

Core Purpose : To continuously delight our customers by offering trustworthy services for Wealth creation

Core Values : We meet Statutory and Non-statutory Obligations on Due date.
We do not encourage speculation. Right attitude towards Clients.
Client is always Right. Client deserves Trustworthy Advice. We are Trustee of Client's Assets when in our Custody.

Our Mission : To pursue Quality Advice and Ontime Services in Healthy Atmosphere leading to benefit of all Stakeholders

Index and data indicators

*Global indices corrected sharply in 2008 January, so the data prior to the month is taken for reference, FY24 GDP growth forecast at 6.5%

Time period	30/9/2023	31/8/2023	31/12/2007
Nifty	19638.3	19253.8	6138
Valuation			
Trailing PE	22.21	21.97	27.62
Trailing PB	3.45	4.4	6.39
Mcap/GDP	1.70	1.65	1.23
Nifty return			
1 year	14.88%	8.42%	54.77%
2 year	5.58%	6.01%	47.11%
3 year	20.42%	19.13%	43.43%
EPS growth			
1 year	6.76%	4.62%	19.13%
2 year	16.36%	15.88%	15.95%
3 year	36.97%	35.45%	17.85%
Other data points			
Credit growth	19.80%	19.70%	25%
10-year bond yield	7.20	7.10	7.57
Brent Oil Futures	95.31	86.86	93.25
USD/INR	83.03	82.7	39.23
Gold (oz/USD)	1866	1965.9	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices hit record high!!

Indian indices moved higher to mark a new high. However, this was followed by profit-booking as the month ended.

Key developments during the month were,

- ▶ India's index of industrial production (IIP) increased by 5.7% in July 2023, reaching a five-month high. This growth is compared to 3.7% in June 2023 and 2.2% in July 2022. The manufacturing sector, which holds a 77% weightage in the IIP, grew by 4.6%. Additionally, the Basic Metal sector saw a growth of 12.8%, mining output rose by 10.7%, and electricity production increased by 8% in July 2023.
- ▶ India's August wholesale price index or WPI inflation stayed under zero on an annual basis for the fifth month in a row. The WPI number is -0.52% for the month of August 2023 y-o-y against -1.36% in July 2023. The negative rate of inflation is primarily due to fall in prices of mineral oils, basic

metals, chemical & chemical products, textiles and food products. Retail inflation, measured by the Consumer Price Index (CPI), decreased to 6.83% in August 2023. The decline in vegetable prices contributed to the decrease in CPI, which fell from a 15-month high of 7.44% in July.

- ▶ India posted a merchandise trade deficit of \$24.2 billion in August 2023, the largest gap in ten months. Exports contracted by 6.9% y-o-y to \$34.5 billion, while imports declined by 5.2% y-o-y to \$58.6 billion. India's services surplus in August 2023 was steady at \$12.5 billion as exports and imports remained firm at \$26.4 billion and \$13.9 billion, respectively.
- ▶ India's net FDI declined from \$17.3 billion in April July 2022 to \$5.7 billion in April-July 2023 on account of moderating gross FDI and a rise in repatriation.
- ▶ India's external debt as a proportion of GDP declined to 18.9% by end March 2023 from 20% at end March 2022. In absolute terms, the debt increased by 0.9% to \$624.7 billion from \$619.1 billion in March 2022.
- ▶ GST collections rise at Rs 1.63 lakh crore in September, up 10.2% YoY. This is the seventh month in a row that the monthly Goods and Services Tax mop-up has come in above the Rs 1.5-lakh-crore mark.

Indices initially moved higher and hit record high. As the month progressed, market saw some change of sentiments, which triggered selling. One of the primary drivers was concerns over rising oil prices, which raised apprehensions among investors regarding their impact on various industries. Traders fear that if crude oil prices remain above \$90, it could negatively impact operational margins. Furthermore, the impact of increasing US interest rates and rising US bond yields kept foreign

institutional investors (FIIs) in a selling mode, contributing to the market's unfavourable mood. The FIIs sold to the tune of Rs 26,692 crores, while the DIIs remained in buying mode.

Following a two-day meeting, the US Federal Reserve decided to leave the benchmark interest rates unchanged at the range of 5.25% to 5.50%. The central bank revised its forecast, suggesting that interest rates will remain elevated for a longer duration than previously expected. Among the global indices, the Dow Jones Industrial Average, S&P 500, and Nasdaq Composite had fallen 3.96%, 5.02%, and 4.83%.

Market Outlook

Despite weakening global prospects, the Indian economy is displaying resilience led by private consumption, fixed investment and robust public sector capital expenditure, as per RBI Bulletin.



Performance of key sectoral indices

Nifty MNC	0.09%	Nifty Metal	2.62%
Nifty FMCG	0.87%	Nifty Realty	2.90%
Nifty Bank	1.34%	Nifty Auto	3.03%
Nifty India Consumption	1.90%	Nifty Infrastructure	4.93%
Nifty Pharma	1.97%	Nifty Energy	6.19%
Nifty IT	1.98%		

- ▶ The Asian Development Bank trimmed its annual growth forecast for several countries in Asia because of China's property crisis and climate related risks. China is expected to grow by 4.9% in 2023, down from an earlier forecast of 5%. India is still projected to be among the region's best performers with a forecasted growth rate of 6.3% (down from 6.4%). The Organisation for Economic Cooperation and Development (OECD) has revised its GDP growth projection for India in the FY24 to 6.3% from earlier projection of 6%. The World Bank forecasts growth in the developing East Asia and Pacific region to remain strong at 5% in 2023. However, it expects growth to ease in the second half of 2023 and fall to 4.5% in 2024.
- ▶ In August, China's exports decreased by 8.8% y-o-y, and imports contracted by 7.3%. Despite exceeding expectations, these trade numbers indicated significant pressure on China's manufacturing sector, prompting policymakers to prioritize boosting domestic demand to support growth. Retail sales and industrial production picked up in August, with better-than-expected growth. Retail sales grew by 4.6% in August y-o-y, it was 2.5% pace in July. Industrial production also rose by 4.5% in August from a year ago, faster than the 3.7% increase reported for July. Fixed asset investment, however, grew by 3.2% y-o-y in August, slower than the 3.4% as of July. Factory activity expanded for the first time in six months in September, suggesting the world's second-largest economy has begun to bottom out. The manufacturing PMI rose to 50.2 in September from 49.7. The composite PMI, climbed to 52 in September from 51.3.
- ▶ Japan's headline inflation rate came in at 3.2% for August, slightly slower than the 3.3% seen in July and the 16th straight month that inflation is above the Bank of Japan's 2% target. The Bank of Japan kept its main

interest-rate targets unchanged after a regular policy meeting, including a cap on the yield of 10-year Japanese government bonds at 1%. The final au Jibun Bank Japan Service purchasing managers' index (PMI) fell to 53.8 in September from 54.3 in August, hurt by slower new business and a stalling in export orders. The composite PMI fell to 52.1 in September from 52.6 in August

- ▶ Eurozone Composite PMI compiled by S&P Global inched up to 47.2 in September, compared to August's 46.7. UK inflation surprised with a dip to 6.7% in August, below expectations. On a monthly basis, the headline CPI rose by 0.3%. Core CPI came in at 6.2% in the 12 months to the end of August, down from 6.9% in July. The Bank of England paused its hiking cycle, keeping the policy rate at 5.25%, after cooler-than-expected inflation data.
- ▶ The Institute for Supply Management's US services index climbed to a six-month high in August, while the price segment ticked up to 58.9%. August's Consumer Price Index rose 0.6% as expected. The core producer price index in the US climbed 0.2% in August. The overall producer price index increased a seasonally adjusted 0.7%, the biggest monthly gain since June 2022. The unemployment rate jumped to 3.8% in August. Nonfarm payrolls grew by a seasonally adjusted 187,000 in August. August new home sales were down 8.7% from July. The Conference Board's consumer confidence index fell to 103 in September from 108.7 in August. The real GDP of the US expanded at an annual rate of 2.1% in the Q2.
- ▶ India's factory activity slowed in September marginally, but remained solid, with strong demand driving business confidence to its highest level this year. The Manufacturing Purchasing Managers' Index, compiled by S&P Global, fell to 57.5 in September from 58.6 in August. The PMI level has remained above the 50-level mark for 27 straight months. India's services sector strengthened further in September, witnessing strongest output in 13 years. India's S&P Global's services PMI stood at 61 in September, up from 60.1 in August.

With the interest rates remaining high, markets are likely to remain volatile. The uncertainty over the Federal Reserve's rate-hike timeline looms over the market sentiments.

TECHNICAL VIEW

The consolidation of August saw buying in September which took the indices to record new highs. Nifty crossed the psychologically important level of 20000 and marked a high of 20222. As the month progressed Nifty saw some profit-booking. Nifty gained nearly 2% in the month.

Nifty remains above all its key averages on weekly, monthly and quarterly chart. Weekly RSI has moved below its average. Monthly as well as quarterly RSI is placed above its average. This is the second consecutive quarter Nifty has closed in green, with increased volumes.

Nifty saw profit-booking after marking a record high. Going ahead, 20000-20200 remains a strong resistance zone for Nifty. On the other hand support is placed at 19500-19300. At lower level 19000 would be a support level.



GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Coal India Ltd.	230.7	295.2	27.96%
N T P C Ltd.	217.85	245.55	12.72%
Larsen & Toubro Ltd.	2710	3023.55	11.57%
Oil & Natural Gas Corpn. Ltd.	174.4	191.85	10.01%
Bajaj Auto Ltd.	4622.4	5063.7	9.55%

LOSERS			
COMPANY	OPEN	CLOSE	%
Cipla Ltd.	1264.9	1186.15	-6.23%
H D F C Bank Ltd.	1571	1526.3	-2.85%
Reliance Industries Ltd.	2406.55	2345	-2.56%
Asian Paints Ltd.	3241.1	3161.05	-2.47%
Kotak Mahindra Bank Ltd.	1763.9	1735.7	-1.60%

MUTUAL FUNDS PERFORMANCE

NAV as on 30 September 2023

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2569.61	0.56	1.71	3.52	6.92
Aditya Birla SL Liquid Fund Reg (G)	372.12	0.56	1.70	3.52	6.92
Canara Robeco Liquid Fund Reg plan (G)	2778.56	0.56	1.71	3.52	6.92

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	29.89	0.64	1.93	4.10	7.34
Kotak Equity Arbitrage Fund (G)	33.04	0.67	1.98	4.03	7.14
DSP Arbitrage Fund Reg Plan (G)	13.25	0.64	1.89	3.87	6.98

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	282.51	24.40	14.75	30.89	17.23
Nippon India Equity Hybrid Fund (G)	79.92	21.02	10.21	22.76	8.32
HDFC Hybrid Equity Fund (G)	94.98	18.82	9.83	22.25	13.64

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	57.73	13.11	9.03	15.18	11.54
Edelweiss Balanced Advantage Fund (G)	40.22	13.58	5.86	15.04	12.07
Aditya Birla SL Balanced Advantage Fund (G)	83.16	13.79	6.49	14.80	10.57
Nippon India Balanced Advantage Fund (G)	138.98	12.29	6.86	14.41	10.16
Tata Balanced Advantage Fund (G)	16.84	13.74	7.78	14.21	N/A

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Multi Asset Fund (G)	547.21	23.42	15.88	28.89	16.40

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Templeton India Value Fund (G)	533.68	26.67	16.13	36.31	16.95
Bandhan Sterling Value Fund Reg (G)	112.05	25.76	15.63	35.92	17.76
ICICI Pru Value Discovery Fund (G)	327.27	28.88	15.56	30.86	17.37
HSBC Value Fund (G)	75.17	33.94	15.05	29.22	16.74

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	153.93	23.59	19.57	32.83	15.68
Franklin India Focused Equity Fund (G)	80.22	20.18	10.77	31.46	16.55
Nippon India Focused Equity Fund (G)	94.19	20.96	10.32	28.64	16.72
Quant Focused fund (G)	65.41	17.59	10.78	26.80	15.74

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	276.99	16.91	13.82	34.19	24.78
Bandhan Tax Advantage Reg (G)	119.51	24.23	12.40	30.67	17.28
Nippon India Tax Saver (G)	93.06	22.54	9.98	27.87	11.57
SBI Long Term Equity Fund Reg (G)	294.85	33.71	15.63	27.82	16.88
Motilal Oswal Long Term Equity Fund Reg(G)	32.80	27.44	10.04	26.51	14.70

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	65.81	27.16	14.35	30.30	15.13
HDFC Top 100 Fund (G)	870.16	25.76	11.85	27.13	13.67
ICICI Pru Bluechip Fund Reg (G)	79.23	22.99	10.32	24.75	14.36
SBI Blue Chip Fund Reg (G)	71.66	19.74	7.49	23.22	14.33

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant MidCap Fund (G)	165.82	29.16	21.08	37.79	24.14
Motilal Oswal Midcap Fund Reg (G)	62.60	23.59	22.73	36.21	21.07
SBI Magnum MidCap Fund Reg (G)	180.74	23.74	16.73	34.29	21.43
Nippon India Growth Fund (G)	2767.81	31.18	16.58	33.46	22.12

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Large And Mid Cap Fund Reg (G)	244.01	29.13	14.89	32.01	17.79
ICICI Pru Large & Mid Cap Fund Reg (G)	683.46	24.73	13.53	31.54	17.00
Motilal Oswal Large and Midcap Fund Reg (G)	21.15	31.55	12.92	29.86	N/A
SBI Large & Midcap Fund Reg (G)	454.33	18.88	13.17	28.32	16.93

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	183.47	40.34	19.88	45.46	29.51
Nippon India Small Cap Fund (G)	122.65	37.78	23.37	42.91	25.48
HSBC Small Cap Fund Reg (G)	61.94	33.83	20.72	41.11	20.57
HDFC Small Cap Fund (G)	104.94	40.47	19.74	40.16	20.19

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Flexi Cap Fund (G)	72.15	20.34	12.15	33.59	23.42
HDFC Flexi Cap Fund Reg (G)	1335.28	26.81	16.37	33.55	16.82
Franklin India Flexi Cap Fund (G)	1173.94	23.77	11.18	29.72	15.56
DSP Flexi Cap Fund Reg (G)	76.77	23.54	6.78	23.81	16.83

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	210.11	31.32	20.35	38.34	18.66
Quant Active Fund (G)	510.19	19.02	12.30	31.75	23.73
ICICI Pru Multicap Fund Reg (G)	558.57	26.13	12.43	28.76	14.49
Sundaram Multi Cap Fund Reg (G)	278.59	18.62	10.04	26.86	15.20

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	212.16	39.31	22.21	41.98	20.76
Bandhan Infrastructure Fund Reg (G)	32.60	36.94	17.81	40.36	17.59
ICICI Pru India Opportunities Fund (G)	24.95	32.71	19.54	40.32	N/A
Sundaram Services Fund (G)	25.09	21.57	10.08	29.28	20.16
Tata Banking and Financial Services Fund Reg (G)	32.52	29.66	10.81	25.70	15.36
Aditya Birla SL India Gen Next Fund Reg (G)	163.16	14.93	9.11	24.47	16.71
SBI Banking & Financial Services Fund Reg (G)	28.59	16.38	6.12	22.87	13.53
Kotak Pioneer Fund (G)	20.92	22.71	7.09	22.84	N/A
SBI Magnum Global Fund Reg (G)	334.31	16.60	9.42	21.81	15.42
Mirae Asset Healthcare Fund (G)	26.09	20.21	5.04	14.75	19.59
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	23.99	26.13	6.39	14.63	18.10

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	65828.41	16.70	5.26	20.13	12.67
NSE - Nifty 50	19638.30	16.77	5.30	20.51	12.42

CORPORATE ACTIONS IN OCTOBER 2023

COMPANY	RECORD DATE	PURPOSE
TCS	19/10/2023	Second Interim Dividend
Angel One	20/10/2023	Interim Dividend
HCL Technologies	20/10/2023	Third Interim Dividend
ICICI Lombard	27/10/2023	Interim Dividend
ICICI Securities	27/10/2023	Interim Dividend
LTI-Mindtree	27/10/2023	Interim Dividend

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COMPANY ANALYSIS

MISHRA DHATU NIGAM LIMITED

CMP (As on 30 September 2023) – **408**

INDUSTRY - METALS

OCTOBER 2023

SENSEX – 65828 NIFTY – 19638

Mkt. Cap.	:	7656.59 Cr
Equity	:	187.34
Trading Vol.	:	464971
52 Week High/Low	:	447/172
Face Value	:	10

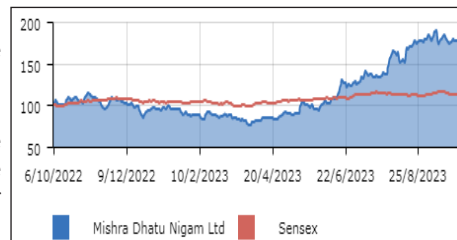
BSE Group	:	A
BSE Code	:	541195
NSE Symbol	:	MIDHANI
Bloomberg	:	MIDHANIIN
Reuters	:	MISR.BO

Shareholding Pattern		
Promoters	:	74.00
Institutions	:	14.21
Public	:	1.23
Others	:	10.56

Mishra Dhatu Nigam Limited (MIDHANI), a Public Sector Undertaking was set up in 1973 and is engaged in manufacturing of Super Alloys, Special Stainless Steel in semi-finished forms and other special metals and the only manufacturer of Titanium Alloys in India.

Investment rationale

- ▶ MIDHANI is one of the few metallurgical plants of its kind in the world, designed to manufacture a wide range of special metals and alloys using integrated and highly flexible manufacturing systems. The Company manufactures unique combinations of metal and alloys. These special alloys have superior mechanical properties and better workability which are essential for special applications in aerospace, power generation, nuclear, defence and other general engineering industries like Indian railways. These products are key ingredients for strategic sectors in India, which typically cannot be imported from other countries due to its national security related concerns.
- ▶ The company has process capabilities across the product manufacturing value chain, including melting, forging, rolling, wire drawing, investment casting, machining and quality testing. It has a modern and integrated metallurgical plant for manufacturing a wide spectrum of critical alloys in variety of forms such as ingots, forged bars, rings hot rolled sheets and bars, cold rolled sheets, strips and foils, wires, castings, fasteners and tubes using state of the art production facilities for defence, space, aeronautics, power and thermal power, electronics, tele-communications and engineering industries and other sectors in India.
- ▶ It manufactures three varieties of Superalloys - nickel base, iron base and cobalt base. It also manufactures varieties of titanium alloys. The Company has the competence of developing and manufacturing customised alloys tailor-made to suit the specific requirements of customers for their critical applications.
- ▶ Presently, the company conducts the operations at manufacturing facility in Hyderabad. It commissioned an armour unit at Rohtak, Haryana in Q2FY23. MIDHANI has several certifications including the ISO 9001:2008 - Quality Management System and AS 9100 C for manufacturing and supply of metals and alloy products. The Company has the research and development laboratory which is accredited to National Accreditation Board for Testing and Calibration Laboratories.
- ▶ MIDHANI has already booked orders of Rs 600 crore with a target revenue of Rs 1,200 crore in FY24. The FY24 contribution from the space segment is likely to be approximately 30%. The balance is from defence (nearly 40%), energy and other industries. PBDITA margins have improved to 34% in FY23. A net zero debt company, cashflows have been consistently positive, FY23 being an exception.



With constant developments made over the years in various operational areas, by utilizing in-house research and development capabilities, the Company indigenized various critical technologies, alloys and products which reduced dependence on imports of these critical materials. The Company has been handling challenging developmental tasks, taking a lead position in indigenisation of critical technologies and products to render support to several programmes of national importance. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	187.34	187.34	187.34	187.34	187.34
Networth	1,285.40	1,189.53	1,071.13	956.76	834.71
Debt	488.65	359.8	160.44	133.63	106.66
Sales	871.94	859.49	813.23	712.88	710.85
Other Income	38.17	31.62	19.96	36.44	36.89
Operating profit	296.84	295	265.91	233.85	221.44
PAT	156.26	176.62	166.41	158.02	130.46
Book Value (Rs)	68.61	63.5	57.18	51.07	44.56
EPS (Rs.)	8.34	9.43	8.88	8.44	6.97
Dividend (%)	33.5	31	27.8	25.6	21.9
Payout (%)	38.6	33.31	31.07	17.89	54.24

Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	181.99	109.39	66.37
Other Income	8.18	7.46	9.65
PBIDT	49.72	40.47	22.86
PBT	26.9	23.47	14.61
PAT	18.71	17.77	5.29

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COMPANY ANALYSIS REVIEW

BERGER PAINTS INDIA LIMITED

CMP (As on 30 September 2023) – 568

INDUSTRY - PAINTS

OCTOBER 2023

Mkt. Cap.	: 66311.24 Cr
Equity*	: 116.57
Trading Vol.	: 1251009
52 Week High/Low	: 1984/1380
Face Value	: 1

BSE Group	: A
BSE Code	: 509480
NSE Symbol	: BERGEPAIN
Bloomberg	: BRGRIN
Reuters	: BRGR.BO

Shareholding Pattern	
Promoters	: 74.99
Institutions	: 5.28
Public	: 11.21
Others	: 8.52

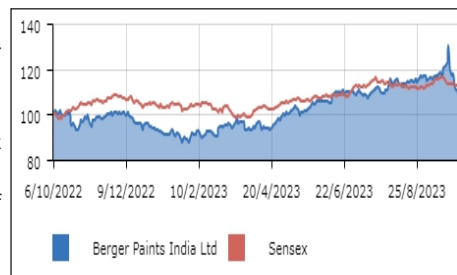
The stock was earlier reviewed in our Sajag Online publication of May 2020. We remain optimistic about the stock owing to sound fundamentals, positive demand outlook and new products introduced.

Berger Paints India Ltd is the second largest paint company in India. The company is engaged in manufacturing and selling of paints, varnishes and enamels for various applications. They are offering their customers a variety of innovative painting solutions, decorative or industrial.

Investment rationale

- ▶ Berger Paints has 16 strategically located manufacturing units and a countrywide distribution network of 25,000+ dealers.
- ▶ Consolidated net sales increased 9.78% to Rs 3029.51 crore in Q1FY24 compared to Q1FY23, ahead of market leader. Operating profit margin has jumped from 14.67% to 18.38%, leading to 37.52% rise in operating profit to Rs 556.75 crore.
- ▶ The decorative business saw double digit growth both on Value and Volume fronts on high bases. The industrial segments maintained growth momentum, led by General Industrial (GI) and Protective Coatings business. Water proofing business continued to show strong growth.
- ▶ Automotive business had a modest growth on account of subdued growth in the two wheeler industry. Powder Coatings business line showed a degrowth for the quarter due to high base effect and downturn in fan industry. However it is expected to turnaround in Q2FY24.
- ▶ Its subsidiaries and joint ventures continue to perform well. It has a low D/E of 0.25 and consistent RONW above 20%.

Berger Paints gained a market share of 90 basis points in Q1, making its market share among listed products to 20%. Company expects to end the year with double digit revenue growth as the demand outlook remains good in view of infrastructure spends and extended festive season. Profitability is expected to sustain on moderation of raw material prices in the coming quarters. We recommend investing with a long term perspective.



Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	97.14	97.13	97.13	97.12	97.11
Networth	4,494.12	3,926.99	3,376.87	2,660.13	2,443.81
Debt	1,188.97	1,013.53	633.76	766.9	752.94
Sales	10,567.84	8,761.78	6,817.59	6,365.82	6,061.86
Other Income	51.57	68.45	51.49	68.52	60.03
Operating profit	1,525.60	1,399.52	1,233.86	1,121.21	994.67
PAT	860.76	822.65	714.76	646.1	485.35
Book Value (Rs)*	38.55	33.69	28.98	22.83	20.98
EPS (Rs.)*	7.38	7.14	6.18	5.64	4.24
Dividend (%)	320	310	280	220	190
Payout (%)	35	32.65	4.05	56.25	35.39

Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	3029.51	2759.7	9.78
Other Income	17.35	16.51	5.09
PBIDT	574.1	421.35	36.25
PBT	476.18	342.29	39.12
PAT	354.91	253.71	39.89

*Post corporate action

CCL PRODUCTS INDIA LIMITED

CMP (As on 30 September 2023) – 645

INDUSTRY - COFFEE

OCTOBER 2023

Mkt. Cap.	: 8589.61 Cr
Equity	: 26.05
Trading Vol.	: 172511
52 Week High/Low	: 750/471
Face Value	: 2

BSE Group	: A
BSE Code	: 519600
NSE Symbol	: CCL
Bloomberg	: CCLPIN
Reuters	: CCLP.BO

Shareholding Pattern	
Promoters	: 46.26
Institutions	: 22.43
Public	: 16.70
Others	: 14.63

The stock was earlier reviewed in our Sajag Online publication of May 2020. We remain optimistic about the stock owing to sound fundamentals, positive demand outlook and new products introduced.

CCL Products (India) Limited is engaged in the production, trading and distribution of Coffee. The Company has business operations mainly in India, Vietnam and Switzerland. The Company has established its longstanding presence in the international markets in two forms of instant coffee - Spray Dried and Freeze Dried and keeps upgrading the same with latest technology available globally to get better yield.

Investment rationale

- ▶ Out of all coffee products, Instant coffee is CCL's main stay and accounts for more than 90% of the sales. For most of the renowned brands across the world, CCL remains the preferred supplier of instant coffee. Constant innovation has made sure that new clients are added year on year. The branded business in domestic market has been growing consistently and is firmly entrenched as one of the top 3 coffee brands in India.
- ▶ CCL acquired some brands from Food Brands Group, a subsidiary of Lofbergs Group. The company said that the agreement accelerates its strategy in expanding the manufacturing and distribution of FMCG products globally. The acquisition will give CCL an access to major supermarkets in the UK, which is Europe's largest instant coffee market with annual retail sales of \$850 million (Rs 69,187 billion).
- ▶ With the new capacity at Vietnam up and running, CCL had started commercial sales from this facility in the Q4FY23. In Q1, net Sales at Rs 654.93 crore were up 28.6% from Rs. 509.28 crore in Q1 FY23, while Net Profit at Rs. 60.71 crore was up 15.11% from Rs. 52.74 crore.
- ▶ The D/E is 0.5 while RONW has been nearly 18-19%. Despite carrying debt due to rising coffee prices and heightened working capital needs, company's debt-to-equity ratio will remain near to one as per the management.



Recently in an interview, its CEO predicted a robust 18-20% growth over the next 2-3 quarters. The optimism is fuelled by strong demand for coffee products. Additionally, CCL Products is actively investing in small plants to enhance production capacity. CCL Products has consistently outperformed its industry peers, attributed to its innovation and product diversification strategies. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	26.61	26.61	26.61	26.61	26.61
Networth	1,482.21	1,250.70	1,087.30	928.4	838.92
Debt	919.6	655.05	559.17	468.94	416.38
Sales	2,071.22	1,462.03	1,242.48	1,139.15	1,081.42
Other Income	3.26	4.09	3.39	4.5	3.34
Operating profit	403.1	335.15	301.14	290.39	248.82
PAT	268.88	204.35	182.26	165.98	154.89
Book Value (Rs)	111.42	94.02	81.73	69.79	63.06
EPS (Rs.)	20.21	15.36	13.7	12.47	11.64
Dividend (%)	275	250	200	250	175
Payout (%)	24.74	32.55	14.6	54.11	43.5

Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	654.93	509.28	28.60
Other Income	0.35	0.23	52.17
PBIDT	106.67	88.77	20.16
PBT	69.42	66.64	4.17
PAT	60.71	52.74	15.11

Source: Company, Prowess, Capital line, Sajag Research

Systematic investment in different equity oriented Mutual funds at the rate of Rs. 10000/- p.m. and its values at different time intervals.

Scheme	Value & Return (3 Yr)	%	Value & Return (5 Yr)	%	Value & Return (8 Yr)	%	Value & Return (10 Yr)	%	Value & Return (15 Yr)	%
Total Investment :	360000	%	600000	%	960000	%	1200000	%	1800000	%
Aditya Birla SL India Gen Next Fund Reg (G)	453,328	15.6	928,779.0	18	1,819,069	15.5	2,740,300.0	15.8	7,301,474	16.9
Canara Robeco Emerging equities Reg (G)	436,632	12.9	916,268	17.0	1,785,875	15.1	2,853,295	16.5	8,955,603	19.3
Kotak Emerging Equity (G)	488,495	20.9	1,077,733	24	2,080,626	18.8	3,277,806	19.1	8,806,884	19.1
Nippon India Small Cap Fund (G)	578,273	33.3	1,367,158	33.7	2,690,227	25.0	4,388,166	24.5	N/A	N/A
SBI Large & Midcap Fund Reg (G)	474,480	18.8	992,267	20	1,891,445	16.5	2,775,859	16.0	6,707,357	16.0

*Past performance of Mutual Funds is not an indicator for future performance.

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

L&T FINANCE HOLDINGS LIMITED

CMP (AS ON 30 SEPTEMBER 2023) - 133

TARGET - 185

L&T Finance Holdings Limited (LTFH) is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd. L&T Capital Markets Ltd. and L&T Infra Debt Fund Ltd. LTFH is promoted by L&T, one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services. In Q2FY24, retail disbursements grew 32% y-o-y to Rs 13,490 crore. The retail loan book at the end of Q2FY24 also grew 33% y-o-y to an estimated Rs 69,400 crore. The company has a strong balance sheet with a Capital Adequacy Ratio of 25.75%. The stock trades at a P/B of 1.7.

TECH MAHINDRA LIMITED

CMP (AS ON 30 SEPTEMBER 2023) - 1222

TARGET - 1325

Tech Mahindra Limited is a leading provider of consulting-led integrated portfolio services to customers including Telecom Equipment Manufacturers, Telecom Service Providers and IT Infrastructure Service Providers, Business Process Outsourcing Service Providers as well as Enterprise Solutions Services (BFSI, Retail & Logistics, Manufacturing, Energy and Utility (E&U), and Healthcare, Life Sciences, etc.) of Information Technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. It provides IT services, including IT enabled Services, Application Development and Maintenance, Consulting and Enterprise Business Solutions, Extended Engineering Solutions and Infrastructure Management Services to a diversified base of corporate customers in a wide range of industries including Insurance, Banking and Financial Services, Manufacturing, Telecommunications, Transportation and Engineering Services. Recently the company announced a rejig in management roles. The management targets to improve EBIT margins to ~15-16% by FY25-26. The company is also investing in sales and marketing to bring back sales vigour and large deal wins; and investing in building vertical and service line capabilities is essential.

We have the authorised persons at following locations

Area	Contact Person	Tel. No.	Area	Contact Person	Tel. No.
Aundh	Mr. Jaydeep Doshi	25890824	Paud Road	Mr. Sadanand Damle	9850845567
Boat Club Road	Mr. Naresh Karpe	41204584	Phadke Haud	Mr. Jayant Mundada	9850990766
Camp	Mr. Naresh Karpe	26346310	Sadashiv Peth	Mr. C. V. Sane	24475457 (Res.)
Dahanukar Colony	Mr. Abhay Oak	25444744	Sahakar Nagar	Mr. Tejas Jaykar	9765173434
ITI Road, Aundh	Mr. Ravi Jadhav	25888511	Aurangabad	Mr. Amit Vaidya	0240-2347584
Kalyani Nagar	Ms. Bernadette Dias	9422449266	Aurangabad	Mr. Abhijit Bhaiwal	0240-2361421
Karve Nagar	Ms. Prajakta Bedekar	8600993930	Sangli	Mr. Dattaji Gaikwad	0233-6600566
Kondhwa	Mr. Santosh Gupte	26836366	Satara	Mr. Vinod Jhamvar	02162-233906
Koregaon Park	Mr. Ajit Godbole/Mr. Ninad Parundekar	26158889	Shrirampur	Mr. Amit Somani	02422-228111

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