

Nivesh Portfolio Tracker

BALANCED

Risk Profile: MODERATE

AGGRESSIVE

Risk Profile: HIGH

CONSERVATIVE

Risk Profile: LOW



IndiaNivesh Securities Private Limited

e-mail: research@indianivesh.in | Website: www.indianivesh.in

This is just a MODEL portfolio (not part of IndiaNivesh PMS)

Daljeet S. Kohli
Head of Research
Tel: +91 22 66188826
daljeet.kohli@indianivesh.in

Nivesh Model Portfolios Modifications

Please note the following changes made in our model portfolios:

Balanced Portfolio

Max India

Book profit @ Rs 518 bought @ Rs 312

Reason: Target achieved

Aurobindo Pharma

Bought @ Rs 1105 with target price of Rs 1412

Reason: Rationale Attached

Conservative Portfolio

Sharon Bio-Medicine

Book loss @ Rs 22 bought @ Rs 78

Reason: Termination of coverage

L&T Finance Holdings

Bought @ Rs 69 with target price of Rs 84

Reason: Rationale Attached

Nivesh Portfolio | Balanced

Nivesh Portfolio | Balanced

Inception Date: 19/08/2014

Current Date: 03/03/2015

Balanced

Seed capital Rs 10 Lakh

Benchmark BSE500

Risk Profile: MODERATE

Sr no	name Stock Name	Sector	Amt invested (Rs)	CMP (Rs)	Buy Date	Buy Price (Rs)	Qty Bought (Nos)	Target Price	MTM Gain/loss (Rs)
1	Ipca Laboratories Ltd	Pharma	100,000	673	19/8/2014	730	137	598	(7,747)
2	Infosys Ltd	IT	100,000	2292	19/8/2014	1780	56	2377	28,823
3	Hil Ltd	Building Material	100,000	650	19/8/2014	566	177	898	14,832
4	Godawari Power And Ispat Ltd	Metals	100,000	129	19/8/2014	171	585	198	(24,678)
5	Cairn India Ltd	Oil/gas/Energy	100,000	252	19/8/2014	321	312	317	(21,495)
6	Reliance Industries Ltd	Oil/gas/Energy	100,000	904	19/8/2014	1010	99	1111	(10,520)
7	Mastek Ltd	IT	100,000	443	19/8/2014	194	515	554	128,582
8	Aurobindo Pharma Ltd	Pharma	100,000	1102	3/3/2015	1105	90	1412	(271)
9	Hero Motocorp Ltd	Auto	100,000	2627	19/8/2014	2533	39	2840	3,711
10	Karur Vysya Bank Ltd	Bank	100,000	598	19/8/2014	513	195	672	16,618

Total amount invested (Rs)	1,000,000
Cash in hand	
Profit (+)/Loss (-) Booked	76,729

Gain/loss (Rs)	204,584
Portfolio value (Rs)	1,204,584
Return on Investment (%)	20.5
Benchmark Return (%)	15.5
Relative to Benchmark (%)	5.0

Salient features of Balanced portfolio

- Objective of this portfolio is to generate moderate returns in conjunction with moderate risk
- This portfolio is suitable for those investors whose risk appetite is moderate
- Stock selection criteria here will be strong fundamentals coupled with near term triggers
- This is an equal weighted portfolio meaning equal amount of money is invested in the stocks selected in this portfolio
- Benchmark index for calculating returns shall be BSE 500 Index
- Total seed amount invested in the portfolio is Rs 10 lakh (Rs 1 lakh each in 10 stocks)
- At any point of time total amount invested in portfolio will not be more than Rs 10 lakh
- Profits generated will not be reinvested in the portfolio
- This is a model portfolio reflecting INSPL Research stocks preference at this point of time. Our views can change at any point of time & portfolio shall reflect the same accordingly
- This portfolio is not a part of PMS service provided by INSPL. This is just a virtual (model) portfolio**
- Other products offered by INSPL may have contradictory recommendation on stocks mentioned in this portfolio**
- All returns are from the date of inception of the portfolio

Aurobindo Pharma (ARBP)

CMP Rs.1,100 | P/E (FY16E) 16.2x
P/E (FY17E) 14x | Target Rs.1,412

Investment Rationale

- ARBP has underperformed in past three months compared to sensex as well as healthcare index. ARBP depreciated by 3.7%, while sensex and Healthcare index appreciated by 3.7% and 8.5% in past three months. With structural story remaining intact and valuation remaining in comfortable zone, we recommend adding in the Nivesh Portfolio.
- ARBP's ANDA pipeline has a good mix of complex molecules, which can give potential upside to the earnings, subject to regulatory approval. ARBP has cumulative filing of 374 ANDAs at the end of Q3FY15. The cumulative ANDAs pending for approval stands at 182, which gives us enough comfort for better growth going forward.
- Out of 182 ANDAs pending for approval, ARBP has 47 ANDAs in injectable space. ARBP expects 20 approvals in FY16, which would enable 40-50% y-y growth in injectable revenue. ARBP expect y-y growth to be much higher in FY17 as they are expecting major product approvals at the end of FY16.
- ARBP has also been making effort for turnaround of recently acquired Actavis operations in Europe by cost rationalization, through shifting some of the production to its low cost manufacturing site in India, and introducing own product in Europe market through acquired distribution base. We expect acquired Actavis operation to contribute meaningfully to profitability over medium term.
- There has been pick-up in ARV sales in Q3FY15, resulting in sharp y-y growth of 52%, compared to 8% y-y growth for 9MFY15. Management has guided for maintaining momentum based on strong order book for ARV business.

Valuations

At CMP of Rs1,100, the stock is trading at 16.2x FY16E EPS of Rs68 and 14.0x FY17E EPS of Rs78.4. We maintain BUY rating with potential upside of 28% from current levels.

Rs mn	Sales	EBITDA	EBITDA %	PAT	EPS	ROE %	P/E	EV/EBITDA	P/BV	Div Yield %
FY13	57,831	7,887	13.6	4,319	14.8	16.6	9.4	9.2	1.6	1.7
FY14	80,385	21,328	26.5	14,334	47.2	36.6	23.3	16.6	8.5	0.6
FY15E	120,180	25,728	21.4	16,029	55.1	31.7	20.0	13.5	6.3	0.7
FY16E	138,858	31,410	22.6	19,805	68.1	29.4	16.2	10.8	4.8	1.0
FY17E	156,682	35,990	23.0	22,828	78.4	26.2	14.0	9.0	3.7	1.0

Source: Company Filings, IndiaNivesh Research

Nivesh Portfolio | Aggressive

Nivesh Portfolio | Aggressive

Inception Date: 19/08/2014

Current Date: 03/03/2015

Aggressive

Seed Capital Rs 10 Lkah

Benchmark BSE500

Risk Profile : HIGH

Sr no	Stock Name	Sector	Amt invested (Rs)	CMP (Rs)	Buy Date	Buy Price (Rs)	Qty Bought (Nos)	Target Price	MTM Gain/loss (Rs)
1	Pennar Industries Ltd	Iron & Steel	100,000	57	19/8/2014	52	1942	81	10,874
2	Prism Cement Ltd	Cement	100,000	121	19/8/2014	84	1190	103	43,452
3	Icici Bank Ltd	Banks (Pvt)	100,000	347	19/8/2014	311	322	440	11,816
4	Jindal Steel & Power Ltd	Steel	100,000	190	19/8/2014	293	341	230	(35,222)
5	Hsil Ltd	Ceramic Product	100,000	414	19/8/2014	290	345	485	42,621
6	Exide Industries Ltd	Auto ancillary	100,000	181	19/8/2014	167	599	242	8,593
7	Dr. Reddy'S Laboratories	Pharma	100,000	3455	19/8/2014	2838	35	3819	21,723
8	Meghmani Organics Ltd	Chemicals	100,000	18	19/8/2014	19	5263	34	(2,895)
9	Federal Bank Ltd	Banks (Pvt)	100,000	150	19/8/2014	121	826	175	23,884
10	Radico Khaitan Ltd	Liquor	100,000	88	19/8/2014	96	1042	165	(8,854)

Total amount invested (Rs)	1,000,000
Cash in hand	-
Profit (+)/Loss (-) Booked*	7,407

Gain/loss (Rs)	123,400
Portfolio value (Rs)	1,123,400
Return on Investment (%)	12.3
Benchmark Return (%)	15.5
Relative to Benchmark (%)	-3.1

Salient features of Aggressive portfolio

- Objective of this portfolio is to generate moderate returns in conjunction with HIGH risk
- This portfolio is suitable for those investors who like to take risk
- Stock selection criteria here will be fundamentals coupled with near term events, news flow or sheer momentum in stock price
- This is an equal weighted portfolio meaning equal amount of money is invested in the stocks selected in this portfolio
- Benchmark index for calculating returns shall be BSE 500 Index
- Total seed amount invested in the portfolio is Rs 10 lakh (Rs 1 lakh each in 10 stocks)
- At any point of time total amount invested in portfolio will not be more than Rs 10 lakh
- Profits generated will not be reinvested in the portfolio
- This is a model portfolio reflecting INSPL Research stocks preference at this point of time. Our views can change at any point of time & portfolio shall reflect the same accordingly
- This portfolio is not a part of PMS service provided by INSPL. This is just a virtual (model) portfolio**
- Other products offered by INSPL may have contradictory recommendation on stocks mentioned in this portfolio**
- All returns are from the date of inception of the portfolio

Nivesh Portfolio | Conservative

Nivesh Portfolio | Conservative

Inception Date: 19/08/2014

Current Date: 03/03/2015

Conservative

Seed Capital Rs 10 Lakh

Benchmark BSE500

Risk Profile LOW

Sr no	Stock Name	Sector	Amt invested (Rs)	CMP (Rs)	Buy Date	Buy Price (Rs)	Qty Bought (Nos)	Target Price	MTM Gain/loss (Rs)
1	Shilpa Medicare Ltd	Pharma	100,000	787	19/8/2014	515	194	690	52,738
2	L&T Finance Holdings Ltd	BFSI	100,000	69	3/3/2015	69	1449	84	652
3	Nesco Ltd	Realty	100,000	1650	19/8/2014	1297	77	1680	27,221
4	Cadila Healthcare Ltd	Pharma	100,000	1540	19/8/2014	1179	85	1767	30,611
5	Oil India Ltd	Oil/gas/Energy	100,000	490	19/8/2014	605	165	605	(19,000)
6	Capital First Ltd	Financial Services	100,000	431	19/8/2014	278	360	460	54,946
7	Divi'S Laboratories Ltd	Pharma	100,000	1767	19/8/2014	1481	68	1868	19,335
8	Mangalam Cement Ltd	Cement	100,000	300	19/8/2014	238	420	426	26,092
9	Sqs India Bfsi Ltd#	IT	100,000	600	19/8/2014	466	215	665	28,755
10	Tata Global Beverages Ltd	FMCG	100,000	162	19/8/2014	156	641	180	3,622

Total amount invested (Rs)	1,000,000
Cash in hand	-
Profit (+)/Loss (-) Booked*	(71,795)

Gain/loss (Rs)	153,177
Portfolio value (Rs)	1,153,177
Return on Investment (%)	15.3
Benchmark Return (%)	15.5
Relative to Benchmark (%)	-0.2

(Formerly Thinksoft Global Services)

Salient features of Conservative portfolio

- Objective of this portfolio is to generate High returns in conjunction with low risk
- This portfolio is suitable for those investors whose risk appetite is very low
- Stock selection criteria here will be strong business model, sustainable growth prospects likely to play in next few years
- This is an equal weighted portfolio meaning equal amount of money is invested in the stocks selected in this portfolio
- Benchmark index for calculating returns shall be BSE 500 Index
- Total seed amount invested in the portfolio is Rs 10 lakh (Rs 1 lakh each in 10 stocks)
- At any point of time total amount invested in portfolio will not be more than Rs 10 lakh
- Profits generated will not be reinvested in the portfolio
- This is a model portfolio reflecting INSPL Research stocks preference at this point of time. Our views can change at any point of time & portfolio shall reflect the same accordingly
- This portfolio is not a part of PMS service provided by INSPL. This is just a virtual (model) portfolio**
- Other products offered by INSPL may have contradictory recommendation on stocks mentioned in this portfolio**
- All returns are from the date of inception of the portfolio

L&T Finance Holdings Ltd (LTFH)

**CMP Rs 68 | P/ABV (FY16E) 1.5x | P/ABV (FY17E) 1.3x
Target Rs 84**

Investment Rationale

- LTFH's loan book has grown at healthy pace of 35% CAGR in FY10-14 led by strong growth in L&T Infra by 43% and L&T Finance by 28% over the same period. In Q3FY15, LTFH's loan book growth was ahead of our expectation at 20% yoy in Q3FY15 led by higher growth in L&T Infra (+30% yoy) and Housing Finance (+88% yoy) due to low base.
- In Q3FY15, Consolidated NIMs of LTFH was down 39 bps qoq to 5.7% mainly due to decline in yields in L&T Infra by 90 bps qoq. This is mainly because the company has done significant disbursements at the end of the quarter which has resulted in lower interest income. As a result, NIMs in L&T Infra were down 67 bps qoq to 3.7%. However NIMs in L&T Finance continues to remain strong at 7.8% as against 6.3% in Q3FY14 mainly due to increasing share of high yielding retail products. Further we expect marginal improvement in Consolidated NIMs to 6.2% by FY17E.
- Asset quality on consolidated basis for LTFH was stable at 3% Gross NPA and 2% Net NPA as of Q3FY15. Key positive was improvement in consolidated provisioning coverage ratio to 35% from 31% in Q3FY14. However, Due to overhang of new NPA guidelines on LTFH, we continue to build in higher provisioning expense at 1.7% at consolidated level as against 1.4% in FY14.

Valuations

LTFH's asset quality was affected significantly in past few quarters which have resulted in both lower margins and increase in provisioning expense. LTFH's Q3FY15 result was ahead of expectation on operating front with higher than expected growth in loan book and Net interest income. Asset quality was stable on consolidated level while it deteriorated in L&T Finance mainly due to seasonality. We believe LTFH is set for gradual recovery in both business growth and asset quality led by improvement in macros. At CMP of Rs 69, LTFH is trading at consolidated P/AVB of 1.5x and 1.3x for FY16E and FY17E respectively. We continue to maintain buy rating on the stock with target price of Rs 84, valuing at 1.5x FY17E ABV. However recent correction in stock price gives opportunity to enter the stock at reasonable valuations of 1.5x FY16E ABV which is much lower than industry multiple of ~2.0-2.5x for FY17E.

YE March (Rs mn)	NII	Net Profit	EPS (Rs)	BV (Rs)	ABV (Rs)	ROE (%)	ROA (%)	P/BV (x)	P/ABV (x)
FY13	16,145	5,112	3.0	36.2	33.9	14.3	2.3	1.9	2.0
FY14	19,821	5,948	3.5	39.7	34.6	10.5	1.5	1.7	1.9
FY15E	26,425	7,620	4.4	46.4	41.7	14.6	1.9	1.5	1.6
FY16E	30,933	9,475	5.5	51.2	46.4	13.5	1.7	1.3	1.5
FY17E	35,965	11,090	6.4	56.9	52.1	14.0	1.8	1.2	1.3

Source: Company, IndiaNivesh Research

Source: Company Filings; Bloomberg; *Calculated Note: CMP as of 02/03/2015

DISCLAIMER

This document has been prepared by IndiaNivesh Securities Private Limited (“INSPL”), for use by the recipient as information only and is not for circulation or public distribution. INSPL includes subsidiaries, group and associate companies, promoters, employees and affiliates. INSPL researches, aggregates and faithfully reproduces information available in public domain and other sources, considered to be reliable and makes them available for the recipient, though its accuracy or completeness has not been verified by INSPL independently and cannot be guaranteed. The third party research material included in this document does not represent the views of INSPL and/or its officers, employees and the recipient must exercise independent judgement with regard to such content. This document has been published in accordance with the provisions of Regulation 18 of the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. This document is not to be altered, transmitted, reproduced, copied, redistributed, uploaded or published or made available to others, in any form, in whole or in part, for any purpose without prior written permission from INSPL. This document is solely for information purpose and should not be construed as an offer to sell or the solicitation of an offer to buy any security. Recipients of this document should be aware that past performance is not necessarily a guide for future performance and price and value of investments can go up or down. The suitability or otherwise of any investments will depend upon the recipients particular circumstances. INSPL does not take responsibility thereof. The research analysts of INSPL have adhered to the code of conduct under Regulation 24 (2) of the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. This document is based on technical and derivative analysis center on studying charts of a stock’s price movement, outstanding positions and trading volume, as opposed to focusing on a company’s fundamentals and, as such, may not match with a report on a company’s fundamentals. Nothing in this document constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to recipients’ specific circumstances. INSPL does not accept any responsibility or whatever nature for the information, assurances, statements and opinion given, made available or expressed herein or for any omission or for any liability arising from the use of this document. Opinions expressed are our current opinions as of the date appearing on this document only. The opinions are subject to change without any notice. INSPL directors/employees and its clients may have holdings in the stocks mentioned in the document.

This report is based / focused on fundamentals of the Company and forward-looking statements as such, may not match with a report on a company’s technical analysis report

Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Daljeet S Kohli, Amar Maurya, Abhishek Jain, Yogesh Hotwani, Prerna Jhunjunwala, Kaushal Patel, Rahul Koli, Tushar Manudhane & Dharmesh Kant.

DISCLAIMER (contd...)

Following table contains the disclosure of interest in order to adhere to utmost transparency in the matter:

Disclosure of Interest Statement		
1	Details of business activity of IndiaNivesh Securities Private Limited (INSPL)	INSPL is a Stock Broker registered with BSE, NSE and MCX - SX in all the major segments viz. Cash, F & O and CDS segments. INSPL is also a Depository Participant and registered with both Depository viz. CDSL and NSDL. Further, INSPL is a Registered Portfolio Manager and is registered with SEBI.
2	Details of Disciplinary History of INSPL	No disciplinary action is / was running / initiated against INSPL
3	Details of Associates of INSPL	Please refer to the important 'Stock Holding Disclosure' report on the IndiaNivesh website (investment Research Section - http://www.indianivesh.in/Research/Holding_Disclosure.aspx?id=10-link). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. INSPL and its affiliates may have investment positions in the stocks recommended in this report.
4	Research analyst or INSPL or its relatives'/associates' financial interest in the subject company and nature of such financial interest	No (except to the extent of shares held by Research analyst or INSPL or its relatives'/associates')
5	Research analyst or INSPL or its relatives'/associates' actual/beneficial ownership of 1% or more in securities of the subject company, at the end of the month immediately preceding the date of publication of the document.	Please refer to the important 'Stock Holding Disclosure' report on the IndiaNivesh website (investment Research Section - http://www.indianivesh.in/Research/Holding_Disclosure.aspx?id=10-link). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. INSPL and its affiliates may have investment positions in the stocks recommended in this report.
6	Research analyst or INSPL or its relatives'/associates' any other material conflict of interest at the time of publication of the document	No
7	Has research analyst or INSPL or its associates received any compensation from the subject company in the past 12 months	No
8	Has research analyst or INSPL or its associates managed or co-managed public offering of securities for the subject company in the past 12 months	No
9	Has research analyst or INSPL or its associates received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months	No
10	Has research analyst or INSPL or its associates received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months	No
11	Has research analyst or INSPL or its associates received any compensation or other benefits from the subject company or third party in connection with the document.	No
12	Has research analyst served as an officer, director or employee of the subject company	No
13	Has research analyst or INSPL engaged in market making activity for the subject company	No
14	Other disclosures	No

DISCLAIMER (*contd...*)

INSPL, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within. This information is subject to change, as per applicable law, without any prior notice. INSPL reserves the right to make modifications and alternations to this statement, as may be required, from time to time.

Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

HOLD. We expect this stock to deliver -15% to +15% returns over the next 12 months.

SELL. We expect this stock to deliver <-15% returns over the next 12 months.

Our target prices are on a 12-month horizon basis.

Other definitions

NR = Not Rated. The investment rating and target price, if any, have been arrived at due to certain circumstances not in control of INSPL

CS = Coverage Suspended. INSPL has suspended coverage of this company.

UR= Under Review. Such e invest review happens when any developments have already occurred or likely to occur in target company & INSPL analyst is waiting for some more information to draw conclusion on rating/target.

NA = Not Available or Not Applicable. The information is not available for display or is not applicable.

NM = Not Meaningful. The information is not meaningful and is therefore excluded.

Research Analyst has not served as an officer, director or employee of Subject Company

One year Price history of the daily closing price of the securities covered in this note is available at www.nseindia.com and www.economicstimes.indiatimes.com/markets/stocks/stock-quotes. (Choose name of company in the list browse companies and select 1 year in icon YTD in the price chart)

Thank You

IndiaNivesh Securities Private Limited

601 & 602, Sukh Sagar, N. S. Patkar Marg,
Girgaum Chowpatty, Mumbai 400 007.
Tel: (022) 66188800 / Fax: (022) 66188899

e-mail: research@indianivesh.in | Website: www.indianivesh.in