

to Buy, Sell

Share Price on BSE (₹)

184.85

JAN 28, 2019

and Hold

400

200

596.40

Edelweiss has maintained

buy rating on **Dewan Housing**

target price of ₹277. Challeng-

Finance Corporation with a

es are likely to reset DHFL's

near-term growth and NIM,

vulnerable, said Edelweiss.

avenues, aggressive sell-

brokerage said. Shares of

Corporation ended down 11.6% at ₹184.85 on Monday.

maintained buy rating on

Mphasis and revised target

price to ₹1,130 from ₹1,095.

The brokerage has increased

FY19/FY20 EPS estimates by

excess of 100% of its earnings

annually, said Investec. With

consistent FCF generation in

excess of 80% of PAT, this is

Shares of Mphasis ended up

2.2% at ₹940.80 on Monday.

Anand Rathi has maintained

buy rating on Swaraj Engines

and cut target price to ₹2,312

from ₹2,498. The brokerage

continues to expect positive

growth for the tractor indus-

ment subsidies and expects

The brokerage expects lower

growth in FY20 and FY21 and

said earnings growth is likely

expects revenue to grow 6%

Swaraj Engines ended down

4.5% at ₹1,424.90 on Monday.

over FY19-FY21. Shares of

HSBC has maintained buy

L&T's focus in its current

reducing working capital

asset monetisation, said

5-year strategic plan

rating on Larsen & Toubro

with a target price of ₹1,580.

is on improving profitability,

intensity, RoE expansion and

HSBC. The firm believes that

these focus areas align with

investors' expectations of

the company in the current

for the shares. Shares of

CLSA has maintained buy

cycle and are value-accretive

Larsen & Toubro ended down

1.2% at ₹1,300.55 on Monday.

rating on Maruti Suzuki India

following the automaker's

third quarter result and cut

target price to ₹8,500 from

₹9,200. Indian auto industry

is going through tough times

MARKET SNAPSHOT

to be muted. Anand Rathi

Swaraj Engines to benefit.

try in FY20, driven by govern-

sustainable, said Investec.

9.9% / 2.2%. Mphasis has

consistently paid well in

through a combination of

dividends and buybacks

Dewan Housing Finance

Investec Securities has

down to enhance liquidity,

and divestment of non-core

investments lend comfort, the

Even so, opening of financing

renderingearnings

'There is Enough Liquidity in System for Right Borrowers'



Piramal Enterprises is one of the few non-banking

finance companies to buck the trend with a loan growth of 45% and a profit increase of 23% in the third quarter ended December 31, 2018. In an interview with Shilpy Sinha, company's chairman Ajay Piramal talks about the liquidity crisis in the NBFC sector, growth opportunities and challenges. Edited excerpts:

You grew the loan book by 45% while other NBFCs have shrunk or sold. How did you manage the growth?

We bought out one portfolio consumer housing loan, which was₹500 crore. We had access to funds because of high equity and high quality of underwriting. Strong track record of our company has meant that many people were willing to lend. We were able to raise to₹10,000 crore of long-term funding.

Your housing finance has grown by 67% and builder finance by 31%. Is the book now less skewed towards builder finance?

In our portfolio, ₹4,000 crore is for housing finance and 70% of ₹65,000 crore is for builder finance, and the remaining to small and medium enterprises. The year-on-year growth in housing finance is not relevant because

we started in 2017. We will continue to grow all segments but housing and SME will be higher.

There have been a few defaults due to Supertech Realty. Do you see stress in the builder segment?

Our gross NPA is 0.5% though we have provided for 1.8%. We did not find any major stress in any account in the last quarter. Wherever there was some, we have made provisions.

Incrementally, the company saw 7% growth over the previous quarter. The company wrote ₹2.500-crore loan in the quarter. We also had repayments during the quarter.

How much did you borrow in the

'RBL's Asset Quality is Stable,

Piramal Enterprises Posts 23% Rise in Q3 Net Profit

Our Bureau

₹55,000 crore mainly due to Mumbai: Piramal Enterprises growth in housing finance segreported 23% rise in consolidament. Large part of the overall loted net profit during the quarter ended December 31, 2018 because of improvement in global pharma margins and increase in financial services business. Profit during the quarter rose to ₹603.27 crore compared to riod a year ago. Similarly, net sales for pharma business grew to ₹490 crore in the corresponding quarter a year ago. Global phar-₹1,156 crore from ₹1,022 crore. ma margins have gone up 21%. The company's revenue was up

quarter and what was the liquidity in

We had liquidity of ₹5,400 crore. There

was no significant pressure on repay-

ments. We brought down our commer-

cial paper exposure by ₹8,000 crore. In

addition, we borrowed ₹10,000 crore

institution gave funds for the first time

as they saw in challenging market. Ours

were strong. Our CP exposure has come

from long-term loans. Some of the

was a strong balance sheet, good

down to 15% from 18%.

underwriting, and legal documents

the book?

5.85% to ₹2,162 on the BSE.

Shares of the company fell

Loan book grew by 45% to

an outstanding is builder fi-

nance. The company saw 7%

increase in loan book over

the subsequent quarter. Net

sales for financial services

was ₹1,841 crore compared to

₹1.316 crore in the same pe-

The regulator whether it is Reserve Bank of India or the Ministry of Finance did a good job as far as managing the liquidity crisis is concerned. There is enough liquidity in the system for the right people. They have become selective on who people are lending. A small default by IL&FS of ₹300 crore brought system to a shutdown. Something like this can happen. The regulators acted swiftly. We have to be alert about a situation like this happening again.

Have liquidity concerns been addres-

Inconsistent Financial Show Makes Chalet a Cautious Bet

Company's Financials

company 5 rinariciais				January 29, 20	
	FY16 (Proforma)	FY17	FV18	Half year FY19	Issue Closes January 31, 20
Revenue	572	705	873	469	Issue Price
Total income	597	924	929	497	₹275-₹28
Profit/Loss	-112	127	31.2	-43	Issue Size
All Figures in Crore		Source	: Company	Presentation	up to ₹1641 cr

Raiesh N Naidu

ET Intelligence Group: Investors may wait until the listing of Chalet Hotels shares before making an investment decision. Asset-heavy business model and inconsistent financial performance are the key concerns.

Chalet Hotels operates five luxury hotels across Mumbai, Hyderabad and Bangalore with aggregate capacity of 2,328 rooms. The company follows asset-heavy model wherein it owns the property. Global hospitality brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, and Renaissance have lent their brand name to these properties.

The company plans to raise ₹1.641 crore through the initial public offering (IPO) of shares. Of this, ₹950 crore will be the fresh issue while the rest will be offer for sale by the promoters kesthe IPO less attractive.

including Ravi Raheja and Neel Raheja.

Issue Opens

FINANCIALS

In the past three years to FY18, the company's revenues grew to ₹873 crore from ₹572 crore. After a loss of ₹112 crore in FY16, the hotel posted ₹31.2 crore of profit in FY18. It reported a loss of ₹43.7 in the six months to September 2018 quarter.

VALUATION

Considering the equity after IPO, Chalet Hotels demands price-book multiple of four. This appears to be fair considering that listed luxury hotels such as Indian Hotels and EIH, which are bigger in operation and superior in financial performance, trade at P/B of nearly four.

Chalet Hotels' strategy to follow asset-heavy model has resulted in higher interest expense as percentage of total revenues. In FY18, the ratio was 22% compared with 1.6% for EIH and 6% for Indian Hotels. This ma-

Day Trading Guide



The weekly price action formed a bear candle, indicating profit booking emerging from upper band of consolidation. We expect the Nifty to extend current decline towards 10500 levels amid elevated volatility. As we do not expect Nifty to sustain below 10500, a corrective dip to

the support level over next few sessions should be used to buy quality defensive stocks.

Tech Picks

DHARMESH SHAH Head Technical

TCS

Potential triple bottom at 52-week EMA and

LAST CLOSE ₹1,955 STOP LOSS ₹1,890

BUY TARGET 2,080

DABUR INDIA

Price taking support at the lower band of the ris-

LAST CLOSE ▶ ₹427

STOP LOSS> ₹410

TARGET 450

SELL

TARGET

ACC

Breakdown below July-October support trend line supported by lower high lower low.

LAST CLOSE > ₹1.357 STOP LOSS > ₹1,402

1,265 SELL

APOLLO TYRES

Lower high lower low on Monthly charts and RSI

LAST CLOSE ▶ ₹209

STOP LOSS > ₹216

TARGET ₹196

in sell mode

AMIT GUPTA

Stop loss: **71.80**

Head-Derivatives

Target: 70.60

• Fall in USD ahead of FOMC meet positive from EM currencies

 With the bond yields stabilizing in the range of 7.2-7.5, rupee depreciation is likely to ebb

RESISTANCE	71.15	71.30	71.45
SUPPORT	70.95	70.80	70.75
ET SPACE AND PLANTED		LEIVER LIVE	21112212121

Target: 81.60 Stop loss: 80.20

RATIONALE:

Decline in US\$ supports Euro.

Rising expectations of delay in "Brexit" has improved risk

RESISTANCE	81.30	81.60	81
SUPPORT	80.80	80.60	80

Chg(%)

No Singular Cause for Worry' There is a slightly higher provisioning REVENUE GROWTH Monday reported a in the agri portfolio. In all other busi-36% rise in net nesses, the provisions have been Growth in profit despite an standard, well contained and below

increase in provisions for any future

bad loans, particularly in the agriculture sector. In an interview with Joel Rebello and Ashwin Manikandan, RBL Bank's chief executive Vishwavir Ahuja said provision coverage ratio is likely to go up to 65% to ensure that the bank is well covered. Edited excerpts:

What was the highlight of this quarter?

Our numbers tracking well in all aspects, interest income growing by 40% and non-interest income by 45%. Overall growth in revenue has been strong. Advances have increased 25% and NIM is at an all-time high of 4.12%, up from 3.89% a year ago.

Why have you increased provisions this quarter?

We had said that we would increase

revenue has been strong. Advances have increa-

sed 25% and NIM is at an all-time high of 4.12%

provision coverage ratio (PCR) and we've followed that in every quarter. PCR is up from 55% in April to 63.2% this guarter, and we plan to increase it further, may be to 65%. It is to ensure that we're well covered and our profits are allowing us to do that. The spike in provisions is for a good cause. The asset quality is stable and there is no singular cause for worry.

What are the slippages this quarter?

waivers that have built over time, for that we have now started to take provisions. We may get back some, depending on how much is paid back by the state governments. We have taken Rs 50-60 crore of additional provisions. About 40% of the total provisions is from agriculture.

the historical numbers; only in the agri

portfolio it's higher. We have presence

in a lot of states and the farm loan

What's your guidance in terms of credit cost?

About 30 basis points this quarter and if we're to annualize it, it comes to 120 basis points. The extra 20 basis points is coming because of factors I'd explained. For the previous quarter, it was microfinance: this quarter it is agri. From next year, we expect it to be around 100 basis points.

RBL Bank Q3 Net Profit Rises 36%, Provisioning for Bad Loans Doubles

Our Bureau

Mumbai: RBL Bank's December quarter net profit rose 36% as all segments of its operations -corporate to treasury to retailturned in growth as it capitalised on other lenders' holding back to liquidity issues.

The bank said net profit was at ₹225 crore, up from ₹165 crore a vear earlier. Its net interest income, the difference between what it spends on funds and what it

waivers and due to poor farm gagrowth.

NSE

Turn Shares Trades Turn Shares Trades

3206 2211 14.94 35283 15300 134.81

2952 1952 14.83 35104 14431 124.92

te prices. Provisions rose to ₹16 crore, from ₹82 crores a vear ago.

"The higher provisions are due to the additional ₹50 crore to ₹60 crore provisions we chose to take in the agriculture portfolio," said Vishwavir Ahuja, CEO at RBL Bank. "We had guided for a higher provision coverage ratio at the start of the fiscal. Our provision coverage ratio has increased to 63.5% from 55% in April and we expect it to go higher by the end of the fiscal."

RBL Bank has been among a earned from lending rose 40% to few beneficiaries when many Non-Banking Finance Compa-But its provisions for bad loans nies and state-run lenders tur- from 1.56% in the year ago period nearly doubled as its agriculture ned wary of lending to custo- and net bad loans fell to 0.72% portfolio was impacted adverse- mers amida credit squeeze. That from 0.97%. Net stressed assets ly amidgeneral talk of farm loan probably helped it record strong also declined to 0.81% from

Total Total

296

1402

59

567

2020

143

787

118

21



Its fee income, a key factor that investors watch in a bank as to how it earns without putting much capital, rose 50% to ₹346

Gross bad loans fell to 1.38% 1.15%.

Total Total

460

10

183

10

Traders Suggest Nifty Strategy

>> From Markets Page 1

Assume Nifty hits 10,000 post the Budget; the 10500 call is ₹500 ITM. The two 10100 sold puts are ₹200 ITM. So, the trader receives ₹273 (500-200-27). If Nifty hits the LBEP of 9,727, an unlikely event, the 10500 put is worth ₹746 less the debit. The two 10100 puts are worth ₹746, meaning no profit no loss. However, if the Nifty sinks to 9,600, the 10500 put is worth ₹873 while the two 10100 puts are worth a combined \$1,000, causing a ₹127 a share loss to the trader.

That the markets are nervous is borne by the PCR of the January 31 expiry Nifty options slipping to 0.85 Monday from 1.01 Friday.

L&T Surprises St

>> From Markets Page 1

Many projects are reaching the 25% the first half of FY20. L&T for the first-time disclosed re-

alty monetisation of ₹6,200 crore, the step adding to revenue visibility. L&T has booked revenue of ₹1,650 crore so far from reality mon-

Zee Shares Gain

From Markets Page 1 "We have got a timeframe which ex-

tends beyond the April 2019 deadline that we had committed towards the stake sale," Goenka said. "We will re-engage with prospective buvers and I'm confident that we should be able to do it in within the timeline we have set for ourselves." Goenka said that he does not expect change in valuation of the company in the deal as the "intrinsic value of the asset remains the same". He said Zee will get the right value of the stock irrespective of

completion threshold, reflecting in the revenues in the next few quarters and likely boosting margins in

what's happened in the market as they have "multiple suitors". Goenka said the management has given comfort to the lenders that any equity realisation will first go to the lenders and only after that will flow to the promoters.

higher high-low on weekly chart

ing channel and 50 days EMA

Fx Technical

Sell US\$INR at 71.20-71.30

RATIONALE:

SUPPORT	70.95	70.80	70.75
Buy EURINR in the r	ange of 80.75 -	80.85	

sentiment and it is positive for Euro.

RESISTANCE	81.30	81.60	81.85	
SUPPORT	80.80	80.60	80.20	

Negative Trend

Jet Airways

Dewan H.Fin.

Adani Power

Allahabad Bk

PC Jeweller

Infibeam Ave

Chernai Pet.

ICICI Bank

Medical Services

Telecom Equip.

Power Generation

Active Puts

Company Contract

Future

41.90

74.00

39.70

241.60

Traded

-0.95 -9.73

-0.74 -22.95

Open Chg in

Trd Chg in

Qty TQ (%)

-13.34

-0.63

-0.62

42.30

74.55

39.95

243.10

Top Sectoral OI Gainers

Interest OI (%)

Market Intelligence Powered By: ETIG Database www.etintelligence.com

23/1

	SENSEX	NIFTY
Open	36099.62	10792.45
High	36124.26	10804.45
Low	35565.15	10630.95
Close	35656,70	10661.55
Change(Abs)	-368.84	-119.00
52-Wk High (/	lug 29) 38989.65	(Aug 28)11760.20
52-WkLow (Aar 23)32483.84	(Mar 23)9951.90
3-Yr High (Aug	29,18)38989.65 (Au	ig 28,18)11760.20
3-Yr Low (Feb	29,16)22494.61 ()	Feb 29,16)6825.80
52 WEEK	AT NSE	
HIGH "Agro Phos In S6.2 Gold NrES 21020 HDFC Gold 29750	0 8kS Intin. 105.00	Grific Blo St. 78:00 K. GP Petro 56:40 T. Hind Aeronau 729:00 L/

22/1 3217 1576 11.99 31363 11903 112.44 **ALL TIME AT NSE** "Sintex Plast 96 Strips W "Stampede Cap Tahwalkars H Tantia Const Tara Jewels Tara Busi Tata Sponge Tata Steel Technolab En TvS Motor Co Ucal Red Ujus Energy Umang Darry Uniply Inds. United Nigi

Hohtamaki PP Parag Milk F "Parayhath Dv

1235 2730 1757 1802 13.46 28615 11383 104.43 23/1 2310 1671 11.13 27522 11439 96.60 Turnover Cash Market BSE NSE 36000 **JAN 22 JAN 28**

ADVANCE & DECLINE

Positive Breakouts Days 20 Days % 50 Days Close MvgAvg Chg Mvg Avg Starlit Powr 20.71 21.97 14.36 37.49 17.76 44.15 33.67 New Light Ap Seasons Text 11.03 9.80 12.55 10.56 10.73 83.51 9.78 Satvah Ispat 10.39 9.60 7.16 105.30 98.26 Rama Steel 90.05 6.94 StanChrt-IDR 49.56 49.27 Sanghvi Forg 11.06 271.72 5.97 10.34 11.72 Triveni Glas 5.94 287.85 280.70 Wonderla Hol 5.74 489.00 443.60 5.22 1299.77 5.02 67.58 4.74 308.81 1386.90 1318.09 Benares Hotl Teinaksh Hit 324.00 309,35 3.99 3.82 39.40 37.95 37.85 Hawa Engg. 65.00 259 64.00 GG Dandekar 63.36

77.20

Diksha Green

ET Indices - PHARMA - ET-100 11980 15400 **DEC 31 JAN 28** Negative Breakouts

HIGHS & LOWS

52WK High

Days 20 Days % 50 Days Mvg Avg Chg Mvg Avg Close 29.44 Aunde Faze T 27.75 Gysenal Allo 5.25 19.11 SMS Lifesci. 561.20 691.41 18.83 581.25 17.52 37.44 17.07 Unick Fix-A 31.05 77.07 82.86 16.00 MM Rubber 14.62 113.13 IndoTech Tra 14.58 Indian Sucro 16.40 20.28 107.55 124.55 13.65 122.49 13.32 13.29 Athena Glob. 42.05 22.50 Archit Org. 8.26 7.14 12.82 12.08 Polyspin Exp 121.35 138.03 139.83 11.83 Emmbi Inds. 110.75 125.61 120.55 11.73 **Umang Dairy** 39.50 44.54 11.32 Ausom Entern 46.14

547 1614 -1067 72708 75812 -3103 24427 26429 Total 2019 72708 75812 -3103 24427 26429 -2002 Spurt in Volumes at BSE Days 2 Weeks Chg Volume Avg. Vol. 23 221639.13 28283.62 421.95 Matrimony.co Laurus Labs 17893.72 458.65 557 TI Financial Zee Media 8765084 7680.67 17.75 Zensar Tech. 403106 6053.12 223.25 Sadbhay Engg 272966 2952.18 190.00 6866225 2388.76 5.25 2360.76 71.15 94641 3846 Den Networks 74837 2261.31 43.25 Galaxy Enter 51571 2461 1995.36 474.25 1993.00 24.50

FII ACTIVITY (₹ Cr.)

Sell

Sell

Days

3.69

Spice Mobili

Zen Tech.

Siti Network

Sambhaav Med

331

Best Returns on BSE % Average Days Prices Close Chg Volume Fortnight 43.25 26.50 63.2 Galaxy Enter 7NR Retail 14.00 Five Core Ex 33.2 16.90 12.85 315 Hi-Tech Wind 1 Month Medico Inter 103.3 Bihar Sponge 0.37 Risa Intl. 1.96 5.59 Shantanu She 3.24 72.5 Transgene Bi 3 Months 258.2 Trescon Mishtann Foo 37,00 10.62 248.4 5.25 1.68 2125 1540013 Vikas Proppn Sunstar Real 0.19 210.5 77.65 30.00 158.8 Medico Inter Disclaimer: The content hereof does not constitute any form of advice or recommendation by the newspaper, "BCCL" or its affiliates will not be liable for any direct or indirect losses caused because of readers' reliance on the same in making any specific or other decisions. Readers are recommended to make appropriate enquiries and seek appropriate advice before making any specific or other decisions.

Buy Sell 2413 1582 830 2109 1618 491 11983 10345 1638 42531 35808 6723 174632 129599 45033 -2002 Total 2019 42531 35808 6723 174632 129599 45033 Spurt in Volumes at NSE Days 2 Weeks Days Close Volume Avg. Vol. Chg Close 2474.49 626566 1700.27 Shirpur Gold 1537.31 1752.10 338559 20678 Shriram City

1185111

1093467

74849

MF ACTIVITY (₹ Cr.)

EQUITY

DEBT

9.25

4.05

79,95

1412.24

1370.31 1351.08

1242.95

2998

81671

81423

5677

Thyrocare Tc. E2E Networks 58000 5000 1060.00 42.40 1168050 123065 Action Const 849.14 85.10 Worst Returns on BSE Prices % Average Company Close Chg Volume Fortnight 1.88 Viji Finance -41.0 56234 39.95 -40.3 4648875 HEG 2194.00 3660.90 -40.1 63225 Linde India 494.50 789.95 -37.4 145023 68.95 108.35 -36.4 168592 Thirumalai 1 Month Viii Finance 2.28 -51.3 45725 -488 261112 MIC Electron 0.87 1.70 3.52 -46.6 Richa Inds. 7724 0.20 0.35 -429 Jackson inv. 27095

F&O Corner-NSE **Positive Trend** Future Diff Price

Active Calls Open Chg in Traded Qty Interest OI (%)

7.10 1218.41 549.90 **Future OI Losers** Open Chg in Future Chg in

Raymond

32.97 32.84 32.56 31.94 30.37 29.56 29.06 913.20 79.35 78.45 729.95 219.85 427.30 977.70 Union Bank Market-Wide Position Limit (Lakh) (%) Company

Granites & Ceramics Auto Ancillaries Mining & Minerals

Qty TQ (%) Interest Of (%) 28740000 19.73 40212700 44.09 14228500 46.32 12243320 5.09 2729100 17.47 10196575 48.49 4826810 3.94 10196575 48.49 3.43 317832200 160.45 Telecom Services 38565000 2.88 12051000 -36.60 273581400 2.29 193260200 128.76 17535300 2.25 10126650 -54.08 Plastic Products

MWP Chg in 01 (%)

1490 23.42 107 1994 7.68 -7.47 123

75.38

2.41

60.85

25.85

9040 73714 186724 7470 20535 IL&FS Transp 14.60 -40.8 122512 83182 3 Months Ashapura Int -84.6 -79.3 18684 Ashari Agen. 6.73 32.50 32135 5.33 -79.2 Viii Finance 1.11 42485 4.15 -74.7 5843 87.85 319.00 -72.5 5668 463698 Arvind

SREI Infra. Dish TV TVS Motor Co Reliance Com

Company Contract

Interest OI (%) Price Price (%)

Adani Power Dewan H.Fin 88.66 84.71 78.95 77.25 77.11 74.70 74.45 73.67 57.33 50.83 144255 1221.92 589.36 465.30 Wockhardt Bk of India Jain Irrig. Rel Capita 491.31 182.75 Pun Nat Bank India Cement 208426 1556.87 441.94 329.04 67.94 50.06

44452100 42525700 Top Sectoral OI Losers