

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	30/11/2024	31/10/2024	31/12/2007
Nifty	24131.1	24205.35	6138
Valuation			
Trailing PE	22.21	22.58	27.62
Trailing PB	3.6	3.63	6.39
Mcap/GDP	1.26	1.25	1.23
Nifty return			
1 year	19.86%	26.87%	54.77%
2 year	13.42%	15.92%	47.11%
3 year	12.42%	11.06%	43.43%
EPS growth			
1 year	16.13%	14.90%	19.13%
2 year	14.26%	12.91%	15.95%
3 year	14.44%	15.97%	17.85%
Other data points			
Credit growth	11.10%	11.50%	25%
10-year bond yield	6.75	6.84	7.57
Brent Oil Futures	72.94	73.16	93.25
USD/INR	84.55	84.06	39.23
Gold (oz/USD)	2681	2749.3	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices remain volatile!

Markets witnessed turmoil as global and domestic events kept investors on toes.

Key developments during the month were,

- ▶ India's retail inflation, based on the Consumer Price Index (CPI), in October 2024 surged to a 14-month high of 6.21%. It was at 4.87% in October 2023. The annual rate of inflation based on all India Wholesale Price Index (WPI) number is 2.36% (Provisional) for the month of October, 2024 (over October, 2023).
- ▶ India's industrial production grew by 3.1% in September. In the previous month of August, the factory output was in the negative territory at -0.1%. However, the IIP growth had stood at 6.4% in September 2023. Manufacturing growth fell sharply to 2.2% YoY from 14.3% YoY a year ago, while mining contracted for the first time in two years, and utilities growth slowed to 3.3% from 10.4%.

- ▶ India's Q2FY25 GDP growth slowed to 5.4%, the lowest since Q3FY23, down from 6.7% in Q1FY25, driven by weak domestic and external demand. Private consumption decelerated to 6%, and investment growth hit a six-quarter low of 5.4%, alongside a steep decline in export growth to 2.8%. Agriculture grew at 1.4% in FY24.
- ▶ India's fiscal deficit inched higher for the first seven months of the FY24 compared with the similar period during FY23. The country's fiscal deficit, at 46.5% of the Budget until October, was higher than the previous year's 45% for a similar period. Capex spending, however, remained muted, with the government spending 42% of the fiscal year budget of Rs 11.11 lakh crore, compared with 54.7% spent during the April-October period last fiscal.
- ▶ India's merchandise trade deficit increased to \$27.14 billion in October 2024, mainly on a rise in imports despite exports increasing. Total trade (exports plus imports) for October at \$105.54 Billion, is the highest monthly trade reading for the last one year. The exports during the month rose at a 28-month high pace of 17.26% y-o-y to \$39.2 billion, while imports increased 3.88% to \$66.34 billion. Engineering and electronic goods, organic & inorganic chemicals and petroleum products are some of the focus sectors. In the previous month of September 2024, merchandise exports were \$34.58 billion and imports stood at \$55.36 billion.
- ▶ The GST revenue has surged by 8.5% to over Rs 1 Rs 1.82 lakh crore in November, as compared to Rs 1.68 lakh crore in the same month a year ago. The Central GST collection stood at Rs 34,141 crore, State GST at Rs 43,047 crore, Integrated IGST at Rs 91,828 crore and cess at Rs 13,253 crore. The GST revenue of November also marked a second consecutive month of over Rs 1.8 lakh crore collection under the indirect tax regime.

Despite the rate cut by USFED, Indian markets remained in sombre mood as the month began. The selling was broad-based where mid and small caps saw profit-booking. BJP's strong and stunning election victory in Maharashtra burst some optimism in the markets, however that was short-lived. In November, Foreign Portfolio Investors (FPIs) pulled out ₹21,612 crore from Indian equities, influenced by rising U.S. bond yields, a stronger dollar, and concerns over India's slowing economy. While this outflow was lower than October's record ₹94,017 crore withdrawal. High valuations and concerns over a consumption slowdown also dampened sentiment.



Performance of key sectoral indices

Nifty Energy	-5.19%	Nifty Infrastructure	-1.40%
Nifty Metal	-3.66%	Nifty India Consumption	-1.02%
Nifty Pharma	-2.82%	Nifty Bank	0.98%
Nifty FMCG	-2.68%	Nifty Realty	1.04%
Nifty MNC	-1.96%	Nifty IT	6.35%
Nifty Auto	-1.78%		

The US Federal Reserve reduced interest rate by 25 basis points to a range of 4.5% to 4.75%. Trump's victory, coupled with a Republican majority in Congress, suggests fewer obstacles for the 47th President in enacting significant policy reforms. He is expected to pursue a looser fiscal policy, while his protectionist trade and immigration stances are anticipated to strengthen the dollar. The optimism revolved around Trump's victory party at Wall Street as the Dow, Nasdaq, and S&P 500, all set new record highs.

Market Outlook

Goldman Sachs Research forecasts another solid year of global economic growth in 2025. The economists project US will outperform expectations while the euro area lags behind amid fresh tariffs that are anticipated from the Trump administration. Worldwide GDP is forecast to expand 2.7% next year on an annual average basis, just above the consensus forecast of economists surveyed by Bloomberg and matching the estimated growth in 2024. The world's largest economy is expected to grow faster than other developed-market countries for the third year in a row.

- ▶ US consumer price index (CPI) data for October came in line with expectations, but still indicated persistent inflationary pressures. The annual CPI rose to 2.6% from 2.4% in September. Core CPI, which excludes volatile food and energy prices, increased to 3.3% YoY. The US economy added only 12,000 jobs in October, far below the expected 106,000 and a sharp decline from the revised 223,000 in September. Further, the US economy expanded at a 2.8% annual pace in the third quarter, driven by strong consumer spending and export growth. The S&P Global Manufacturing PMI for November rose slightly to 48.8 from October's 48.5, signaling a slower contraction. Meanwhile, the more critical Services PMI jumped to 57.0 from October's 55.0, reflecting robust activity in the services sector
- ▶ Japan's unemployment rate was at 2.5% in October, rising slightly from last month's jobless rate of 2.4%. Japan's consumer confidence index rose slightly to 36.4 in November 2024, recovering from October's five-month

low of 36.2. The seasonally adjusted industrial production index in Japan observed a monthly increase of 3% to land at 104.3 in October. Japan's manufacturing sector contracted for the fifth consecutive month in November, as indicated by the preliminary au Jibun Bank flash PMI, which fell to 49.0 .from 49.2 in October. Japan's October consumer price index (CPI) revealed a slight uptick in headline inflation and a further rise in core inflation, surpassing the Bank of Japan's 2% target.

- ▶ The euro area annual inflation rate was 2.0% in October 2024, up from 1.7% in September. A year earlier, the rate was 2.9%. European Union annual inflation was 2.3% in October 2024, up from 2.1% in September. A year earlier, the rate was 3.6%. In October 2024.
- ▶ China's services activity expanded at a slower pace in November, pressured by easing new business growth, including in exports, as the economy braces for a rocky ride of more US tariffs under a second Trump administration. The Caixin/S&P Global services purchasing managers' index (PMI), fell to 51.5 from 52 in October, aligning with the official PMI, which showed non-manufacturing activity weakened to 50. China's factory output growth slowed in October and demand woes in the property sector showed few signs of abating even though consumers seemed to perk up a bit more, backing calls for more stimulus to get the economy firing on all cylinders. October industrial output grew 5.3% from a year earlier as per National Bureau of Statistics (NBS), slowing from September's pace of 5.4%. Retail sales, a gauge of consumption, rose 4.8% in October, accelerating from the 3.2% pace in September and marking the quickest growth since February.
- ▶ Moody's Ratings predicted a 7.2% GDP growth for India in 2024, highlighting that the country is in an advantageous economic position. However, it cautioned that inflation risks could lead the RBI to maintain a relatively tight monetary policy in the near term. The HSBC Flash India Composite Output Index stood at 59.5 in November as compared with 59.1 recorded in October, indicating a sharp rate of expansion that was the strongest in three months and above its long-run average. The HSBC flash India services PMI business activity index stood 59.2 in November as against 58.5 in October 2024. The HSBC India Manufacturing PMI data stood at 57.3 in November, down marginally from 57.5 in October. The HSBC Flash India Manufacturing PMI Output Index fell to 60.2 in November as against 60.4 in October 2024.

Amidst global trade uncertainty and an average show of India INC in quarterly results, investors need to invest with a long term perspective while markets provide pocket of opportunities during corrections.

TECHNICAL VIEW

In month of November, Nifty continued the slow momentum like earlier month and fell below its 200-day EMA to a low of 23263. Nifty did see some support buying which helped it recover. However, Nifty faced strong resistance near 24500 and close the month at 24131, above its 200-day EMA.

Nifty is trading down around 8% from its September 2024 high. The RSI is trading below its average on weekly as well as monthly chart. During the month, Nifty has also moved below its 13-month EMA. However, weekly RSI is ticking upwards, which indicates at likelihood of some bounce back.

Going ahead, Nifty is likely to face resistance near 24500-25000 while it recovers. On the other hand, support is placed near 23500-23300. Nifty is likely to move within a range.



GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Bharat Electronics Ltd.	286.65	308	7.45%
Tata Consultancy Services Ltd.	3989.85	4270.85	7.04%
Mahindra & Mahindra Ltd.	2780	2966.1	6.69%
Tech Mahindra Ltd.	1619	1712.3	5.76%
Infosys Ltd.	1764.5	1857.85	5.29%

LOSERS			
COMPANY	OPEN	CLOSE	%
Adani Enterprises Ltd.	2960	2463.15	-16.79%
Asian Paints Ltd.	2958	2479.6	-16.17%
Britannia Industries Ltd.	5768.55	4941.15	-14.34%
Adani Ports & SEZ Ltd.	1386.5	1190.05	-14.17%
S B I Life Insurance Co. Ltd.	1639.4	1437.75	-12.30%

MUTUAL FUNDS PERFORMANCE

NAV as on 30 November 2024

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2792.41	0.57	1.75	3.53	7.41
Franklin India Liquid Fund Super Ins (G)	3774.69	0.57	1.75	3.56	7.41
Canara Robeco Liquid Fund Reg plan (G)	3019.09	0.56	1.74	3.54	7.39
Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	35.99	0.53	1.69	3.55	7.77
UTI Arbitrage Fund (G)	33.64	0.53	1.68	3.53	7.60
Edelweiss Arbitrage Fund Reg (G)	18.62	0.51	1.64	3.42	7.55
Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	367.93	24.79	22.12	19.71	21.55
Edelweiss Aggressive Hybrid Fund (G)	60.73	24.17	20.78	16.66	17.86
Quant Absolute Fund (G)	410.93	22.36	13.42	14.46	23.55
Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	69.42	16.22	14.31	12.59	12.89
Nippon India Balanced Advantage Fund (G)	170.32	18.65	14.55	12.28	12.65
Edelweiss Balanced Advantage Fund (G)	49.43	18.82	14.77	11.59	14.89
Tata Balanced Advantage Fund (G)	19.97	15.96	13.26	11.50	13.02
Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
Quant Multi Asset Fund (G)	137.64	35.65	24.51	21.76	27.49
ICICI Pru Multi Asset Fund (G)	700.54	21.63	20.47	19.75	20.61
WhiteOak Capital Multi Asset Allocation Fund Reg (G)	12.96	20.31	N/A	N/A	N/A
Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
HSBC Value Fund (G)	108.44	33.52	32.21	24.63	24.73
ICICI Pru Value Discovery Fund (G)	447.01	29.47	25.69	23.48	25.66
Nippon India Value Fund (G)	222.64	33.22	29.63	23.15	24.41
Bandhan Sterling Value Fund Reg (G)	147.65	26.72	24.68	20.45	25.31
Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	218.79	33.63	26.00	25.48	22.91
ICICI Pru Focused Equity Fund Reg (G)	85.76	34.44	25.93	20.80	23.93
Franklin India Focused Equity Fund (G)	106.46	27.52	20.60	17.99	20.05
Quant Focused fund (G)	87.08	25.24	20.50	17.03	21.46
Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal ELSS Tax Saver Fund Reg(G)	54.54	50.91	38.07	26.29	23.60
SBI Long Term Equity Fund Reg (G)	430.65	38.07	32.34	25.02	24.51
HDFC ELSS Tax saver Reg (G)	1341.74	31.45	25.82	22.40	20.94
Quant ELSS Tax Saver Fund (G)	369.32	24.97	20.09	18.74	30.76
Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	87.18	28.34	23.69	21.01	19.74
HDFC Top 100 Fund (G)	1116.22	22.15	19.88	18.35	17.33
ICICI Pru Bluechip Fund Reg (G)	105.92	26.87	21.36	18.13	19.19
Tata Large Cap Fund Reg (G)	492.25	24.42	17.78	14.56	16.33
Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Midcap Fund Reg (G)	108.42	59.82	43.93	34.94	32.51
HDFC Mid Cap Opportunities Fund (G)	187.34	33.41	33.96	27.87	28.48
Nippon India Growth Fund (G)	4052.00	34.39	34.68	26.35	28.91
Quant MidCap Fund (G)	223.70	26.10	26.46	23.76	31.68

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Large and Mid Cap Fund Reg (G)	33.18	46.44	37.59	25.80	25.73
Bandhan Core Equity Fund (G)	130.06	36.86	30.77	24.43	23.24
HDFC Large & Mid Cap Fund Reg (G)	331.12	27.90	26.51	21.42	23.28
Quant Large and Mid Cap Fund (G)	118.37	29.36	24.21	20.93	25.18

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Small Cap Fund (G)	17.61	33.76	36.00	28.94	35.55
Quant Small Cap Fund (G)	270.35	36.74	37.44	28.29	45.97
HSBC Small Cap Fund Reg (G)	88.28	31.20	35.28	26.29	31.06
Franklin India Smaller Companies Fund (G)	179.85	29.17	35.83	25.92	29.36

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Flexi Cap Fund Reg (G)	1883.67	33.52	26.05	24.95	22.84
Quant Flexi Cap Fund (G)	98.41	30.33	22.58	19.70	31.28
Franklin India Flexi Cap Fund (G)	1615.53	30.50	24.24	19.42	22.22
Parag Parikh Flexi Cap Fund Reg (G)	79.95	28.23	27.03	16.85	24.60

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	291.55	33.01	30.60	26.38	24.47
ICICI Pru Multicap Fund Reg (G)	780.09	32.06	27.25	21.25	21.27
Quant Active Fund	661.32	24.09	18.60	16.82	28.06
Sundaram Multi Cap Fund Reg (G)	373.18	26.89	22.83	16.53	21.07

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	330.17	46.21	41.22	32.62	29.06
Bandhan Infrastructure Fund Reg (G)	52.21	49.22	42.84	29.63	30.04
ICICI Pru India Opportunities Fund (G)	33.95	30.33	28.23	26.33	26.59
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	38.50	47.85	39.40	24.71	29.94
Mirae Asset Healthcare Fund (G)	37.98	38.14	31.09	18.25	28.26
SBI Banking & Financial Services Fund Reg (G)	38.77	29.94	20.09	17.17	14.27
Kotak Pioneer Fund (G)	29.95	34.23	29.63	16.54	24.10
Sundaram Services Fund (G)	32.81	23.36	20.79	15.89	21.48
Aditya Birla SL India Gen Next Fund Reg (G)	212.25	23.62	19.71	15.70	18.42
Tata Banking and Financial Services Fund Reg (G)	39.26	17.47	16.78	15.40	13.26
SBI Magnum Global Fund Reg (G)	372.52	11.01	12.79	9.14	15.91

Index	NAV	1 YR	2 YR	3 YR	5 YR
NSE - Nifty 50	24131.10	19.86	13.42	12.42	14.89
S&P BSE Sensex	79802.79	19.13	12.46	11.83	14.36

**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)	505,851	23.34	1,055,833	22.76	2,096,053	18.95	3,094,701	18.01	9,370,668	19.76
Aditya Birla SL India Gen Next Fund Reg (G)	488,272	20.78	1,012,176	21.02	2,016,163	18.01	2,947,078	17.10	7,678,582	17.5
Kotak Emerging Equity (G)	555,793	30.28	1,247,615	29.74	2,537,139	23.55	3,731,577	21.47	10,324,238	20.86
Nippon India Small Cap Fund (G)	587,081	34.42	1,505,296	37.77	3,135,343	28.66	4,775,952	26.03	N/A	N/A
SBI Large & MidCap Fund Reg (G)	500,322	22.54	1,084,174	23.86	2,139,842	19.44	3,054,841	17.77	7,328,585	16.97

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

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COMPANY ANALYSIS REVIEW

BALAJI AMINES LIMITED

CMP (As on 30 November 2024) – 2064

INDUSTRY - CHEMICALS

DECEMBER 2024

SENSEX – 79802 NIFTY – 24131

Mkt. Cap.	:	6688.70 Cr
Equity	:	6.48
Trading Vol.	:	23489
52 Week High/Low	:	2736/1955
Face Value	:	2

BSE Group	:	A
BSE Code	:	530999
NSE Symbol	:	BALAMINES
Bloomberg	:	BLAIN
Reuters	:	BAMN.BO

Shareholding Pattern	
Promoters	: 53.70
Institutions & Corporates	: 2.62
Foreign	: 8.18
Public & Others	: 35.51

The stock was earlier recommended in our Sajag Online publication in March 2022.

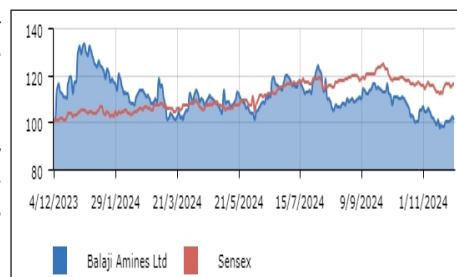
We maintain an optimistic outlook of the company owing to its leadership position, expanding capacities and sectoral opportunities.

BALAJI AMINES stands out globally as a premier manufacturer of a wide range of amines and their derivatives. Based in Solapur, Maharashtra, Balaji Amines produces high-quality products catering to diverse end-user segments. Our portfolio also extends to specialty chemicals and pharmaceutical excipients.

Investment rationale

- ▶ Balaji Amines Ltd specialises in manufacturing Methylamines, Ethylamines, Derivatives of specialty chemicals and Pharma Excipients. These have been the main products, it also have facilities for the manufacturing of derivatives, which are down-stream products for various pharma/pesticide industries apart from user specific requirements. It is one of the largest manufacturers of aliphatic amines in India.
- ▶ The company announced successful commissioning of its state-of-the-art Methyl Amine plant at Unit IV. This milestone increases annual capacity from 48,000 MT to 88,000 MT, representing a near 100% growth and ensuring a significant cost advantage over competitors. While the plant is operational, full capacity utilization is projected by FY 2026-27.
- ▶ Balaji Specialty Chemicals Limited is making significant investments across a diverse range of products, which will enhance the portfolio and strengthen our market position. The products include Hydrogen Cyanide, Sodium Cyanide 30% and 100%, Ethylene Diamine Tetra Acetic Acid (EDTA), Disodium salt, Benzyl Cyanide, Phenylacetic Acid, Tri Ethyl Ortho Formate and Tri Methyl Ortho Formate.
- ▶ Barring this 23-24 year, the company has continuously grown at Sales CAGR of 19% and PAT CAGR of 32% with healthy positive operating cash flow and Zero debt status. EBITDA margins have improved by 110 basis points over the previous quarter in Q2.

Last year, company saw impacted financial performance and delay in listing its subsidiary. Despite these setbacks, management remains optimistic about a recovery, citing bottomed-out chemical prices and planned capital expenditures as key drivers. The management is committed to maintaining zero debt. They want to strategize on expanding product range and investing in advanced manufacturing capabilities to set themselves apart from competitors and seize a larger share of the market and expanding product range. We recommend investing with a long term perspective.



Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	6.48	6.48	6.48	6.48	6.48
Networth	1,721.86	1,554.23	1,249.85	894.39	658.14
Total Debt	19.7	57.57	100.64	127.07	259.57
Net Sales	1,641.51	2,355.40	2,322.88	1,311.46	935.77
Other Income	29.64	15.25	14.72	6.07	5.01
PBIDT	353.36	624.35	637.39	379.3	185.75
PAT	204.49	323.62	368.32	237.48	104.76
Book Value (Rs)	531.42	479.69	385.74	276.04	203.12
EPS (Rs.)	63.22	100.47	113.71	73.51	32.34
Dividend (%)	550	500	300	200	160
Payout (%)	13.95	4.79	3.1	0.8	18.28

Latest Results (Rs. Crore)

Quarter Ended	202409	202309	Var. (%)
Sales	346.88	380.54	-8.85
Other Income	9.19	6.77	35.75
PBIDT	69.87	60.56	15.37
PBT	56.81	48.01	18.33
PAT	41.45	36.37	13.97

PENNAR INDUSTRIES LIMITED

CMP (As on 30 November 2024) – 208

INDUSTRY - STEEL

DECEMBER 2024

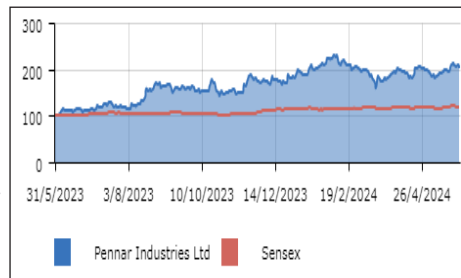
Mkt. Cap.	:	2815.92 Cr
Equity	:	67.47
Trading Vol.	:	2134875
52 Week High/Low	:	222/107
Face Value	:	5

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

Shareholding Pattern	
Promoters	: 39.66
Institutions & Corporates	: 8.07
Foreign	: 7.05
Public & Others	: 45.23

The stock was earlier recommended in our Sajag Online publication in June 2013. We maintain an optimistic outlook of the company owing to decent order book and a positive demand outlook.

Pennar is one of the leading engineering organisations in India and is well known for its expertise in providing engineered products and engineering solutions. It is engaged in manufacturing of cold rolled steel strips, precision tubes, cold rolled formed sections, electrostatic precipitators, profiles, Railway wagons and coach components, press steel components, hydraulics, road safety systems, galvanised products, Solar panels. Design, manufacture, supply, service and installation of pre-engineered steel buildings, building components and erection for industries, warehouses, commercial centres, multi storied buildings, aircraft hangars, defence installations. Design, manufacture, supply, erection and maintenance of water and waste-water treatment plants and manufacture and supply of water treatment chemicals and fuel additives for both solid and liquid fuels.



Investment rationale

- ▶ The Company has merged Pennar Engineered Building Systems Limited, Pennar Enviro Limited, into Pennar Industries Limited (PIL), after which it accumulated a wide spectrum of engineered products and customised turnkey engineering solution under its belt, catering to a range of high growth sectors. Thereafter, the Company diversified its engineered products and engineered solutions broadly across six sectors; namely; Automobiles, Construction Infrastructure, General Engineering, White Goods, Railways and Solar.
- ▶ Pennar Industries is a one-stop-solution for all building requirements of varied customers. Its pre engineered steel buildings are uniquely designed and fabricated to suit requirements. Built strictly following the international standards, these buildings consist of different components, meticulously designed to be compatible to each other.
- ▶ Pennar Industries has secured orders worth INR 986 crores across its various business verticals. New facility for Pre-engineered business at Raebareli capturing north market for company has started production and expect contribution from 3QFY25.
- ▶ The company has grown its sales at a CAGR of 9% and PAT at 10%. CFO has been positive in last few years. The D/E is 0.8. PBDITA margin improved in FY24 to 10% and RONW to 12%.

In last few years, the focus business units are PEB, engineering services, tubes, hydraulics and process equipment. It has reduced exposure to low margin businesses i.e. Water EPC, steel retail, enviro, railways and solar module mounting (MMS). All focused growth verticals are seeing a double digit growth rate. About 30% of the revenue still comes from low margin business. Currently the revenue line is impacted by exit of low margin business verticals. But the company is expecting double digit growth in profits of the company for FY25.. 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	876.5	778.02	735.18	695.83	700.33
Total debt	785.48	685.48	645.87	618.18	490.25
Sales	3,130.57	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	97.43	75.4	41.79	-13.13	53.06
Book Value (Rs)	64.95	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	202409	202309	Var. (%)
Sales	747.61	814.13	-8.17
Other Income	5.92	5.91	0.17
PBIDT	81.18	76.16	6.59
PBT	36.05	29.73	21.26
PAT	26.87	22.36	20.17

COMPANY ANALYSIS

ITC LIMITED

CMP (As on 31 October 2024) – 476

Mkt. Cap.	: 596452.95 Cr
Equity	: 1251.08
Trading Vol.	: 8346687
52 Week High/Low	: 528/399
Face Value	: 1

INDUSTRY - CONGLOMERATE

BSE Group	: A
BSE Code	: 500875
NSE Symbol	: ITC
Bloomberg	: ITCIN
Reuters	: ITC.BO

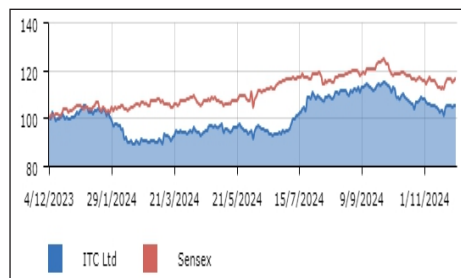
DECEMBER2024

Shareholding Pattern	
Promoters	: -
Institutions & Corporates	: 45.54
Foreign	: 41.44
Public & Others	: 13.02

ITC is one of India's foremost private sector companies with a diversified presence in FMCG, Hotels, Packaging, Paperboards & Specialty Papers, Agri-Business, and Information Technology.

Investment rationale

- ▶ While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery. FMCG - Cigarettes is 36% of sales, 78% of PBIT; FMCG - other is 23% sales and 7% of PBIT, Hotels, Agri-business, Paper boards & Packaging are other key segments.
- ▶ The ITC Hotels demerger is expected to be complete in this quarter. Based on ITC Hotels' revenue, EBITDA and room inventory profile, it is the number two player in the Indian hotels sector. The hotels arm of ITC is targeting growth from greenfield commissioning in the recent years, scaling up its management contracts and focusing on a premiumization



thrust. It is one of the world's pre-eminent and fastest-growing hospitality chains with over 130 properties and 12,000 rooms under distinguished and distinctive brands.

- ▶ In its road towards sustainability ITCs 12 hotels and its Data Centre were the first in world to achieve LEED zero carbon certification. ITC has, this year, achieved its goal of meeting 50% of the energy requirement from renewable sources well ahead of the target year of 2030, despite its growing manufacturing footprint. Aligning with ITC's Sustainability vision, ITC Packaging and Printing Business recently announced a collaboration with Frugalpac, the British sustainable packaging company to bring Frugal bottles to India. This ground breaking collaboration aims to decarbonise the beverage Industry.
- ▶ ITC has grown its sales at a CAGR of 6% in last decade with a PAT CAGR of 8%. It has been generating strong CFO consistently with zero debt and RONW of 28% in FY25 (RONW has been above 22% through-out the decade).

The company is confident of the India growth story, and its reflected in ITC's investment outlay of about Rs. 20,000 crore in the medium term. Investments are being scaled up across FMCG, Paperboards and other businesses, as well as in accelerating digital transformation and strengthening the agri back end. In its road towards sustainability ITCs 12 hotels and its Data Centre were the first in world to achieve LEED zero carbon certification. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	1,248.47	1,242.80	1,232.33	1,230.88	1,229.22
Networth	74,507.00	69,155.26	62,455.57	60,347.34	65,273.26
Total Debt	303.43	306.04	249.44	270.83	277.45
Sales	70,881.00	70,936.85	60,668.09	49,272.78	49,404.05
Other income	2,755.45	2,102.40	1,853.83	2,632.56	2,606.11
PBDITA	29,036.33	27,801.90	22,532.87	19,641.73	21,760.86
PAT	20,421.83	19,140.50	15,201.00	13,202.67	15,448.11
Book Value (Rs)	59.68	55.64	50.68	49.03	53.1
EPS (Rs.)	16.39	15.44	12.37	10.69	12.45
Dividend (%)	1,375.00	1,550.00	1,150.00	1,075.00	1,015.00
Payout (%)	94.48	77.79	87.38	139.2	45.2

Latest Results (Rs. Crore)

Quarter Ended	202409	202309	Var. (%)
Sales	20581.57	17641.96	16.66
Other Income	624.07	673.5	-7.34
PBIDT	7384.7	7127.74	3.61
PBT	6847.95	6664.83	2.75
PAT	5054.43	4964.52	1.81

Source: Company, Prowess, Capital line, Sajaj Research

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

M&M LIMITED

CMP (AS ON 30 NOVEMBER 2024) - 2966 TARGET - 3500

Mahindra & Mahindra Limited (M&M) is the flagship company of the Mahindra Group, which consists of diverse business interests (through subsidiaries) across the globe and aggregate revenues of around USD 19.4 billion. Its core business is mobility products and farm solutions. It offers a wide range of products and solutions ranging from SUVs, pickups, commercial vehicles and tractors, to electric vehicles, two-wheelers, gensets and construction equipment. The company's manufacturing facilities are located at Kandivali, Nashik, Igatpuri, Nagpur, Chakan, Zaheerabad, Jaipur, Rudrapur, Haridwar, Mohali and Pithampur. Net sales in Q2 increased 10.13% to Rs 37923.74 crore. Sales of Automotive segment has gone up 15.29% to Rs 21,755.21 crore (55.84% of total sales). Sales of Farm Equipment segment has gone down 2.14% to Rs 8,194.30 crore (21.03% of total sales). Sales of Financial Services segment rose 16.56% to Rs 4,428.73 crore (11.37% of total sales). Sales of Industrial Businesses & Consumer Services segment has gone up 7.63% to Rs 4,580.95 crore (11.76% of total sales). The company reported its highest-ever quarterly volumes at 231000, a 9% increase y-o-y, and its highest-ever quarterly UV volumes at 136000 units. M&M is number one in SUVs with revenue market share at 21.9%, up 190 bps in Q2 FY25. Its LCV market share stood at 52.3% and its tractor market share was 42.5%, up 90 bps. Farm segment reported highest ever Q2 market share at 42.5%. Volumes stood at 92000, up 4% YoY. Financial services AUM grew at 20%. M&M delivered a solid operating performance last quarter and services portfolio is also reflecting strength.

BIOCON LIMITED

CMP (AS ON 30 NOVEMBER 2024) - 365 TARGET - 425

Biocon is an innovation led global biopharmaceuticals company, engaged in the production of therapies for chronic conditions like diabetes, cancer and autoimmune. It has developed and commercialized novel biologics, biosimilars, and complex small molecule APIs in India and several key global markets as well as Generic Formulations in the US, Europe & key emerging markets. It also has a pipeline of promising novel assets in immunotherapy under development. Biocon delivered a strong 30% y-o-y growth in Q1, primarily on account of a one-time gain from the strategic collaboration between Biocon Biologics and Eris Lifesciences. Post integration, the Biosimilars business has delivered a healthy performance with 11% like-for-like growth, as it consolidates business across global markets. This has helped offset the challenges of pricing pressures in the Generics segment and the difficult US Biotech funding environment. The outlook for this fiscal remains positive as the management anticipates stronger growth in H2FY25, with new product launches in the Biosimilars and Generics businesses. Biocon's focus will be directed towards commercializing products for which it has received approvals, including Liraglutide, and to accelerate cost improvement initiatives and expedite on-going capex projects.

CORPORATE ACTIONS IN DECEMBER 2024

COMPANY	RECORD DATE	PURPOSE
Wipro	03-12-2024	1:1 Bonus Issue of Equity Shares
Can Fin Homes	04-12-2024	300% Interim Dividend
Sobha	06-12-2024	First and Final call notice & Rights Issue
Strides Pharma	06-12-2024	Scheme of Arrangement
Grasim Inds	13-12-2024	Second and Final Call of Rs.906/- (Re.1 FV+Rs.905/- Premium)

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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