

**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	31/3/2024	29/2/2024	31/12/2007
Nifty	22326.9	21982.8	6138
<b>Valuation</b>			
Trailing PE	22.88	22.7	27.62
Trailing PB	3.92	3.85	6.39
Mcap/GDP	1.19	1.19	1.23
<b>Nifty return</b>			
1 year	28.61%	27.04%	54.77%
2 year	13.07%	14.41%	47.11%
3 year	14.97%	14.80%	43.43%
<b>EPS growth</b>			
1 year	14.90%	14.11%	19.13%
2 year	13.17%	11.58%	15.95%
3 year	30.16%	38.26%	17.85%
<b>Other data points</b>			
Credit growth	20.40%	20.3%	25%
10-year bond yield	7.05	7.07	7.57
Brent Oil Futures	87.48	83.62	93.25
USD/INR	83.35	82.9	39.23
Gold (oz/USD)	2254.8	2054.7	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices consolidate and recover!

After hitting newer highs, indices consolidated in the month of March.

Key developments during the month were,

- ▶ India's Consumer Price Index (CPI) inflation rate remained steady at 5.09% in February, staying within the central bank's target range. This is the sixth month in a row inflation has been within the target, but it is still above the medium-term goal of 4%. Meanwhile, India's wholesale price inflation fell to a four-month low of 0.20% in February, compared to 0.27% in January. Positive rate of inflation in February 2024 is primarily due to increase in prices of food articles, crude petroleum & natural gas, electricity, machinery & equipment and motor vehicles, trailers & semi-trailers, etc.
- ▶ India's industrial growth slowed down to 3.8% in January, compared to December's revised figure of 4.2%. This suggests a slight decrease

in factory output.

- ▶ India's exports rose 11.9% to \$41.4 billion in February, the highest in the current fiscal, while the trade deficit stood at \$18.7 billion. The exports in February 2023 were USD 37.01 billion. Imports were valued at \$60.1 billion, up 12.16% compared to \$53.58 billion in February 2023. India's merchandise trade deficit expanded to \$18.71 billion in February, compared to \$17.49 billion in January. The trade deficit stood at \$16.57 billion in February 2023. The merchandise trade deficit during April-February 2023-24 is \$225.20 Billion compared to \$245.94 Billion during April-February 2022-23, registering a decline of (-) 8.43%.
- ▶ India's provisional gross direct tax collection (before refunds) for FY24 reached Rs 22.27 lakh crore, a significant 18.74% increase compared to the same period last year (Rs 18.76 lakh crore). This strong growth is driven by both corporation tax (Rs 10.98 lakh crore) and personal income tax including STT (Rs 11.25 lakh crore).
- ▶ India recorded gross Good and Services Tax (GST) revenue for the month of March 2024 at Rs 1.78 lakh crore, posting an increase of 11.5% y-o-y. For the entire fiscal year 2023-24, gross GST collection stood at Rs. 20.18 lakh crore, a 11.7% increase compared to the previous year.

SEBI's push for stress tests on mid- and small-cap mutual fund schemes to address concerns about inflated valuations

did trigger some profit-booking across market. Buying did come back in the last week of month which again pushed the indices higher. The FIIs remained buyers to the tune of Rs. 3314.57 crores. DIIs were also on a buying spree.

The US Federal Reserve left interest rates unchanged following a two-day policy meeting. While acknowledging recent inflation concerns, the Fed reaffirmed its commitment to three rate cuts in 2024. However, they reduced their projections for 2025 from four cuts to three. Chair Jerome Powell reassured investors that the cuts would still occur, but their timing depends on economic data. Dow Jones Industrial Average, the Nasdaq and the S&P 500 Index gained 1.87%, 10.41% and 3.8%, respectively.



### Performance of key sectoral indices

Nifty IT	-7.73%	Nifty Infrastructure	2.58%
Nifty Realty	-1.37%	Nifty MNC	2.87%
Nifty FMCG	-0.60%	Nifty India Consumption	2.92%
Nifty Pharma	-0.32%	Nifty Metal	3.31%
Nifty Energy	-0.10%	Nifty Auto	4.56%
Nifty Bank	1.96%		

### Market Outlook

Fitch Ratings raised India's GDP growth forecast for the next fiscal year i.e FY25 to 7% from their previous estimate of 6.5%. They expect the strong economic growth to continue. The rating agency also expects a reduction in interest rates by the Reserve Bank of India (RBI) and a decline in inflation by the end of 2024.

- ▶ The US consumer price index in February climbed 0.4% on the month and 3.2% y-o-y. US manufacturing grew for the first time in 1-1/2 years in March as production rebounded sharply and new orders increased. The Institute for Supply Management (ISM) manufacturing PMI increased to 50.3 last month.
- ▶ China reported its first inflation increase in four months. Consumer prices rose 0.7% year-on-year in February, compared to a drop in January. China reported better-than-expected figures for retail sales (up 5.5%) and industrial production (up 7%) in the first two months of 2024. The urban unemployment rate remained steady at 5.3% in February. China's combined industrial profit for January and February climbed 10.2% y-o-y. China's manufacturing activity expanded for the first time in six months in March, with the official purchasing

managers' index coming in at 50.8, up from 49.1 a month earlier.

- ▶ Japan's wage negotiations have concluded, with early reports indicating large companies offered significant pay raises. Japan's central bank hiked interest rates for the first time since 2007. Japan inflation accelerated in February. Japan's headline consumer price rose to 2.8% on year in February, from 2.2% in January.
- ▶ Eurozone PMI Manufacturing was finalized at 46.1 in March, down from February's 46.5. Disparities across member countries continued, with Greece achieving a 25-month high at 56.9, Italy at 12-month high at 50.4, and Spain dipped slightly to 5.1.4. Meanwhile, Germany recorded a 5-month low at 41.9, and France fell to 46.2. The Bank of England kept its main interest rate unchanged at a 16-year high of 5.25% even though inflation continues to drop from multi-decade peaks.
- ▶ The HSBC Flash India composite PMI rose to 61.3 in March as compared with 60.6 in February. It indicated a sharp rate of expansion that was the strongest since July 2023. New orders rose at a faster pace than in the previous month, and within that both domestic and export orders showed improved vigour. The manufacturing sector in India closed out FY24 a "stellar performance" in March, as companies stepped up hiring in response to strong production and new orders. The HSBC India Manufacturing PMI rose to a 16-year high of 59.1 in March, from 56.9 in February.

As we approach the political events, market is likely to be volatile with the given optimism in market players amid the overbought conditions. India Inc annual results would further lead to stock specific investing.

## TECHNICAL VIEW



Nifty began the month of March with profit-booking which took it lower near 21710. Nifty saw buying at this level and recovered again to test the earlier top of 22516. Nifty closed the month in green at 22386, as it gained nearly 1.5%.

After some profit-booking during the month, weekly RSI has moved below its average, while the monthly RSI is placed above its average. This is the 4th consecutive quarter Nifty has ended in green, and RSI on quarterly charts, now is in an overbought zone.

As mentioned in our earlier report, Nifty did see some profit-booking at higher levels, which was taken as opportunity by investors. Going ahead, Nifty is likely to move higher where profit-booking at higher levels could see buying support, making it range-bound. Nifty is moving in an uncharted territory. It is likely to see resistance in the 22550-22750 zone. On the other hand, buying support could be seen near 22200 and 22000. At lower levels, support is placed near 21800.

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

GAINERS			
COMPANY	OPEN	CLOSE	%
Bajaj Auto Ltd.	7955	9148.15	15.00%
Maruti Suzuki India Ltd.	11295	12600.35	11.56%
Bajaj Finance Ltd.	6511.75	7245.25	11.26%
Hindalco Industries Ltd.	510	560.25	9.85%
Tata Steel Ltd.	143	155.85	8.99%

LOSERS			
COMPANY	OPEN	CLOSE	%
Infosys Ltd.	1669	1498.05	-10.24%
Tata Consumer Products Ltd.	1204	1096.2	-8.95%
Wipro Ltd.	522.4	480.1	-8.10%
H C L Technologies Ltd.	1675.45	1543.55	-7.87%
Ltimindtree Ltd.	5315	4938.4	-7.09%

# MUTUAL FUNDS PERFORMANCE

NAV as on 31 March 2024

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2663.22	0.65	1.87	3.64	7.29
Canara Robeco Liquid Fund Reg plan (G)	2878.43	0.60	1.82	3.59	7.24
DSP Liquidity Fund (G)	3415.36	0.63	1.85	3.60	7.22

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	34.31	0.50	2.14	3.83	8.02
SBI Arbitrage Opp Fund Reg (G)	30.99	0.49	2.02	3.66	7.91
Edelweiss Arbitrage Fund Reg (G)	17.78	0.49	2.14	3.74	7.79

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	336.87	42.68	22.11	25.99	20.16
Quant Absolute Fund (G)	395.21	38.50	18.67	24.35	23.46
Edelweiss Aggressive Hybrid Fund (G)	54.08	35.85	19.19	19.48	16.43

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	64.44	23.83	14.29	13.52	12.76
Edelweiss Balanced Advantage Fund (G)	45.46	26.66	13.53	13.33	14.04
Tata Balanced Advantage Fund (G)	18.70	23.99	13.24	12.86	13.07
Axis Balanced Advantage Fund Reg (G)	18.09	29.21	13.63	12.69	10.62

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Multi Asset Fund (G)	635.24	34.00	21.09	24.49	18.83
Quant Multi Asset Fund (G)	121.69	45.41	23.17	31.12	27.02

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Bandhan Sterling Value Fund Reg (G)	132.01	46.47	22.80	27.60	20.43
ICICI Pru Value Discovery Fund (G)	394.63	45.78	24.76	27.53	21.94
HSBC Value Fund (G)	91.50	53.66	26.48	26.89	20.40
Templeton India Value Fund (G)	636.52	46.24	27.13	26.70	19.58
Nippon India Value Fund (G)	190.54	59.58	24.96	26.02	20.67

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	185.13	42.68	27.03	28.37	18.62
ICICI Pru Focused Equity Fund Reg (G)	74.60	49.29	24.03	24.12	19.63
Quant Focused fund (G)	83.02	54.43	23.51	23.51	21.33
Invesco India Focused Fund Reg (G)	22.62	64.03	22.27	22.88	N/A

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant ELSS Tax Saver Fund (G)	351.03	58.06	24.59	31.30	30.06
SBI Long Term Equity Fund Reg (G)	370.95	60.81	30.92	27.39	20.71
HDFC ELSS Tax saver Reg (G)	1161.46	47.64	26.14	26.33	17.04
Bandhan ELSS Tax saver Fund Reg (G)	137.45	41.34	18.93	23.09	19.30

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	78.19	44.82	24.29	24.55	17.15
ICICI Pru Bluechip Fund Reg (G)	96.15	42.38	21.15	21.53	17.92
HDFC Top 100 Fund (G)	1026.81	39.35	21.61	21.35	15.32
Tata Large Cap Fund Reg (G)	443.94	35.29	16.14	17.53	15.13

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant MidCap Fund (G)	210.97	65.55	28.82	35.19	29.33
Motilal Oswal Midcap Fund Reg (G)	79.20	60.35	32.76	34.55	25.53
HDFC Mid Cap Opportunities Fund (G)	156.82	57.22	31.38	28.76	22.69
Nippon India Growth Fund (G)	3262.97	56.63	27.24	27.88	23.85

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Large and Mid Cap Fund (G)	111.20	61.18	26.27	29.17	24.53
ICICI Pru Large & Mid Cap Fund Reg (G)	829.53	46.02	24.85	26.59	20.63
HDFC Large And Mid Cap Fund Reg (G)	287.70	49.80	24.57	25.29	19.95
Motilal Oswal Large and Midcap Fund Reg (G)	25.58	51.45	27.59	24.19	N/A

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	229.83	66.50	32.34	40.34	34.86
Nippon India Small Cap Fund (G)	141.24	55.34	28.80	33.73	28.52
HSBC Small Cap Fund Reg (G)	69.55	47.10	24.09	31.97	22.63
HDFC Small Cap Fund (G)	117.65	47.72	28.68	30.54	21.34

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Flexi Cap Fund (G)	93.17	57.48	26.34	32.79	28.76
HDFC Flexi Cap Fund Reg (G)	1605.69	43.17	25.97	26.25	18.66
Parag Parikh Flexi Cap Fund Reg (G)	69.32	40.06	18.34	22.16	22.64
HSBC Flexi Cap Fund Reg (G)	183.27	43.60	18.33	19.65	15.43

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Active Fund (G)	617.96	49.64	20.32	27.08	27.42
Nippon India Multi Cap Fund (G)	244.64	50.18	27.22	29.57	19.69
ICICI Pru Multicap Fund Reg (G)	673.33	48.21	23.73	23.54	17.91
Sundaram Multi Cap Fund Reg (G)	317.88	39.63	15.89	20.87	17.24

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	265.35	64.85	36.28	33.74	23.46
Bandhan Infrastructure Fund Reg (G)	43.21	72.27	37.76	32.75	23.16
ICICI Pru India Opportunities Fund (G)	29.58	51.69	29.44	31.39	22.32
Sundaram Services Fund (G)	28.00	35.07	15.68	21.79	20.34
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	30.20	62.02	23.92	20.33	24.41
Kotak Pioneer Fund (G)	25.32	45.39	18.96	18.69	N/A
Mirae Asset Healthcare Fund (G)	31.14	54.81	18.03	18.43	23.94
Aditya Birla SL India Gen Next Fund Reg (G)	183.01	34.83	17.59	18.34	17.33
SBI Banking & Financial Services Fund Reg (G)	32.91	33.33	18.01	13.74	12.86
SBI Magnum Global Fund Reg (G)	337.26	19.76	10.54	13.72	14.77
Tata Banking and Financial Services Fund Reg (G)	33.72	25.09	17.75	13.49	12.61

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	72831.94	22.11	12.05	13.52	13.78
NSE - Nifty 50	22096.75	28.83	12.95	14.44	14.02

### CORPORATE ACTIONS IN APRIL 2024

COMPANY	RECORD DATE	PURPOSE
Persistent System	01/04/2024	Stock Split From Rs.10/- to Rs.5/-
Bharat Dynamics	02/04/2024	88.5% Interim Dividend
TVS Holdings	02/04/2024	1880% Interim Dividend
Ashok Leyland	03/04/2024	495% Interim Dividend
Varun Beverages	04/04/2024	25% Final Dividend
Esab India	05/04/2024	Rs.24 per share (240%) Second Interim Dividend
Sun TV Network	08/04/2024	60% Interim Dividend

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# COMPANY ANALYSIS REVIEW

## ATUL LIMITED

**CMP** (As on 31 March 2024) – **5738**

**INDUSTRY - CHEMICALS**

**APRIL 2024**

**SENSEX – 73651 NIFTY – 22326**

<b>Mkt. Cap.</b>	:	16894.27 Cr
<b>Equity</b>	:	29.44
<b>Trading Vol.</b>	:	125445
<b>52 Week High/Low</b>	:	7586/5720
<b>Face Value</b>	:	10

<b>BSE Group</b>	:	A
<b>BSE Code</b>	:	500027
<b>NSE Symbol</b>	:	ATUL
<b>Bloomberg</b>	:	ATLPIN
<b>Reuters</b>	:	ATLP.BO

<b>Shareholding Pattern</b>		
<b>Promoters</b>	:	45.07
<b>Institutions &amp; Corporates</b>	:	28.30
<b>Foreign</b>	:	8.65
<b>Public &amp; Others</b>	:	17.99

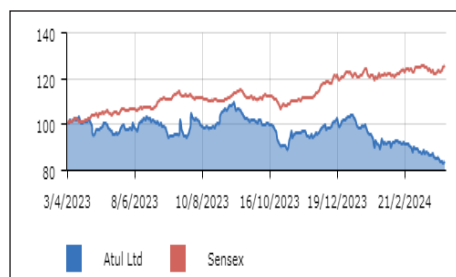
*The stock was earlier recommended in our Sajag Online publication of April 2020. We continue to remain optimistic about the company owing to a strong background, leadership position in key products and anticipated demand recovery.*

Atul is presently headed by Sunil Lalbhai, the third-generation entrepreneur, Chairman and Managing Director, who is a technocrat, and is supported by a well-qualified and experienced senior management.

### Investment rationale

- ▶ Atul has placed its operations in two broad segments, viz., Performance and other Chemicals (POC-66% of sales) and Life Science Chemicals (LSC - 34% of sales), catering to the requirement of diversified industries, including textile, paints and coatings, adhesives, dyestuff, agriculture, fragrance and flavours, cosmetic, personal care, tyre, paper, plastic, pharmaceutical, aerospace, composites, construction, glass, etc.
- ▶ Polymers, aromatics and colours are the major contributors in POC, while crop protection segment is the major contributor in LSC. Over the years, Atul has emerged as a prominent player in various products manufactured by it (including Para-Cresol, Para Anisic Aldehyde, Resorcinol).
- ▶ It also has a strong clientele including some global chemical majors. Furthermore, its well-diversified product range helps Atul in mostly offsetting the adverse performance of few product lines in some years through better performance of the remaining products in those years. Furthermore, Atul benefits from its geographically diversified clientele across Asia, Europe, North America, South America and Africa.
- ▶ Atul is also trying to develop retail brands, however, retail forms just 9% of its business. Atul is a zero debt company and has generated positive CFO consistently.

The company has not performed in last few quarters and y-o-y sales have reduced, and margins also impacted. Exports have reduced which has adversely affected the business. The company started its operation of 300 tpd caustic and 50 MW power plants, revenues from which would now start. LSC is seeing an improvement. The company can see an uptrend again once the demand improves because the fundamentals and its leadership position in key chemicals remains intact. We recommend investing with a long term perspective.



### Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	29.53	29.61	29.61	29.68	29.68
Networth	4,671.38	4,428.96	3,826.52	3,154.90	2,705.71
Debt	52.24	144.17	132.93	108.47	54.67
Sales	5,427.52	5,080.89	3,731.47	4,093.06	4,037.81
Other Income	118.7	84.16	110.23	83.02	39.88
PBDITA	893.55	995.6	1,027.35	985.03	806.66
PAT	529.76	588.18	637.79	657.53	430.52
Book Value (Rs)	1,581.91	1,495.76	1,292.31	1,062.97	911.63
EPS (Rs.)	174.09	204.07	221.47	224.55	145.63
Dividend (%)	325	250	200	275	150
Payout (%)	18.93	9.78	0	22.58	8.17

### Latest Results (Rs. Crore)

Quarter Ended	202312	202212	Var. (%)
Sales	1137.8	1268.25	-10.29
Other Income	17.1	22.86	-25.20
PBIDT	168.78	194.86	-13.38
PBT	105.45	142.28	-25.89
PAT	72.05	102.88	-29.97

## RATNAMANI METALS AND TUBES LIMITED

**CMP** (As on 31 March 2024) – **2788**

**INDUSTRY - STEELS**

**APRIL 2024**

<b>Mkt. Cap.</b>	:	20854.82 Cr
<b>Equity</b>	:	14.02
<b>Trading Vol.</b>	:	93166
<b>52 Week High/Low</b>	:	3923/1984
<b>Face Value</b>	:	2

<b>BSE Group</b>	:	A
<b>BSE Code</b>	:	520111
<b>NSE Symbol</b>	:	RATNAMANI
<b>Bloomberg</b>	:	RMTIN
<b>Reuters</b>	:	RMT.BO

<b>Shareholding Pattern</b>		
<b>Promoters</b>	:	59.77
<b>Institutions &amp; Corporates</b>	:	17.18
<b>Foreign</b>	:	13.20
<b>Public &amp; Others</b>	:	9.85

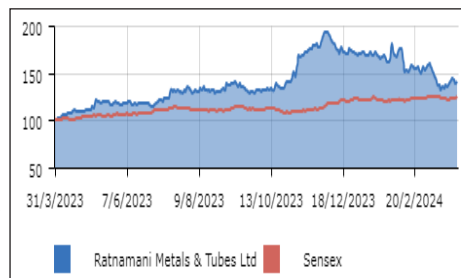
*The stock was earlier recommended in Sajag Online publication of September 2017. We maintain a positive stance about the company owing to sound fundamentals, growing demand in the user industry.*

Ratnamani Metals and Tubes (RMT) provides total piping solutions to a diverse range of industries. The Company has diverse product portfolio which includes Nickel Alloy/Stainless Steel Seamless Tubes & Pipes, Stainless Steel Welded Tubes & Pipes, Titanium Welded Tubes, Carbon Steel Welded Pipes, Stainless Steel/Carbon Steel Pipes with Coating and Induction Bends.

#### Investment rationale

- ▶ It manufactures stainless steel pipes and tubes and carbon steel pipes at Kutch, Indrad and Chhatral in Gujarat. It caters to customers in domestic as well as overseas markets across Asia-Pacific, Europe, Middle East and America. Water segment orders constitutes 20%.
- ▶ The company has guided a revenue of Rs 50bn (70% achieved) while long term sustainable EBITDA margin to remain between 16-18%. The management expect the order book to remain around Rs 25bn at the end of FY24 and order book is expected to pick up post elections. Export market continue to look good from demand prospective.
- ▶ During year 2022-23, the Company acquired 53% Equity Shares in Ravi Technoforge Private Limited, Rajkot (RTL), and the company is expected to turnaround in next fiscal.
- ▶ RMT has grown its sales at a CAGR of 10%. It is net-zero debt company, with positive CFO. PBDITA margin has been 16-18%. Average RONW in the last decade has been 17%, in FY23, RONW was 21%.

The company has a dominant position in the domestic steel pipes industry. Growth in infrastructure and demand from oil,gas and water industry augurs well for the company. We recommend investing with a long term perspective.



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

Year End	202303	202203	202103	202003	201903
Equity	14.02	9.35	9.35	9.35	9.35
Networth	2,603.91	2,248.32	1,987.56	1,709.16	1,522.76
Debt	237	157.47	207.28	251.54	65.4
Sales	4,474.40	3,138.78	2,298.13	2,585.68	2,754.90
Other Income	32.69	37.7	43.41	59.3	41.23
PBDITA	808.07	532.51	443.21	485.83	447.74
PAT	510.7	322.41	275.88	307.53	252.94
Book Value (Rs)	371.5	320.77	283.57	243.85	217.25
EPS (Rs.)	72.83	46.03	39.38	43.88	36.09
Dividend (%)	600	700	700	600	450
Payout (%)	12.77	20.28	0	31.91	11.09

#### Latest Results (Rs. Crore)

Quarter Ended	202312	202212	Var. (%)
Sales	1257.26	1098.71	14.43
Other Income	15.21	7.4	105.54
PBIDT	215.54	206.45	4.40
PBT	178.13	178.35	-0.12
PAT	132.79	134.09	-0.97

## SKF INDIA LIMITED

CMP (As on 31 March 2024) – 4162

INDUSTRY - BEARINGS

APRIL 2024

Mkt. Cap.	: 20579.54 Cr
Equity	: 49.43
Trading Vol.	: 57728
52 Week High/Low	: 5528/4025
Face Value	: 10

BSE Group	: A
BSE Code	: 500472
NSE Symbol	: SKFINDIA
Bloomberg	: SKFIN
Reuters	: SKFB.BO

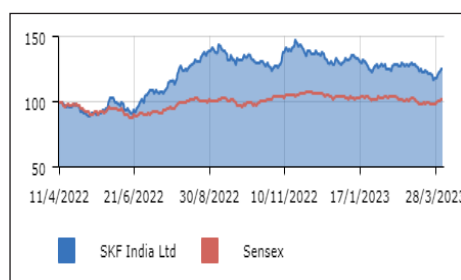
Shareholding Pattern	
Promoters	: 52.58
Institutions & Corporates	: 31.46
Foreign	: 7.17
Public & Others	: 9.81

*The stock was earlier recommended in Sajag Online publication of February 2016. We maintain an optimistic outlook of the company owing to sound fundamentals, strong parentage and growing demand of the end-user industries.*

SKF India, the pioneer of ball bearing manufacturing of India is a part of AB SKF, Germany, a leading global supplier of bearings, seals, mechatronics, lubrication systems, and services which include technical support, maintenance and reliability services, engineering consulting and training. The company's manufacturing facility is located at Pune, Bangalore & Haridwar catering to automotive and industrial sectors of Northern and Peninsular India. AB SKF, along with its affiliates, held 52.58% stake in SKF India.

#### Investment rationale

- ▶ It offers unique solutions across the automotive, agriculture, construction, food and beverage, oil and gas, metals, and other industrial sectors. Industrial contributed 51% to total revenue, automotive 40% and exports 9%. The services & after-market segment contributed about 36%.
- ▶ The company has been prioritizing high growth segments in its automotive business (like electric vehicles) and industrial business (like renewable energy, railways, and capital goods). The company is seeing strong growth potential in these segments and is focusing on capturing the larger pie of this opportunity. Various auto OEMs are shifting towards hybrid bearings that can overcome damage from powerful electrical motors. The demand for precision mechanical bearings is also experiencing rapid growth across various industries. These trends augur well for SKF India, given its emphasis on innovative products, leadership position in bearings and capability to provide unique solutions.
- ▶ The company has reached 38% localization on the industrial side and 95% plus on automotive. It plans to increase its industrial localization to 60% in coming years.
- ▶ The company has grown its sales at a CAGR of 7% and PAT at 11% in last decade. PBDITA margins average has been 16% and PAT at 17%. A zero debt



company it has been generating positive CFO.

Bearing demand in India is expected to remain high in coming years because of the growing need in all industries, ranging from automobiles, household appliances, aerospace, industrial machinery, water pumps, and fans. Given the company's emphasis on innovative products & new technologies, SKF India is fully capable of meeting rising demand for high-quality and hybrid bearings. The company is well placed to capitalize on recovery in private capex considering its diversified market presence across industries and segments, increased localisation and strong technology support from parent. Maximum exposure to a single segment is only around 8%. In addition, improved mix, lower cost level and efficient portfolio management should aid margins. We recommend investing with a long term perspective.

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

Year End	202303	202203	202103	202003	201903
Equity	49.44	49.44	49.44	49.44	49.44
Networth	2,341.50	1,885.90	1,563.81	1,905.25	1,696.94
Debt	14.44	16.1	17.58	21.81	90
Sales	4,304.92	3,665.89	2,670.73	2,841.58	3,034.53
Other Income	51.87	34.62	36.31	103.92	92.38
PBDITA	801.28	590.14	456.37	453.37	578.24
PAT	524.79	395.13	297.73	288.99	335.77
Book Value (Rs)	473.6	381.45	316.3	385.37	343.23
EPS (Rs.)	106.15	79.92	60.22	58.45	67.91
Dividend (%)	400	145	145	1,300.00	120
Payout (%)	13.66	18.14	215.86	20.53	18.35

#### Latest Results (Rs. Crore)

Quarter Ended	202312	202212	Var. (%)
Sales	1092.31	1077.2	1.40
Other Income	23.68	13.03	81.73
PBIDT	196.16	197.09	-0.47
PBT	177.03	179.71	-1.49
PAT	132.19	116.48	13.49

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)	473,353	18.48	982,189	19.75	1,930,803	16.94	2,858,806	16.52	7,542,137	17.28
Canara Robeco Emerging equities Reg (G)	474,231	18.61	1,003,534	20.63	1,964,347	17.35	2,963,611	17.19	9,217,858	19.56
Kotak Emerging Equity (G)	495,478	21.73	1,120,016	25.18	2,193,759	20.01	3,301,865	19.19	9,058,445	19.36
Nippon India Small Cap Fund (G)	569,201	31.92	1,443,939	35.93	2,882,416	26.58	4,437,450	24.64	N/A	N/A
SBI Large & MidCap Fund Reg (G)	487,720	20.6	1,050,789	22.53	2,024,330	18.08	2,905,306	16.82	6,987,273	16.41

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

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

### ADITYA BIRLA CAPITAL LIMITED

**CMP (AS ON 31 MARCH 2024) - 175**

**TARGET - 255**

Aditya Birla Capital is one of the major diversified financial services companies and the holding company of the financial services businesses of the Aditya Birla Group. It has a significant presence spanning multiple sectors, including NBFC, asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, ARC, and pension fund management, catering to the diverse needs of its customers across their life cycle. It ranks among the top fund managers in the country across asset management, life insurance and health insurance. The company has strategically invested in digital capabilities to complement and expand physical reach as well as drive efficiency and enhance customer experience. The company enjoys top-notch credit-rating, helping to lower the cost of funds. The company continues to build a retail and SME portfolio and increase its share in the overall loan book. The overall loan book of the company has increased 34% end December 2023 to Rs 1.15 lakh crore mark, while posted strong retail loans growth to 35%. Aditya Birla Capital Limited approved the merger of Aditya Birla Finance Ltd with itself in March 2024, post which Aditya Birla Capital will get converted from a holding company to an operating non-banking finance company (NBFC), the company said, creating a unified large entity with greater financial strength and flexibility enabling direct access to capital.

### BHARAT ELECTRONICS LIMITED

**CMP (AS ON 31 MARCH 2024) - 201**

**TARGET - 250**

Bharat Electronics Limited, a Navratna Public Sector Undertaking, possess expertise in design, development, manufacturing, supply and life cycle support of strategic electronic products and systems. It holds a prominent position in the Indian Defence segment, and are making inroads into the civilian segments while expanding their defence operations into the international markets. It is engaged in manufacture and supply of strategic electronic products primarily to Defense Services. The company exported a range of products and sub-assemblies exported includes LYNX II, radar warning receivers, composite communication system, night vision devices, versatile communication system (VCS), IFF Interrogator, LRF, X-Ray tube, radar finger printing system, ESM system, V/ultra high frequency (UHF) search receivers, shelters, printed circuit board (PCB) assembly, cable harness, components and mechanical assemblies. Government push for indigenisation, reduced dependency on import augur well for BEL. It has received cumulative orders of Rs 27647.31 Crore in the current financial year ending Mar 2024.

**SAJAG STOCK HOTLINE 020 2530 24 00**

*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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