

**INDIA'S
BEST
FUND
MANAGERS**

TOP HOLDINGS

(% of net assets as on Dec 31, 2015)

SBI Bluechip/ SBI Magnum Midcap

HDFC Bank	6.88
Sun Pharmaceutical Inds	5.68
Reliance Industries	5.41
Infosys	4.54
Maruti Suzuki India	3.70
Tata Consultancy Services	2.96
Larsen & Toubro	2.73
The Ramco Cements	2.69/4.04
Mahindra & Mahindra	2.58
Titan Company	2.36
Strides Shasun	1.75
Cholamandlam Investment	1.42
PI Industries	1.32
Credit Analysis & Research	1.33
FAG Bearings India	1.29
Sanofi India	1.28
Sequent Scientific	1.20
Britannia Industries	1.21
Dr Lal Pathlabs	1.65

Source: Value Research

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capex programme, which meant that return ratios were set for an improvement. We were right about all those factors, but the more we interacted with the management, the more we realised that it was a one-man show and that there was nobody else there apart from the promoter," says Andani. The company neither had any strong processes in place nor did it have a professional set-up to ensure longevity and sustained growth. "It's not that we don't like family structures, but in the absence of professionals, the company could in future very well see its competence erode if outside competition came in and undercut the business. This kind of competitor will not make money but will definitely make the incumbent's life miserable. In that sense, Omkar looked quite vulnerable," explains Andani. Since the fund held a significant portion of the mid-cap company's equity, exiting the counter would have become a challenge if it waited for its assumptions to play out. There was merit in what Andani did, as she could have easily instead overlooked the fact that the stock was minimal as a percentage of assets. But in an absolute sense, at over 8%, the fund held a substantial stake in the company's equity. "We slowly started exiting the counter once we realised that the thesis by which we had bought the stock no longer held true. Since there was no negative news flow, we were lucky to get out with negligible impact cost within a year's time, ending up with 25-30% return," she adds.

PLAYING TO HER STRENGTHS

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ANDANI LOOKS OUT FOR COMPANIES COMING OUT OF A

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