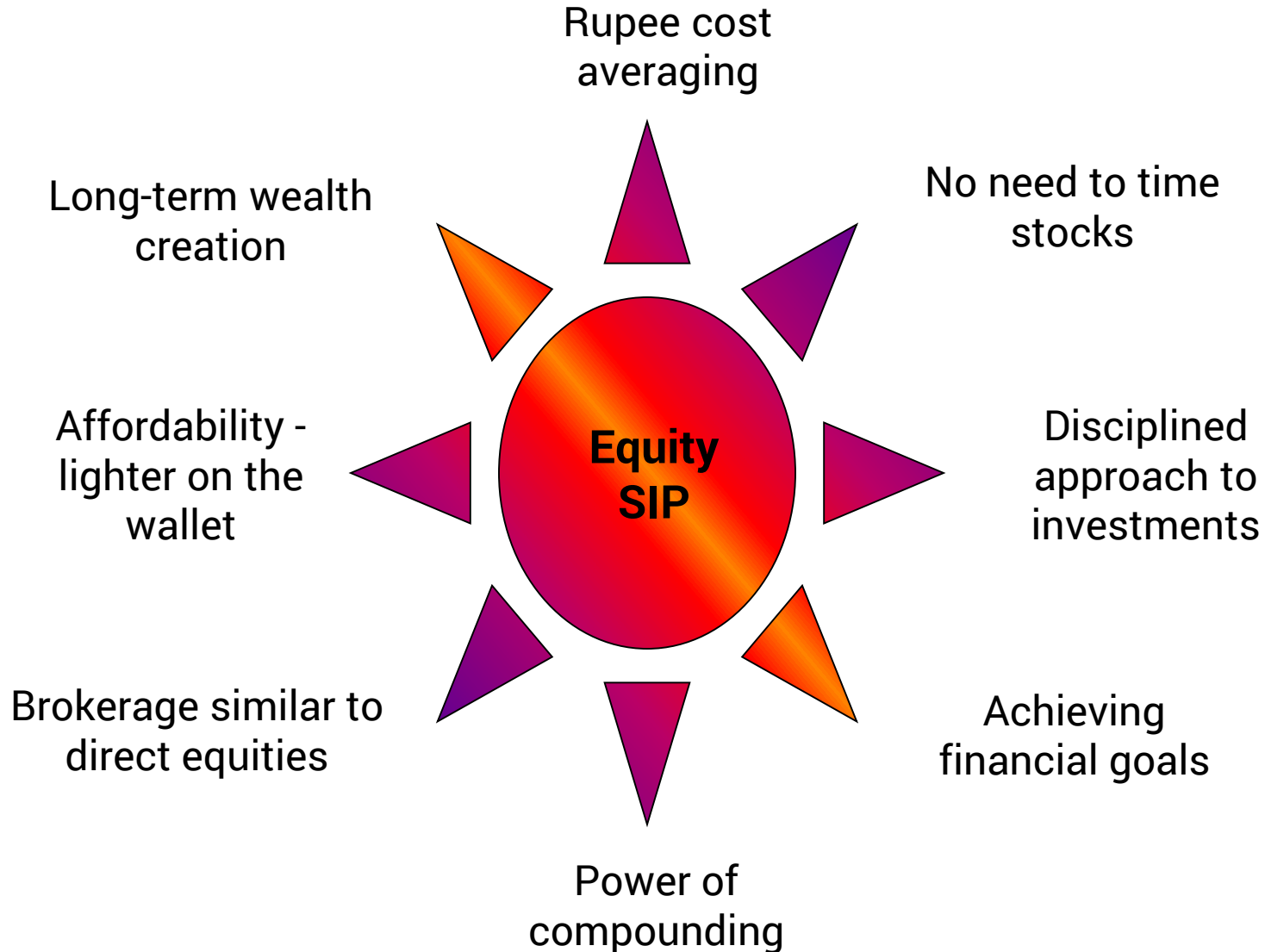


# EQUITY SIP

## September 2019



<b>Table of Contents</b>	<b>Page No.</b>
Why Equity SIP?	3
Equity SIP process in TT Manager for RM	4-5
Equity SIP process in TT Web for Client	6-7
Stocks for SIP	8
Larsen & Toubro	9
Axis Bank	10
ITC	11
HDFC Bank	12
Reliance Industries	13



# 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

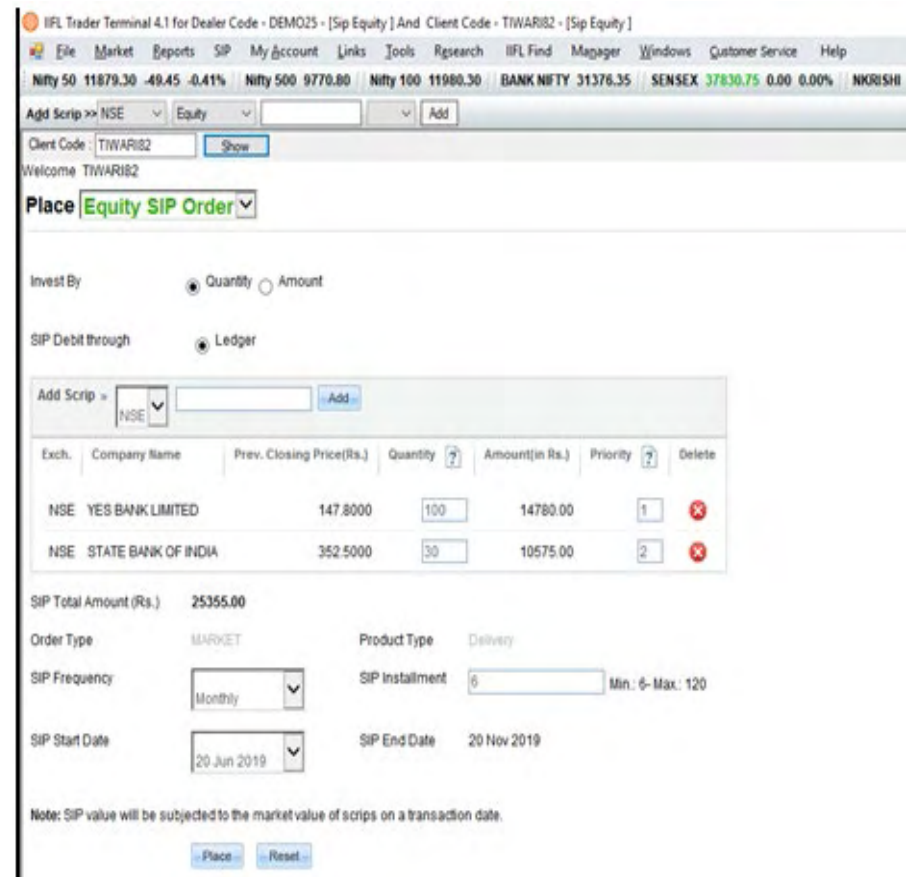
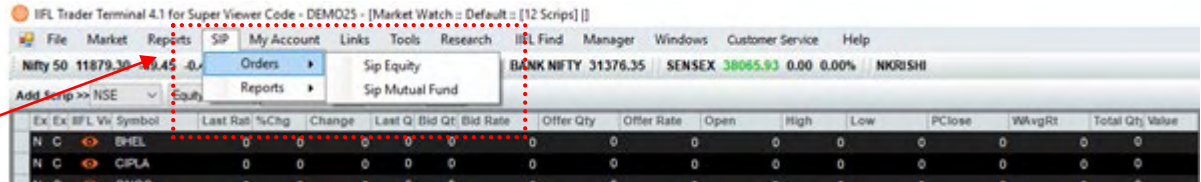
Click on the "SIP Equity" option as  
shown here

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

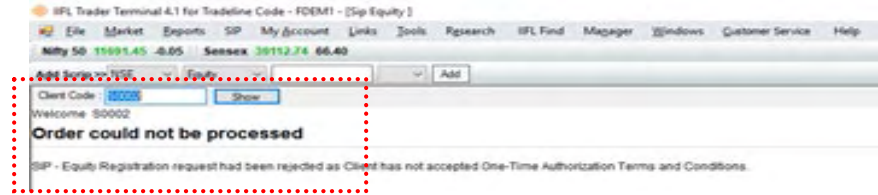




# Equity SIP Process In TT Manager for RM

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

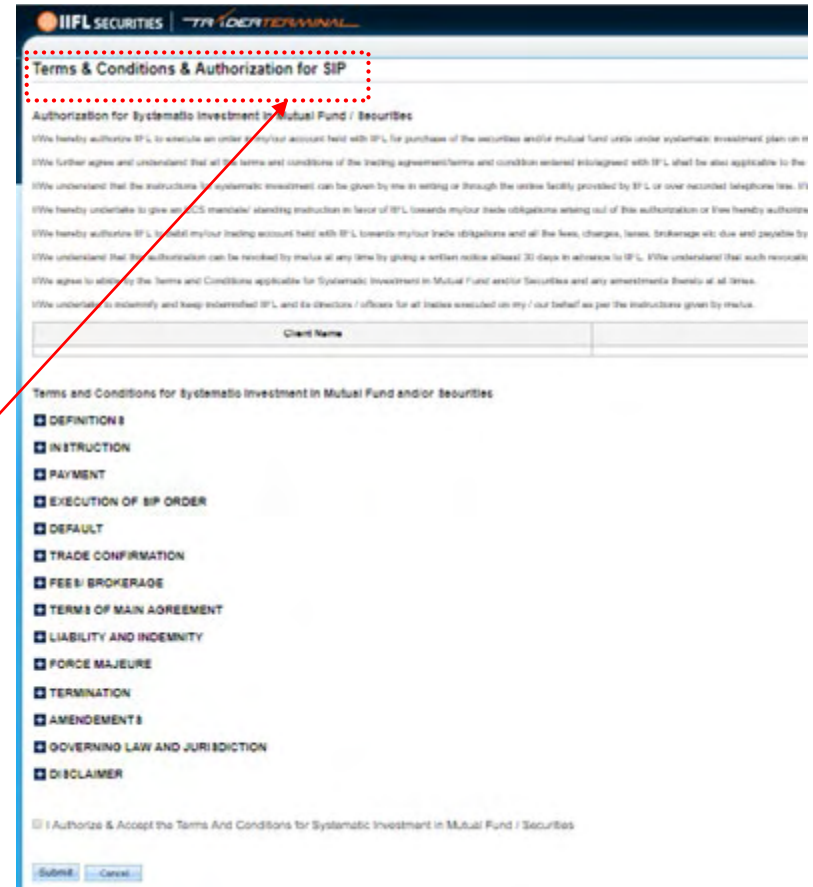
If the client has not signed the OTA, the following error message will appear on placing an order by the RM



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

Client will log on to TT web

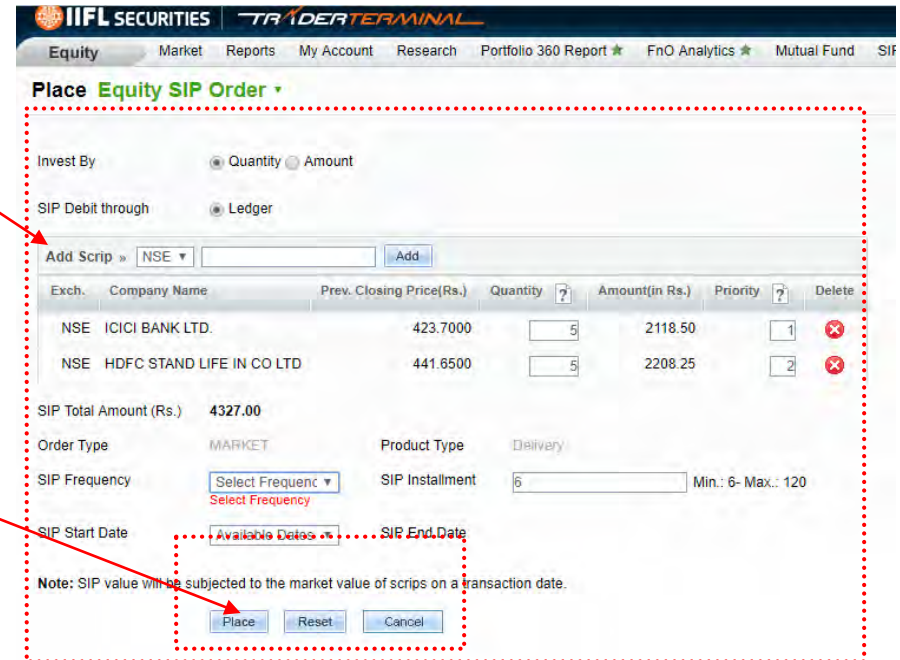
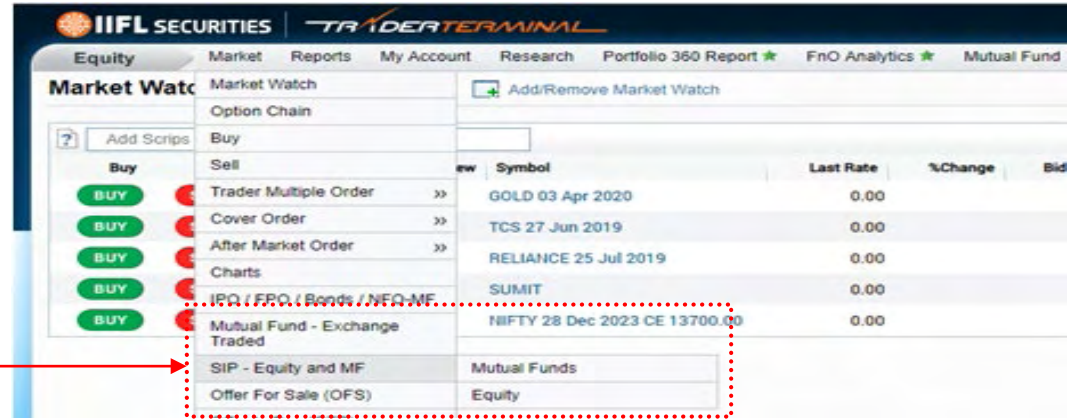
Click on "Market" tab from the main menu at the top, then click on "SIP - Equity and MF" from the drop down and select "Equity"

Equity SIP page opens up

Select the company name in add scrip, qty/amt, SIP frequency, no. of SIP installments, and SIP start date

After clicking on "Place", a 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



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

Client will log on to TT web

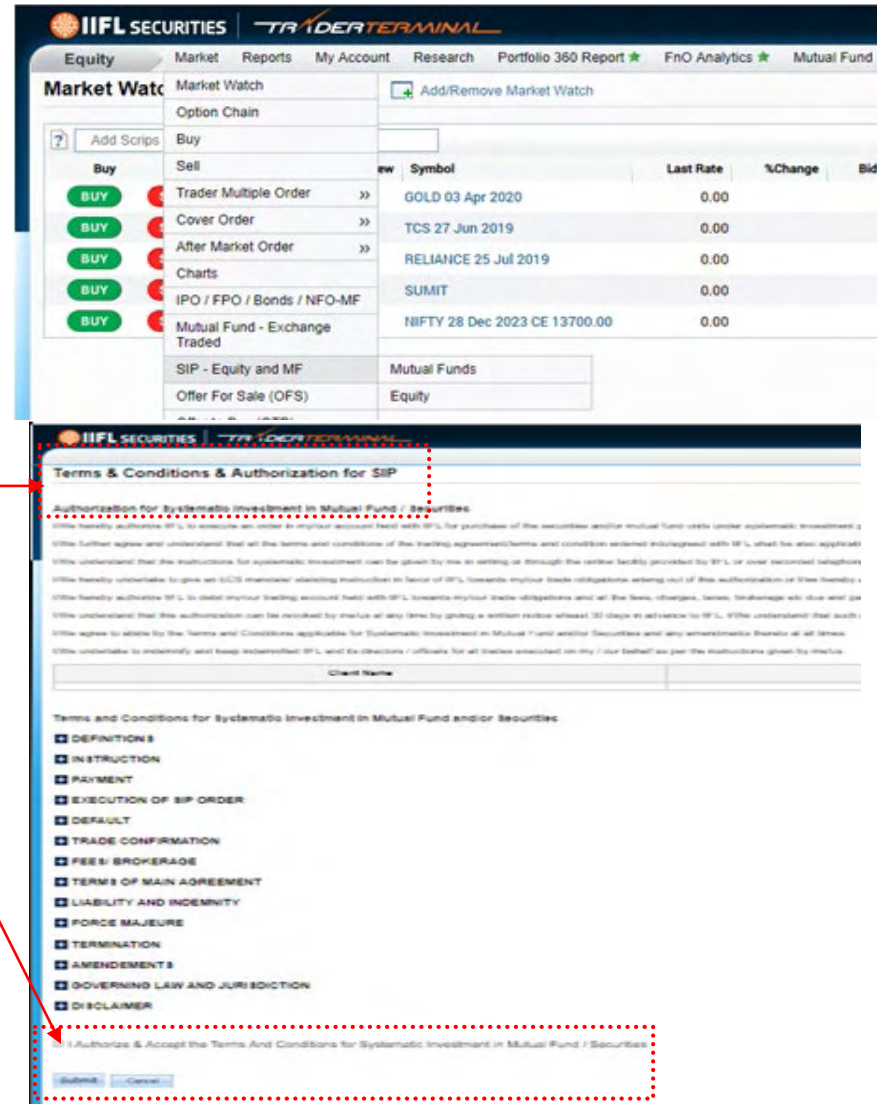
Click on "Market" tab from the main menu at the top, then click on "SIP - Equity and MF" from the drop down and select "Equity"

Since client has not signed OTA, a T&C page will appear, which the client needs to accept after reading T&C. Thereafter, Equity SIP page opens

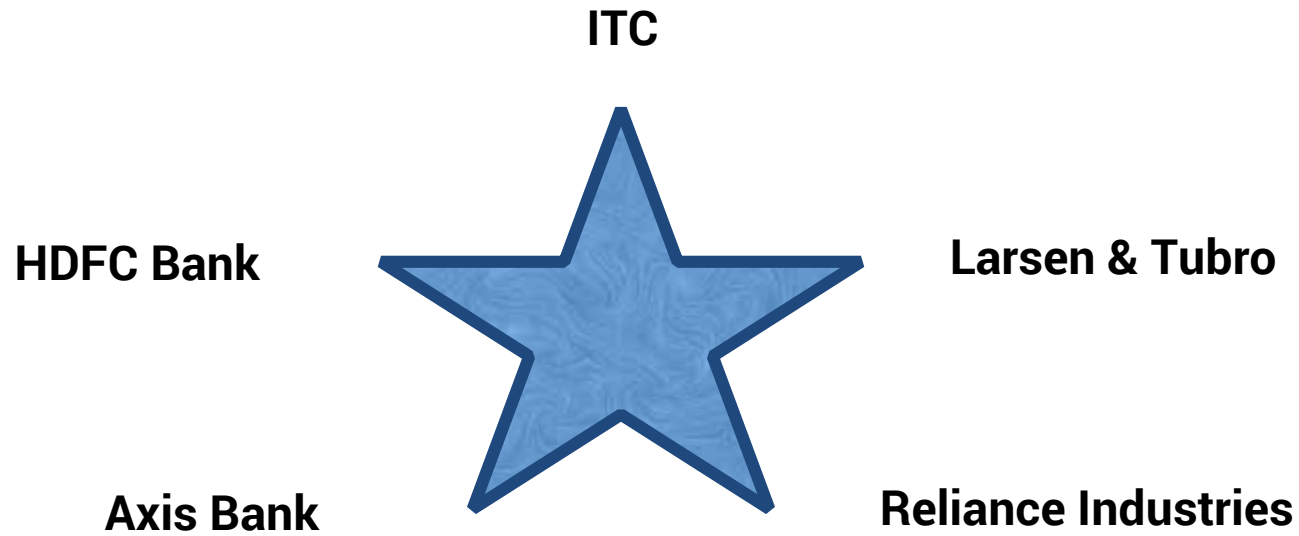
Select the company name in add scrip, qty/amt, SIP frequency, no. of SIP installments, and SIP start date

After 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



The screenshot displays the IIFL Securities TRADER TERMINAL interface. At the top, there's a navigation bar with 'Equity', 'Market', 'Reports', 'My Account', 'Research', 'Portfolio 360 Report', 'FNo Analytics', and 'Mutual Fund'. Below this, the 'Market Watch' section is active, showing a table with columns for 'Buy', 'Sell', 'Symbol', 'Last Rate', and '%Change'. The table lists various orders and their corresponding symbols and rates. Below the table, there's a section for 'SIP - Equity and MF' with a dropdown menu set to 'Mutual Funds'. The bottom part of the screenshot shows the 'Terms & Conditions & Authorization for SIP' page, which includes a list of terms and conditions such as 'DEFINITIONS', 'INSTRUCTION', 'PAYMENT', etc. A red dotted box highlights the 'I authorize & accept the Terms And Conditions for Systematic Investment in Mutual Fund / Securities' section at the bottom of the page.





## Company Information

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

## Long-term Scenario

- L&T is well placed to leverage any uptick in investment cycle owing to its behemoth positioning in its core Engineering & Construction business.
- Government's push on infra projects and widening base of mid-size orders will aid faster execution. Further, inflows have picked up post GST, driving strong order backlog of ₹2.94 lakh cr (2.8x TTM sales).
- With focus on cash flows, working capital has improved to ~23% 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.
- Mindtree (60.59%) consolidation will lead to enhanced ROEs for the overall business.
- L&T started FY20 on a strong note with PAT growing by 29% yoy to ₹1,570cr (Q1) and healthy order inflow growth of 11% led by strong core performance.

## 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 ~5% market share in loans as of FY19-end.
- Well diversified loan book of ₹4.97 lakh cr as on June 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. Medium term ROE goals, likely change in internal policies and completed top management hires are the key positives. Execution and sustained improvement in performance are key drivers.
- 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% in FY19 to 1.4% in FY21.
- Led by better traction in domestic loan growth, we expect loan growth CAGR of 15% over FY19-21E. Further, we expect domestic loan growth to outpace industry by 5-7% in FY20E.
- The bank was able to tighten operating expenses growth owing to (a) rationalization of outsourced manpower and security expenses, (b) digital initiatives in sourcing, leading to lower back-office and mid-office costs, and (c) lower advertising costs.

## 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; 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 revenue CAGR of 10.3% over FY19-21E, owing to (a) market share gain in FMCG, (b) acceptance of high cigarette price, and (c) leadership positioning.
- Cigarette margins have been stable owing to partial indigenization of capsule filters (vs. higher cost imported capsule filters).
- Cigarette EBIT has outgrown sales growth driven by higher realization and favorable mix. FMCG profitability improvement has also continued, reiterating the medium term margin expansion story. Improvement in profitability could result in 25% CAGR in free cash flows over FY19-21E.
- Trading at attractive valuation (significant discount to peers) of 20x 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.

## Company Information

- Largest private sector bank in India with market share of ~8.5% in system loans as of FY19-end.
- 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 delivering consistent growth in balance sheet and earnings over FY19-21E. Market share gains in assets and liabilities may continue given its strong competitive position.
- Cross-selling opportunities and expanding use of technology to improve business productivity. Driven by increased digitization and unassisted digital origination, it aims to bring down cost/income in coming years 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 is estimated to be in the range of 1-1.2% over the medium term to factor in the higher stress going ahead. However, the bank is expected to generate RoA of ~1.9%, RoE in the range of 16-17% over FY20-22.

## Risk

- Lower than expected loan book growth, lower fee income, and deterioration in asset quality.
- Higher-than-expected slippages from agri portfolio.



## 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

- Strategy to have partners in its oil to chemical (O2C) and Jio business will help RIL achieve its target of being FCF positive and net debt free by FY21. The deal with Saudi Aramco (20% RIL's O2C business stake sale at ₹7,500Cr EV), holds the key.
- RIL's refining business is well placed to benefit from IMO implementation w.e.f 2020; its Petchem EBITDA was down only 6% qoq at a time when feedstock and product prices witnessed volatility on new capacity ramp ups, and talks of a trade war weighing high on demand.
- Completion of JIO's investments cycle, gradual market share gains and additional revenue channels would drive overall profitability. Transfer of fiber and tower assets to SPV have lowered JIO's debt.
- 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 earnings CAGR of 15% by FY21E, driven by non-oil businesses.

## Risk

- Protracted trade wars and collapse of commodity earnings thereof.

## Recommendation Parameters for Fundamental/Technical Reports:

Buy – Absolute return of over +10%

Accumulate – Absolute return between 0% to +10%

Reduce – Absolute return between 0% to -10%

Sell – Absolute return below -10%

Please refer to <http://www.indiainfoline.com/research/disclaimer> for recommendation parameter, analyst disclaimer and other disclosures.

**IIFL Securities Limited (Formerly 'India Infoline Limited')**, CIN No.: **U99999MH1996PLC132983**, Corporate Office – IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Tel: (91-22) 4249 9000. Fax: (91-22) 40609049, Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 25806650. Fax: (91-22) 25806654 E-mail: [mail@iifl.com](mailto:mail@iifl.com) Website: [www.indiainfoline.com](http://www.indiainfoline.com), Refer [www.indiainfoline.com](http://www.indiainfoline.com) for detail of Associates.

Stock Broker SEBI Regn.: INZ000164132, PMS SEBI Regn. No. INP000002213, IA SEBI Regn. No. INA000000623, SEBI RA Regn.: - INH000000248

For Research related queries, write at [research@iifl.com](mailto:research@iifl.com)

For Sales and Account related information, write to customer care: [cs@iifl.com](mailto:cs@iifl.com) or call on 91-22 4007 1000