

**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	31/10/2023	30/9/2023	31/12/2007
Nifty	19079.6	19638.3	6138
<b>Valuation</b>			
Trailing PE	20.45	22.21	27.62
Trailing PB	3.35	3.45	6.39
Mcap/GDP	1.66	1.70	1.23
<b>Nifty return</b>			
1 year	5.93%	14.88%	54.77%
2 year	3.91%	5.58%	47.11%
3 year	17.90%	20.42%	43.43%
<b>EPS growth</b>			
1 year	10.95%	6.76%	19.13%
2 year	16.51%	16.36%	15.95%
3 year	36.73%	36.97%	17.85%
<b>Other data points</b>			
Credit growth	19.30%	19.80%	25%
10-year bond yield	7.30	7.20	7.57
Brent Oil Futures	87.41	95.31	93.25
USD/INR	83.25	83.03	39.23
Gold (oz/USD)	1994.3	1866	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices see profit-booking!!

Indian indices remained lack-lustre in the month of October amidst prevailing global scenario.

Key developments during the month were,

- ▶ Industrial output as measured by the Index of Industrial Production (IIP) was 10.3% in August 2023. IIP contracted by 0.7% in August 2022.
- ▶ India's wholesale price index (WPI) based inflation remained negative for the sixth consecutive month in September with a reading of -0.26%. Wholesale inflation stood -0.52% in August and 10.55% a year ago. Deflation in September, 2023 is primarily due to fall in prices of chemical and chemical products, mineral oils, textiles, basic metals and food products as compared to the corresponding month of previous year. India's retail inflation, as measured by the Consumer Price Index (CPI), declined to a 3-month low of 5.02% in September due to easing food

prices. In July 2023, India's CPI stood at 7.44%, while in August 2023, it was at 6.83%.

- ▶ India's merchandise exports saw a fall of 2.6% y-o-y, contracting to \$34.47 billion in September. The fall was also significantly reflected in imports, which contracted by 15% to \$53.84 billion in September 2023 against September 2022. India's trade deficit stood at a 5-month low of \$19.37 billion in September, making for y-o-y fall of over 30% from \$27.98 billion.
- ▶ India's services trade surplus in the September quarter FY24, grew 26.6% after falling to a three-quarter low in June. Services exports hit \$83.4 billion while imports eased to \$43.4 billion leading to a services trade surplus of \$40 billion. In the first half (April-September) of FY24, services exports grew 5.1% to \$164 billion, while services imports contracted 1.9% to \$88.9 billion, leading to 14.7% growth in services trade surplus of \$75.1 billion.
- ▶ During H1FY24, merchandise exports contracted 8.8% to \$211.4 billion while merchandise imports shrank 12.2% to \$327 billion leading to a trade deficit of \$115.6 billion. Overall, India's net exports or the difference between imports and exports of both goods and services stood at \$40.5 billion in H1FY24 compared to \$75.3 billion a year ago.
- ▶ India's fiscal deficit reached 39.3% of the full-year target. By the end of September 2023, the fiscal deficit amounted to Rs 7.02 lakh crore, according to CGA. Tax revenue reached Rs 11.60 lakh crore, accounting for 49.8% of the annual target. From April to September 2022-23, net tax collection amounted to 52.3% of the year's annual Budget Estimate (BE). The total expenditure by the central government was Rs 21.19 lakh crore, representing 47.1% of the BE for 2023-24, slightly higher than the 46.2% of the BE for 2022-23.
- ▶ India's Gross Goods and Services Tax (GST) collections for October 2023 have risen by 13% y-o-y, reaching Rs 1.72 lakh crore (\$23 billion), marking the second-highest collection ever recorded.
- ▶ In a notable upswing, Indian automobile retail sales for September registered a 20% increase compared to the same period last year, reaching 1.89 million units.

Increased geo-political tensions and the ongoing war led to a negative sentiment in global markets. Furthermore, the sudden surge



### Performance of key sectoral indices

Nifty Metal	-5.58%	Nifty Infrastructure	-2.18%
Nifty Pharma	-4.81%	Nifty India Consumption	-1.69%
Nifty Bank	-3.85%	Nifty Energy	-1.66%
Nifty IT	-3.75%	Nifty MNC	-1.51%
Nifty Oil & Gas Index	-3.43%	Nifty FMCG	-0.66%
Nifty Auto	-2.45%		

in oil prices added to investor concerns as it could contribute to rising inflation. FII selling was at Rs. 30,827 crores in October month.

Global indices S&P 500, Nasdaq Composite and the Dow Jones moved further lower. The Federal Reserve's Beige Book report indicated that the US economy has shown minimal change over the past six weeks. Spending was described as mixed, while prices increased at a modest pace. Companies expect inflation to continue rising, albeit at a slower rate. US Federal Reserve Chair Jerome Powell said inflation was still too high and would likely require lower economic growth. Powell also added that monetary policy was not yet too tight. Surge in bond-yields further spooked the sentiments.

#### Market Outlook

According to the International Monetary Fund (IMF), India is expected to maintain strong growth of 6.3% in both 2023 and 2024, with a revision of 0.2% for 2023 due to better-than anticipated consumption levels from April to June. However, the IMF noted that global growth is projected to slow, decreasing from 3.5% in 2022 to 3% in 2023 and 2.9% in 2024, significantly lower than the average of 3.8% recorded between 2000 and 2019.

- ▶ In Europe, German industrial production fell 0.2% on the month in August. Eurozone manufacturing activity declined further month on month in October, with orderbook volumes declining at one of the sharpest rates seen in decades as the destocking trend continues. The purchasing managers' index (PMI) fell to 43.1 from 43.4 in September, according to S&P Global, marking a two-month low as players continued to look for signals that the current slowdown is starting to bottom out. Inflation across the euro zone dropped to a two-year low of 2.9% in October, down from 4.3% the previous month. Core inflation, which

excludes volatile food and energy prices, dropped to 4.2% year on year in October from 4.5% in September.

- ▶ The Caixin China General Composite PMI for October was 50, down 0.9 of a point from the previous month and once again hitting the lowest reading this year. Demand expanded slightly, but the gauge for total new orders recorded the lowest reading this year. China's exports and imports in September contracted at a slower pace compared to previous months. Exports fell by 6.2% in U.S. dollar terms, which was less than the expected 7.6% drop, while imports also declined by 6.2% on a y-o-y basis. China's Consumer Price Index (CPI) remained stagnant at 0% y-o-y in September, following a 0.1% increase in August. The Producer Price Index (PPI) in China dropped 2.5% y-o-y in September, compared to a 3% decline in the previous reporting period. China posted 4.9% growth in the Q3 from a year earlier, lower than the 6.3% y-o-y expansion seen in the Q2.
- ▶ Japan's factory activity shrank for a fifth straight month in October while the service sector saw its weakest growth this year, amid growing uncertainty over the outlook for the world's third-largest economy. The au Jibun Bank flash Japan manufacturing purchasing managers' index (PMI) remained flat at 48.5 in October. The index has remained below the 50 threshold since June.
- ▶ The economic activity in the US manufacturing contracted in October, with the ISM Manufacturing PMI falling to 46.7 from 49 in September. The Employment Index registered 46.8%, down 4.4% from the 51.2% in September. Consumers are still spending, as retail sales rose 0.7% in September, coming off a strong 0.8% increase in August.
- ▶ India's services purchasing managers' index (PMI) in October came at 58.4 according to the S&P Global Ratings. Manufacturing sector growth in October eased to the slowest pace since February with the uptick in new orders hitting a one-year low, as per the seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) that slipped to 55.5 from 57.6 in September.

Investors are likely to remain cautious due to the uncertain global environment, including the Israel-Palestine conflict and ongoing selling by foreign institutional investors.

## TECHNICAL VIEW

In the month of October, Nifty turned volatile as it saw profit-booking. Nifty failed in its attempts to cross above 19850 as it faced resistance. Nifty closed the month in red with a loss of nearly 1%.

During the month, Nifty saw some buying support near its 200-day EMA at 18850. Nifty has moved below its 13-week EMA, while is placed above other key averages on weekly, monthly and quarterly chart. Weekly as well as monthly RSI has moved below its average. Nifty seems to have breached a trendline on daily as well as weekly charts in October, which indicates at some consolidation.

Going ahead, 19850 remains a strong resistance for Nifty. A move above this would face resistance near 20000. On the other hand support is placed at 19000 level. At lower level 18800 would be a strong support level.



### GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Nestle India Ltd.	22506.9	24234.8	7.68%
Coal India Ltd.	297.05	314.25	5.79%
S B I Life Insurance Co. Ltd.	1302.15	1367.85	5.05%
Bajaj Auto Ltd.	5065	5314.05	4.92%
H C L Technologies Ltd.	1232.5	1276	3.53%

LOSERS			
COMPANY	OPEN	CLOSE	%
U P L Ltd.	615.95	540.5	-12.25%
Divi's Laboratories Ltd.	3760.05	3388.35	-9.89%
Mahindra & Mahindra Ltd.	1597.2	1458.6	-8.68%
Tata Steel Ltd.	129	118.75	-7.95%
Tech Mahindra Ltd.	1220.6	1133.15	-7.16%

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## MUTUAL FUNDS PERFORMANCE

NAV as on 31 October 2023

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Aditya Birla SL Liquid Fund Reg (G)	374.29	0.55	1.69	3.44	6.98
Axis Liquid Fund (G)	2584.68	0.55	1.70	3.46	6.97
Canara Robeco Liquid Fund Reg plan (G)	2794.98	0.55	1.70	3.46	6.97

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	30.06	0.56	2.00	3.88	7.54
Kotak Equity Arbitrage Fund (G)	33.24	0.60	2.05	3.85	7.42
Bandhan Arbitrage Fund Reg (G)	28.88	0.56	1.91	3.63	7.16

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	277.81	15.44	12.95	30.29	17.16
UTI Aggressive Hybrid Fund (G)	296.21	13.40	8.36	21.77	12.88
Nippon India Equity Hybrid Fund (G)	78.50	12.25	9.08	21.02	8.82

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	57.45	9.26	8.14	14.35	11.65
Edelweiss Balanced Advantage Fund (G)	39.72	8.41	5.10	13.86	12.25
Nippon India Balanced Advantage Fund (G)	137.28	7.93	6.12	13.44	10.12
Tata Balanced Advantage Fund (G)	16.59	8.58	6.89	13.31	N/A
Aditya Birla SL Balanced Advantage Fund (G)	81.82	8.57	5.44	13.28	10.21

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Multi Asset Fund (G)	547.13	17.36	14.84	28.80	16.60

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Templeton India Value Fund (G)	521.12	16.22	13.46	33.88	17.60
Bandhan Sterling Value Fund Reg (G)	108.03	16.25	12.06	33.49	17.40
ICICI Pru Value Discovery Fund (G)	321.80	18.35	14.62	29.58	17.70
HSBC Value Fund (G)	73.39	22.56	12.07	27.66	16.75

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	151.83	14.74	15.01	31.92	15.87
Franklin India Focused Equity Fund (G)	77.72	9.17	8.06	27.65	16.59
Nippon India Focused Equity Fund (G)	90.95	10.04	7.75	27.06	16.39
ICICI Pru Focused Equity Fund Reg (G)	58.72	12.45	8.21	24.66	14.76

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	268.31	7.91	11.84	32.33	24.99
Bandhan Tax Advantage Reg (G)	115.78	13.90	9.16	29.00	17.30
HDFC Tax Saver (G)	935.54	14.67	12.48	26.78	13.76
Franklin India Taxshield (G)	1037.14	13.27	8.74	26.08	14.61
SBI Long Term Equity Fund Reg (G)	284.73	20.28	12.22	25.88	16.64

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	63.79	15.70	12.37	28.14	14.74
HDFC Top 100 Fund (G)	845.86	13.45	10.14	24.98	13.38
ICICI Pru Bluechip Fund Reg (G)	77.72	11.84	8.54	22.87	14.62
SBI Blue Chip Fund Reg (G)	69.49	9.12	5.93	20.65	14.35

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant MidCap Fund (G)	160.34	19.77	18.34	36.12	23.84
Motilal Oswal Midcap Fund Reg (G)	61.99	18.39	19.70	34.99	21.57
HDFC Mid Cap Opportunities Fund (G)	128.58	27.88	18.56	33.05	20.12
Nippon India Growth Fund (G)	2706.55	24.85	14.59	32.50	21.68

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Large And Mid Cap Fund Reg (G)	236.25	18.67	11.69	30.36	17.44
ICICI Pru Large & Mid Cap Fund Reg (G)	665.36	14.15	11.03	29.73	16.68
Quant Large and Mid Cap Fund (G)	82.10	12.05	12.98	28.11	18.55
UTI Large & Mid Cap Fund (G)	120.08	16.96	9.26	27.62	15.32

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Small Cap Fund (G)	120.99	31.20	22.41	42.92	25.47
Quant Small Cap Fund (G)	178.02	30.41	17.05	42.82	28.21
HSBC Small Cap Fund Reg (G)	61.08	28.95	19.10	40.63	20.45
HDFC Small Cap Fund (G)	102.68	33.10	18.38	39.59	19.72

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Flexi Cap Fund Reg (G)	1303.69	14.76	14.35	31.69	16.35
Quant Flexi Cap Fund (G)	69.59	10.67	10.20	31.63	23.49
Franklin India Flexi Cap Fund (G)	1151.81	13.11	8.57	26.97	15.91
Parag Parikh Flexi Cap Fund Reg (G)	58.25	19.76	7.63	23.20	20.46

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	204.58	22.25	18.77	36.81	18.27
Quant Active Fund (G)	490.74	9.29	9.98	29.71	23.32
ICICI Pru Multicap Fund Reg (G)	545.72	17.23	9.81	26.74	14.64
Sundaram Multi Cap Fund Reg (G)	269.72	11.05	7.18	24.50	14.95

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru India Opportunities Fund (G)	24.29	21.03	18.13	39.65	N/A
DSP India T.I.G.E.R. Fund Reg (G)	203.024	27.23	19.32	38.57	20.11
Bandhan Infrastructure Fund Reg (G)	31.657	28.39	14.19	37.75	17.68
Sundaram Services Fund (G)	24.7021	12.95	7.87	27.73	19.7
Aditya Birla SL India Gen Next Fund Reg (G)	159.7	8.15	7.16	22.46	16.38
Kotak Pioneer Fund (G)	20.4	15.9	3.71	21.56	N/A
Tata Banking and Financial Services Fund Reg (G)	31.5982	14.88	8.08	21.03	15.25
SBI Magnum Global Fund Reg (G)	321.7544	10.64	6.57	19.97	15.1
SBI Banking & Financial Services Fund Reg (G)	28.238	7.56	3.84	18.96	13.38
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	23.55	19.6	7.64	14.62	18.1
Mirae Asset Healthcare Fund (G)	24.868	12.25	4.66	13.48	18.58

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	63874.93	5.15	3.77	17.25	13.14
NSE - Nifty 50	19079.6	5.93	3.9	17.88	12.93

### CORPORATE ACTIONS IN NOVEMBER 2023

COMPANY	RECORD DATE	PURPOSE
Nestle India	01/11/2023	1400% 2nd Interim Dividend
Hindustan Unilever	02/11/2023	Rs.18 per share (1800%) Interim Dividend
Tech Mahindra	02/11/2023	240% Interim Dividend
Asian Paints	03/11/2023	515% Interim Dividend
NTPC	04/11/2023	22.5% 1st Interim Dividend
Colgate-Palmolive	06/11/2023	Rs.22 per share (2200%) First Interim Dividend
Shriram Finance	06/11/2023	200% Interim Dividend
Marico	07/11/2023	300% Interim Dividend

COMPANY	RECORD DATE	PURPOSE
Godrej Consumer	09/11/2023	Interim Dividend
Dabur India	10/11/2023	Interim Dividend
I O C L	10/11/2023	50% Interim Dividend
Power Grid Corp.	16/11/2023	Interim Dividend
I R C T C	17/11/2023	Interim Dividend
United Spirits	17/11/2023	Interim Dividend
Page Industries	18/11/2023	Second Interim Dividend
Coal India	21/11/2023	First Interim Dividend

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# COMPANY ANALYSIS

## POLYCAB INDIA LIMITED

CMP (As on 31 October 2023) – 4922

INDUSTRY - CABLES

NOVEMBER 2023

SENSEX – 63874 NIFTY – 19079

Mkt. Cap.	:	73895.39 Cr
Equity	:	150.09
Trading Vol.	:	347116
52 Week High/Low	:	5492/2500
Face Value	:	10

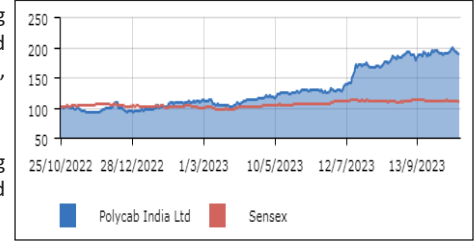
BSE Group	:	A
BSE Code	:	542652
NSE Symbol	:	POLYCAB
Bloomberg	:	POLYCABIN
Reuters	:	METP.BO

<b>Shareholding Pattern</b>	
Promoters	: 65.99
Institutions & Corporates	: 10.77
Foreign	: 10.09
Public & Others	: 13.15

Polycab is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Company operate into the business of Engineering, Procurement and Construction (EPC) projects. It owns nearly 25 manufacturing plants, located across the States of Gujarat, Maharashtra, Uttarakhand, Tamil Nadu and U.T. Daman.

### Investment rationale

- ▶ The Company is engaged in the business of manufacturing and selling wires and cables and fast moving electrical goods ('FMEG') under the 'POLYCAB' brand, a well recognized brand as well as 'HOHM' and 'Etira'.
- ▶ The company is India's dominant manufacturer and seller of a varied range of wires and cables (0.20 KV - 220 KV range of W&C) for retail (B2C) and industrial use, catering to a diverse customer base across a wide range of industries. It enjoys a market share of 22-24% of the organised C&W market in the country. In FY2023, about 83% of the revenue came from distributors and dealers.
- ▶ Polycab has an established supply chain comprising its network of authorized dealers, distributors and retailers. This network supplies its products across India. The Company works closely with major power utilities, oil and gas, IT parks, metro rail, infrastructure, metal and non-metal, cement and EPC companies that operate in India and abroad. The Customers include institutional clients such as L&T Construction and government clients such as Konkan Railway Corporation Ltd.
- ▶ In Q2FY24; volumes grew by 30% in Wires and Cables (W&C) with, Cables growing by 30% and Wires by 20%. Cables now contributes 75% to the business. Special purpose cables are started adding to margins and topline. In H1FY24 it contributed 20% of W&C sales.
- ▶ Forayed into FMEG in FY2014, it now has 7000 plus SKUs across fans, lighting luminaries, IOT products, switches, switchgears, water heaters, pipes, conduits, agro pumps, and solar. It saw a soft demand in Fans and Lighting n Q2 while switchgear sales grew at 2x y-o-y. Going ahead channel realignment, product positioning, influencer management will drive topline growth and higher mix of switchgear, in-house manufacturing and premiumization will drive the margins.
- ▶ A near zero debt company, it has grown its sales at a CAGR of 13% and PAT at 30%. RONW has been above 20% in general with positive CFO.



Industry is witnessing robust domestic demand supported by government measures, improving private capex and strong real-estate off-take in W&C. The company is expected to see a volume growth given this scenario. On the export front China+1 policy is likely to be beneficial for the company. The company is confident of a top-line growth rate for its FMEG business to be higher than that of the industry in FY2024. Overall new products with an eye on premiumization and increase in scale of operations are to drive profitability. Globally, the renewables, oil & gas, and infrastructure sectors are expected to drive the growth in the W&C industry and diversification of supply chain globally opens greater opportunity for Indian W&C leader such as Polycab. Building organizational capability to maximize the market opportunity, focus on high-margin products and segments and operating leverage is to boost profitability. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	149.77	149.44	149.12	148.88	141.21
Networth	6,631.14	5,543.74	4,753.94	3,836.42	2,846.96
Debt	191.47	118.15	282.5	157.06	272.42
Sales	14,107.78	12,203.76	8,792.23	8,829.96	7,985.55
Other Income	133.33	161.98	163.96	92.79	63.78
Operating profit	1,976.17	1,424.62	1,275.11	1,220.42	1,014.23
PAT	1,213.69	892.1	869.58	746.53	498.42
Book Value (Rs)	442.75	370.91	318.77	257.69	201.62
EPS (Rs.)	84.8	60.8	59.15	50.98	35.39
Dividend (%)	200	140	100	70	30
Payout (%)	16.33	16.26	0	20.25	0

### Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	4217.7	3332.36	26.57
Other Income	35.32	-2.22	-1690.99
PBIDT	644.24	424.62	51.72
PBT	557.15	358.46	55.43
PAT	429.77	270.63	58.80

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## MAHINDRA LOGISTICS LIMITED

CMP (As on 31 October 2023) – 349

INDUSTRY - LOGISTICS

NOVEMBER 2023

Mkt. Cap.	:	2520.18 Cr
Equity*	:	72.03
Trading Vol.	:	130958
52 Week High/Low	:	558/347
Face Value	:	10

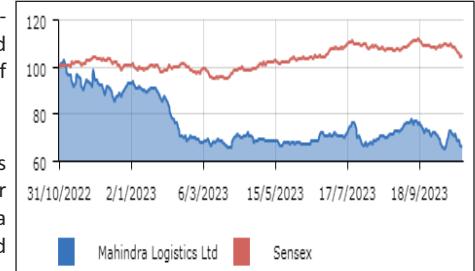
BSE Group	:	A
BSE Code	:	540768
NSE Symbol	:	MAHLOG
Bloomberg	:	MAHLOGIN
Reuters	:	MALO.BO

<b>Shareholding Pattern</b>	
Promoters	: 58.04
Institutions & Corporates	: 15.14
Foreign	: 12.74
Public & Others	: 14.08

Incorporated in 2008, part of Mahindra Group (Mahindra & Mahindra), Mahindra Logistics (ML) is an end-to-end logistics solution and service provider. The logistics solution of the company includes transportation and distribution; warehousing, in-factory logistics and value added customised services to its clients. ML is one of India's largest Third-Party Logistics (3PL) Solutions Providers in the Indian Logistics Industry.

### Investment rationale

- ▶ ML operates on an asset-light business model pursuant to which assets necessary for operations such as vehicles and warehouses are owned or provided by a large network of business partners. This allows for scalability of services as well as the flexibility to develop and offer customized logistics solutions across a diverse set of industries. The revenue that ML derived from non-Mahindra Group clients has increased and thus has reduced the dependency on the Mahindra Group.
- ▶ ML operates in two distinct business segments, supply chain management (SCM) and corporate people transport solutions (PTS/Mobility).
- ▶ Under SCM business it offers customized and end-to-end logistics solutions and services including transportation and distribution, warehousing, in-factory logistics and value added services. Its client list includes Volkswagen India Private Limited, Vodafone India Limited, Thermax Limited, JSW Steel Limited, Ashok Leyland Limited, Siemens Limited, Bosch Limited, BMW India Private Limited, 3M India Limited, and Mercedes-Benz India Private Limited.
- ▶ ML provides PTS and services across India to over 100 domestic and multinational companies operating in the IT, ITes, business process outsourcing, financial services, consulting and manufacturing industries. Certain key clients in India for PTS business include Tech Mahindra Limited, AXISCADES Engineering Technologies Limited and ANZ Support Services India Private Limited.
- ▶ In Q4FY24, mobility business benefited from recovery in Air travel and corporate employees gradually moving back to work from office. Supply chain (SCM) revenue increased marginally by 1.2% while Mobility improved by 35%.



Increasing demand for integrated logistics solutions augurs well for the company and its Mahindra parentage is an added advantage. The company has been generating positive CFO. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	71.98	71.87	71.67	71.54	71.45
Networth	561.67	546.48	568.06	544.65	498.22
Debt	834.05	402.42	269.48	201.3	37.7
Sales	5,128.29	4,140.76	3,263.72	3,471.14	3,851.34
Other Income	15.85	13.58	17.47	13.98	7.63
Operating profit	275.61	197.85	148.94	172.25	158.87
PAT	26.32	17.51	32.22	55.26	86.01
Book Value (Rs)	78.02	76.03	79.25	76.13	69.73
EPS (Rs.)	3.65	2.44	4.19	7.7	11.99
Dividend (%)	25	20	25	15	18
Payout (%)	52.48	119.12	36.81	27.95	14.84

### Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	1364.76	1326.33	2.90
Other Income	6.58	3.35	96.42
PBIDT	60.15	70.94	-15.21
PBT	-8.17	16.65	-149.07
PAT	-15.46	11.91	-229.81

## COMPANY ANALYSIS REVIEW

### TVS MOTOR COMPANY LIMITED

CMP (As on 31 October 2023) – 1590

INDUSTRY - AUTOMOBILES

NOVEMBER 2023

Mkt. Cap.	:	75576.86 Cr
Equity	:	47.51
Trading Vol.	:	2389756
52 Week High/Low	:	1616/968
Face Value	:	1

BSE Group	:	A
BSE Code	:	532343
NSE Symbol	:	TVSMOTOR
Bloomberg	:	TVSLIN
Reuters	:	TVSM.BO

<b>Shareholding Pattern</b>	
Promoters	: 50.27
Institutions & Corporates	: 23.65
Foreign	: 18.83
Public & Others	: 7.26

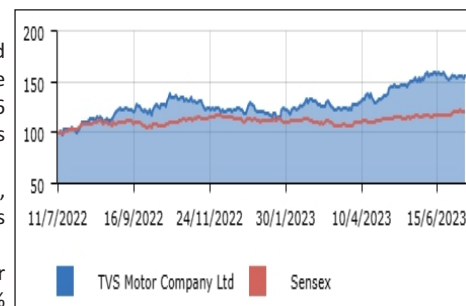
*The stock was earlier recommended in Sajag Online publication of August 2022. We remain optimistic of the company owing to improving demand and launches in EV segment.*

TVS Motor Company is a reputed two and three-wheeler manufacturer globally. It has four manufacturing facilities in Hosur, Mysuru and Nalagarh in India and Karawang in Indonesia. TVS Motor's group company Norton Motorcycles, based in the United Kingdom, is one of the most emotive motorcycle brands in the world. Its subsidiaries in the personal e-mobility space, Swiss E-Mobility Group (SEMG) and EGO Movement have a leading position in the e-bike market in Switzerland.

## Investment rationale

- ▶ TVS plans a launch range of EV products in the 5-25kw range, beginning from Q2FY24, while e-3W should be launched in Q3FY24. The company has partially passed on higher costs for EV, to customers, while the company has absorbed the remainder of the costs. In electric vehicle segment, the company sold 20,356 units of TVS iQube Electric in September 2023, registering the growth of 313.49% as against 4,923 units sold in September 2022.
- ▶ TVS has managed to maintain its double-digit EBITDA margins on the back of favourable product mix, cost savings and timely price hikes. Management has guided for Apache's market share to improve, thus continuing its focus on premiumisation.
- ▶ Total two-wheelers registered a growth of 7% with sales increasing from 361,729 units in September 2022 to 386,955 units in September 2023. In three wheeler segment, the company sales declined 9.74% to 15,598 units in September 2023 as against 17,282 units in September 2022.
- ▶ Export market has been witnessing higher retails leading to normalisation of inventory levels. Going forward dispatches to the exports market should improve quarter over quarter, thus aiding volume growth as well as improving the product mix. Both retails and despatch have begun to improve in the IB markets.
- ▶ In last 10 years TVS has grown its sales at a CAGR of 14% and PAT at 22%. RONW has been above 20% on an average.

As per CMIE, electric vehicle (EV) sales are expected to continue to remain strong. EV sales will continue to be dominated by two-wheelers. Two wheeler EVs will continue to account for more than half of the electric vehicles sold. TVS iQube is one of the top three selling electric two wheelers in India. We recommend investing with a long term perspective.



## Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	47.51	47.51	47.51	47.51	47.51
Networth	5,505.00	4,399.45	3,826.61	3,282.10	3,170.17
Debt	22,375.58	15,827.21	12,179.16	11,591.45	9,298.05
Sales	31,973.99	24,355.31	19,420.82	18,849.31	20,159.99
Other Income	138	35.36	47.22	51.83	27.14
Operating profit	4,162.78	2,749.87	2,267.94	2,275.96	2,187.96
PAT	1,288.80	781.45	602.11	649.7	705.47
Book Value (Rs)	115.87	92.6	80.54	69.08	66.73
EPS (Rs.)	27.97	15.93	12.51	13.15	14.83
Dividend (%)	500	375	350	350	350
Payout (%)	18.14	24.38	27.37	27.14	24.06

## Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	9055.51	7315.7	23.78
Other Income	86.54	32.13	169.34
PBIDT	1290.44	926.76	39.24
PBT	626.53	435.96	43.71
PAT	441.47	296.75	48.77

Source: Company, Prowess, Capital line, Sajag Research

## Systematic investment in different equity oriented Mutual funds at the rate of Rs. 1000/- 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)	%
<b>Total Investment :</b>	<b>360000</b>	<b>%</b>	<b>600000</b>	<b>%</b>	<b>960000</b>	<b>%</b>	<b>1200000</b>	<b>%</b>	<b>1800000</b>	<b>%</b>
Aditya Birla SL India Gen Next Fund Reg (G)	442,246	13.8	909,718	16.6	1,783,239	15.1	2,676,486	15.3	7,155,761	16.7
Canara Robeco Emerging equities Reg (G)	422,531	10.7	889,494	15.7	1,733,846	14.4	2,740,247	15.8	8,694,112	18.9
Kotak Emerging Equity (G)	474,912	18.8	1,053,292	22.7	2,037,159	18.3	3,181,912	18.5	8,640,087	18.8
Nippon India Small Cap Fund (G)	561,011	31.0	1,343,093	32.9	2,643,478	24.5	4,261,723	23.9	N/A	N/A
SBI Large & Midcap Fund Reg (G)	454,565	15.8	955,690	18.7	1,822,168	15.6	2,658,393	15.2	6,465,196	15.5

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

## INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

### AMBUJA CEMENTS LIMITED

Ambuja Cements Limited, is now a part of the diversified Adani Group, is among India's leading cement companies, renowned for its hassle-free, homebuilding solutions. The company sells cement under the Ambuja brand. The company has 6 integrated cement manufacturing plants and 8 strategically cement grinding units and a network of more than 50,000 channel partners. It is the first Indian cement manufacturer having a captive port with three terminals along the country's western coastline to facilitate timely, cost effective and environmentally cleaner shipments of bulk cement to its customer. The company has its own fleet of ships. After change of ownership, the company is getting rid of certain damaging practices at ground-level. Net sales in Q2FY24 has increased 3.93% to Rs 7423.95 crore. Operating profit margin has jumped from 4.68% to 17.54%. Along with strong demand for premium cement products, business performance improved due to operational excellence, supply chain management and sales & marketing excellence. Adjacencies benefits with group companies are lowering input costs which is boosting EBITDA & margin growth. As per the management, ACC and Ambuja will be Adani Cement's leading brand. Management assures of regaining the market share loss.

**CMP (AS ON 31 OCTOBER 2023) -424**

**TARGET -455**

### KEI INDUSTRIES LIMITED

KEI Industries Limited is India's leading manufacturer of wire and cable solutions, serving clients across sectors and the globe. The Company has five manufacturing facilities/plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa and Chinchpada in Dadra and Nagar Haveli and Daman and Diu. It supplies a vast array of cable and wire products to core sectors, including real estate, infrastructure, power, steel, fertilizer, refinery, transportation and energy, etc. It provides Engineering, Procurement and Construction (EPC) solutions in the area of GIS and AIS Substations, Overhead as well as Underground Power Transmission and Distribution Systems and Substations on turnkey basis. KEI has a Pan-India retail presence with a wide distribution network, comprising 23 depots and 1,900+ dealers/ distributors. In Q2 FY24, consolidated net sales has increased 21.05% to Rs 1946.58 crore. Operating profit margin has jumped from 9.99% to 10.47%, leading to 26.96% rise in operating profit to Rs 203.86 crore. Order book as of Q2FY24 was 33.6bn (not incl. retail orders) out of which EPC was Rs 8bn, EHV at Rs 7.3bn, Domestic cable LT/HT was Rs 15.5bn and Export at Rs 2.9bn.

**CMP (AS ON 31 OCTOBER 2023) - 2402**

**TARGET - 2800**

*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	Sahakar Nagar	Mr. Tejas Jaykar	9765173434
Dahanukar Colony	Mr. Abhay Oak	25444744	Aurangabad	Mr. Amit Vaidya	0240-2347584
ITI Road, Aundh	Mr. Ravi Jadhav	25888511	Aurangabad	Mr. Abhijit Bhaiwal	0240-2361421
Kalyani Nagar	Ms. Bernadette Dias	9422449266	Sangli	Mr. Dattaji Gaikwad	0233-6600566
Karve Nagar	Ms. Prajakta Bedekar	8600993930	Satara	Mr. Vinod Jhamvar	02162-233906
Kondhwa	Mr. Santosh Gupte	26836366	Shrirampur	Mr. Amit Somani	02422-228111
Koregaon Park	Mr. Ajit Godbole/Mr. Ninad Parundekar	26158889			

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