

**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, RBI FY25 GDP growth forecast at 7.2%

Time period	30/6/2024	31/5/2024	31/12/2007
Nifty	24010.6	22530.7	6138
<b>Valuation</b>			
Trailing PE	22.85	21.4	27.62
Trailing PB	4.14	3.95	6.39
Mcap/GDP	1.24*	1.24	1.23
<b>Nifty return</b>			
1 year	25.13%	21.56%	54.77%
2 year	23.35%	16.56%	47.11%
3 year	15.16%	13.08%	43.43%
<b>EPS growth</b>			
1 year	22.44%	22.64%	19.13%
2 year	13.95%	13.91%	15.95%
3 year	23.72%	25.45%	17.85%
<b>Other data points</b>			
Credit growth	19.20%	19.50%	25%
10-year bond yield	7.00	6.98	7.57
Brent Oil Futures	86.41	81.62	93.25
USD/INR	83.35	83.42	39.23
Gold (oz/USD)	2339.6	2345.8	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices mark a new high amidst volatility!

Indices marked a new high with strong momentum amidst volatility.

Key developments during the month were,

- ▶ India's annual inflation rate based on the Consumer Price Index (CPI) fell to 4.75% for the month of May 2024. This is lower compared to 4.83% in April 2024 and 4.31% in May 2023. India's annual rate of inflation based on all India Wholesale Price Index (WPI) number is 2.61% for the month of May 2024 (over May 2023).
- ▶ India's industrial production showed strong growth of 5% in April 2024 compared to 4.6% in April 2023. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of April 2024 over April 2023 are 6.7%, 3.9% and 10.2% respectively.
- ▶ The gross GST collection increased 8% to Rs 1.74 lakh crore in June 2024. this robust performance reflects a buoyant economy, with businesses

demonstrating commendable self-compliance.

- ▶ India's merchandise exports in May 2024 rose by 9% to USD 38.13 billion, from USD 34.95 billion in the year-ago month. Imports too increased by 7.7% to USD 61.91 billion, from USD 57.48 billion in May 2023. Trade deficit, or the gap between imports and exports, during the month under review stood at USD 23.78 billion.
- ▶ Meanwhile, the World Bank predicts India will remain the fastest-growing major economy despite a projected slowdown. After a strong 8.2% growth in FY2023/24, the economy is expected to average 6.7% growth annually over the next three years. Fitch Ratings upgraded India's GDP growth forecast for the current fiscal year to 7.2%, citing a rebound in consumer spending and rising investments.
- ▶ India's direct tax collection has grown significantly in the current financial year compared to the same period last year. Gross collections (before refunds) are up 22.19%, reaching over Rs 5.15 lakh crore by mid-June, while net collections (after refunds) have grown by around 21% to over Rs 4.62 lakh crore. This growth is partly due to a 27.34% increase in advance tax collection.

The Reserve Bank of India, in its June monetary policy, raised its real GDP growth forecast for the current FY25 to 7.2% from 7% earlier. This comes after, in the FY24, the GDP growth expanded to 8.2%, exceeding analysts' expectations. The month of June 2024 almost looked like a reverse of May 2024. If May saw FPI outflows of \$3.06 Billion from equities, then June 2024 saw net inflows of \$3.18 Billion into equities.

Cooling US inflation raises hopes for a rate cut by the Federal Reserve in September, which has been augmenting the optimism in global markets. US markets gained while Europe remained sombre.

### Market Outlook

Fitch Ratings quarterly Global Economic Outlook report raised the world growth forecast for 2024 to 2.6% from 2.4%. The report highlights positive signs from Europe's improving recovery prospects, China's reviving export sector, and stronger domestic demand in emerging markets (excluding China).

- ▶ The robust US jobs data, released by the Bureau of Labor Statistics, showed the creation of 272,000 new jobs in May, after a revised figure of 165,000 jobs added in April. Additionally, average hourly



### Performance of key sectoral indices

Nifty Metal	-3.74%	Nifty India Consumption	3.47%
Nifty Energy	-1.97%	Nifty MNC	3.57%
Nifty Infrastructure	0.68%	Nifty Realty	4.26%
Nifty Pharma	2.73%	Nifty Auto	4.31%
Nifty Bank	2.85%	Nifty IT	9.19%
Nifty FMCG	2.93%		

earnings rose 0.4% in May, following a 0.2% increase in April. Year-on-year wage growth climbed to 4.1% in May, compared to the upwardly revised 4% reported in April. Generally, wage growth within a 3% to 3.5% range aligns with the Fed's 2% inflation target. The US consumer confidence index dipped slightly to 100.4 from a downwardly revised 101.3 in May, reflecting a more cautious outlook on business conditions, jobs, and income. This could signal potential headwinds for consumer spending, a key driver of economic growth. The US manufacturing sector contracted for the third consecutive month in June, as the ISM manufacturing purchasing managers' index (PMI) stood at 48.5% in June, down 0.2% from 48.7% in May.

- Japan's revised GDP data for the Q1 CY24 revealed a contraction of 1.8% y-o-y. This is an improvement from the initial estimate of a 2% decline. However, it still signifies a significant slowdown compared to the 0.4% growth observed in the previous quarter. On a quarterly basis, Japan's GDP fell 0.5%, matching the initial estimate. The Bank of Japan (BOJ) kept its benchmark interest rate unchanged at between 0% and 0.1% but indicated it's considering the reduction of its purchase of Japanese government bonds after the next monetary policy meeting. Core inflation, rose for the first time in three months in May. The increase was

driven by higher prices for nonperishable goods and came in at 2.5% y-o-y, exceeding the central bank's 2% target.

- China's industrial profits rose a meager 0.7% y-o-y in May, down from 4.0% growth in April. The Caixin manufacturing Purchasing Managers' Index (PMI) rose to 51.8 in June, up from 51.7 in May, while the National Bureau of Statistics (NBS)'s PMI was unchanged from May at 49.5. This divergence is because the Caixin maps consumer and export oriented companies while the NBS maps investment heavy and industrial material segments. Exports jumped 7.6% from a year earlier.
- The Swiss National Bank (SNB) cut its key interest rate by 25 basis points to 1.25%. This marks the central bank's second interest rate reduction this year. Inflation in Switzerland expected to hold steady around 1.4% for 2024. The HCOB Eurozone Composite PMI was revised slightly higher to 50.9 in June 2024 from a preliminary of 50.8, compared to 52.2 in May. The reading pointed to continued growth in the private sector, although the expansion cooled to a three-month low. Services slowed (52.8 vs 53.2) while manufacturing shrank at a faster pace (45.8 vs 47.3).
- The headline HSBC Flash India Composite Output Index- a seasonally adjusted index that measures the month on-month change in the combined output of India's manufacturing and service sectors - increased from 60.5 in May to 60.9 in June, highlighting a quicker rate of expansion that was substantial by historical standards and broadly aligned with the average over the past 12 months.

June saw the end of political uncertainty in India at the centre level indicating continuity of policy stance and reforms. Investor focus now clearly shifts to quality businesses and decent valuations.

## TECHNICAL VIEW



In the month of June, Nifty saw volatility with higher VIX levels. Till mid of the month Nifty remained in a range near 23500. Thereafter however, Nifty gained strength and moved higher to mark record high above 24000. Nifty closed the month in green gaining nearly 6.5%.

Nifty marked a green candle after the 'Doji' in last month. The RSI is approaching over-bought conditions on weekly, monthly as well as quarterly charts. It is very likely that we might see some profit-taking at higher levels.

Going ahead, Nifty is trading in an uncharted territory amidst technically overbought conditions. It might face resistance near 24500-24700. On the other hand, support is placed near 23500-23300. Nifty is likely to move in a range-bound manner. Any correction would be buying opportunity for investors.

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

GAINERS			
COMPANY	OPEN	CLOSE	%
Shriram Finance Ltd.	2450	2911.50	18.84%
Wipro Ltd.	450.20	514.85	14.36%
Tech Mahindra Ltd.	1255	1430.35	13.97%
Ultratech Cement Ltd.	10300.00	11667.90	13.28%
Ltimindtree Ltd.	4825	5385.05	11.61%

LOSERS			
COMPANY	OPEN	CLOSE	%
Adani Enterprises Ltd.	3725	3177.15	-14.71%
Bharat Petroleum Corpn. Ltd.	332.50	303.95	-8.59%
Coal India Ltd.	515	473.15	-8.13%
Larsen & Toubro Ltd.	3855.40	3548.45	-7.96%
Maruti Suzuki India Ltd.	12825	12033.85	-6.17%

# MUTUAL FUNDS PERFORMANCE

NAV as on 29 June 2024

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
ICICI Pru Savings Fund (G)	502.60	0.62	1.90	3.99	7.75
Axis Liquid Fund (G)	2710.93	0.56	1.81	3.74	7.33
Canara Robeco Liquid Fund Reg plan (G)	2930.90	0.57	1.82	3.72	7.30

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	34.99	0.81	1.99	4.23	8.00
UTI Arbitrage Fund (G)	32.70	0.75	1.94	4.10	7.79
Edelweiss Arbitrage Fund Reg (G)	18.11	0.75	1.90	4.12	7.77

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	358.71	38.70	29.28	24.09	21.20
Edelweiss Aggressive Hybrid Fund (G)	58.96	34.03	27.84	19.04	17.98
UTI Aggressive Hybrid Fund (G)	380.04	34.26	27.21	18.71	17.59

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Balanced Advantage Fund Reg (G)	19.49	28.56	20.44	13.54	12.00
Edelweiss Balanced Advantage Fund (G)	48.74	25.46	20.25	13.40	15.38
ICICI Pru Balanced Advantage Fund Reg (G)	67.37	21.58	17.36	13.26	13.27
Tata Balanced Advantage Fund (G)	19.77	22.22	18.41	12.94	13.35

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
Quant Multi Asset Fund (G)	133.13	47.03	33.51	23.57	28.97
ICICI Pru Multi Asset Fund (G)	680.69	33.21	27.26	23.17	19.98

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
HSBC Value Fund (G)	107.21	61.83	44.89	28.22	24.18
Templeton India Value Fund (G)	725.84	48.81	38.91	26.66	23.63
Nippon India Value Fund (G)	217.19	56.61	39.97	25.92	23.64
ICICI Pru Value Discovery Fund (G)	426.47	42.64	33.43	25.41	23.85

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	208.73	44.90	36.42	28.75	21.08
Invesco India Focused Fund Reg (G)	26.10	66.14	38.67	24.18	N/A
ICICI Pru Focused Equity Fund Reg (G)	82.97	46.98	35.13	23.62	22.23
Quant Focused fund (G)	90.60	48.95	35.00	21.96	23.04

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
SBI Long Term Equity Fund Reg (G)	420.99	58.61	43.61	27.49	24.04
Quant ELSS Tax Saver Fund (G)	398.71	58.87	39.22	26.96	33.18
HDFC ELSS Tax saver Reg (G)	1309.74	47.92	36.49	26.47	19.69
Motilal Oswal ELSS Tax Saver Fund Reg(G)	48.37	59.23	44.57	25.28	22.76

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	85.90	40.88	35.11	24.59	19.04
ICICI Pru Bluechip Fund Reg (G)	103.49	39.89	30.63	21.07	19.07
HDFC Top 100 Fund (G)	1106.49	36.11	30.38	20.75	16.45
Edelweiss Large Cap Fund (G)	81.80	34.01	29.13	18.05	17.55

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Midcap Fund Reg (G)	95.54	64.76	49.54	39.16	30.66
ICICI Pru MidCap Fund (G)	3873.84	58.16	43.85	30.07	27.90
Nippon India Growth Fund (G)	179.51	51.93	45.71	29.53	26.98
HDFC Mid Cap Opportunities Fund (G)	287.01	62.11	39.70	25.10	24.61

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Large and Mid Cap Fund (G)	126.63	65.92	42.27	29.24	27.93
Motilal Oswal Large and Midcap Fund Reg (G)	29.76	54.81	44.55	26.30	N/A
ICICI Pru Large & Mid Cap Fund Reg (G)	920.15	46.52	34.85	26.16	22.59
HDFC Large And Mid Cap Fund Reg (G)	327.62	48.23	37.78	25.59	23.18

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	266.50	66.25	52.00	32.43	42.45
HSBC Small Cap Fund Reg (G)	84.98	55.94	43.88	31.74	29.01
Edelweiss Small Cap Fund (G)	42.61	49.11	39.83	27.05	30.96
HDFC Small Cap Fund (G)	132.51	41.82	42.91	27.00	25.60

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
JM Flexi Cap Fund (G)	102.70	65.96	47.36	31.24	26.63
Quant Flexi Cap Fund (G)	105.72	60.88	42.12	26.48	32.69
Motilal Oswal Flexi Cap Fund Reg (G)	75.84	37.37	30.61	21.02	24.62
Parag Parikh Flexi Cap Fund Reg (G)	55.65	56.41	36.31	18.38	15.90

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	706.13	52.90	37.13	25.14	30.64
ICICI Pru Multicap Fund Reg (G)	750.95	46.17	35.98	23.29	20.15
Sundaram Multi Cap Fund Reg (G)	364.92	43.05	31.05	21.58	20.65

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	330.95	80.33	57.06	37.81	28.12
Bandhan Infrastructure Fund Reg (G)	54.31	87.49	61.48	36.03	28.22
ICICI Pru India Opportunities Fund (G)	32.30	46.29	37.42	28.70	24.51
Sundaram Services Fund (G)	30.74	31.09	27.89	20.28	22.21
Kotak Pioneer Fund (G)	29.04	46.72	34.09	20.15	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	205.57	32.69	27.96	19.15	19.72
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	32.21	48.98	33.49	16.62	27.25
SBI Banking & Financial Services Fund Reg (G)	38.22	24.12	30.79	15.53	13.78
Tata Banking and Financial Services Fund Reg (G)	37.03	33.65	29.17	15.50	14.42
Mirae Asset Healthcare Fund (G)	32.55	41.03	27.13	13.64	26.59
SBI Magnum Global Fund Reg (G)	366.08	16.42	19.84	12.71	17.09

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	24010.60	26.56	23.04	14.92	15.27
NSE - Nifty 50	79032.73	23.65	21.88	14.42	14.92

### CORPORATE ACTIONS IN JULY 2024

COMPANY	RECORD DATE	PURPOSE
Tata Power Company	04/07/2024	200% Final Dividend
Bharat Forge	05/07/2024	Rs.6.5 per share (325%) Final Dividend
AU Small Finance	12/07/2024	10% Final Dividend
Axis Bank	12/07/2024	Rs.1 per share (50%) Final Dividend
I O C L	12/07/2024	Rs.7 per share (70%) Final Dividend
Sun Pharmaceutical Industries	12/07/2024	Rs.5 per share (500%) Final Dividend
United Spirits	12/07/2024	250% Final Dividend
Nestle India	16/07/2024	850% Final Dividend
Cummins India	19/07/2024	Rs.20 per share (1000%) Final Dividend
TCS	20/07/2024	Interim Dividend
HCL Technologies	23/07/2024	2nd Interim dividend
Shriram Finance	23/07/2024	150% Final Dividend
Info Edge (India)	29/07/2024	Rs.12 per share (120%) Final Dividend

# COMPANY ANALYSIS REVIEW

## HIMATSingKA SEIDE LIMITED

CMP (As on 30 June 2024) – 138

INDUSTRY - TEXTILES

JULY 2024

SENSEX – 79032 NIFTY – 24010

Mkt. Cap.	:	13657.98 Cr
Equity	:	49.23
Trading Vol.	:	250102
52 Week High/Low	:	186/115
Face Value	:	5

BSE Group	:	B
BSE Code	:	514043
NSE Symbol	:	HIMATSEIDE
Bloomberg	:	HSSIN
Reuters	:	HMSD.BO

<b>Shareholding Pattern</b>	
Promoters	: 47.57
Institutions & Corporates	: 5.27
Foreign	: 6.41
Public & Others	: 40.77

The stock was earlier reviewed in Sajag Online publication of March 2021. We maintain an optimistic outlook of the company owing to improving quarterly performance and product mix.

Himatsingka Seide Ltd is an India-based company, which is engaged in manufacturing of home textile products, mainly in bedding, drapery and upholstery products, made of cotton, silk, and blends. Their products include silk/blended fabrics, spun silk/blended yarn, bed linen fabric and bed linen sets. The company products are offered across Germany, France, England, Italy, South America, Australia and USA.

### Investment rationale

- ▶ The company operates through their spinning and weaving divisions. Himatsingka Filati, the spinning division, was established in technical collaboration with Filati Buratti of Italy, which produces a wide range of regular and fancy 100% silk and silk blended yarns and the weaving division offers yarn dyed decorative, bridal and fashion fabrics. The entire operation of winding, doubling, twisting, dyeing, weaving and finishing is integrated under one roof.
- ▶ The company wants to achieve revenues of approximately Rs 1,000 crores from India over the next 5 years. It aims to move towards 100% capacity utilization in next 2 years. The company mentioned in concall that the current capacity can generate around Rs. 4000 cr turnover. Currently the company is operating at the utilization of spinning plant at 100%, and the Sheeting and Terry plants at 67% each.
- ▶ In Q4, the company was ahead of its peers when it comes to margins. It took de-bottlenecking steps and also worked on improved product mix. The company is focusing on growth and focusing on deleveraging. The company has reported growth in last 4 quarters and turned profitable in FY24, after a loss in FY23.



The Himatsingka Group has a prestigious portfolio of over 15+ brands (Calvin Klien, Tomy Hilfiger, Disney, Himeya, Atmosphere, etc) that consists of the most celebrated names in the home textiles space from across the globe. These brands, both licensed and owned, accommodate a dynamic range of consumer preferences across geographies, strengthening connection with customers across 32 countries the world over. The stock trades at a PE of 11.8 and P/b below 1. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	49.23	49.23	49.23	49.23	49.23
Networth	1,558.95	1,449.02	1,469.71	1,315.22	1,360.01
Debt	2897.85	2,806.03	2,921.70	2,593.15	2,962.75
Sales	2841.45	2,677.74	3,183.95	2,258.32	2,357.93
Other Income	21.13	75.02	19.62	14.21	61.72
PBDITA	617.33	346.03	549.93	303.16	406.1
PAT	112.82	-83.13	141.39	-53.46	24.37
Book Value (Rs)	158.33	147.17	149.27	133.58	138.13
EPS (Rs.)	11.46	-6.51	14.3	-5.42	1.35
Dividend (%)	5	0	10	10	10
Payout (%)	2.18	0	0	0	0

### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	696.87	689.65	1.05
Other Income	5.94	2.23	166.37
PBIDT	150.55	124.3	21.12
PBT	30.06	35.87	-16.20
PAT	23.74	22.35	6.22

## DABUR INDIA LIMITED

CMP (As on 30 June 2024) – 600

INDUSTRY - FMCG

JULY 2024

Mkt. Cap.	:	1064627.45 Cr
Equity	:	177.23
Trading Vol.	:	1710529
52 Week High/Low	:	634/489
Face Value	:	1

BSE Group	:	A
BSE Code	:	500096
NSE Symbol	:	DABUR
Bloomberg	:	DABURIN
Reuters	:	DABU.BO

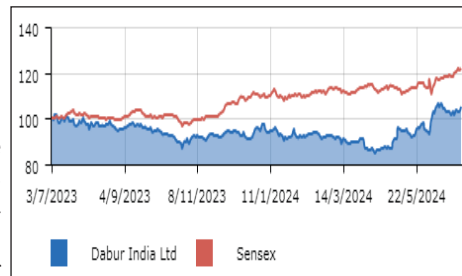
<b>Shareholding Pattern</b>	
Promoters	: 66.25
Institutions & Corporates	: 12.81
Foreign	: 16.11
Public & Others	: 4.83

The stock was earlier recommended in Sajag Online publication of December 2017. We maintain an optimistic outlook of the company owing to sound fundamentals, strong parentage and improving user demand.

Dabur India Ltd is one of the leading FMCG Companies in India and a global leader in Ayurveda with a portfolio of over 250 Herbal and Ayurvedic products.

#### Investment rationale

- ▶ The company's India FMCG Business posted a Volume Growth of 5.5% y-o-y in FY24. The India Business witnessed key brands and products post category-leading growths with market share gains across 95% of the portfolio. International Business grew by 16.4% y-o-y in FY24. In Q4 FY24, Healthcare contributed 31.4% of total sales, Home and Personal care 48.6% and Foods & Beverages business 20%.
- ▶ Rural economy is seeing some green shoots and consumer companies are optimistic of a better volume trend in FY25, led by rural recovery. Dabur's thrust on enhancing its distribution has been rewarding. It has seen market share gains and better growth in Rural (~8% vs ~4% growth in Urban, Rural business is 50% of the total revenue). Dabur's rural coverage during the year expanded by 22,000 villages to 122,000 villages. Its rural distribution has, in fact, been the highest in the industry, giving a distinct advantage and helping drive rural growth.
- ▶ The company has been generating positive CFO. It has more than doubled its sales in last 10 years, with a RONW of above 20% and D/E of 0.1. PBDITA margins improved in FY24 to 23.24%.



Management sees high-single to low-double-digit revenue growth for FY25, backed by mid-to-high single digit volume growth. The new government policies, particularly those targeted to the rural population and monsoon trends could bring a much-awaited cheer for the sector. We recommend investing with a long term perspective.

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

Year End	202403	202303	202203	202103	202003
Equity	177.2	177.18	176.79	176.74	176.71
Networth	9,866.30	8,973.26	8,381.30	7,663.53	6,605.75
Debt	1365.09	1,173.79	1,030.10	509.06	521.99
Sales	12404.01	11,529.89	10,888.68	9,561.65	8,684.64
Other Income	482.41	445.39	393.16	325.29	305.29
PBDITA	2882.13	2,607.88	2,560.17	2,326.96	1,997.63
PAT	1811.31	1,694.51	1,803.29	1,692.85	1,517.95
Book Value (Rs)	55.68	50.64	47.41	43.36	37.38
EPS (Rs.)	10.38	9.64	9.84	9.58	8.18
Dividend (%)	550	520	520	475	300
Payout (%)	53.8	54.15	55.81	34.93	36.68

#### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	2814.64	2677.8	5.11
Other Income	128.85	120.72	6.73
PBIDT	595.26	530.37	12.23
PBT	452.66	396.25	14.24
PAT	341.22	292.76	16.55

## AIA ENGINEERING LIMITED

CMP (As on 30 June 2024) – 4178

INDUSTRY - CASTINGS

JULY 2024

Mkt. Cap.	: 394122.38 Cr
Equity	: 18.86
Trading Vol.	: 39712
52 Week High/Low	: 4624/3101
Face Value	: 2

BSE Group	: A
BSE Code	: 532683
NSE Symbol	: AIAENG
Bloomberg	: AIAEIN
Reuters	: AIAE.BO

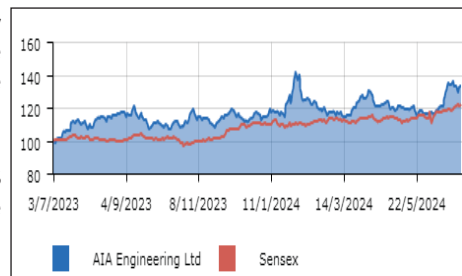
Shareholding Pattern	
Promoters	: 58.47
Institutions & Corporates	: 20.76
Foreign	: 18.37
Public & Others	: 2.40

*The stock was earlier recommended in Saja Online publication of August 2019. We maintain an optimistic outlook of the company owing to strong balance-sheet and promising demand outlook.*

AIA Engineering Limited is engaged in manufacturing of High Chrome Mill Internals. The Company designs, manufactures and markets a wide range of consumable wear parts (Mill Internals) which are used in the process of Crushing and Grinding in Cement, Mining, Thermal Power and Aggregate industries.

#### Investment rationale

- ▶ The company has invested Rs 43 crore to acquire 30% stake in an Australian company MPS. MPS are experts in complementary mill liner designs and this will add capabilities for the company. The company plans to increase its stake to majority stake going forward in MPS.
- ▶ In Q4, the gross margin increased to 56.2%, and the EBITDA margin went up to 25.9%. For the full fiscal year 2024, sales volume remained steady at 297,345MT, compared to 291,342 MT in the previous fiscal year, due to delayed production. AIA plans to increase its annual sales volume by 30,000 to 40,000 metric tons over the medium term by tapping into conversion opportunities and targeting new customers.
- ▶ The company's solutions has deep opportunity as it improves operational parameters for the mining companies as the grades of copper are falling and the companies have to run at optimal utilization. The company is well placed to capture the opportunity, it has enough capacity and also talent in place. However, it is taking more time to convert. There are lot of customers with 25000-30000 tonnes in pipeline and couple of customers in 5000 tonnes category. The company is committed to conversion.



AIA is fundamentally strong with zero debt and strong cash balance of over Rs 553 crore and order book of over Rs 600 crore. We recommend investing with a long term perspective.

#### Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	18.86	18.86	18.86	18.86	18.86
Networth	6,657.74	5,691.32	4,754.96	4,244.31	3,701.28
Debt	461.06	502.55	9.83	192.94	126.71
Sales	4771.82	4,908.77	3,566.55	2,881.49	2,969.98
Other Income	282.91	234.54	156.29	172.2	141.91
PBDITA	1616.67	1,479.92	881.89	831.34	826.67
PAT	1136.99	1,047.43	618.61	540.38	562.76
Book Value (Rs)	705.86	603.4	504.13	449.99	392.42
EPS (Rs.)	120.4	111.95	65.7	60.02	62.59
Dividend (%)	800	800	450	450	1,350.00
Payout (%)	13.27	8.04	13.7	0	62.22

#### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	1130.96	1251.82	-9.65
Other Income	77.22	63.81	21.02
PBIDT	374.63	379.55	-1.30
PBT	343.72	346.41	-0.78
PAT	260.48	267.66	-2.68

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>
Canara Robeco Emerging equities Reg (G)	525,539	26.11	1,117,182	25.11	2,177,031	19.84	3,240,017	18.85	9,929,775	20.42
Aditya Birla SL India Gen Next Fund Reg (G)	509,370	23.82	1,063,620	23.07	2,087,783	18.84	3,073,561	17.88	8,047,777	18.03
Kotak Emerging Equity (G)	582,539	33.81	1,323,846	32.26	2,603,800	24.15	3,867,393	22.13	10,635,266	21.19
Nippon India Small Cap Fund (G)	636,353	40.63	1,646,603	41.68	3,294,422	29.84	5,014,847	26.93	N/A	N/A
SBI Large & MidCap Fund Reg (G)	526,722	26.27	1,147,456	26.23	2,211,843	20.22	3,162,311	18.40	7,576,374	17.35

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

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

### LARSEN & TOUBRO LIMITED

**CMP (AS ON 30 JUNE 2024) – 3580**

**TARGET – 3850**

Larsen & Toubro Limited is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. The Company operate in over 50 countries worldwide. The Company is a major technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. The Company's manufacturing footprint extends across eight countries in addition to India. The company's Engineering, Construction & Contracts Division (ECCD) undertakes engineering, design and construction of infrastructure, buildings, factories, water supply, and metallurgical & material handling projects covering civil, mechanical, electrical and instrumentation engineering disciplines. Their Engineering & Construction Division designs, engineering and executes projects for hydrocarbon sector with front-end design. Its heavy engineering division is organized into two independent companies: Heavy Engineering Independent Company and Ship Building Independent Company. Their Electrical & Electronics division comprises Electrical and Automation Independent Company and Medical Equipment and Systems business. Consolidated order book of the group as on March 31, 2024 stood higher by 20% y-o-y to Rs 475,809 crore [International 38%; domestic 62%]. On revenue front expect a growth of 15% over FY24 given large order book on hand expect execution to carry on at good clip.

### LUPIN LIMITED

**CMP (AS ON 30 JUNE 2024) - 1621**

**TARGET - 1900**

Lupin is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded & generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, Central Nervous System (CNS), Gastro-Intestinal (GI), Anti-Infective and Nonsteroidal Anti Inflammatory Drug (NSAID) therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. It received approval from the USFDA for for Travoprost Ophthalmic Solution USP, 0.004% (Ionic Buffered Solution), to market a generic equivalent to the reference listed drug Travatan Z<sup>®</sup> Ophthalmic Solution, 0.004%, of Sandoz Inc. In FY24, North America contributed 37% of total sales, India 34%, Growing markets 9%, EMEA (Europe, Middle East, and Africa) 10%, ROW (Rest of the world) 3%, APIs 6% and NCE 1%. Its US sales remain healthy driven by inhalation products, and India formulation business is delivering ahead of market.

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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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