

**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% with updated GDP figures

Time period	31/12/2023	30/11/2023	31/12/2007
Nifty	21731.4	20133.15	6138
<b>Valuation</b>			
Trailing PE	23.17	21.52	27.62
Trailing PB	3.81	3.53	6.39
Mcap/GDP	1.12	1.02	1.23
<b>Nifty return</b>			
1 year	20.03%	7.33%	54.77%
2 year	11.90%	8.88%	47.11%
3 year	15.84%	15.79%	43.43%
<b>EPS growth</b>			
1 year	12.88%	12.42%	19.13%
2 year	14.15%	13.61%	15.95%
3 year	37.14%	37.02%	17.85%
<b>Other data points</b>			
Credit growth	20.20%	20.60%	25%
10-year bond yield	7.17	7.20	7.57
Brent Oil Futures	77.04	82.83	93.25
USD/INR	83.19	83.35	39.23
Gold (oz/USD)	2071.8	2038.1	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Nifty hits record high as the year ends!

The month of December brought lot of cheer to the Indian market as indices hit new highs.

Key developments during the month were,

- ▶ India's industrial production growth accelerated to 16-month high of 11.7% in October, mainly due to double-digit growth in manufacturing, power and mining sectors' output. The manufacturing sector's output grew 10.4% in October 2023 against a contraction of 5.8% a year ago. Power generation rose 20.4% in October 2023 compared to 1.2% growth in the year-ago period. Mining output rose by 13.1% in the month under review against a 2.6% growth a year ago.
- ▶ India's wholesale price inflation surged out of the deflationary zone for the first time since March this year to register a 0.26% increase in November. This is the highest level of Wholesale Price Index (WPI) inflation in eight months as wholesale prices had been falling in recent

months. The WPI inflation was at -0.52% in October and 2023 and 6.12% in November 2022. The CPI (retail inflation) rose to a three-month high of 5.55% in November.

- ▶ India's current account deficit (CAD) declined to 1% of GDP in the second quarter, down from 1.1% in the preceding quarter, and 3.8% a year ago.
- ▶ India's merchandise exports contracted in November after expanding at their fastest pace in 11 months in October, indicating volatile global demand and uneven economic recovery. Exports declined 2.8% y-o-y to \$33.9 billion in November, while imports dipped 4.3% to \$54.5 billion, leading to the narrowing of the trade deficit at \$20.6 billion. The deficit had widened to a record \$31.5 billion in October, as festival demand led to a sharp increase in the import of gold and silver.
- ▶ The gross Goods and Services Tax (GST) collections in December 2023 were recorded at Rs 164,882 crore, 10.3% higher than Rs Rs 149,507 crore in December 2022. This marks the seventh month so far this financial year, with collections exceeding Rs 1.60 trillion. During the month, the revenues from domestic transactions (including import of services) were 13% higher than the revenues from these sources during the same month last year.

The domestic equity markets rallied as the month began, propelled by the Nifty 50 and Sensex achieving new highs in the wake of BJP's sweeping victories in three states. Better-than-expected corporate earnings by index heavyweights, dovish RBI, global geo-political calm down supported the positive sentiments. FIIs were in buying spree in December's at an amount of Rs 31,960 crore.

US Federal Reserve Chair Jerome Powell reaffirmed the central bank's intent to remain cautious on interest rates but also said that the hoped-for "soft landing" of the US economy seemed to be falling into place. The dovish narrative from the US Fed at the Federal Open Market Committee (FOMC) meeting lifted the investor spirits.

### Market Outlook

According to an International Monetary Fund (IMF) assessment report, India's economic growth is expected to remain robust, supported by macroeconomic and financial stability. The IMF forecasts a real GDP growth rate of 6.3% in FY24 and FY25 while expecting a gradual decline in headline inflation.

- ▶ Moody's Investors Service downgraded its outlook for Chinese sovereign bonds to 'negative,' highlighting global worries over



### Performance of key sectoral indices

Nifty Pharma	3.27%	Nifty IT	8.51%
Nifty Auto	5.72%	Nifty Realty	9.08%
Nifty India Consumption	6.26%	Nifty Infrastructure	10.36%
Nifty MNC	6.48%	Nifty Metal	12.91%
Nifty FMCG	7.12%	Nifty Energy	13.72%
Nifty Bank	8.33%		

the country's soaring debt. While maintaining an A1 long-term rating, Moody's expressed concerns about China's heavy reliance on fiscal stimulus for local entities and state-owned firms, posing economic risk. November inflation numbers from China showed a faster-than-expected decline in consumer prices as the CPI fell 0.5% year-on-year. The producer price index fell 3% y-o-y, compared with October's 2.6% drop. The factory activity expanded at a quicker pace in December due to stronger gains in output and new orders, but business confidence for 2024 remained subdued. The Caixin/S&P Global manufacturing PMI rose to 50.8 at the end of 2023 from 50.7 in November.

- Japan's third-quarter GDP was revised downward to a 0.7% fall q-o-q, a sharper slide compared with the 0.5% decline estimated earlier. Japan's manufacturing activity contracted in December for the seventh straight month as the au Jibun Bank Japan manufacturing purchasing managers' index shrank to 47.7 in December from 48.3 in November, signaling the quickest deterioration in manufacturing business conditions for ten months. The au Jibun Bank flash services PMI, however, was 52 in December versus 50.8 in November, the fastest gain in the three months. Japan's headline inflation rate slowed to 2.8%, down from 3.3% in October, the slowest pace of inflation since July 2022.

- Euro zone factories ended 2023 on the back foot, with activity contracting in December for an 18th straight month. HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, did nudge up to 44.4 in December from November's 44.2. HCOB's preliminary Composite PMI fell to 47 this month from November's 47.6. The Bank of England kept interest rates at the highest level in 15 years as its policy makers persisted with their higher-for-longer message despite growing market bets on a wave of cuts in 2024. The UK Inflation fell sharply to 3.9% in November from 4.6% in October, lowest level in more than two years.
- The US nonfarm payrolls report for the month of November showed an unexpected drop in unemployment. The jobless rate fell 3.7%. The US economy added 199,000 jobs during November, from 150,000 added in October. The Fed held rates at 5.25%-5.5% for a third straight time and laid out the timeline for at least three quarter-percentage point cuts in 2024 and beyond. The US manufacturing sector slipped further into contraction during December, according to the latest PMI® from S&P Global, as output returned to decline and the downturn in new orders gathered pace. The seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index™ (PMI) posted 47.9 in December, down from 49.4 in November.
- India's manufacturing sector activity continued to expand in December, although the HSBC Purchasing Managers' Index (PMI) came in at an 18-month low of 54.9, lower than 56 posted in November.

There are lingering concerns about soaring valuations, while the overall mood remains optimistic, buoyed by enthusiastic retail participation. There are likely to be bouts of volatility and profit-booking, which could bring in some investing opportunities for long term.

## TECHNICAL VIEW



During the month, Nifty opened with a gap-up at 20600 and thereafter faced some resistance near 21500. Nifty gained strength and moved higher to mark a new high at 21801. Nifty closed the month with a gain of nearly 8% and the year at a gain of 18.6%.

Indices marched to a new high in the last month of year, as positive momentum prevailed. Nifty is placed above all its key averages on daily, weekly as well as monthly chart. Weekly as well as monthly RSI is above its average, but as we can see is trading in an over-bought zone, with some divergence seen on daily chart.

Nifty is moving in an uncharted territory. Going ahead, Nifty could witness some profit-booking at higher levels near 21800-22000. On the other hand, buying support could be seen near 21450. At lower levels, support is placed near 20900.

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

GAINERS			
COMPANY	OPEN	CLOSE	%
Adani Ports & SEZ Ltd.	839.2	1024.35	22.06%
Adani Enterprises Ltd.	2370	2848.95	20.21%
N T P C Ltd.	262.35	311.15	18.60%
Hindalco Industries Ltd.	520.05	614.85	18.23%
Ultratech Cement Ltd.	9103.8	10503.05	15.37%

LOSERS			
COMPANY	OPEN	CLOSE	%
H D F C Life Insurance Co. Ltd.	694.05	646.7	-6.82%
Maruti Suzuki India Ltd.	10608	10302.35	-2.88%
S B I Life Insurance Co. Ltd.	1438.05	1432.6	-0.38%
Dr. Reddy'S Laboratories Ltd.	5800	5797.9	-0.04%

# MUTUAL FUNDS PERFORMANCE

NAV as on 30 December 2023

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2614.25	0.59	1.74	3.48	7.06
Aditya Birla SL Liquid Fund Reg (G)	378.54	0.59	1.73	3.46	7.06
Canara Robeco Liquid Fund Reg plan (G)	2826.88	0.59	1.74	3.48	7.05

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	33.59	0.64	1.66	3.68	7.37
Invesco India Arbitrage Fund (G)	28.67	0.66	1.66	3.65	7.34
HDFC Arbitrage Fund WP (G)	27.53	0.66	1.66	3.61	7.20

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	309.61	27.91	20.30	26.66	19.31
Quant Absolute Fund (G)	359.57	15.74	14.51	23.73	22.19
UTI Aggressive Hybrid Fund (G)	329.31	25.18	15.45	20.07	14.95

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	61.59	16.25	12.32	13.26	12.37
Edelweiss Balanced Advantage Fund (G)	43.56	18.60	10.43	13.05	13.77
Tata Balanced Advantage Fund (G)	17.93	16.73	11.34	12.91	N/A
Nippon India Balanced Advantage Fund (G)	149.66	17.21	11.32	12.70	11.48

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Prudential Multi-Asset Fund - (G)	596.73	24.20	21.12	25.13	18.34
HDFC MULTI ASSET FUND -(G)	58.86	17.71	11.19	13.37	13.95

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Bandhan Sterling Value Fund Reg (G)	123.36	32.66	17.58	31.24	19.56
Templeton India Value Fund (G)	603.30	33.54	24.77	30.74	19.99
ICICI Pru Value Discovery Fund (G)	366.05	31.63	23.66	28.04	21.04
Nippon India Value Fund (G)	181.87	41.92	22.56	27.86	20.72

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	173.61	29.18	24.31	29.16	18.39
Quant Focused fund (G)	75.49	28.34	18.81	24.21	19.35
Franklin India Focused Equity Fund (G)	87.66	22.91	16.48	23.54	18.14
Nippon India Focused Equity Fund (G)	103.35	26.91	17.36	23.25	18.43

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant ELSS Tax Saver Fund (G)	323.14	30.93	21.11	32.75	28.75
Bandhan ELSS Tax saver Fund Reg (G)	130.27	28.16	16.10	26.01	19.32
HDFC ELSS Tax saver Reg (G)	1090.35	32.61	22.07	25.96	16.94
SBI Long Term Equity Fund Reg (G)	333.47	39.91	22.85	25.26	19.39
Nippon India Tax Saver (ELSS) Fund (G)	104.70	28.28	17.74	23.82	13.88

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	72.89	31.85	21.83	24.96	17.01
HDFC Top 100 Fund (G)	979.34	29.49	20.30	22.78	16.08
ICICI Pru Bluechip Fund Reg (G)	88.78	26.76	17.15	20.91	16.98
Tata Large Cap Fund Reg (G)	426.92	23.91	13.87	19.61	15.67

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Midcap Fund Reg (G)	71.63	42.41	25.84	35.12	24.25
Quant MidCap Fund (G)	185.88	36.05	25.96	33.36	26.82
Nippon India Growth Fund (G)	3213.49	48.70	26.10	32.31	24.77
HDFC Mid Cap Opportunities Fund (G)	148.10	45.31	27.96	31.61	22.71

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Large And Mid Cap Fund Reg (G)	275.70	37.76	22.51	28.77	20.41
ICICI Pru Large & Mid Cap Fund Reg (G)	764.42	29.60	21.15	27.20	19.48
Quant Large and Mid Cap Fund (G)	99.06	32.75	22.55	26.86	22.13
Motilal Oswal Large and Midcap Fund Reg (G)	23.80	38.25	19.19	25.86	N/A

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	212.18	47.77	26.99	44.37	32.22
Nippon India Small Cap Fund (G)	138.50	49.85	26.47	40.72	28.47
HSBC Small Cap Fund Reg (G)	68.94	47.31	21.98	38.13	22.73
HDFC Small Cap Fund (G)	115.56	45.87	23.66	35.78	22.26

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Flexi Cap Fund (G)	83.17	30.18	20.82	31.44	26.60
HDFC Flexi Cap Fund Reg (G)	1506.14	30.01	24.70	28.15	19.09
Franklin India Flexi Cap Fund (G)	1324.06	30.33	17.93	24.67	18.29
Parag Parikh Flexi Cap Fund Reg (G)	65.26	36.84	13.21	22.72	22.84

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	229.62	38.38	26.19	32.99	19.12
Quant Active Fund (G)	572.62	25.41	17.67	28.97	26.22
ICICI Pru Multicap Fund Reg (G)	631.73	35.34	19.61	24.73	17.50
Sundaram Multi Cap Fund Reg (G)	312.44	31.14	14.48	23.89	17.76

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	243.32	49.89	30.63	37.25	23.12
Bandhan Infrastructure Fund Reg (G)	37.18	50.91	23.90	36.40	20.51
ICICI Pru India Opportunities Fund (G)	27.51	35.99	28.23	34.45	22.38
Sundaram Services Fund (G)	27.70	27.44	15.27	24.37	21.85
Kotak Pioneer Fund (G)	23.46	37.77	12.39	19.90	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	179.10	24.79	15.40	19.84	17.52
SBI Magnum Global Fund Reg (G)	343.66	22.87	8.01	17.51	15.50
Tata Banking and Financial Services Fund Reg (G)	35.31	22.10	19.91	16.97	15.61
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	27.13	41.38	14.84	15.44	22.47
SBI Banking & Financial Services Fund Reg (G)	31.82	18.14	16.52	14.74	13.98
Mirae Asset Healthcare Fund (G)	28.42	33.90	9.46	14.68	22.71

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	72240.26	18.17	11.79	14.91	14.88
NSE - Nifty 50	21731.4	19.46	12.36	15.97	14.86

### CORPORATE ACTIONS IN JANUARY 2024

COMPANY	RECORD DATE	PURPOSE
Allcargo Logistics	02/01/2024	3:1 Bonus Issue of Equity Shares
Nestle India	05/01/2024	Stock Split From Rs.10/- to Rs.1/-
Cochin Shipyard	10/01/2024	Stock Split from Rs.10/- to Rs.5/-
Tata Coffee	15/01/2024	Amalgamation & Demerger
TCS	19/01/2024	Interim Dividend
HCL Technologies	20/01/2024	Interim Dividend
Angel One	23/01/2024	Third Interim Dividend

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# COMPANY ANALYSIS REVIEW

## GAIL INDIA LIMITED

CMP (As on 31 December 2023) – 162

INDUSTRY - GAS DISTRIBUTION

JANUARY 2024

SENSEX – 72240 NIFTY – 21731

Mkt. Cap.	:	106549.49 Cr
Equity	:	6575.09
Trading Vol.	:	4498441
52 Week High/Low	:	169/91
Face Value	:	10

BSE Group	:	A
BSE Code	:	532155
NSE Symbol	:	GAIL
Bloomberg	:	GAILIN
Reuters	:	GAIL.BO

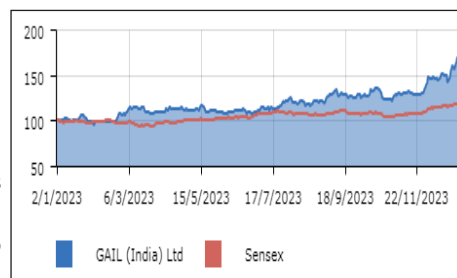
<b>Shareholding Pattern</b>	
Promoters	: 51.52
Institutions & Corporates	: 19.70
Foreign	: 14.99
Public & Others	: 13.88

*The stock was earlier recommended in Sajag Online publication of December 2020. We remain optimistic about the company given sound financials and stable demand outlook with prospects of increasing volumes.*

GAIL (India) Limited is the largest state-owned natural gas processing and distribution Company in India.

### Investment rationale

- ▶ GAIL has a diversified business portfolio and has interests in the sourcing and trading of natural gas, production of LPG, Liquid hydrocarbons and petrochemicals, transmission of natural gas and LPG through pipelines, etc. GAIL has also participating interest in India and overseas in Oil and Gas Blocks.
- ▶ Domestic gas demand remains strong and GAIL expects gas transmission volumes to rise up to 124mmcmd by FY24 end. It also expects volumes to grow up to 132mmcmd in FY25. Global LNG prices are expected to remain soft and domestic gas supplies are rising (from RIL/ONGC/Oil India).
- ▶ GAIL has guided for a capex of nearly Rs 90-100 billion in FY24, for pipelines, petrochem segment, operations, CGDs and investments. GAIL's petchem business is likely to turnaround as plant utilisation improves and HDPE price likely to improve.
- ▶ GAIL has grown its sales at a CAGR of 9% and network at 7% in last 10 years. A low debt (D/E of 0.2) company, the cashflow has been consistently positive over the years.



The macro-environment for the gas sector has been improving with government policy support and rising gas consumption (higher gas demand from CGD, fertilisers and petrochemicals, power). With its indispensable position in the Indian gas grid, GAIL is best placed to benefit. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	6,575.10	4,440.39	4,440.39	4,510.14	2,255.07
Networth	64,927.43	64,114.28	53,182.34	49,268.25	46,004.10
Debt	17,816.18	9,215.72	7,872.61	6,911.51	2,223.73
Sales	145,668.30	92,769.83	57,371.91	72,517.70	76,189.89
Other Income	2,843.70	2,936.90	2,839.01	3,795.71	1,991.99
Operating profit	10,324.53	18,086.17	10,078.54	12,818.04	11,657.03
PAT	5,627.09	12,250.72	6,133.54	9,399.25	6,706.08
Book Value (Rs)	98.75	96.26	79.85	72.83	68
EPS (Rs.)	8.54	18.4	9.21	13.93	9.68
Dividend (%)	50	100	50	64	71.35
Payout (%)	54.86	32.49	36.44	34.53	26.46

### Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	32985.69	38680.36	-14.72
Other Income	595.15	548.08	8.59
PBIDT	4175.37	2451.87	70.29
PBT	3138.47	1675.25	87.34
PAT	2442.18	1304.61	87.20

## CARBORUNDUM UNIVERSAL LIMITED

CMP (As on 31 December 2023) – 1113

INDUSTRY - ABRASIVES

JANUARY 2024

Mkt. Cap.	:	21158.81 Cr
Equity	:	19.01
Trading Vol.	:	2722
52 Week High/Low	:	1300/853
Face Value	:	1

BSE Group	:	A
BSE Code	:	513375
NSE Symbol	:	CARBORUNIV
Bloomberg	:	CUIN
Reuters	:	CRBR.BO

<b>Shareholding Pattern</b>	
Promoters	: 41.28
Institutions & Corporates	: 31.46
Foreign	: 11.95
Public & Others	: 15.28

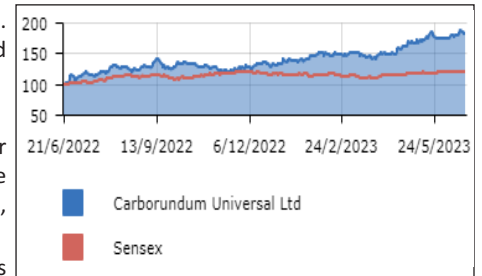
*The stock was earlier recommended in Sajag Online publication of October 2019. We remain optimistic of the company owing to a sound parentage, sound financials and bright demand outlook.*

Carborundum Universal Ltd (CUMI) is a largest high alumina ceramic manufacturing company in India. CUMI manufactures and sells mainly Abrasives, Ceramics (Industrial Ceramics, Refractories) and Electrominerals.

#### Investment rationale

- ▶ It manufactures a comprehensive product range which includes, Bonded, Coated, Super Abrasives, Ceramics, Electrominerals and Coolants for a wide spectrum of industries. The abrasives business caters to a number of industries such as steel, automobiles, auto components, and general metal fabrication. A diversified user industry keeps the momentum going further.
- ▶ India's AtmaNirbhar Bharat initiative and the government's efforts on reviving industrial activities are likely to boost growth prospects. The company's ceramics and EMD verticals are expected to maintain their revenue growth trajectory during FY23-FY25E.
- ▶ In Q2, abrasives & ceramics registered y-o-y sales growth of 6% & 4% respectively, while electrominerals segment registered a y-o-y decline of 8% as dumping by Chinese producers led to decline in product prices price of product in this segment.
- ▶ The company has grown its sales at a CAGR of 11%, PAT at 10% and net-worth at 10% in last 5 years. CFO has been consistently positive with a near zero debt, RONW of 17%.

CUMI stands to benefit from multiple factors such as an uptick in capex in its end-user industries, China +1 strategy, strong government initiatives to support domestic manufacturing, and increasing demand prospects for specialty products driven by clean energy initiatives.. We recommend investing with a long term perspective.



#### Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	18.99	18.99	18.96	18.94	18.92
Networth	2,820.56	2,363.78	2,131.47	1,858.35	1,724.11
Debt	277.26	232.22	56.74	66.11	91.97
Sales	4,654.28	3,324.76	2,631.71	2,598.97	2,688.90
Other Income	138.92	60.12	57	62.78	47.23
Operating profit	790.78	596.76	497.67	461.38	485.53
PAT	398.67	335.54	292.48	269.29	247.5
Book Value (Rs)	148.5	124.5	112.43	98.11	91.15
EPS (Rs.)	21.8	17.56	15	14.38	13.09
Dividend (%)	350	350	300	275	275
Payout (%)	15.05	16.26	9.7	29.11	21.38

#### Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	1123.42	1116.55	0.62
Other Income	30.82	17.62	74.91
PBIDT	198.34	180.65	9.79
PBT	147.61	131.1	12.59
PAT	103.88	93.69	10.88

## GRINDWELL NORTON LIMITED

CMP (As on 31 December 2023) – 2325

INDUSTRY - ABRASIVES

JANUARY 2024

Mkt. Cap.	: 25751.81 Cr
Equity	: 55.36
Trading Vol.	: 11968.00
52 Week High/Low	: 2494/1717
Face Value	: 5

BSE Group	: A
BSE Code	: 506076
NSE Symbol	: GRINDWELL
Bloomberg	: GWLIN
Reuters	: GRNNL.BO

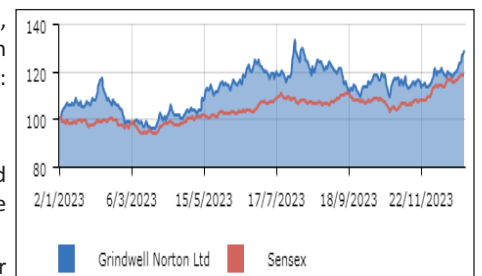
Shareholding Pattern	
Promoters	: 58.03
Institutions & Corporates	: 16.75
Foreign	: 9.30
Public & Others	: 15.93

*The stock was earlier recommended in Sajag Online publication of November 2019. We remain optimistic of the company owing to a sound parentage, sound financials and bright demand outlook.*

Grindwell Norton Limited (GNL) is one of the subsidiary of Compagnie de Saint-Gobain (Saint-Gobain), a transnational group with its headquarters in Paris. The Company's businesses are part of the High Performance Solutions sector. Within GNL, the businesses are divided into 3 major segments: Abrasives, Ceramics & Plastics and IT Services.

#### Investment rationale

- ▶ The main businesses in GNL segment are Silicon Carbide, High Performance Refractories and Performance Plastics. It is the pioneer in the manufacture of industrial abrasives, by setting up the first grinding-wheel factory.
- ▶ The Abrasives business has four manufacturing sites: Mora (near Mumbai), Bengaluru, Nagpur and Bated (Himachal Pradesh). Besides, GNL has a contract manufacturing facility. Silicon Carbide is manufactured at GNL's plant located at Tirupati in Andhra Pradesh.
- ▶ High Performance Refractories has two plants, one is located at Bengaluru and other at Halol, near Vadodara, in Gujarat. The Performance Plastics business produces and markets more than 800 standard and custom-made polymer products through three business segments: Engineered Components (ENC), Fluid Systems (FLS) and Composites (CMP).
- ▶ Sales of Abrasives segment (accounts for 49.49% of total sales) while Ceramics and Plastic segment (accounts for 41.44% of total sales). The Captive IT Development Centre ("INDEC") forms the digital services segment. The Digital services segment witnessed increase in revenue in 2022-23.



► GNL has grown its sales at a CAGR of 10% and PAT at 15% in last 10 years. A zero debt company, it has been generating positive CFO.

GNL is focussed on technologically advanced niche/high performance products in performance plastics and tapping new verticals in Ceramics & Refractories. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	55.36	55.36	55.36	55.36	55.36
Networth	1,802.46	1,565.10	1,361.47	1,183.97	1,094.56
Debt	51.36	15.09	12.15	0	0
Sales	2,541.34	2,012.76	1,637.92	1,579.57	1,598.06
Other Income	56.07	53.09	50.97	40.38	35.36
Operating profit	553.84	453.48	374.98	304.88	307.17
PAT	350.28	281.65	222.16	171.07	156.34
Book Value (Rs)	162.79	141.36	122.97	106.93	98.86
EPS (Rs.)	32.69	26.7	21.6	16.48	15.11
Dividend (%)	290	240	190	150	120
Payout (%)	36.75	35.64	34.93	36.12	32.81

### Latest Results (Rs. Crore)

Quarter Ended	202309	202209	Var. (%)
Sales	667.4	634.66	5.16
Other Income	22.7	14.98	51.54
PBIDT	154.13	136.87	12.61
PBT	135.4	119.84	12.98
PAT	102.31	90.32	13.28

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)	%
<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)	479,155	19.52	995,298	20.37	1,954,173	17.28	2,915,438	16.92	7,749,895	17.62
Canara Robeco Emerging equities Reg (G)	466,020	17.54	988,969	20.11	1,932,300	17.01	2,987,615	17.37	9,425,376	19.84
Kotak Emerging Equity (G)	508,338	23.79	1,144,833	26.19	2,227,089	20.43	3,418,772	19.87	9,336,068	19.74
Nippon India Small Cap Fund (G)	601,217	36.39	1,488,925	37.38	2,945,690	27.19	4,642,485	25.53	N/A	N/A
SBI Large & MidCap Fund Reg (G)	495,214	21.92	1,058,444	22.94	2,026,402	18.17	2,931,259	17.03	7,097,330	16.62

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

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

### INDUSIND BANK LIMITED

**CMP (AS ON 31 DECEMBER 2023) - 1598**

**TARGET - 1820**

IndusInd Bank Ltd is one of the new generation private sector banks in India. The Bank business divisions include Retail/ Consumer Banking, Consumer Finance, Global Markets Group, Corporate & Commercial Banking, Transaction Banking Group and Investment Banking. The bank posted healthy 18% growth in net interest income (NII), in Q2FY2024. The Net Interest Margin (NIM) of the bank improved to 4.29% in Q2FY2024 compared to 4.24% y-o-y. Increasing retail mix, repricing of corporate book, and higher disbursement yield in the fixed rate book would keep margins stable. The asset quality of the bank was stable in Q2FY2024. The CASA ratio stands at 38.5%. It reported a 20% growth in advances for the Q3 FY24. The bank is targeting a loan growth of 18-23% y-o-y in FY2024.

### MARICO LIMITED

**CMP (AS ON 31 DECEMBER 2023) - 548**

**TARGET - 650**

Marico is one of India's leading consumer products companies in the global beauty and wellness space. Its portfolio includes brands such as Parachute, Saffola, Saffola FITTIFY Gourmet, Saffola ImmuniVeda, Saffola Mealmaker, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Coco Soul, Revive, Set Wet, Livon and Beardo. Revenue from operations declined 0.8% to Rs 2,476 crore in Q2 FY24 as against Rs 2,496 crore in Q2FY23, with underlying volume growth of 3% in the domestic business and constant currency growth of 13% in the international business. EBITDA margin improved 272 bps to 20.1% in Q2 FY24. Urban sentiments have improved sequentially, while pace of recovery in rural demand is slow. Majority of the portfolio witnessed healthy trends across offtakes with around 85% of the business either gaining or sustaining market share and penetration. The International business continued its strong momentum amidst a challenging geo-political scenario and macroeconomic headwinds in select markets. Over the medium term, Marico aspires to deliver 13-15% revenue growth with 8-10% volume growth in the domestic business and double-digit constant currency growth in the international business.

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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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