

**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 at 8.2%

Time period	31/5/2024	30/4/2024	31/12/2007
Nifty	22530.7	22604.85	6138
<b>Valuation</b>			
Trailing PE	21.4	22	27.62
Trailing PB	3.95	3.96	6.39
Mcap/GDP	1.24*	1.24	1.23
<b>Nifty return</b>			
1 year	21.56%	25.13%	54.77%
2 year	16.56%	14.97%	47.11%
3 year	13.08%	15.60%	43.43%
<b>EPS growth</b>			
1 year	22.64%	18.70%	19.13%
2 year	13.91%	14.99%	15.95%
3 year	25.45%	31.27%	17.85%
<b>Other data points</b>			
Credit growth	19.50%	19.90%	25%
10-year bond yield	6.98	7.19	7.57
Brent Oil Futures	81.62	87.86	93.25
USD/INR	83.42	83.45	39.23
Gold (oz/USD)	2345.8	2302.9	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices mark a new high!

Indices marked a new high after some profit-booking.

Key developments during the month were,

- ▶ India's inflation based on all India Wholesale Price Index (WPI) rose to a 13-month high of 1.26% (provisional), driven by food, electricity, and fuel costs. This is up from 0.53% in March. Further, India's inflation based on all India Consumer Price Index (CPI) eased to 4.83% (provisional), with rural areas (5.43%) experiencing higher inflation than urban areas (4.11%). The CPI continues a downward trend from January (5.10%) and February (5.09%).
- ▶ India's industrial output expanded 4.9% year-over-year in March, slower than the 5.6% in February. The slowdown was primarily driven by weaker growth in mining, which rose just 1.2% annually in March compared to a robust 8.1% surge in February.

- ▶ India's gross goods and services tax (GST) collections rose to Rs1.73 lakh crore in May, growing 10 per cent year on year driven by increased revenues from domestic transactions.
- ▶ India's exports grew slightly (1%) in April to \$35 billion, but imports rose faster (10%) leading to a wider trade deficit of \$19.1 billion. This deficit is the highest in four months. Positive signs are growth in exports of electronics, chemicals, and pharmaceuticals despite global economic challenges. The wider trade deficit is partly due to a jump in gold imports.
- ▶ India's gross domestic product (GDP) for the Q4FY24 came in at 7.8%, driven by strong growth in the manufacturing sector. The Indian economy grew by 8.2% for FY24.
- ▶ The fiscal deficit for FY24 was at 5.6% of the GDP, marginally better than the 5.8% estimated in the Union Budget, which is a strong achievement. The Reserve Bank of India (RBI) announced a transfer of Rs 2.11 lakh crore to the government for the financial year 2023-24. This represents the highest surplus transfer on record by the central bank. This surplus will be reflected in the government's accounts for the financial year 2024-25, providing a significant boost to their fiscal position.
- ▶ The Federation of Automobile Dealers Associations (FADA) released Vehicle Retail Data for April'24. The Indian Auto Retail sector achieved a 27% YoY growth in April 2024, with the combined March-April period showing a 14% YoY increase. Separately, Passenger vehicle sales in India reached a record high in April 2024, according to the Society of Indian Automobile Manufacturers (SIAM). The increase was driven by strong utility vehicles sales, which rose 21% year-over-year. Overall sales grew 1.3% to 335,629 units compared to 331,278 units in April 2023.

In the initial part of May, markets saw profit booking due to uncertainty of election outcome and FIIs selling spree. Capital markets should not be linked with elections, but a stable government does help it perform better. FIIs were net sellers as the group sold Rs -42214.28 crore in the month of May.

Globally, investors had expected as many as seven quarter-point cuts to the short-term Federal funds rate. But stubborn inflation and concerns about slower economic growth have greatly pushed back expectations for lower rates. Global cues remained positive as US technology driven stocks continued their run.



### Performance of key sectoral indices

Nifty IT	-2.04%	Nifty Infrastructure	0.96%
Nifty Pharma	-1.03%	Nifty Auto	3.56%
Nifty Energy	-0.58%	Nifty Realty	4.81%
Nifty Bank	-0.56%	Nifty MNC	5.52%
Nifty FMCG	-0.09%	Nifty Metal	5.85%
Nifty India Consumption	0.69%		

### Market Outlook

Rating firm S&P Global Ratings revised outlook for the Indian economy to 'positive' from 'stable' and has affirmed the overall rating at 'BBB-' citing robust growth and improved quality of government expenditure. 'BBB-' is the lowest investment grade rating offered. The last time the agency upgraded the rating outlook was in 2010 when it shifted from negative to stable. S&P stated, "India's robust economy growth positive impacts credit metrics. India's fiscal deficit elevated, but consolidation efforts are on. We expect India's fundamentals to aid growth momentum in 2-3 years."

- ▶ US wholesale prices surged by 0.5% in April, exceeding expectations, in a trend that could lead to extended periods of higher Federal Reserve interest rates. US consumer inflation (CPI) rising at a slightly slower pace than expected in April. While inflation remains above the Federal Reserve's target, the slowdown sparked hope for a policy shift by the Fed. US manufacturing activity slowed for a second straight month in May as new goods orders dropped by the most in nearly two years, and spending on construction projects slipped unexpectedly the month before. The Institute for Supply Management's manufacturing purchasing managers index for May fell to 48.7 from 49.2 in April..
- ▶ Japan's wholesale inflation edged up slightly by 0.9% year-on-year in April. Japan's GDP contracted by 0.5% in the first quarter of 2024, a sharp

reversal from the previous quarter's modest growth. Japan's manufacturing sector showed a positive surprise, expanding to 50.5 in May. In Japan, inflation moderated for the second consecutive month, as investors continued to assess the Bank of Japan's capacity for further interest rate hikes this year. Core CPI, which excludes volatile fresh food prices, rose 2.2% year-on-year in April, represents a decrease from the 2.6% increase observed in the previous month.

- ▶ The long-running downturn in euro zone manufacturing may have turned a corner last month, according to a survey which showed new orders declined at their slowest pace in two years, leading to improved business confidence. HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 47.3 in May from April's 45.7, below the 50 mark denoting growth in activity for a 23rd month.
- ▶ China's industrial production grew 6.7% year-on-year in April, accelerating from March's 4.5% rise, according to data from the National Bureau of Statistics. However, consumer spending remained weak, with retail sales growing 2.3% year-on-year in April, down from March's 3.1% increase. China's Caixin S&P Global Manufacturing Purchasing Managers' Index (PMI) rose from 51.4 in April to 51.7 in May.
- ▶ India's manufacturing activity fell to 57.5 in May from 58.8 in April, as per the HSBC Purchasing Managers' Index (PMI), signalling a slower but still substantial improvement in the health of the sector. The pace of expansion slowed, led by a softer rise in new orders and output.

India INC has broadly performed well in FY24. The actual election outcome was in stark contrast with the exit polls which led to profit-booking. Going ahead, investors will cautiously observe the Government formation and keep investing in quality businesses, amidst volatility, with long term perspective intact.

## TECHNICAL VIEW

Nifty began the month of May with profit-booking as it fell below the psychologically important level of 22000. Nifty marked a low near 21821, where it saw buying support. This took Nifty to a new high above 23100 and Nifty closed the month at 22530 with a marginal loss of 0.3%.

Nifty has formed a 'Doji' on monthly chart after 3 consecutive months of gain. Weekly as well as monthly RSI are placed above their respective averages, while the monthly RSI is moving towards an over-bought zone. In the last few months, Nifty has been forming smaller candles.

Post the fall after election outcome, going ahead, Nifty is likely to remain range-bound. It is likely to face resistance near 22500 while 22800 remains a strong resistance for Nifty. At lower levels, support is placed near 21800. A fall below this could take Nifty towards 21500.



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

GAINERS			
COMPANY	OPEN	CLOSE	%
Mahindra & Mahindra Ltd.	2165.1	2506.25	15.76%
Adani Enterprises Ltd.	3072	3411.35	11.05%
Hero Motocorp Ltd.	4625	5119.6	10.69%
Hindalco Industries Ltd.	635.9	689.35	8.41%
Britannia Industries Ltd.	4790	5179.8	8.14%

LOSERS			
COMPANY	OPEN	CLOSE	%
Titan Company Ltd.	3585	3241.9	-9.57%
Tata Motors Ltd.	1020.00	923.00	-9.51%
Shriram Finance Ltd.	2546.55	2354.05	-7.56%
Dr. Reddy'S Laboratories Ltd.	6195.25	5791.85	-6.51%
Nestle India Ltd.	2507.4	2354.9	-6.08%

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# MUTUAL FUNDS PERFORMANCE

NAV as on 31 May 2024

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
ICICI Pru Savings Fund (G)	499.67	0.53	2.03	3.92	7.73
Axis Liquid Fund (G)	2697.73	0.57	1.89	3.74	7.30
Canara Robeco Liquid Fund Reg plan (G)	2916.52	0.57	1.87	3.72	7.27

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	34.76	0.64	1.88	4.08	7.93
UTI Arbitrage Fund (G)	32.49	0.63	1.89	3.94	7.73
HDFC Arbitrage Fund WP (G)	28.44	0.61	1.84	3.91	7.71

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	344.11	36.48	24.51	23.14	20.26
Edelweiss Aggressive Hybrid Fund (G)	55.74	30.48	22.33	17.97	16.69
Kotak Equity Hybrid (G)	55.07	27.43	19.23	15.35	16.52

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	47.03	23.37	16.68	12.66	14.30
ICICI Pru Balanced Advantage Fund Reg (G)	65.24	19.62	14.91	12.41	12.53
Tata Balanced Advantage Fund (G)	19.12	20.04	15.23	12.28	12.65
Nippon India Balanced Advantage Fund (G)	160.33	22.40	16.05	12.11	11.62

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
Quant Multi Asset Fund (G)	131.27	49.50	29.44	24.51	28.74
ICICI Pru Multi Asset Fund (G)	657.53	31.04	23.14	22.24	19.45

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
HSBC Value Fund (G)	99.43	54.24	35.98	26.28	21.93
Templeton India Value Fund (G)	677.28	42.61	31.06	25.39	21.49
Nippon India Value Fund (G)	203.86	53.33	32.84	24.56	21.73
ICICI Pru Value Discovery Fund (G)	402.99	39.16	27.18	24.03	22.40

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	199.98	43.16	31.79	27.32	19.94
Invesco India Focused Fund Reg (G)	24.82	63.29	32.25	22.94	N/A
ICICI Pru Focused Equity Fund Reg (G)	79.34	45.55	30.06	22.67	20.68
Quant Focused fund (G)	89.73	56.46	31.00	20.90	22.27

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant ELSS Tax Saver Fund (G)	398.87	64.75	35.72	28.00	32.70
SBI Long Term Equity Fund Reg (G)	406.59	59.94	38.85	26.92	22.50
HDFC ELSS Tax saver Reg (G)	1261.45	48.07	32.09	26.04	18.52
Nippon India ELSS Tax Saver Fund (G)	120.87	46.41	28.71	21.63	16.01

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	83.68	41.27	31.26	23.98	17.96
ICICI Pru Bluechip Fund Reg (G)	100.81	40.68	26.70	20.64	18.20
HDFC Top 100 Fund (G)	1087.11	37.81	26.69	20.29	15.85
Tata Large Cap Fund Reg (G)	484.30	36.40	24.79	17.98	15.99

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Midcap Fund Reg (G)	85.52	51.46	39.90	34.69	27.48
Quant MidCap Fund (G)	243.59	78.64	43.18	34.01	33.95
Nippon India Growth Fund (G)	3676.15	57.40	38.02	29.03	26.16
HDFC Mid Cap Opportunities Fund (G)	171.86	54.57	40.36	28.66	25.33

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Large and Mid Cap Fund (G)	125.49	70.62	38.73	28.91	27.29
ICICI Pru Large & Mid Cap Fund Reg (G)	888.99	45.41	30.61	25.74	21.61
HDFC Large And Mid Cap Fund Reg (G)	315.35	49.36	32.75	25.16	21.92
Motilal Oswal Large and Midcap Fund Reg (G)	28.07	52.71	37.76	24.88	N/A

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	257.77	67.01	45.34	33.96	40.64
Nippon India Small Cap Fund (G)	159.59	54.39	40.28	32.66	31.07
HSBC Small Cap Fund Reg (G)	78.59	50.23	35.83	30.16	26.35
HDFC Small Cap Fund (G)	124.96	39.37	36.07	26.30	23.26

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
JM Flexi Cap Fund (G)	97.68	64.43	42.01	29.74	25.11
Quant Flexi Cap Fund (G)	103.81	63.30	38.06	28.35	31.72
HDFC Flexi Cap Fund Reg (G)	1734.97	44.46	31.76	25.10	19.80
Parag Parikh Flexi Cap Fund Reg (G)	71.92	32.48	24.60	20.19	23.48

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	276.54	52.90	38.50	31.31	21.96
Quant Active Fund (G)	693.39	55.06	32.27	24.72	29.61
ICICI Pru Multicap Fund Reg (G)	716.09	44.99	31.08	21.82	18.79
Sundaram Multi Cap Fund Reg (G)	353.68	43.58	26.67	21.61	19.21

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	325.25	85.39	51.90	38.27	27.35
Bandhan Infrastructure Fund Reg (G)	52.23	86.26	54.27	35.36	26.60
ICICI Pru India Opportunities Fund (G)	30.94	46.15	32.76	27.49	23.26
Sundaram Services Fund (G)	29.07	28.78	21.73	18.60	20.31
Kotak Pioneer Fund (G)	27.29	41.77	27.51	18.50	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	193.25	28.79	22.52	17.69	17.87
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	30.75	51.18	29.51	15.19	25.49
SBI Banking & Financial Services Fund Reg (G)	36.17	33.29	25.13	14.36	13.46
Tata Banking and Financial Services Fund Reg (G)	36.36	22.11	24.78	13.34	12.54
Mirae Asset Healthcare Fund (G)	31.08	43.61	23.30	12.99	24.83
SBI Magnum Global Fund Reg (G)	349.52	14.89	16.41	12.13	15.57

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	76468.78	22.26	17.07	13.54	13.67
NSE - Nifty 50	23263.90	25.52	18.41	14.02	13.97

### CORPORATE ACTIONS IN JUNE 2024

COMPANY	RECORD DATE	PURPOSE
ITC	04/06/2024	750% Final Dividend
Asian Paints	11/06/2024	2815% Dividend
Tata Motors	11/06/2024	Rs.3 per share (150%)Special Dividend
Tata Motors	11/06/2024	Rs.3 per share (150%)Final Dividend
Larsen & Toubro	20/06/2024	1400% Final Dividend
Bajaj Finance	21/06/2024	1800% Final Dividend
Bajaj Finserv	21/06/2024	Rs.1 per share(100%)Final Dividend
Tata Steel	21/06/2024	360% Dividend
IndusInd Bank	28/06/2024	165% Final Dividend

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# COMPANY ANALYSIS REVIEW

## PENNAR INDUSTRIES LIMITED

CMP (As on 31 May 2024) – 143

INDUSTRY - STEEL

JUNE 2024

SENSEX – 73961 NIFTY – 22530

Mkt. Cap.	:	1942.55 Cr
Equity	:	67.47
Trading Vol.	:	630632
52 Week High/Low	:	162/67
Face Value	:	5

BSE Group	:	B
BSE Code	:	513228
NSE Symbol	:	PENIND
Bloomberg	:	PSLIN
Reuters	:	PENN.BO

<b>Shareholding Pattern</b>	
Promoters	: 39.62
Institutions & Corporates	: 6.61
Foreign	: 6.54
Public & Others	: 47.22

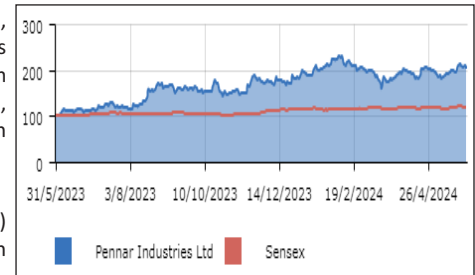
The stock was earlier recommended in Sajag Online publication of August 2021. We maintain an optimistic outlook of the company owing to improving order book and focus on profitable segments.

Pennar is multi-product engineering company having a significant presence in sectors like Infrastructure, Automobiles, Power, General Engineering, Building & Construction among others. The company has announced a rejig of its business operations. The 41-year-old company has decided to divest or shut down non-core businesses and focus exclusively on the five areas of PEB (pre-engineered building), tubes, engineering services, hydraulics, process and heating equipment. It has reduced exposure to low margin businesses i.e. Water EPC, steel retail, enviro, railways and solar module mounting (MMS).

### Investment rationale

- In Q4FY24, diversified engineering revenue (include Steel, Industrial component, Railway and Tubes) grew by 16.9% yoy to Rs 4.46bn while custom design building solution (including PEBS, design engineering) revenue increased by 23.8% yoy to Rs 4.03bn. Railway order book is Rs 120 crore.
- The order book of Pre-engineered Building (PEB) India is Rs 750 crore. PEB revenue in India has increased during the year. The company has commissioned the Raebarelli plant. With the new Raebarelli plant revenue will start flowing from Q1FY25 onwards but the peak revenue from the Raebarelli capacity will happen in Q2FY25. In US the capex is underway. Order book of Ascent (the US PEB) is USD 44 Mn and expects to see substantial double digit growth in revenue and profitability for US operations this fiscal.
- Hydraulics and process equipment order book is also good. The management expects to double revenue this year as the additional capacity is backed with strong order book. The profitability margin is higher than the average for the company and it is a growth vertical for the company.
- In last 10 years, it has grown its sales at a CAGR of 9% and PAT at 10%. The networth has grown at a CAGR of 8.7%. A low debt company with D/E of 0.8, it has been generating positive CFO.

The market share of the 5 focused business units of the company is less than 10% of the addressable market and the company is looking to increase the penetration. On PEB side the company will be second leader in India this fiscal as the company has enough capacity with commissioning of new plant. The combination of increasing capacity and increasing order backlogs in these businesses improves the revenue visibility. We recommend investing with a long term perspective.



### Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	67.47	67.47	71.08	71.08	72.62
Networth	877.4	778.02	735.18	695.83	700.33
Debt	785.48	685.48	645.87	618.18	490.25
Sales	3130.57	2,894.62	2,265.75	1,525.35	2,106.55
Other Income	40.31	33.43	17.06	38.62	20.28
PBDITA	313.28	254.62	188.42	131.49	189.39
PAT	98.35	75.4	41.79	-13.13	53.06
Book Value (Rs)	65.01	57.66	51.71	48.95	48.22
EPS (Rs.)	7.29	5.59	2.94	0.18	3.65
Dividend (%)	0	0	0	0	0
Payout (%)	0	0	0	0	0

### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	822.8	668.43	23.09
Other Income	16.48	2.38	592.44
PBIDT	81.31	70.76	14.91
PBT	39.17	30.63	27.88
PAT	28.81	23.85	20.80

## COROMANDEL INTERNATIONAL LIMITED

CMP (As on 31 May 2024) – 1307

INDUSTRY - FERTILISERS

JUNE 2024

Mkt. Cap.	:	38492.53 Cr
Equity	:	29.40
Trading Vol.	:	474230
52 Week High/Low	:	1311/914
Face Value	:	1

BSE Group	:	A
BSE Code	:	506395
NSE Symbol	:	COROMANDEL
Bloomberg	:	CRININ
Reuters	:	CORF.BO

<b>Shareholding Pattern</b>	
Promoters	: 57.32
Institutions & Corporates	: 21.54
Foreign	: 9.69
Public & Others	: 11.45

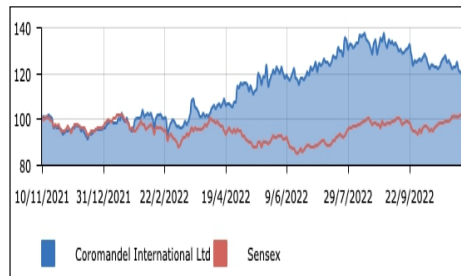
The stock was earlier recommended in Sajag Online publication of June 2022. We maintain an optimistic outlook of the company owing to sound fundamentals, strong parentage and growing demand.

Coromandel International is India's pioneers and leading agri-solutions provider, offering diverse products and services across the farming value chain.

#### Investment rationale

- ▶ India experienced a challenging agri environment in FY24 as it received a below normal monsoon, 94% of the long period average for the first time in 4 years. This led to lower crop sowing, especially in Coromandel's key markets and has also resulted in lower reservoir levels, further impacting the rabi plantings. Company's market share for NPK and DAP was 15% compared to 17% last year. The market share for SSP was 15% compared to 14% for the full year.
- ▶ During the year, the plants operated close to 95% capacity. And further, the company is planning to debottleneck its granulation capacity in Kakinada and Vizag, adding up to 3.5 lakh tons. Company has just commenced work on the new phosphoric acid and sulphuric acid complex plants at Kakinada with an estimated capex of about Rs. 1,030 crores. These plants are expected to come up in couple of years' time.
- ▶ Crop Protection registered a strong 20% volume growth across the international and domestic markets and plans to introduce new molecules through captive and in-licensing arrangements. Retail stores improved its farm level outreach and is expanding its footprint in new markets in FY25. Company has also scaled up its drone spraying services and during the year covered 25000+ acres.
- ▶ The company has grown its sales at a CAGR of 7% and PAT at 13.6% in last 10 years. It has grown its net-worth at a CAGR of 15%. A net-zero debt company it has consistently generated positive CFO. It has been generating a RONW of above 25% in past 5 years.

As part of its diversification strategy, the Company forayed into Speciality chemicals by leveraging its existing infrastructure and continued its engagement on CDMO opportunity. Investment in drone company Dhaksha is progressing well with a strong order book of around Rs 250 crores from Defence and Agriculture segments. Going forward, the company is committed to strengthen its core businesses and invest in novel technologies and adjacent opportunities. It expects its retail, specialty nutrients, and bioproducts businesses to grow at a CAGR of more than 10-15% over the next 2-3 years. On a positive note, the recent forecast by IMD and Skymet have estimated normal to above normal rainfall for kharif 2024, which bodes well for the upcoming agriculture season. With the new subsidy rate announced for first half of FY '25, the management expects the fertilizer margins to show improvement. We recommend investing with a long term perspective.



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

Year End	202403	202303	202203	202103	202003
Equity	29.4	29.4	29.35	29.34	29.3
Networth	9,419.86	7,907.79	6,358.27	5,150.59	4,317.70
Debt	492.12	392.58	394.96	384.95	2,019.09
Sales	22058.39	29,627.90	19,110.85	14,181.95	13,136.69
Other Income	231.36	171.13	148.01	80.46	40.82
PBDITA	2603.58	3,072.80	2,297.87	2,064.70	1,771.80
PAT	1460.64	2,005.56	1,533.32	1,332.75	1,069.00
Book Value (Rs)	319.92	268.97	216.64	175.55	147.36
EPS (Rs.)	55.81	68.47	52.08	45.3	36.35
Dividend (%)	600	1,200.00	1,200.00	1,200.00	1,200.00
Payout (%)	12.09	56.44	14.51	62.76	38.75

#### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	3912.72	5475.82	-28.55
Other Income	83.53	46.86	78.25
PBIDT	346.4	433.49	-20.09
PBT	221.7	336.52	-34.12
PAT	163.91	246.44	-33.49

## GABRIEL INDIA LIMITED

### INDUSTRY - AUTO ANCILLARY

CMP (As on 31 May 2024) – 357

JUNE 2024

Mkt. Cap.	: 6134.68 Cr
Equity	: 14.36
Trading Vol.	: 362388
52 Week High/Low	: 440/175
Face Value	: 1

BSE Group	: A
BSE Code	: 505714
NSE Symbol	: GABRIEL
Bloomberg	: GABRIN
Reuters	: GABR.BO

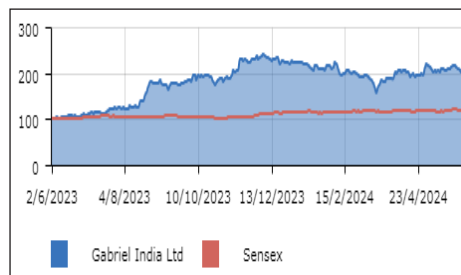
Shareholding Pattern	
Promoters	: 55.00
Institutions & Corporates	: 13.67
Foreign	: 5.92
Public & Others	: 25.41

*The stock was earlier recommended in Sajag Online publication of March 2018. We maintain an optimistic outlook of the company owing to sound fundamentals, strong parentage and growing demand.*

Gabriel India (GIL), the flagship company of the Anand Group, specialises in producing a diverse range of ride control products, including shock absorbers, struts, and front forks. The company has meaningful presence across all vehicle segments like 2- and 3-Ws, passenger cars (PCs), commercial vehicles (CVs), and Railways (CV&R).

#### Investment rationale

- ▶ In Q4 FY24, passenger cars (PC) contributed 25% of total revenue, CVR 12%, two wheelers/ three wheelers 62% and trading 1%. In terms of channel mix, OE contributed 87% of total revenue in Q4 FY24, replacement 10% and exports 3%. In aftermarket segment, passenger cars (PC) contributed 36% of total revenue during March 2024 quarter, CVR 9%, two wheelers/ three wheelers 44% and trading 11%.
- ▶ GIL has established long-term relationships with virtually every OEM and provides an attractive aftermarket portfolio across various product verticals. Over the years, the company has expanded its product line to meet the needs of top automotive OEMs and diverse business segments. It has a market share of 40%+ in the aftermarket segment.
- ▶ GIL exports to over 25 countries, catering to demand from both OEMs and aftermarket. Exports revenue of about 63% is from supply to OEMs. In the exports



revenue, Europe contributed 32%, Asia 21%, South America 26%, Africa 8%, Australia 5%, USA 7%, and North America 1%.

- ▶ Shock absorbers find usage in both EVs as well as ICE and thus the demand for the products of it is immune to technology transition in the auto industry. Leveraging its robust product quality, the company has established strong ties with all major EV OEMs in the 2- and 3-W segments in the country including Ola and Ather.

Gabriel India is well positioned to benefit from strong demand across the auto segments, continuous focus on improving the market share with key customers, and introduction of newer models by OEMs. It has grown its sales at a CAGR of 8.7% and PAT at 12% in the last 10 years. A near zero debt company, it has been generating consistent positive CFO. We recommend investing with a long term perspective.

#### Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	14.36	14.36	14.36	14.36	14.36
Networth	1008.64	870.26	766.78	696.31	651.78
Debt	10.26	11.17	12.9	14.68	8.91
Sales	3342.65	2,971.74	2,331.99	1,694.83	1,869.96
Other Income	22.14	17.39	26.17	24.31	9.7
PBDITA	321.13	231.09	172.09	126.84	147.5
PAT	185.16	132.35	89.52	60.27	84.71
Book Value (Rs)	70.21	60.59	53.38	48.48	45.38
EPS (Rs.)	12.89	9.21	6.23	4.2	5.9
Dividend (%)	250	255	155	90	130
Payout (%)	19.39	20.62	20.06	25.02	23.74

#### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	858.63	736.98	16.51
Other Income	7.92	6.46	22.60
PBIDT	85.5	58.82	45.36
PBT	69.96	45	55.47
PAT	52.71	33.76	56.13

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)	%
<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>
Canara Robeco Emerging equities Reg (G)	492,907	21.48	1,053,045	22.66	2,053,389	18.46	3,056,698	17.78	9,348,493	19.74
Aditya Birla SL India Gen Next Fund Reg (G)	479,102	19.44	1,003,826	20.68	1,971,225	17.47	2,903,275	16.83	7,588,590	17.37
Kotak Emerging Equity (G)	548,325	29.29	1,253,087	29.94	2,461,129	22.82	3,660,269	21.12	10,036,988	20.54
Nippon India Small Cap Fund (G)	599,593	36.06	1,558,338	39.27	3,118,585	28.54	4,747,646	25.92	N/A	N/A
SBI Large & MidCap Fund Reg (G)	502,746	22.91	1,099,224	24.44	2,121,407	19.24	3,031,911	17.63	7,245,012	16.84

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

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

### INFOSYS LIMITED

**CMP (AS ON 31 MAY 2024) - 1406**

**TARGET - 1550**

Infosys Limited is a global technology services firm that defines, designs and delivers information technology (IT)-enabled business solutions to their clients. The Company is a leading provider of consulting, technology, outsourcing and next-generation digital services, to enable clients to create and execute strategies for their digital transformation. Revenue growth for FY2024 was 1.4% in constant currency terms. The company continues to focus on the project margin maximum program and it had an good impact in the FY2024. Project Maximus a comprehensive margin expansion program has continued to run well across 5 pillars. This is reflected in more stability in margins, compared to FY2024 over FY2023. For the full year the company signed US \$ 17.7 billion worth deals with total deals of 90. Of this 52% were net new and 8 were mega deals. This was highest ever large deals in any financial for the company and reflects the trust which the clients have on the company. The company witnesses good traction in cost efficiency and vendor consolidation deals. Ramp ups of large deals are happening as per the plan. Revenue growth guidance for FY2025 is 1-3% in constant currency.

### JK LAKSHMI CEMENT LIMITED

**CMP (AS ON 31 MAY 2024) - 784**

**TARGET - 855**

JK Lakshmi Cement is a leading manufacturer and supplier of Cement and Cementitious products like RMC & AAC Blocks. It has a presence in Northern, Western and Eastern India's cement markets. The Subsidiary, Udaipur Cement Works Ltd (UCWL) had successfully commissioned its 2nd Clinker Line of 1. 50 Million Tonnes Per Annum in October 2023, whereby its Clinker Capacity has doubled to 3 Million Tonnes Per Annum. The Cement Grinding Capacity of 2.5 Million Tonnes Per Annum is commissioned in March 2024. The Company is in the process of expanding its Cement Grinding capacity at its Surat Grinding Unit from 1. 35 Million Tonnes to 2. 7 Million Tonnes. The Project is likely to cost Rs. 225 Crores to be funded through Term Loans from Bank of Rs. 150 Crore & balance through Internal Accruals. With capacity utilization around 70% the company expects volume growth of around 10% YoY in FY2025. The company's premium product contribution in its key markets stands healthy at 25% of the trade sales.

**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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Contact : **RASHMI**, Tel.No : **020 6601 47 37** or send e-mail at '[rashmi@sajag.co.in](mailto:rashmi@sajag.co.in)' for further clarification.

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