



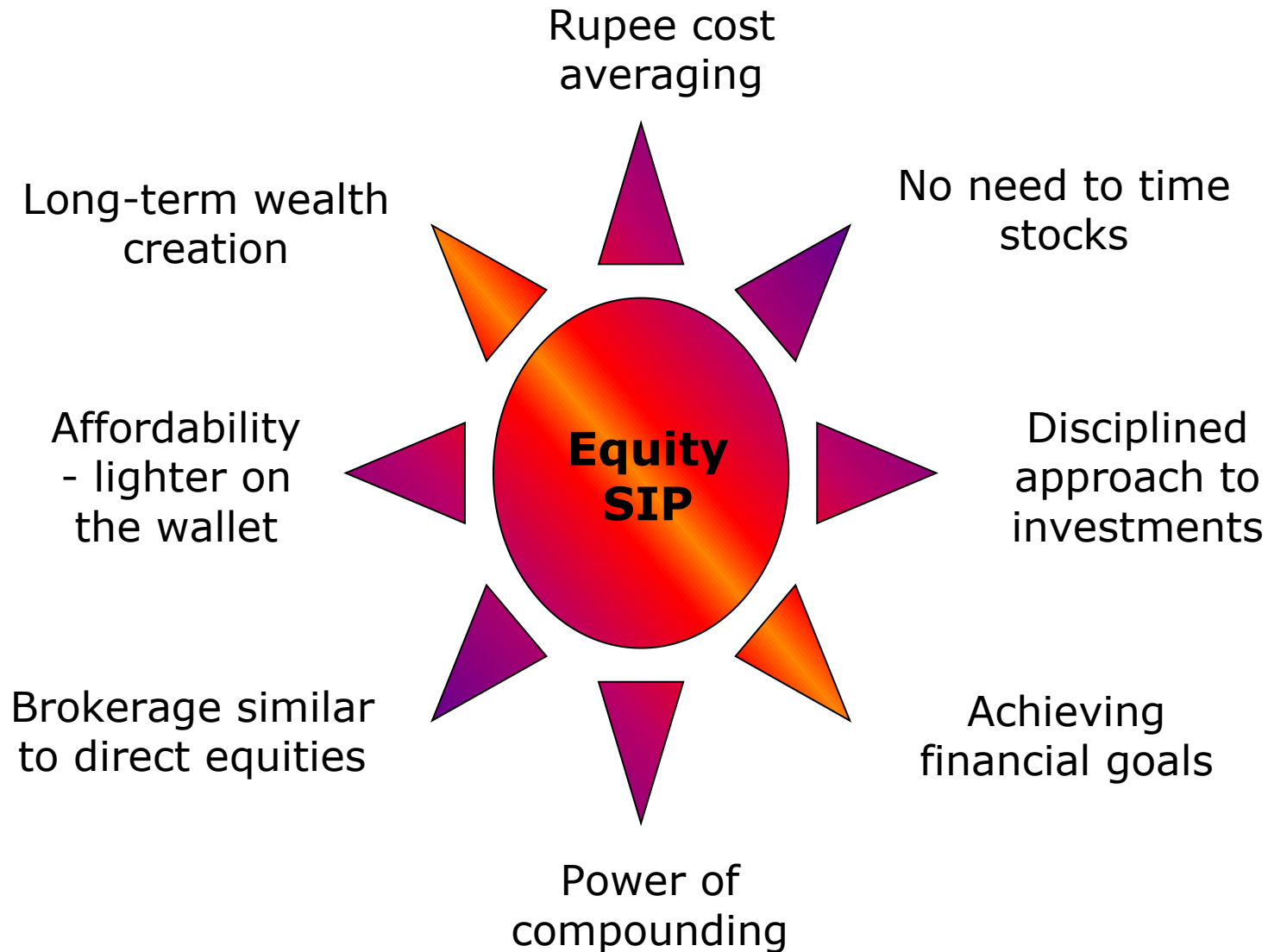
IIFL SECURITIES

EQUITY SIP



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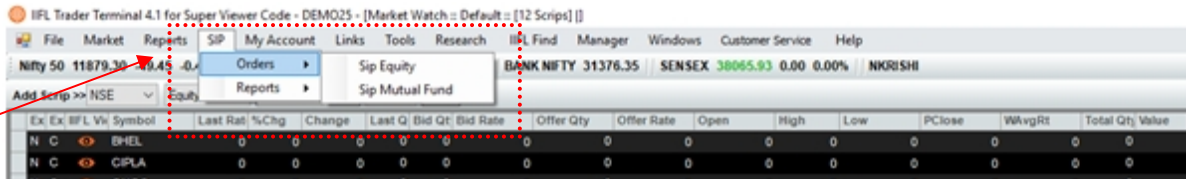
Why Equity SIP?



Equity SIP Process In TT Manager for RM

Scenario I: When investor has signed the one-time authorization (OTA)

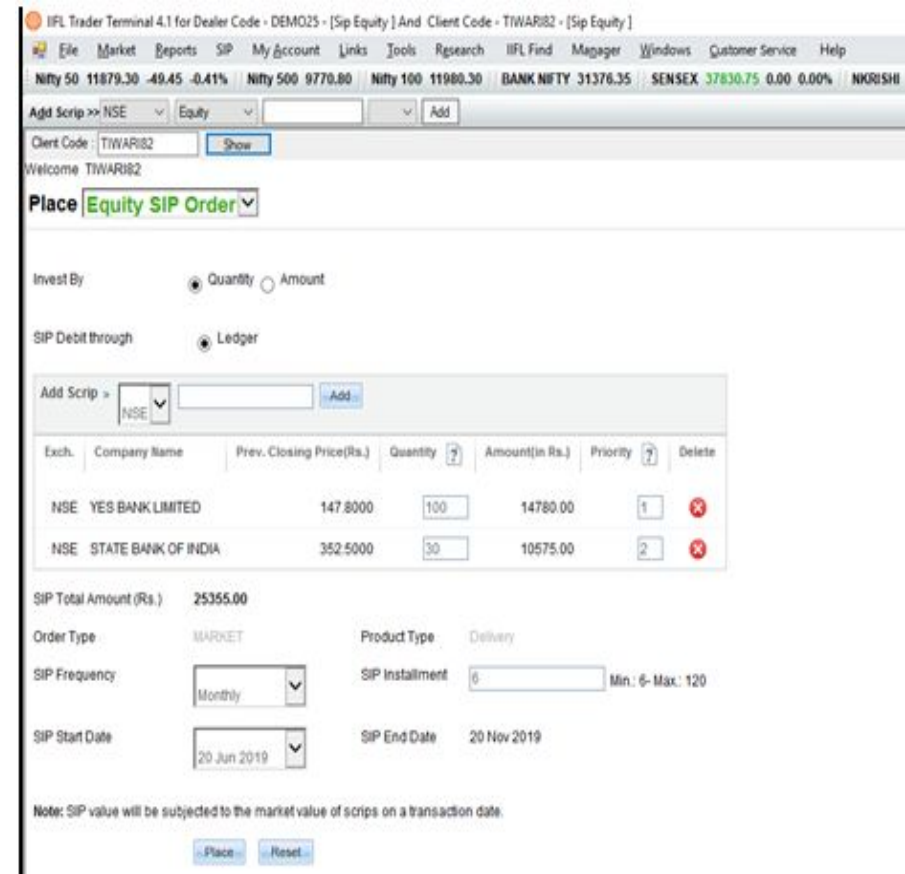
RM will log on to IIFL Trader Terminal



Click on the "SIP Equity" option as shown here

Equity SIP page will open up

Enter the company name, qty/amt, frequency for which client wishes to start Equity SIP



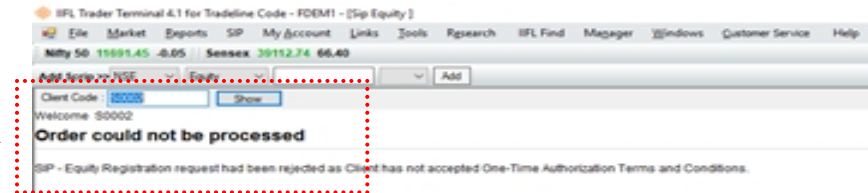
On clicking on "Place", confirmation window opens up. Then, click on "Confirm" to proceed

SIP confirmation page will appear after the order is executed successfully. An electronic version of the order confirmation mail will be sent to the customer

Equity SIP Process In TT Manager for RM

Scenario II: When investor has not signed one-time authorization (OTA)

If the client has not signed the OTA, the following error message will appear on placing an order by the RM



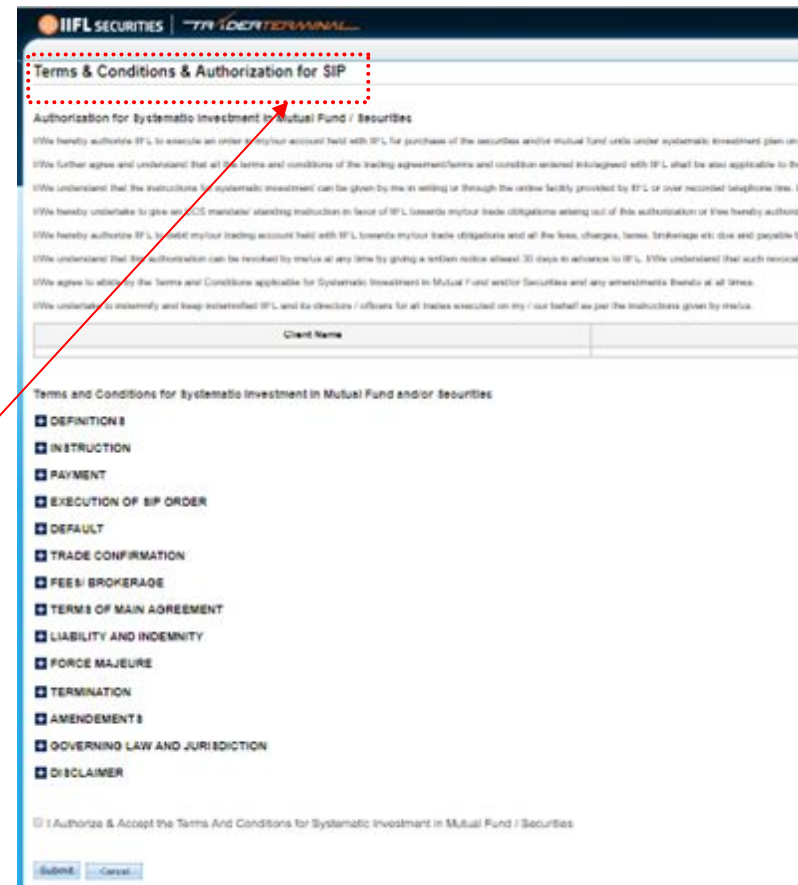
Thereafter, the client would have to log on to TT web

Click on "Market" tab from the main menu at the top, then click on "SIP - Equity and MF" from the drop down and select "Equity"

Since the customer has not signed OTA, a T&C page will appear, which he/she needs to accept after reading the T&C

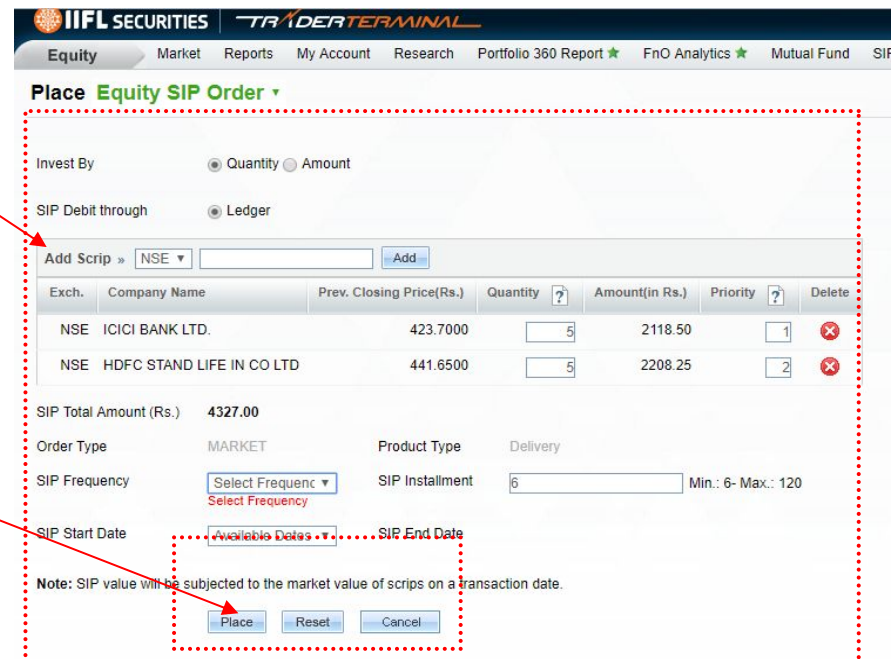
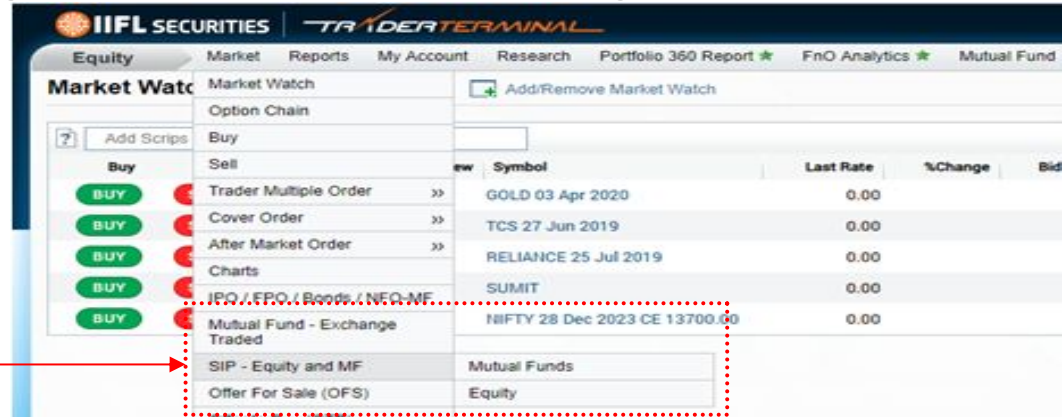
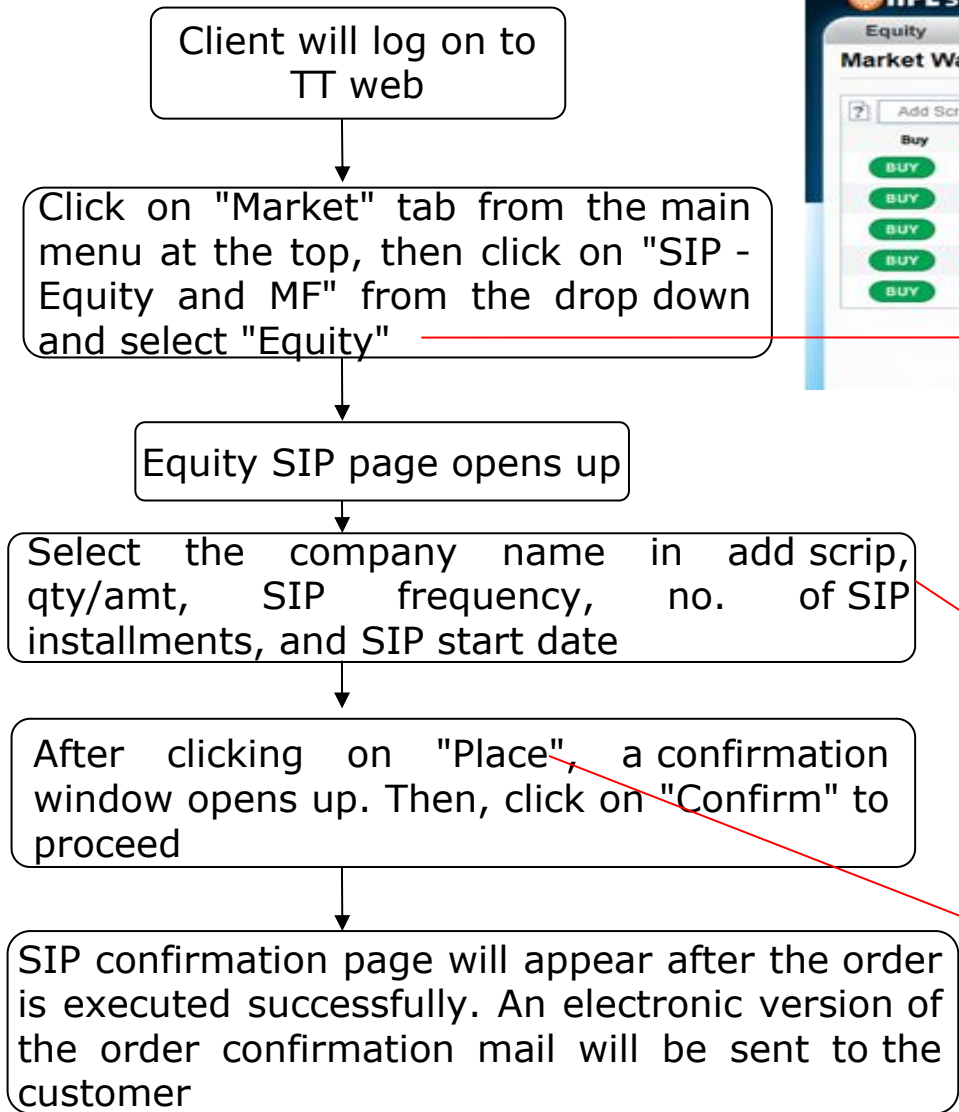
Once he/she submits the OTA using the above process, RM can place the order for him/her from the manager terminal

Scenario I



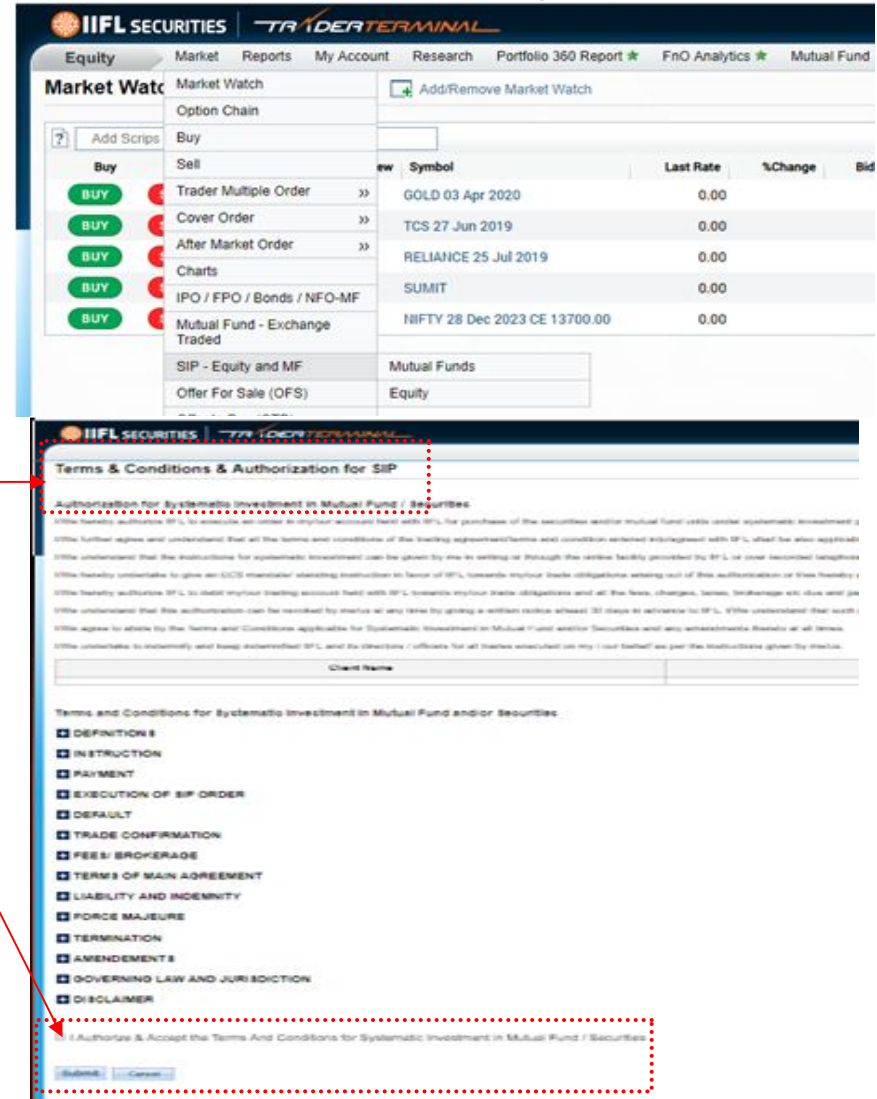
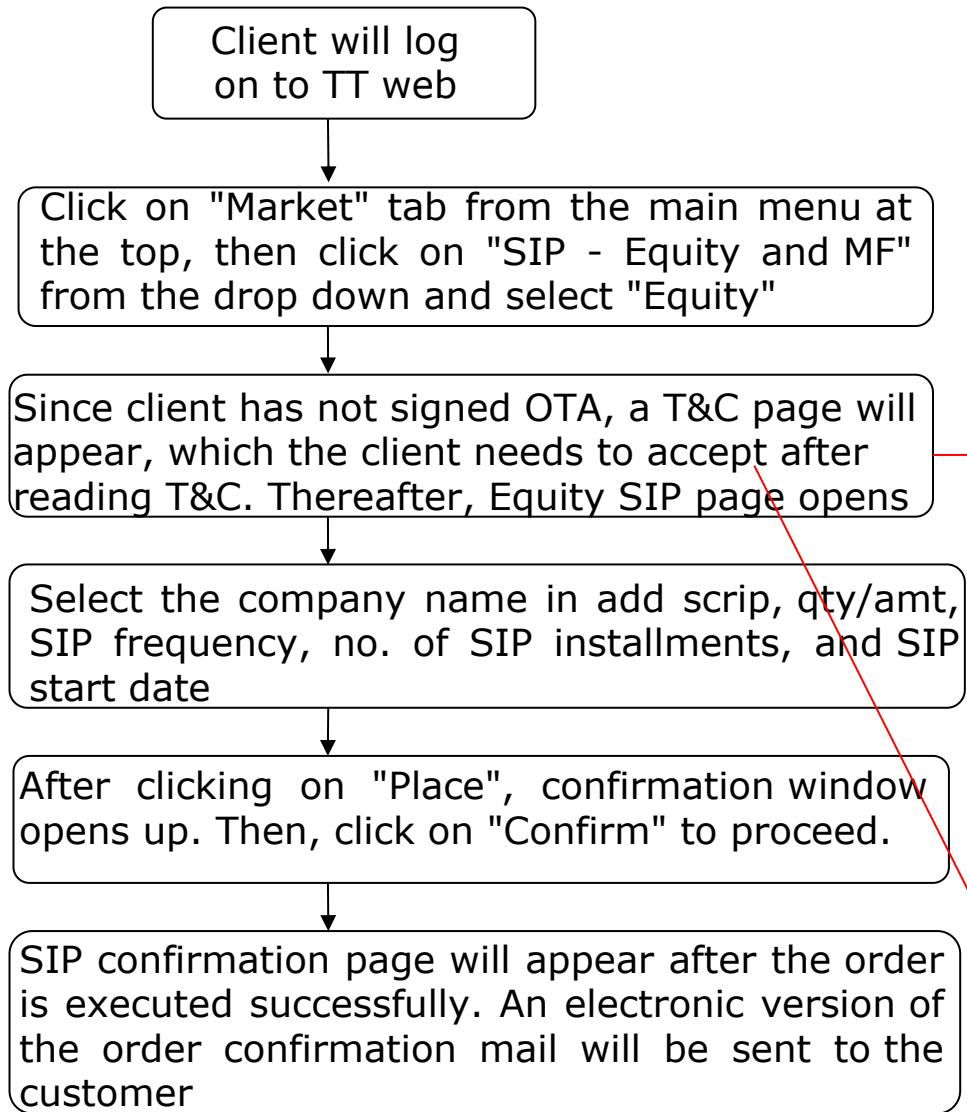
Equity SIP Process In TT web for client

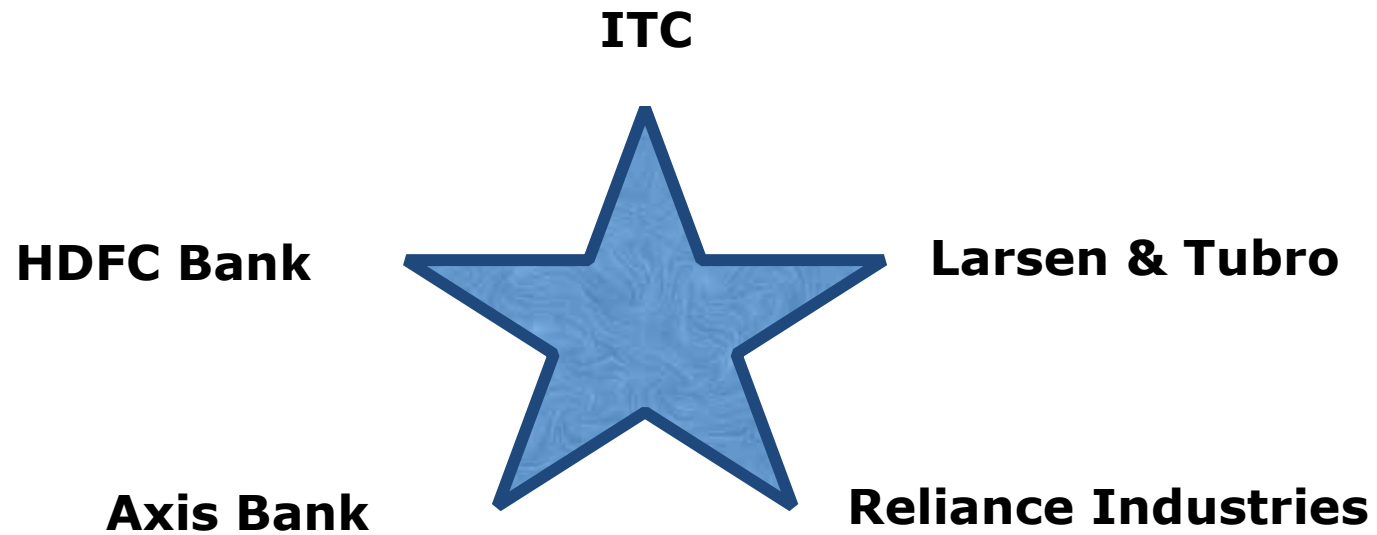
Scenario I: When investor has signed the MF SIP mandate/given OTA



Equity SIP Process In TT web for client

Scenario II: When investor has not signed the MF SIP mandate/given OTA





Company Information

- Largest engineering and construction company.
- Business mix - Construction, heavy equipment, electrical equipment, power, shipbuilding, financial services, and IT services.

Long-term Scenario

- LT is well-placed to leverage the uptick in investment cycle. Strong presence in infra space bodes well for growth in the early cycle recovery, while industrial-led businesses have become more cost-competitive to play the late cycle capex.
- GOI's push on infra projects and widening base of mid-size orders will aid faster execution. Inflows have picked up post GST, driving strong order backlog of Rs2.82 lakh cr (2.8x TTM sales).
- With focus on cash flows, working capital has improved to ~20% of sales, which has contributed to ROE expanding from 13% in FY17 to 15% in FY19. Divestment of non-core business assets will further unlock value and improve return ratios.
- After majority stake acquisition in Mindtree, the consolidation is likely to lead to enhanced ROEs for the overall business.
- Aided by 15% CAGR in core business revenues, we expect consolidated revenue and earnings CAGR of 17% each over FY19-21E.

Risk

- Overall economic slowdown and significant delay in private capex revival will likely impact order inflows.

Company Information

- Third-largest private bank in India with a ~5% market share in loans as of FY19.
- Well-diversified loan book of Rs4.95 lakh cr as on March 2019 spread across retail, SME, and mid and large corporates.

Long-term Scenario

- Foresee new CEO Amitabh Chaudhry acting as a positive change agent and the bank gradually transforming to a compounder.
- Over FY19-21E, the bank is likely to benefit from a sharp reduction in stressed asset and lower loan-loss provisions which in turn will lead to RoA expansion from 0.6% to 1.5%.
- Led by better traction in both retail & corporate loan growth and improved capital position (FY19 CAR at 15.8), we expect loan growth CAGR of 17% over FY19-21E.
- Cost to income ratio is likely to come down on improving productivity and focusing on digitalization. We expect cost to income ratio to come down from 45.4% in FY19 to 41.2% in FY21E.
- On the back of strong growth in NII and traction in fee income, we expect total operating income to post CAGR of 20% over FY19-21E. We estimate 78% EPS CAGR over FY19-21E.

Risk

- Exposure towards cyclical sectors may hurt profitability in an event of economic downturn.
- New banking licenses issued by the Reserve Bank Of India.

Company Information

- Diversified conglomerate present in segments like Cigarette, FMCG, Hotels, Paperboards & Specialty Papers, Packaging, and Agri-Business. Co. enjoys leadership position in all the segments except FMCG.
- Product Portfolio consists of Cigarettes - Gold Flake and Kings Classic; Hotels - Welcome and Fortune; FMCG - Sunfeast, Yippee, Bingo, and Aashirvaad, etc.

Long-term Scenario

- Company is likely to report CAGR of 11.4% in revenue over FY19-21E, owing to (a) market share gain in FMCG, (b) acceptance of high cigarette price, and (c) leadership positioning.
- Cigarette segment has witnessed stability in taxation over the past 2 years, which has resulted in cigarette volume revival; volume grew by 6% in FY19E against 2% decline in FY18.
- Led by price improvement and stable taxation, EBIT growth of Cigarette segment is expected to revert to 12% in Q1FY20 from current 6%.
- Going forward, improvement in Cigarette EBIT and higher margins from the FMCG business is likely to lead to EPS CAGR of 12% over FY19-21E for the company.
- Improvement in profitability could result in 26% CAGR in free cash flows over FY19-21E.
- Trading at attractive valuations (significant discount to peers) of 21x for FY21E EPS.

Risk

- Strict government regulations and policies regarding cigarettes.
- Any significant tax increase in the cigarette segment.
- Increasing competition amongst other FMCG companies and hotel chains. 11

Company Information

- Largest private sector bank in India with market share of ~8.5% in system loans as of FY19.
- Offers a wide range of products across its wholesale and retail banking franchises.
- Originates home loans on behalf of its parent, HDFC Limited.

Long-term Scenario

- Company is likely to continue to deliver consistent growth in balance sheet and earnings over FY19-21E. Market share gains in assets and liabilities may continue to accrue given its strong competitive position.
- Cross-selling opportunities and expanding use of technology to aid in reduction of cost to income ratio from 40% in FY19 to 37% by FY21E.
- Asset quality remains healthy, both in retail and corporate segments. Its stressed assets ratio remains far lower than peers. Credit cost should sustain at ~0.9% over the medium term as well.
- On the back of robust growth across verticals on aggressive branch expansion (20% loan book CAGR over FY19-21E) and sustainable NIMs, we expect 20% CAGR in NII over FY19-21E.
- We expect 21% EPS CAGR over FY19-21E backed by better NII growth, traction in fee income, and lower cost to income ratio.

Risk

- Lower than expected loan book growth, lower fee income, and deterioration in asset quality.
- New banking licenses and regulations can impact operations.

Company Information

- One of India 's largest private sector enterprises, a vertically-integrated company with business interests in energy and materials value chain. Activities span across exploration and production, petroleum refining and marketing, petrochemicals, retail and telecom services.
- It is among the top ten largest producers of major petrochemical products (PP, PX, PTA, MEG) and the largest polyester producer in the world.

Long-term Scenario

- Refining business is expected to register earnings growth despite flat throughputs (2.9% CAGR over FY19-21E) on uptick in benchmark GRMs due to IMO2020 mandate that will improve diesel cracks. We expect refining GRMs to expand to US\$11/bbl in FY21E from US\$9.2/bbl in FY19.
- Commercialization of pet coke gasifiers is expected cut opex by US\$2/bbl in FY21. This along with GRM improvement is expected to offset Petchem weakness (1% volume CAGR over FY19-21E).
- JIO's tower and fibre asset hive-off has effectively lowered its consolidated debt by Rs75,000cr.
- Retail business is posting robust growth led by solid same store sales growth and focus on tier 3/4 towns. The economies of scale is aiding EBITDA margin.
- We expect consolidated revenue and earnings CAGR of 19% and 20%, respectively, over FY19-21E.

Risk

- Telecom business is capital heavy and has increased debt levels of the company in the past.
- Global economic slowdown could impact core business.

THANK YOU!!