

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	30/11/2023	31/10/2023	31/12/2007
Nifty	20133.15	19079.6	6138
Valuation			
Trailing PE	21.52	20.45	27.62
Trailing PB	3.53	3.35	6.39
Mcap/GDP	1.78	1.66	1.23
Nifty return			
1 year	7.33%	5.93%	54.77%
2 year	8.88%	3.91%	47.11%
3 year	15.79%	17.90%	43.43%
EPS growth			
1 year	12.42%	10.95%	19.13%
2 year	13.61%	16.51%	15.95%
3 year	37.02%	36.73%	17.85%
Other data points			
Credit growth	20.60%	19.30%	25%
10-year bond yield	7.20	7.30	7.57
Brent Oil Futures	82.83	87.41	93.25
USD/INR	83.35	83.25	39.23
Gold (oz/USD)	2038.1	1994.3	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices move towards newer highs!!

Indian indices gained strongly in November.

Key developments during the month were,

- ▶ India's industrial output growth slid to a three-month low of 5.8% in September from a 14-month high of 10.3% in August. Manufacturing, which accounts for 77.6% of the IIP, grew by 4.5% in September as against 2% in September 2022 and 9.3% in August 2023.
- ▶ Domestic retail inflation slipped to a four-month low of 4.87% in October, mainly due to easing food prices and inched towards the Reserve Bank's target of 4%. Domestic wholesale price inflation remained in the negative territory for the seventh month in a row in October at -0.52% on easing prices of food items.
- ▶ India's merchandise trade deficit in October stood at \$31.46 billion as the country's imports shot up to \$65.03 billion during the month which

offset the increase in exports. The sharp spike in global crude oil prices has led to an increase in the country's import bill. Similarly, gold imports were up 5.5% to \$29.48 billion compared to October 2022. The trade deficit stood at \$19.37 billion in September. The country's merchandise exports increased by 6.2% to \$33.57 billion in October, up from \$31.60 billion in October 2022, while the merchandise imports stood at \$65.03 billion, up from \$57.91 billion y-o-y. The increase in exports during the month came as a welcome relief as it broke the declining trend in the recent months.

- ▶ India's GDP grew 7.6% y-o-y during Q2 FY24 as compared with the 6.2% growth y-o-y. India's economy had grown 7.8% in the April-June 2023 quarter.
- ▶ The central government's fiscal deficit widened to Rs 8.04 lakh crore in April-October from Rs 7.02 lakh crore in April-September. The fiscal deficit accounts for 45% of the full-year target of Rs 17.87 lakh crore.
- ▶ India's Gross Goods and Services Tax 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.
- ▶ During the 42-day festive period of FY23, vehicle sales in India increased to 37.93 lakh, marking a 19% rise from the previous year's 31.95 lakh. Significant growth was observed in two-wheelers (21% increase), three-wheelers (41% increase), commercial vehicles (8% increase), and passenger vehicles (10% increase). However, the tractor segment experienced a slight decline of 0.5%.

Positive corporate earnings, declining crude prices, and a dovish FED perked up the inverter sentiments. Amid moderating US bond yields and fading concerns of interest rate hike, foreign institutional investors turned net buyers of Indian stocks in November after being on the selling side in the previous two months. FIIs bought Indian stocks worth about \$1 billion last month. The buying by FIIs, DIIs as well as ever-bullish retail investors has led to an increase in the total market capitalisation of all BSE-listed stocks to \$4 trillion. Investors cheered the state-election results pushing indices to record highs.

Moody's changed US ratings outlook to negative and downgraded its outlook on the long-term issuer rating to negative from stable. The agency said it expects US' fiscal deficits to remain very large, significantly weakening debt



Performance of key sectoral indices

Nifty FMCG	3.16%	Nifty Metal	8.84%
Nifty Bank	4.19%	Nifty Energy	9.14%
Nifty MNC	4.26%	Nifty Auto	10.03%
Nifty IT	6.44%	Nifty Pharma	10.27%
Nifty India Consumption	7.81%	Nifty Realty	18.18%
Nifty Infrastructure	7.89%		

affordability. The FOMC minutes show unanimous agreement to maintain restrictive monetary policy until inflation moves decisively towards the 2% goal. DJIA traded near its higher levels during the month.

Market Outlook

As per RBIs monthly bulletin, the global economy shows signs of slowing down in the final quarter of 2023 as manufacturing languishes while services sector activity appears to have reached the end of its post-pandemic expansion. In India, the momentum of the change in GDP is sequentially higher in Q3:2023-24, with festival demand remaining ebullient. Investment demand appears to be resilient with the government's infrastructure spending, an uptick in private capex, automation, digitalisation, and indigenisation providing a boost.

- ▶ China's exports contracted more than expected in October and their trade surplus reached a 17-month low. While imports unexpectedly increased, the decline in exports signifies ongoing struggles for China's exporters, primarily due to weakening demand in Western countries. China's economy faced challenges as it slipped back into deflation, with October consumer prices contracting by 0.2% y-o-y, and producer prices declining by 2.6%. China's manufacturing sector unexpectedly expanded in November as the Caixin purchasing managers' index climbed to 50.7 last month from 49.5 in October, as a rise in new orders helped lift factory production.
- ▶ US manufacturing remained subdued in November, with factory employment declining further as hiring slowed and layoffs increased. The ISM manufacturing PMI was unchanged at 46.7 last month. It was the 13th consecutive month that the PMI stayed below 50. The US

economy last month added 150,000 jobs, lower than September's blowout of 297,000 jobs added. The unemployment rate rose to 3.9%. The US consumer price index was flat in October from the previous month but increased 3.2% from a year ago. Another reading on US inflation showed October's producer price index, which measures wholesale prices, fell by 0.5% to mark its biggest monthly drop since April 2020.

- ▶ The Eurozone manufacturing sector grapples with sustained downturns as the HCOB Eurozone Manufacturing PMI stood at 44.2, a six-month high, indicated a persistent contraction but with a slightly improved outlook compared to October's 43.1. UK inflation fell sharply in October to 4.6% from 6.7% the previous month, hitting a two year low. The headline consumer price index was flat on a monthly basis. The country's core CPI fell to an annual 5.7% in October from 6.1% in September. French inflation slowed to 3.4% in November from 4% in October, while French GDP showed a 0.1% decline in the third quarter. German retail sales increased by 1.1% in October, driven by non-food items, but annual sales declined slightly by 0.1%.
- ▶ Japan's economy shrank in the July-September period for the first time in four quarters, amid slowing global demand and rising domestic inflation. Provisional GDP fell 2.1% in the Q3 compared to a year ago, while also recording a 0.5% decline from the previous quarter. Japan's retail sales rising 4.2% and industrial output increasing more than expected.
- ▶ The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index in November improved to 56 from October's eight-month low of 55.5, indicating a stronger improvement in operating conditions. India's manufacturing industry maintained its robust performance in November, with output regaining growth momentum. Firms' ability to secure new business, both domestically and from abroad, remained central to the success of the sector.

Higher levels might attract some profit-booking in near term, but stock specific opportunities will always remain and investors will continue to focus on strong Indian economy.

TECHNICAL VIEW

After a lacklustre October, Nifty saw buying support as November began. From the low of 18973 Nifty went on to test earlier highs above 20000 and mark record high. Nifty closed the month at 20133, highest monthly close, with strong gain of more than 5%.

During the month, Nifty bounced back as it saw some buying support near its 200-day EMA near 18800. Nifty has moved above all its key averages on daily, weekly as well as monthly chart. Weekly as well as monthly RSI has moved above its average.

Nifty is moving in an uncharted territory. Going ahead, the upward movement is likely to face resistance near 21000-21200. Profit-booking at higher levels could bring Nifty lower near 20250. Further below support is placed at 19800 level.



GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Bharat Petroleum Corpn. Ltd.	350.55	435.7	24.29%
Hero Motocorp Ltd.	3095.95	3819.05	23.36%
Eicher Motors Ltd.	3309.8	3896.9	17.74%
Bajaj Auto Ltd.	5305	6090.55	14.81%
Apollo Hospitals Enterprise Ltd.	4835	5528.95	14.35%

LOSERS			
COMPANY	OPEN	CLOSE	%
Bajaj Finance Ltd.	7520	7121.9	-5.29%
State Bank Of India	566.25	564.75	-0.26%

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MUTUAL FUNDS PERFORMANCE

NAV as on 30 November 2023

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2599.41	0.57	1.73	3.45	7.01
Aditya Birla SL Liquid Fund Reg (G)	376.40	0.56	1.72	3.43	7.00
Canara Robeco Liquid Fund Reg plan (G)	2810.81	0.57	1.73	3.45	7.00

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	30.20	0.45	1.66	3.68	7.56
Kotak Equity Arbitrage Fund (G)	33.38	0.44	1.71	3.68	7.46
Invesco India Arbitrage Fund (G)	28.49	0.45	1.66	3.61	7.44

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	293.32	19.05	17.29	27.67	18.36
UTI Aggressive Hybrid Fund (G)	312.17	16.50	12.83	20.07	13.80
Nippon India Equity Hybrid Fund (G)	82.71	14.95	12.82	19.45	9.35

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	59.53	12.09	10.74	13.22	11.88
Edelweiss Balanced Advantage Fund (G)	41.38	10.55	8.03	12.89	12.62
Tata Balanced Advantage Fund (G)	17.15	10.35	9.27	12.66	N/A
Nippon India Balanced Advantage Fund (G)	142.66	10.13	9.01	12.47	10.60
Aditya Birla SL Balanced Advantage Fund (G)	84.58	9.84	8.20	10.90	10.55

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Multi Asset Fund (G)	571.02	18.74	18.57	26.65	17.90

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Bandhan Sterling Value Fund Reg (G)	115.61	22.23	17.27	30.92	18.26
Templeton India Value Fund (G)	551.92	18.78	18.89	29.60	17.98
ICICI Pru Value Discovery Fund (G)	341.22	20.88	20.03	28.11	19.45
HSBC Value Fund (G)	80.11	29.65	20.01	27.00	18.28

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	162.67	18.45	21.90	30.05	17.49
Franklin India Focused Equity Fund (G)	82.97	13.70	13.51	24.50	17.43
Nippon India Focused Equity Fund (G)	97.31	14.57	14.00	24.00	17.34
ICICI Pru Focused Equity Fund Reg (G)	63.43	17.79	14.57	23.70	17.30

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	294.21	15.59	16.54	33.31	26.29
Bandhan ELSS Tax saver Fund Reg (G)	123.18	18.20	15.09	26.52	18.05
HDFC ELSS Tax saver Reg (G)	1013.11	19.79	18.06	25.98	15.57
SBI Long Term Equity Fund Reg (G)	310.40	26.74	19.05	25.34	17.91
Nippon India Tax Saver (ELSS) Fund (G)	96.62	15.61	13.69	23.39	12.46

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	67.26	18.31	17.57	25.10	15.41
HDFC Top 100 Fund (G)	903.55	16.62	16.43	22.56	14.58
ICICI Pru Bluechip Fund Reg (G)	82.43	15.00	13.74	20.85	15.55
Tata Large Cap Fund Reg (G)	391.93	10.76	9.85	19.09	13.80

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant MidCap Fund (G)	175.30	26.61	22.82	35.73	25.35
Motilal Oswal Midcap Fund Reg (G)	67.74	30.05	24.43	34.05	23.52
Nippon India Growth Fund (G)	2978.25	34.32	22.20	31.11	23.30
HDFC Mid Cap Opportunities Fund (G)	138.84	33.81	24.72	30.66	21.65

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Large And Mid Cap Fund Reg (G)	256.48	24.65	18.19	28.30	19.11
Quant Large and Mid Cap Fund (G)	90.91	19.37	17.63	27.72	20.03
ICICI Pru Large & Mid Cap Fund Reg (G)	721.58	20.56	17.80	27.66	18.46
SBI Large & Midcap Fund Reg (G)	465.71	14.10	13.89	23.66	17.25

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	196.58	37.93	24.60	44.31	30.70
Nippon India Small Cap Fund (G)	131.10	38.40	26.48	40.95	27.10
HSBC Small Cap Fund Reg (G)	66.95	39.68	23.54	39.05	22.36
HDFC Small Cap Fund (G)	110.81	38.28	23.58	37.39	21.40

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Flexi Cap Fund (G)	75.32	15.53	15.24	32.42	24.25
HDFC Flexi Cap Fund Reg (G)	1399.96	18.41	21.04	28.87	17.81
Franklin India Flexi Cap Fund (G)	1229.59	17.76	14.27	24.11	16.82
Parag Parikh Flexi Cap Fund Reg (G)	62.14	26.48	11.21	22.42	21.51

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	217.18	27.44	23.25	33.60	18.39
Quant Active Fund (G)	529.92	13.62	13.94	30.18	24.34
ICICI Pru Multicap Fund Reg (G)	586.48	22.31	15.94	24.49	16.02
Sundaram Multi Cap Fund Reg (G)	291.20	18.32	11.49	23.33	16.18

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
Bandhan Infrastructure Fund Reg (G)	34.82	37.25	20.53	36.59	19.27
DSP India T.I.G.E.R. Fund Reg (G)	224.23	36.10	25.95	36.47	21.47
ICICI Pru India Opportunities Fund (G)	25.93	25.87	24.35	35.88	N/A
Sundaram Services Fund (G)	26.21	16.76	11.73	25.01	20.73
Aditya Birla SL India Gen Next Fund Reg (G)	170.63	15.21	11.80	20.23	16.66
Kotak Pioneer Fund (G)	21.99	24.28	7.81	20.04	0.00
SBI Magnum Global Fund Reg (G)	335.30	15.92	8.23	18.76	15.45
Tata Banking and Financial Services Fund Reg (G)	33.22	15.72	14.78	16.62	14.61
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	25.66	29.40	12.75	16.01	20.57
Mirae Asset Healthcare Fund (G)	27.47	24.12	8.68	15.69	21.24
SBI Banking & Financial Services Fund Reg (G)	29.69	10.67	11.79	13.85	13.20

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	66988.44	6.16	8.35	14.87	13.09
NSE - Nifty 50	20133.15	7.33	8.88	15.74	13.10

CORPORATE ACTIONS IN DECEMBER 2023

COMPANY	RECORD DATE	PURPOSE
B P C L	12/12/2023	210% Interim Dividend
Sonata Software	12/12/2023	1:1 Bonus Issue of Equity Shares
R C F	13/12/2023	Rs.3.7 per share (37%) Final Dividend

COMPANY ANALYSIS

BHARAT DYNAMICS LIMITED

CMP (As on 30 November 2023) – **1161**

INDUSTRY - CAPITAL GOODS

DECEMBER 2023

SENSEX – 66988 NIFTY – 20133

Mkt. Cap.	:	21294.53 Cr
Equity	:	183.28
Trading Vol.	:	846150
52 Week High/Low	:	1278/786
Face Value	:	10

BSE Group	:	A
BSE Code	:	514413
NSE Symbol	:	BDL
Bloomberg	:	BDLIN
Reuters	:	BARA.BO

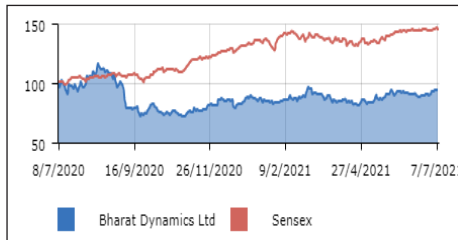
Shareholding Pattern		
Promoters	:	74.93
Institutions & Corporates	:	13.41
Foreign	:	3.55
Public & Others	:	8.12

Bharat Dynamics Limited (BDL) is one of the leading defence PSUs in India engaged in the manufacture of Surface to Air missiles (SAMs), Anti-Tank Guided Missiles (ATGMs), Underwater weapons, Launchers, Counter Measures Dispensing System (CMOS) and Test Equipment. The Company is engaged in the business of refurbishment and life extension of stored and deployed missiles.

Investment rationale

- ▶ BDL is the sole manufacturer in India for SAMs, torpedoes, ATGMs. Currently, it is also the sole supplier of SAMs and ATGMs to the Indian Armed Forces.
- ▶ Headquartered in Hyderabad, BDL has three manufacturing facilities located in Hyderabad, Bhanur, and Vishakhapatnam. At its new Amravati Unit, BDL plans to produce Very Short Range Air Defence Missile (VSHORAD). The unit is spread over an area of about 530 acres. The Hyderabad manufacturing unit is engaged in the manufacture of SAMs, Milan 2T ATGMs, countermeasures, launchers and test equipment. The Bhanur unit is engaged in the manufacture of the Konkurs - M ATGMs, the INVAR (3 UBK 20) ATGMs, launchers and spares. The Vishakhapatnam unit is engaged in the manufacture of lightweight torpedoes, the C-303 anti torpedo system, countermeasures and spares
- ▶ A zero debt company, PBDITA margins have been above 25%, positive CFO in last 4 years.

With its recent offering of Astra (air-to-air missile), it has increased its addressable market to 61% of India's US\$ 24.5bn missile demand until FY26. Its order pipeline is robust (nearly Rs 200 bn) giving revenue visibility for over the next 3-5years. It is well placed due to incremental ordering opportunities led by indigenization, and the exports story is also building up, which the management says will make up for 10% of its order backlog (vs. 2-3% in the past). We recommend investing with a long term perspective.



Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	183.28	183.28	183.28	183.28	183.28
Networth	3211.5	3030.56	2684.75	2606.83	2268.54
Debt	5.20	10.1	11.29	14.52	5.39
Sales	2489.39	2817.4	1913.76	3104.87	3069.35
Other Income	155.4	111.21	94.61	88.05	135.99
Operating profit	564.61	805.01	440.14	844.35	759.02
PAT	352.17	499.92	257.77	534.9	422.59
Book Value (Rs)	175.22	165.35	146.48	142.23	123.77
EPS (Rs.)	19.22	27.28	14.06	29.18	23.06
Dividend (%)	93.5	83	73.5	88	69.2
Payout (%)	47.62	29.15	65.77	29.62	63.88

Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	609.97	529.07	15.29
Other Income	78.3	45	74.00
PBIDT	212.33	138.86	52.91
PBT	194.11	116.73	66.29
PAT	147.09	75.82	94.00

Source: Company, Prowess, Capital line, Saja Research

COMPANY ANALYSIS REVIEW

PI INDUSTRIES LIMITED

CMP (As on 30 November 2023) – **3772**

INDUSTRY - AGROCHEMICALS

DECEMBER 2023

Mkt. Cap.	:	57241.73 Cr
Equity	:	15.17
Trading Vol.	:	425662
52 Week High/Low	:	4010/2870
Face Value	:	1

BSE Group	:	A
BSE Code	:	523642
NSE Symbol	:	PIIND
Bloomberg	:	PIIN
Reuters	:	PIIL.BO

Shareholding Pattern		
Promoters	:	46.09
Institutions & Corporates	:	23.99
Foreign	:	20.83
Public & Others	:	9.10

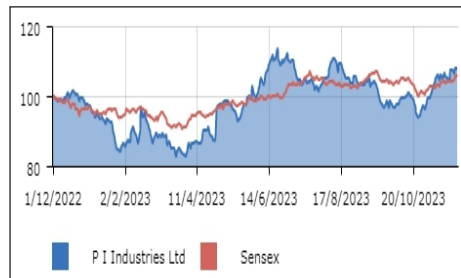
The stock was earlier recommended in Saja Online publication of December 2021. We remain optimistic of the company owing to a leadership position in few categories seeing improved demand and launches in pharma segment.

PI Industries Limited is an agri-sciences company with strong presence in both domestic and export market.

Investment rationale

- ▶ In agrichemicals segment PI is present in insecticides, herbicides and fungicides. It is a pioneer in the introduction of granular formulations in India and are the largest sellers in this segment. In FY23, PI launched seven new products and commercialized 4 new molecules.
- ▶ The company has diversified strategically into the pharmaceutical sector and it is expanding presence in this industry through key acquisitions and partnerships. Recently, its subsidiary, PI Health Sciences Ltd, has entered into definitive agreements with Therachem Research Medilab (TRM) LLC, for medicinal chemistry research and development, with a focus on rare diseases. Pharma segment contributions are increasing, however, the management mentioned that it will take some more time to stabilize and start contributing significantly. Once stabilized, pharma segment can be expected to report a margin profile of 20-22%.
- ▶ In Q2 FY24, it reported strong performance in the export segments driven by higher volumes with decent margin expansion. The company has maintained its 18-20% revenue growth in FY24. It continues to focus on timely launch of new products in different segments.
- ▶ A zero debt company, it has been consistently generating positive CFO. PBDITA margin is near 26% and RONW above 18% in last 5 years.

The positive trend and the integration of farming practices in India are expected to propel the industry growth rate of agrochemicals in India within the forecast period. PI is an industry leader and using sustained R&D efforts, having a knowledge-oriented vision, and turning to greener chemistry it aims to establish itself as a sustainability leader, a benchmark, in every sector it operates. We recommend investing with a long term perspective.



Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	15.2	15.2	15.2	13.8	13.8
Networth	7,198.50	6,120.40	5,342.40	2,619.10	2,285.40
Debt	46.5	316.3	372.8	518.6	49.2
Sales	6,492.00	5,299.50	4,577.00	3,366.50	2,840.90
Other Income	165.8	105	129.3	49.7	59.5
Operating profit	1,710.10	1,250.70	1,147.30	769.5	638
PAT	1,229.58	843.8	738.22	455.93	402.88
Book Value (Rs)	473.59	402.66	351.47	189.79	165.61
EPS (Rs.)	80.89	55.51	48.57	33.09	29.72
Dividend (%)	1,000.00	600	500	400	400
Payout (%)	9.25	8.98	8.21	13.6	16.8

Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	2116.9	1770	19.60
Other Income	48.9	32.9	48.63
PBIDT	600.3	464.8	29.15
PBT	512.2	397.7	28.79
PAT	480.5	334.8	43.52

BEML LIMITED

CMP (As on 30 November 2023) – 2466

INDUSTRY - CAPITAL GOODS

DECEMBER 2023

Mkt. Cap.	: 10271.34 Cr
Equity	: 41.64
Trading Vol.	: 250892
52 Week High/Low	: 2715/1129
Face Value	: 10

BSE Group	: A
BSE Code	: 500048
NSE Symbol	: BEML
Bloomberg	: BEMLIN
Reuters	: BEML.BO

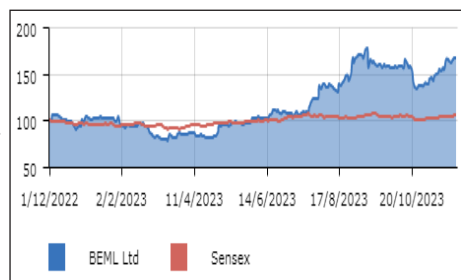
Shareholding Pattern	
Promoters	: 54.03
Institutions & Corporates	: 21.58
Foreign	: 7.95
Public & Others	: 16.45

The stock was earlier recommended in Sajag Online publication of November 2019. We remain optimistic of the company owing to improving order book and presence in a critical industry that is seeing government investments.

BEML Ltd is the leading manufacturer of heavy earth moving equipment in Asia and an Indian Public Sector Company under the Ministry of Defence, Govt. of India. It is a Mini Ratna Category - I Public Sector Enterprise, operating in three distinct business verticals namely Mining & Construction, Defence & Aerospace and Rail & Metro. The company's International Business Division exports equipment and spares manufactured and also provide services by all the three verticals. The major markets for exports are Middle East countries, African countries and South East Asian countries.

Investment rationale

- ▶ The company's Mining & Construction division offers range of mining machinery for both opencast and underground mines. The Rail & Metro business vertical supplies integral rail coaches, overhead electric inspection cars and postal vans to Indian Railways. Defense Division manufactures variants of Tatra vehicle for all terrain operations including bridge layer, field artillery tractor, medium and heavy recovery vehicle.
- ▶ In addition to the above, Technology Division of the company provides end-to-end technology solutions in Auto, Aero, Defence and Rail & Metro related areas. The Trading Division deals with non-company products and commodities, such as iron ore, coal and steel billets for both captive in-house requirements. International Business Division deals with export activities
- ▶ As per CMIE, the industrial & infrastructural construction industry is likely to benefit with the Centre all set to scale up infrastructure spending as the general elections near. The spending will be particularly focused on two sectors - roads and railways as these two account for almost 50% of the government's Rs.10 trillion capital investment announced for the current financial year in the Union Budget 2023.



- ▶ BEML's order book stood at Rs.128 billion at the end of June 2023 quarter. The company expects to end FY24 with an order book of Rs.170 billion, up from Rs.90 billion at the end FY23. A zero debt company, it has been generating positive CFO in past. PBDITA margin improved to 10% and RONW to 6% in FY23. It has been a consistent dividend payer.

With its headquarters located in the tech hub of Bangalore, BEML has grown to become Asia's second-largest manufacturer of earth moving equipment. BEML's recent developments and strategic initiatives, point toward an organisation that is focused on growth, cost optimisation, and financial stability. BEML is also investing in its future growth through capital expenditure. The implementation of current Capex is expected to take 12-15 months, with the positive outcomes becoming visible in FY25-26. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	41.77	41.77	41.77	41.77	41.77
Networth	2,421.48	2,356.69	2,214.41	2,252.77	2,187.37
Debt	381.48	831.82	751.73	341.1	403.62
Sales	3,898.95	4,337.49	3,596.83	3,025.44	3,474.25
Other Income	23.59	5.7	19.97	48.56	23.24
Operating profit	391.04	330.95	197.89	132.48	260.79
PAT	150.46	128.47	68.76	63.61	63.15
Book Value (Rs)	579.69	449.15	422.04	429.34	416.88
EPS (Rs.)	37.8	24.54	13.13	12.16	12.05
Dividend (%)	100	100	60	60	70
Payout (%)	26.37	20.08	50.32	32.69	82.65

Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	916.79	804.86	13.91
Other Income	7.22	1.25	477.60
PBIDT	68.68	43.05	59.54
PBT	42.18	16.26	159.41
PAT	51.79	16.26	218.51

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 & %		Value & %		Value & %		Value & %		Value & %	
	Return (3 Yr)	%	Return (5 Yr)	%	Return (8 Yr)	%	Return (10 Yr)	%	Return (15 Yr)	%
Total Investment :	360000	%	600000	%	960000	%	1200000	%	1800000	%
Aditya Birla SL India Gen Next Fund Reg (G)	464,288	17.2	961,171	18.9	1,886,761	16.4	2,823,440	16.3	7,524,267	17.3
Canara Robeco Emerging equities Reg (G)	445,929	14.4	944,049	18.2	1,842,516	15.8	2,882,094	16.7	9,119,886	19.5
Kotak Emerging Equity (G)	496,118	21.9	1,111,328	24.9	2,156,267	19.6	3,338,515	19.4	9,093,038	19.4
Nippon India Small Cap Fund (G)	588,519	34.6	1,436,255	35.7	2,831,178	26.2	4,512,359	25.0	N/A	N/A
SBI Large & Midcap Fund Reg (G)	471,496	18.3	1,001,909	20.6	1,914,500	16.8	2,781,972	16.0	6,754,422	16.0

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

PUNJAB NATIONAL BANK LIMITED

CMP (AS ON 30 NOVEMBER 2023) - 77

TARGET - 120

Punjab National Bank (PNB) is a state-owned commercial bank located in New Delhi, is one of the leading commercial banks in India. Punjab National Bank has reported robust 327% growth in net profit at Rs 1756.13 crore for Q2FY24. It has posted healthy 20% growth in net interest income (NII). The Net Interest Margin (NIM) of the bank improved to 3.11% in Q2FY2024 compared to 3% y-o-y. Bank has substantially improved the credit to deposit ratio to 71.9% from 69.6% y-o-y. The CASA ratio has eased to 41.1% from 43.9% y-o-y, with a 13% surge in loan book. The bank has substantially improved asset quality in Q2FY2024, while capital adequacy ratio stood at 15.1%. The bank has added 12 branches and cut 175 ATMs in Q2FY2024, taking overall tally to 10092 branches and 12645 ATMs end September 2023. The stock trades very close to its book-value of 85.

TATA STEEL LIMITED

CMP (AS ON 30 NOVEMBER 2023) - 127

TARGET - 150

Tata Steel is one of the world's largest steel companies and has presence across the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing finished products.. It offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled, coated steel, rebars, wire rods, tubes and wires. It is a diversified steel producer with major operations in India, Europe and South East Asia. In Q2, the crude steel production of around 5 million tons and domestic deliveries were up 6% y-o-y. Among the key segments, Auto and Branded Products & Retail had best ever 2Q sales. Tata steel has started producing FHCR coils at Kalinganagar CRM complex and has started receiving approvals from automotive OEMs for cold rolled steel. Our retail sales to home builders continue to grow aided by our strong distribution network. Tata Steel Aashiyana, the e-commerce platform, services more than 10,000 unique customers per month. Tata Steel Consolidated revenues for Q2 stood at Rs 55,682 crores and consolidated EBITDA stood at Rs 4,315 crores, which translates to an EBITDA margin of 8%. Moody's upgraded Tata Steel's credit rating to investment grade.

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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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