sajag online

Regd. Office : 'Regent Chambers', Opp. Garware College, 33/15-B, Karve Road, Pune 411004.

November 2024 / Vol. XXVII / Issue 11

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	31/10/2024	30/9/2024	31/12/2007
Nifty	24205.35	25810.85	6138
Valuation			
Trailing PE	22.58	24.26	27.62
Trailing PB	3.63	3.87	6.39
Mcap/GDP	1.25	1.33	1.23
Nifty return			
1 year	26.87%	31.43%	54.77%
2 year	15.92%	22.88%	47.11%
3 year	11.06%	13.57%	43.43%
EPS growth			
1 year	14.90%	20.33%	19.13%
2 year	12.91%	13.34%	15.95%
3 year	15.97%	17.67%	17.85%
Other data points			
Credit growth	11.50%	13.30%	25%
10-year bond yield	6.84	6.75	7.57
Brent Oil Futures	73.16	71.7	93.25
USD/INR	84.06	83.75	39.23
Gold (oz/USD)	2749.3	2659.4	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices on a losing streak!

The benchmarks witnessed substantial losses during the month as it entered a losing streak in the month.

Key developments during the month were,

- India's wholesale price index based inflation rose to 1.84% in September. The inflation was 1.31% in August. It was -0.07% in September last year. India's retail inflation accelerated to a 9-month high of 5.49% on an annual basis in September, driven by a persistent rise in vegetable prices and a lower year-ago base. Retail inflation had eased to a 5-year low of 3.65% in the previous month. India's consumer price index inflation rose to 5.49% in September 2024.
- The IIP growth rate for the month of August 2024 is -0.1% which was 4.7% in the month of July 2024. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of August 2024 are -4.3%, 1% and -3.7% respectively.
- India's trade deficit or the gap between imports and exports was $20.78 billion during the month of September. The trade deficit narrowed from $29.7 billion a month back, as merchandise export growth turned positive for the first time in three months. India's merchandise exports in September slightly rose to $34.58 billion against $34.41 billion a year ago. Imports increased by 1.6% to $55.36 billion in September compared to $54.49 billion in the year-ago period.
- The fiscal deficit for the first six months of FY25 came in sharply lower at 29.4% compared with 39.3% during a similar period last year. Capital spending remained muted, reaching only 37.3% of the full-year target of Rs 11.1 lakh crore, compared with the 49% it had achieved in the first half of FY24.
- India's Goods and Services Tax (GST) revenue in October 2024 reached Rs. 1.87 lakh crore, showing an 8.9% increase compared to October 2023. This is the second-highest monthly GST collection since GST was introduced in 2017, highlighting strong economic activity and a rise in local demand.

The broader market underperformed the frontline indices. October saw intense FIIs selling ,as in the October month, FIIs had pulled out over Rs 1,14,445.90 crore from Indian equities. Sentiments turned negative owing to mediocre quarterly results from India INC. Anxiety also prevailed ahead of US elections and Maharashtra assembly polls. Global geo-political tensions brewing up could also affect the oil prices which would in turn affect the economy.

Market Outlook

The IMF recently shared a more settled outlook on global growth. It expects the global economy to grow at 3.2% in 2024, slightly down from the 3.3% in 2023. India is staying strong with an impressive 7% growth rate, while the US is seeing a slight uptick in its forecast, now at 2.8%. However, China's growth prediction has been reduced to 4.8%. IMF stated that India is set to grow at 7% in the current fiscal FY25 and 6.5% in the next fiscal FY26.

- The US consumer price index for all urban consumers rise by 0.2% month on month on a seasonally-adjusted basis in September, the same rise as in August and July. US job gains increased in September by the most in six months, and the unemployment rate fell to 4.1%. US GDP rose at a 2.8% rate in Q3 2025 on strong consumer spending. Consumer spending accelerated to 3.7%. The economic activity in the US service

Performance of key sectoral indices

Nifty Auto	-13.23%	Nifty Metal	-8.69%
Nifty Energy	-10.90%	Nifty Infrastructure	-7.91%
Nifty India Consumption	-10.58%	Nifty It	-3.60%
Nifty Mnc	-10.27%	Nifty Bank	-2.59%
Nifty Fmcg	-9.68%	Nifty Pharma	-2.40%
Nifty Realty	-9.30%		

sector expanded at an accelerating pace in October, with the ISM Services PMI rising to 56 from 54.9 in September.

- China's consumer price index rose 0.4% from a year earlier last month, against a 0.6% rise in August. CPI was unchanged month-on-month, versus a 0.4% gain in August. Chinese GDP grew 4.6% year-on-year in the quarter ending September 30, but slowing from the 4.7% seen in the prior quarter. China's industrial production and retail sales both grew more than expected in September, while the country's unemployment rate fell to 5.1%. The People's Bank of China lowered both the one-year and five-year LPRs by 25 basis points, signaling a continued effort to stimulate the economy. China's services activity expanded at the fastest pace in three months in October, helped by early signs that Beijing's big stimulus push was helping improve business conditions. The Caixin/S&P Global services purchasing managers' index (PMI) grew to 52.0 in October from 50.3 the previous month. The manufacturing activity swung back to growth in October as an expansion in new orders led to a pick-up in production growth, signalling an improvement in the sector. The Caixin/S&P Global manufacturing PMI rose to 50.3 in October from 49.3 the previous month.
- The Bank of Korea lowered its benchmark rate by 25 basis points to 3.25%, marking its first rate reduction in over four years. The move signaled a shift away from its restrictive monetary policy stance in response to slowing economic growth and easing inflation. The UK average wages excluding bonuses rose 4.9% y-o-y across June to August, cooling slightly from 5.1% in May to July. Inflation in the UK dropped sharply to 1.7% in September. German Producer price index fell to 1.4% YoY in September 20.24, due to significantly lower energy prices.
- Japan's exports fell 1.7% in September compared to the same period last year. September's import growth came in at 2.1% as compared with 2.3% in August 2024. Japan's headline CPI inflation fell to 2.5% from 3% in the prior month. Japanese business activity shrank in October as the Au jibun bank flash manufacturing PMI fell to 49.0 in October from 49.7 in September. The au jibun bank flash services PMI slid to 49.3 in October from 53.1 in the prior month, falling into contraction for the first time since June. The fall in services activity saw the composite PMI for October drop to 49.4 from 52.0 in the prior month. The BOJ kept short-term interest rates at 0.25%. The BOJ's focus is on global economic developments and risks to the domestic recovery. Japan's GDP growth annualized increased to 2.9% in the Q2 of 2024, up from -2.3% in the first quarter. Japan's economy is expected to remain on a recovery path, exceeding potential after contracting in Q1 2024.
- The HSBC Flash India Composite Output Index, which gauges the overall health of the Indian economy, rose slightly to 58.6 in October from 58.3 in September. The HSBC Flash India Services PMI Business Activity Index remained relatively unchanged at 57.9 in October, compared to 57.7 in September. The HSBC Flash India Manufacturing PMI Output Index increased to 60.1 in October from 59.8 in September. The overall HSBC Flash India Manufacturing PMI rose to 57.4 in October from 56.5 in September.

Geo-political events will continue to further direct the market. Global macro economic decisions will also affect the flow of liquidity. Long term investors would find attractive pockets of investments during corrections leading to stock specific investments.

TECHNICAL VIEW

Nifty entered the month of October with nervous mood as it fell and breached the psychologically important level of 25000. Nifty continued to see profit-booking and it moved lower till 24073. Nifty closed the month at 24205. After a continuous upward trajectory, Nifty has closed the month in a red candle. Nifty ended 5.83% lower for October month.

The RSI is trading below its average on weekly as well as monthly chart. As mentioned earlier in our report, Nifty is volatile. It is trading near the 50% retracement level of earlier fall near 21280 and the recent high of 26277.

Going ahead, Nifty is likely to face resistance near 24500-25000 while it recovers. On the other hand, support is placed near 23780-23500.

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS

COMPANY	OPEN	CLOSE	%
State Bank Of India	788	820.2	4.09%
Wipro Ltd.	540.2	551.8	2.15%
Tech Mahindra Ltd.	1580	1608.65	1.81%
I C I C I Bank Ltd.	1269.8	1292.25	1.77%
H D F C Bank Ltd.	1724	1735.7	0.68%

LOSERS

COMPANY	OPEN	CLOSE	%
Indusind Bank Ltd.	1450	1055.6	-27.20%
Bajaj Auto Ltd.	12414.3	9836.3	-20.77%
Maruti Suzuki India Ltd.	13238	11076.45	-16.33%
Tata Consumer Products Ltd.	1196.95	1002.55	-16.24%
Bharat Petroleum Corpn. Ltd.	370	310.75	-16.01%

MUTUAL FUNDS PERFORMANCE

NAV as on 31 October 2024 **Return %**

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2777.83	0.56	1.76	3.56	7.41
Franklin India Liquid Fund Super Ins (G)	3755.65	0.56	1.78	3.59	7.40
Canara Robeco Liquid Fund Reg plan (G)	3003.36	0.55	1.76	3.57	7.39

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	35.80	0.50	1.49	3.67	7.61
UTI Arbitrage Fund (G)	33.46	0.49	1.51	3.63	7.47
Edelweiss Arbitrage Fund Reg (G)	18.52	0.48	1.46	3.57	7.42

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	372.34	32.70	24.33	19.07	22.12
Quant Absolute Fund (G)	421.11	31.48	16.40	15.22	24.08
Edelweiss Aggressive Hybrid Fund (G)	60.81	31.23	22.41	16.88	18.19

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	69.53	20.29	15.13	12.08	13.17
Edelweiss Balanced Advantage Fund (G)	49.45	23.56	16.14	11.02	15.00
Tata Balanced Advantage Fund (G)	19.98	19.64	14.31	11.04	13.30
Nippon India Balanced Advantage Fund (G)	169.44	22.66	15.42	11.42	12.83

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
Quant Multi Asset Fund (G)	136.52	43.36	26.29	21.35	27.49
ICICI Pru Multi Asset Fund (G)	707.84	28.75	23.20	19.14	21.04
WhiteOak Capital Multi Asset Allocation Fund Reg (G)	12.89	23.37	N/A	N/A	N/A

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
HSBC Value Fund (G)	108.21	44.80	34.07	22.33	24.88
ICICI Pru Value Discovery Fund (G)	451.23	38.75	28.67	22.19	25.95
Nippon India Value Fund (G)	223.98	46.87	31.98	21.17	24.58
Bandhan Sterling Value Fund Reg (G)	148.48	36.39	26.39	19.38	25.73

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	217.21	41.68	28.07	23.48	22.52
ICICI Pru Focused Equity Fund Reg (G)	86.55	45.07	28.81	19.32	24.07
Quant Focused fund (G)	89.19	38.62	23.86	18.36	21.92
Franklin India Focused Equity Fund (G)	105.04	33.22	21.73	15.39	20.58

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal ELSS Tax Saver Fund Reg(G)	52.61	62.01	38.81	24.27	23.32
SBI Long Term Equity Fund Reg (G)	431.35	48.86	34.75	23.45	24.59
HDFC ELSS Tax saver Reg (G)	1341.49	41.71	28.19	21.64	21.05
Quant ELSS Tax Saver Fund (G)	382.99	40.12	23.88	20.01	31.69

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	86.93	34.57	25.39	19.16	19.87
HDFC Top 100 Fund (G)	1121.05	30.88	22.46	16.72	17.63
ICICI Pru Bluechip Fund Reg (G)	106.15	35.43	23.79	16.72	19.53
Tata Large Cap Fund Reg (G)	492.08	32.37	20.18	12.87	16.52

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Midcap Fund Reg (G)	102.97	63.23	39.46	32.07	31.48
HDFC Mid Cap Opportunities Fund (G)	186.58	42.78	35.27	26.41	28.60
Quant MidCap Fund (G)	227.84	38.96	30.14	24.91	32.38
Nippon India Growth Fund (G)	4030.08	46.03	35.47	24.08	29.47

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Large and Mid Cap Fund Reg (G)	32.61	56.65	38.72	24.61	25.62
Quant Large and Mid Cap Fund (G)	121.62	46.04	28.50	22.63	25.94
Bandhan Core Equity Fund (G)	129.46	47.38	32.16	22.23	23.53
HDFC Large & Mid Cap Fund Reg (G)	330.59	37.81	28.61	19.85	23.53

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Small Cap Fund (G)	176.69	43.72	38.15	28.99	35.58
Quant Small Cap Fund (G)	270.22	50.17	40.75	26.35	46.13
HSBC Small Cap Fund Reg (G)	87.13	41.25	35.61	25.22	30.45
Franklin India Smaller Companies Fund (G)	179.31	40.42	37.08	24.82	29.18

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Flexi Cap Fund Reg (G)	1877.41	42.31	28.51	22.94	22.96
Quant Flexi Cap Fund (G)	101.80	44.15	26.84	20.83	32.21
Franklin India Flexi Cap Fund (G)	1601.85	37.21	25.60	17.32	22.50
Parag Parikh Flexi Cap Fund Reg (G)	79.27	34.41	28.55	16.14	24.58

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	292.05	41.27	32.04	25.03	24.74
ICICI Pru Multicap Fund Reg (G)	786.90	42.05	29.67	19.62	21.62
Quant Active Fund	664.03	33.87	21.44	16.86	27.99
Sundaram Multi Cap Fund Reg (G)	372.90	35.94	24.22	15.79	21.59

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	328.95	60.83	43.40	31.37	28.90
Bandhan Infrastructure Fund Reg (G)	52.21	63.25	45.48	27.74	29.76
ICICI Pru India Opportunities Fund (G)	34.08	38.54	30.05	24.41	27.19
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	38.60	61.10	38.74	23.71	30.79
Mirae Asset Healthcare Fund (G)	38.55	52.74	30.77	18.94	29.28
Kotak Pioneer Fund (G)	29.43	40.80	29.47	15.62	24.07
Sundaram Services Fund (G)	32.75	29.67	22.40	15.10	21.82
Aditya Birla SL India Gen Next Fund Reg (G)	212.85	31.42	20.18	14.60	18.79
SBI Banking & Financial Services Fund Reg (G)	38.38	34.17	21.16	13.40	14.98
Tata Banking and Financial Services Fund Reg (G)	39.45	23.57	19.88	12.97	14.19
SBI Magnum Global Fund Reg (G)	367.15	12.55	13.14	8.75	15.20

Index	NAV	1 YR	2 YR	3 YR	5 YR
NSE - Nifty 50	24205.35	26.87	15.92	11.06	15.30
S&P BSE Sensex	79389.06	24.29	14.32	10.21	14.62

CORPORATE ACTIONS IN NOVEMBER 2024

COMPANY	RECORD DATE	PURPOSE
Godrej Consumer	01-11-2024	500% Interim Dividend
Tech Mahindra	01-11-2024	300% Interim Dividend
NTPC	02-11-2024	25% 1st Interim Dividend
Colgate-Palmolive	04-11-2024	2400% 1st Interim Dividend
Coal India	05-11-2024	157.5% First Interim Dividend
Hind. Unilever	06-11-2024	1900% Interim Dividend
Hind. Unilever	06-11-2024	1000% Special Dividend
Dabur India	08-11-2024	275% Interim Dividend
REC Ltd	08-11-2024	40% 2nd Interim Dividend
I R C T C	14-11-2024	Interim Dividend
Power Grid Corpn	14-11-2024	Interim Dividend
Ashok Leyland	19-11-2024	Interim Dividend
Asian Paints	19-11-2024	Interim Dividend
Info Edg.(India)	20-11-2024	Interim Dividend

COMPANY ANALYSIS REVIEW

ARVIND LIMITED

CMP (As on 31 October 2024) **– 371**

INDUSTRY - TEXTILES

NOVEMBER 2024

SENSEX – 79389 NIFTY – 24205

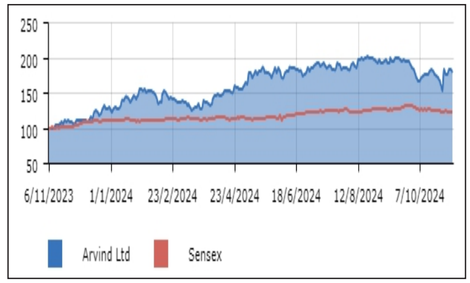
Mkt. Cap.	:	97285.22 Cr
Equity	:	261.73
Trading Vol.	:	429137
52 Week High/Low	:	421/198
Face Value	:	10

BSE Group	:	A
BSE Code	:	500101
NSE Symbol	:	ARVIND
Bloomberg	:	ARVINDIN
Reuters	:	ARVN.BO

Shareholding Pattern		
Promoters	:	39.59
Institutions & Corporates	:	19.55
Foreign	:	19.30
Public & Others	:	21.57

The stock was earlier recommended in our Sajag Online publication in March 2018. We maintain an optimistic outlook of the company owing to strong parentage, sound fundamentals and leadership position in the vertically integrated textiles segment alongwith a portfolio of brands.

Arvind Limited is one of India's leading vertically integrated textile company with the presence of almost eight decades in this industry. It is present across verticals ranging from retail to advanced materials. Arvind owns 22 global patents for environmental solutions, and is the largest fire protection fabric producer in the country.



Investment rationale

- Arvind is powering high-fashion brands across the world, while delivering unmatched excellence across the garment value chain. It is among the largest denim manufacturers in the world. The Company's principal business consists of manufacturing and marketing of Denim Fabric, Woven Fabric, Knitted Fabric and Garments. The company has production facilities at Ahmedabad, Mehsana, Gandhinagar in Gujarat, Pune in Maharashtra and Bangalore in Karnataka.
- The Company through its subsidiary, Arvind Fashions Limited and its subsidiaries is marketing in India the branded apparel under various brands. The brands portfolio includes Domestic and International brands like Flying Machine, Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel value retail stores UNLIMITED.
- The Company acquired 31.20% stake in Renew Green (GJ Eight) Pvt Ltd for setting up a 24-megawatt wind-solar hybrid power project at Bhavnagar, Gujarat during the year 2023. Arvind also operates in real estate, engineering and telecom segment through subsidiaries.
- The company has been generating positive CFO consistently over the years. PBDITA margin has improved to 12% in FY24 and ROCE to 13%. The D/E ratio has reduced to 0.4 with improved interest coverage ratio of 3.4.

Arvind plans to add capacity to capture more internal denim production and move up the denim value chain. Orderbook remains robust and expect ~20% growth in the segment. Both textiles and AMD (advanced materials) are expected to see strong demand in H2 FY25, especially textiles, which is projected to reach all-time high demand. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	261.63	261.5	260.59	258.92	258.77
Networth	3,542.75	3,345.63	2,950.53	2,719.29	2,708.58
Total Debt	1,447.99	1,517.38	1,864.96	2,121.33	2,640.10
Net Sales	7,737.75	8,382.48	8,009.87	5,072.98	7,369.00
Other Income	43.56	194.53	55.28	52.03	60.19
PBIDT	921.74	928.65	843.33	493.7	712.87
PAT	334.92	355.17	240.4	0.67	127.97
Book Value (Rs)	135.41	127.94	113.22	105.02	104.67
EPS (Rs.)	12.87	15.47	9.14	-0.64	3.7
Dividend (%)	47.5	57.5	0	0	0
Payout (%)	42.64	0	0	0	56.19

Latest Results (Rs. Crore)

Quarter Ended	202409	202309	Var. (%)
Sales	2188.31	1921.73	13.87
Other Income	12.01	13.16	-8.74
PBIDT	232.96	219.08	6.34
PBT	134.75	113.17	19.07
PAT	62.77	84.19	-25.44

ULTRATECH CEMENT LIMITED

CMP (As on 31 October 2024) **– 11065**

INDUSTRY - CEMENT

NOVEMBER 2024

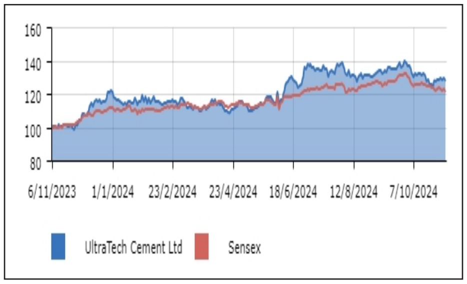
Mkt. Cap.	:	3194631.69 Cr
Equity	:	288.69
Trading Vol.	:	423687
52 Week High/Low	:	12138/8522
Face Value	:	10

BSE Group	:	A
BSE Code	:	532538
NSE Symbol	:	ULTRACEMCO
Bloomberg	:	UTCEMN
Reuters	:	UTC.BO

Shareholding Pattern		
Promoters	:	59.99
Institutions & Corporates	:	15.27
Foreign	:	18.84
Public & Others	:	5.91

The stock was earlier recommended in our Sajag Online publication in February 2019. We maintain an optimistic outlook of the company owing to strong parentage, leading position and a positive demand outlook.

UltraTech Cement Limited is the largest manufacturer of Grey Cement, Ready Mix Concrete (RMC) and White Cement in India. With a consolidated Grey Cement Capacity of 132.4 MTPA, it is the third largest cement producer in the world excluding China, and the only one globally (out of China) to have over 100 MTPA of cement manufacturing capacity in a single country.



Investment rationale

- UltraTech Cement has 23 integrated plants, 1 clinkerisation plant, 27 grinding units and 8 bulk packaging terminals. Its operations span across India, UAE, Bahrain and Sri Lanka. UltraTech Cement is also India's largest exporter of cement reaching out to meet the demand in countries around the Indian Ocean and the Middle East.
- UltraTech achieved capacity utilization of 68% during Q2FY25. Domestic sales volume grew 3% y-o-y on a consolidated basis.
- With the completion of the ongoing expansion projects across India by FY27, and receipt of statutory approvals for the acquisitions of Kesoram Cement (10.75 MTPA) and The India Cements (14.45 MTPA), UltraTech's total cement capacity will surpass 200 MTPA.
- In the last 10 years, the company has grown its sales at a CAGR of 11%, PAT at 13.6% and net-worth at 12%. It has been generating positive CFO consistently with a low debt as D/E is near 0.2. PBDITA margins have been nearly 20% with a ROCE of 15% last year.

The company expects double digit revenue growth in H2FY2025. Growth will be led by better prices. Volume growth for the company will be better than industry volumes. On back of good monsoons across the country, the company expects rural demand and overall demand for cement to be good in H2FY2025. We recommend investing with a long term perspective.

Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	288.69	288.69	288.67	288.65	288.63
Networth	60,227.48	54,324.54	50,435.27	44,174.68	39,043.76
Total debt	11,402.95	11,057.74	11,298.80	21,719.39	23,018.96
Sales	70,908.14	63,239.98	52,598.83	44,725.80	42,429.89
Other Income	638.96	507.11	669.43	879.26	651.06
PBDITA	13,535.52	11,126.96	12,183.78	12,186.43	9,897.03
PAT	6,985.26	5,042.27	7,181.64	5,533.10	5,688.07
Book Value (Rs)	2,086.23	1,881.76	1,747.16	1,530.39	1,352.73
EPS (Rs.)	242.65	175.41	254.42	189.26	199.4
Dividend (%)	700	380	380	370	130
Payout (%)	15.64	21.54	14.55	6.86	5.49

Latest Results (Rs. Crore)

Quarter Ended	202409	202309	Var. (%)
Sales	15634.73	16012.13	-2.36
Other Income	220.73	170.62	29.37
PBIDT	2237.56	2721.51	-17.78
PBT	1016.58	1689.74	-39.84
PAT	825.18	1280.38	-35.55

HDFC BANK LIMITED

CMP (As on 31 October 2024) **– 1735**

INDUSTRY - BANKS

NOVEMBER 2024

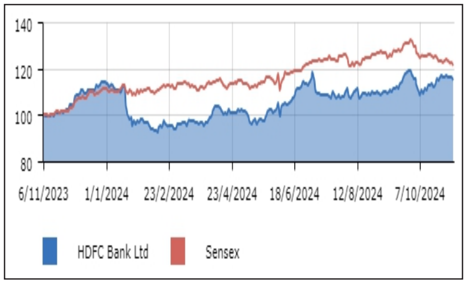
Mkt. Cap.	:	1326503.43 Cr
Equity	:	763.07
Trading Vol.	:	11447956
52 Week High/Low	:	1791/1363
Face Value	:	1

BSE Group	:	A
BSE Code	:	500180
NSE Symbol	:	HDFCBANK
Bloomberg	:	HDFCBIN
Reuters	:	HDBK.BO

Shareholding Pattern		
Promoters	:	-
Institutions & Corporates	:	32.22
Foreign	:	42.04
Public & Others	:	25.74

The stock was earlier recommended in our sector report on Stock Ideas – Private Banks in December 2014. We maintain an optimistic outlook of the company owing to strong parentage and improving operations post merger.

HDFC Bank is India's largest private sector bank in terms of deposits as well as advances. It is also the largest bank in terms of market capitalization and net worth in the banking sector. The bank is among the three banks - State Bank of India, ICICI Bank and HDFC Bank identified as Domestic Systemically Important Banks (D-SIBs) by the Reserve Bank of India.



Investment rationale

- HDFC Bank with 8776 branches across 4065 cities/towns caters to a wide range of banking services covering commercial and investment banking on the wholesale side and transactional / branch banking on the retail side. The bank has three key business segments, Retail Banking, Home Loan/Mortgages Business and Wholesale/Corporate Banking. HDFC Bank is the largest credit cards issuer in India with a market share of 20.3%.
- HDFC Bank has reported 5% growth in net profit at Rs 16820.97 crore for Q2FY25. The bank has posted 10% growth in net interest income (NII), while the core fee income of the bank also improved 17% in Q2FY2025. The Net Interest Margin (NIM) of the bank improved to 3.46% in Q2FY2025 compared to 3.40% in Q2FY24.
- On business front, the bank as has posted 11% growth in business with 7% rise in loan book. Advances growth was driven by retail loans rising 11%

YoY to Rs 1315600 crore at end Q2FY25, while credit to agriculture increased 19% to Rs 108100 crore and MSME 17% to Rs 742700 crore. The corporate credit has declined 12% to Rs 467100 crore while the overseas credit has rose 7% to Rs 42823 crore.

- The asset quality of the bank was stable in Q2FY2025. Bank has substantially reduced the credit to deposit ratio to 100.8% at end Q2FY25 from 108.4% at end Q2FY24. CASA ratio of the bank has declined to 35.3% at end Q2FY25 from 37.6% at end Q2FY24. The capital adequacy ratio of the bank stood at 19.8% with Tier I ratio at 17.8% at Q2FY24.

Excluding the merger with HDFC, the loan growth of the bank has been strong. The merger has enabled the bank to create a diversified franchise with the share of retail loans rising to 55% of total loans. Having gone through the transitionary issues arising from the mega merger with the parent HDFC, the bank can now look forward to capitalizing on the merger synergies with sharper focus on growth. In its Q2 earnings call outlined plans to reduce loan-to-deposit ratio to high 80% levels in 2-3 years while maintaining a conservative lending approach. The bank emphasized its focus on deposit growth without specific loan targets, and expressed comfort with asset quality across portfolios including MSME lending. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	759.69	557.97	554.55	551.28	548.33
Networth	4,56,395.25	2,89,437.50	2,47,326.17	2,09,810.18	1,76,358.71
Capital Employed	40,22,443.12	25,29,572.18	21,22,213.89	17,98,873.87	15,80,253.79
Interest Earned	2,83,649.02	1,70,754.05	1,35,936.41	1,28,552.40	1,22,189.29
Total Income	4,07,994.77	2,04,666.10	1,67,695.40	1,55,885.28	1,47,068.26
Net Interest Income	1,29,510.47	92,974.11	77,352.08	69,304.81	60,051.87
PAT	63,898.60	45,927.26	38,001.91	31,800.06	27,235.43
Book Value (Rs)	600.77	518.73	445.99	380.59	321.63
EPS (Rs.)	84.33	82.44	68.62	57.74	49.7
Dividend (%)	1,950.00	1,900.00	1,550.00	650	250
Payout (%)	12.84	18.65	9.42	0	24.04

Latest Results (Rs. Crore)

Quarter Ended	202409	202309	Var. (%)
Sales	83001.72	75039.1	10.61
Other Income	38455.02	32527.52	18.22
PBIDT	69382.63	62217.29	11.52
PBT	23968.42	20967.38	14.31
PAT	18627.44	17312.38	7.60

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)	%
Total Investment :	360000	%	600000	%	960000	%	1200000	%	1800000	%
Canara Robeco Emerging equities Reg (G)	502,536	22.84	1,052,506	22.62	2,086,290	18.83	3,081,563	17.93	9,344,438	19.73
Aditya Birla SL India Gen Next Fund Reg (G)	494,564	21.69	1,026,921	21.61	2,046,350	18.36	2,991,487	17.38	7,796,405	17.67
Kotak Emerging Equity (G)	553,934	30	1,246,135	29.68	2,524,822	23.42	3,715,251	21.39	10,259,643	20.79
Nippon India Small Cap Fund (G)	598,721	35.89	1,539,370	38.72	3,189,901	29.08	4,855,139	26.33	N/A	N/A
SBI Large & MidCap Fund Reg (G)	504,193	23.08	1,094,275	24.24	2,157,013	19.63	3,077,454	17.90	7,373,005	17.04

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

POLYPLEX CORPORATION LIMITED — CMP (AS ON 31 OCTOBER 2024) - 1148 — TARGET - 1260

Polyplex Corporation is a leading Biaxially Oriented Polyethylene Terephthalate Film (BOPET) film producer. It offers a wide range of plastic films across various substrates including BOPET (thin & thick), Biaxially Oriented Polypropylene Film (BOPP), Cast Polypropylene (CPP) and Blown Polypropylene/Polyethylene (Blown PP/PE). Its portfolio of specialty, innovative and differentiated products are used across packaging, electrical & electronic and other industrial applications. It currently operate a total base film capacity of ~4,36,000 MTPA. Polyplex is the only global player with resin plants at all manufacturing locations. Backward integration enables it to develop resins required for specialty products, apart from enhancing cost competitiveness and ensuring supply security. Forward integration provides an ability to undertake one or more downstream processes on the base film in a cost-efficient manner leading to higher innovation, value addition and reduced volatility. The downstream businesses like metalizing, silicone coating, extrusion coating, holography, TMP/DMP and offline chemical coating has enabled the Company to offer products for a variety of applications. With a low debt, the company has generated positive CFO consistently. In Q2, revenues were up 8% y-o-y.

TATA MOTORS LIMITED — CMP (AS ON 31 OCTOBER 2024) - 834 — TARGET - 1000

Tata Motors Limited is a leading global automobile manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. It manufactures engines for industrial and marine applications. As India's largest automobile company and part of the Tata Group, Tata Motors has operations in the UK, South Korea, Thailand, South Africa, and Indonesia through a strong global network of 86 subsidiary and associate companies. In India, Tata Motors is a market leader in commercial vehicles and among the top passenger vehicles manufacturers. With design and R&D centres located in India, the UK, Italy and Korea, Tata Motors strives to pioneer new products that fire the imagination of GenNext customers. Abroad, Tata cars, buses, and trucks are being marketed in Europe, Africa, the Middle East, South Asia, South East Asia, South America, Australia, CIS and Russia. It manufacturing plants are situated at Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Dharwad (Karnataka) and Sanand (Gujarat). The Q1 carried forward the momentum of last year with all businesses continuing to deliver on their distinctive strategies. Tata Motors recorded commercial vehicles domestic sales of 87,615 units, ~7% higher than Q1 FY24 sale. Management is confident of sustaining the performance in the coming quarters and delivering a strong year.

We have the authorised persons at following locations

Area	Contact Person	Tel. No.
Aundh	Mr. Jaydeep Doshi	25890824
Boat Club Road	Mr. Naresh Karpe	41204584
Camp	Mr. Naresh Karpe	26346310
Dahanukar Colony	Mr. Abhay Oak	25444744
ITI Road, Aundh	Mr. Ravi Jadhav	25888511
Kalyani Nagar	Ms. Bernadette Dias	9422449266
Karve Nagar	Ms. Prajakta Bedekar	8600993930
Kondhwa	Mr. Santosh Gupte	26836366
Koregaon Park	Mr. Ajit Godbole/Mr. Ninad Parundekar	26158889

Area	Contact Person	Tel. No.
Paud Road	Mr. Sadanand Damle	9850845567
Phadke Haud	Mr. Jayant Mundada	9850990766
Sahakar Nagar	Mr. Tejas Jaykar	9765173434
Aurangabad	Mr. Amit Vaidya	0240-2347584
Aurangabad	Mr. Abhijit Bhaiwal	0240-2361421
Sangli	Mr. Dattaji Gaikwad	0233-6600566
Satara	Mr. Vinod Jhamvar	02162-233906
Shrirampur	Mr. Amit Somani	02422-228111

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