund	14-Jun-07	5,264	57.47	16.68	0.63	5.11	17.11
	Franklin India Smaller Comp. Fund	13-Jan-06	7,188	50.28	-1.79	-4.35	2.25	14.27
ELSS / Tax Saving Funds	Axis Long Term Equity Fund	29-Dec-09	21,997	50.72	20.14	13.27	13.26	17.33
	Invesco India Tax Plan	29-Dec-06	1,026	55.69	17.14	9.82	11.14	14.72
	Kotak Tax saver	23-Nov-05	1,155	47.73	13.23	9.02	10.65	11.65
	DSP Tax Saver Fund	18-Jan-07	6,381	51.40	9.63	7.55	10.34	13.90
	Aditya Birla Sun Life Tax Relief 96	06-Mar-08	10,308	32.57	9.49	5.56	8.95	13.80
	Mirae Asset Tax Saver Fund	28-Dec-15	3,293	18.91	10.43	9.73	-	13.59

	Mutual Fund Scheme Names	Inception Date	AUM (Rs.Cr)	NAV (Rs)	1 Year Returns (%)	3 Year Returns (%)	5 Year Returns (%)	Since Inception (%)
Hybrid Equity (Balanced) Funds	DSP Equity & Bond Fund	27-May-99	6,497	171.26	19.77	10.77	11.11	15.27
	Canara Robeco Equity Hybrid Fund	01-Feb-93	3,000	174.55	16.32	10.54	10.99	13.63
	SBI Equity Hybrid Fund	09-Oct-95	32,585	148.51	14.65	10.82	10.97	16.08
	HDFC Balanced Advantage Fund	11-Sep-00	44,151	195.65	-1.73	3.98	8.15	16.79
	ICICI Prudential Equity & Debt Fund	03-Nov-99	22,390	135.65	1.94	4.27	7.75	14.43
	Aditya Birla SL Eq Hybrid 95 fund	10-Feb-95	9,894	742.84	-1.55	0.67	4.60	18.12
	Nippon India Equity Hybrid Fund	08-Jun-05	7,867	52.61	-2.87	-0.33	4.27	11.55
Dynamic Asset Allocation Funds	ICICI Prudential Balanced Adv. Fund	30-Dec-06	28,853	37.92	8.63	7.79	8.82	11.66
	Aditya Birla SL Balanced Adv. Fund	25-Apr-00	2,736	55.40	6.25	5.40	7.91	11.23
	L&T Balanced Advantage Fund	07-Feb-11	699	25.23	5.33	5.55	5.86	10.02
	Motilal Oswal Dynamic Fund	21-Sep-16	1,276	13.32	11.43	7.24	-	7.82

Source: Mutual Fund India.

- While one year returns are absolute returns; more than one year returns are CAGR (Compounded Annual Growth Rate) returns.
- Returns given are for an equal monthly investment through Systematic Investment Plan (SIP) in growth option.
- AUM values are as on 31st January, 2020 & NAV as on 25th February, 2020.

Disclaimer: Mutual Funds are subject to market risk, please read all scheme related documents carefully before investing. Past Performances may or may not be sustained in the future.

To know more on how we can help you invest in **Mutual Funds**, you can visit the **nearest branch** or call us on **040-44 23 23 23, 9347372025, 9347372029** or email us at **mutual@zenmoney.com**

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