October 2022 / Volume : 14 / Issue : 14

MEHTA
REWARDING RELATIONSHIPS

MCONNECT
A MAGAZINE

shubh deepawali

FUND EXPERT
MR. GAURAV MEHTA
CIO-Alternatives
SBI Fund Management Ltd

Muhurat Trading & Investment Ideas
"Samvat 2079"

INDUSTRY EXPERT
MR. NITAN CHHATWAL
Chairman
Shrem InvIT

CHAIRMAN DESK

Dear Readers,

Let me begin my Diwali Greetings by saying

"Corrections are temporary in nature and short lived but Growth is Permanent and long lived"

FY2022 was the year of volatility we have never witnessed before, but there is consensus in the market globally in the year FY2023 that India which has already outperformed and will continue to shine on. The talks of De-coupling which we heard in the beginning of this millennium and have now started to surface in many global reports and economic conversation. The world had just recovered from Covid after effects when Russia's aggressive war on Ukraine has hit, not only Ukraine but rest of the entire world. This has resulted in massive volatility, extreme levels of inflation, commodity fluctuation and fear of recession making policy makers very worried and on war footing to address the issues. Even with this level of geopolitical situation India has shown strength, massive resilience and prove to be a strong economy. We can truly see how the Mission of Self-Reliant India backed with political stability and continuous focus on reforms is helping India to inch towards the 5 trillion-dollar economy status and outperformance.

I personally believe Inflation would probably melt away in mid of second of FY2022-23 as global central banks will do whatever they can to tackle it and bring back to normal assumptions. Going by the RBI's historical approach there is some probability for margin increase in rates in upcoming policy and market will also prefer a calibrated approach. However, long term fundamentals and growth would remain intact, providing a cushion to long-term investors. With signs of easing out on the war front and understanding this kind of situation historically we can safely assume that markets will bounce back to different levels of peak for performing economies. Hence it is time to take calculated risks and one should start accumulating quality stocks with long term.

If we talk specifically about the Indian markets, it has corrected almost 10% from the all-time highs of 18600 Nifty points to 17000 mark, which provides a fresh entry opportunity for long term investors. In spite of a correction and ongoing volatility there is a tug-of-war fight between FIIs and DIIs. DII's have shown contrarian stand providing a strong support by pumping more than Rs 1.52 + lakh crore into equity space in the this FY23. We believe that DII have grabbed the unexpected opportunity with the help of huge fund flow from retail segment with SIP rolling at an all-time high pouring Rs 12-15k per month. We assume FII won't resume back soon in the same manner until unless interest rate stabilises, commodity prices cools down and inflation pressure comes down to normal. Domestic Investors should use every such opportunity in volatility to build healthy portfolio either through SIPs or through lump sum or through asset allocation between equity and fixed income and other asset classes for a longer duration.

The bullish sentiments continuously get boosted on reports that the four wheels of Indian economy: Domestic consumers, private corporates, government and exports continue to be in a good shape and most importantly, corporate India has crushed earnings estimates, prompting the street to revise their estimates upward —— Healthy corporate balance sheet continues to be the biggest positive trigger. Hence considering all factors, we see Indian markets to remain outperformer in coming years.

CA Rakesh Mehta
Chairman,
Mehta Group

I take this opportunity to wish you all a very Happy Diwali,
Happy Investing and Happy Samvat 2079

PMS Commentary

MMFS philosophy is guided by a core-3 framework and robust investment criteria. The Core 3 Framework is an integrated approach that covers the Transformational, Thematic and Quasi- Cash strategy which leads to consistent capital growth and capital protection over a long period of time. This core investment philosophy has not only helped the fund to go through turbulent markets in the past, but it has also helped to withstand the recent market volatility as well. In the initial segment of the investment structure, we aim to focus on companies with established business models, having low leverage and the ability to generate sustainable operating cash flows.

Since January 2022 the markets have been very volatile due to both external and internal factors which lead to the fund trimming down 10%-15% positions in our high performing holdings and divesting our laggards to raise comfortable level of liquidity across portfolios. Beginning of July, the fund started to reinvest the surplus capital in businesses which were more focused on domestic growth and were relatively less impacted by external factors and global uncertainties.

- **FMCG and QSR** – largely insulated by external factors and disruption and can pass on inflationary cost pressure to end consumers.
- **MNC Manufacturing** – better operating environment compared to other developing nations, will result in sustained capex and technology.
- **Auto Ancillary** – improving global supply chain and potential export opportunities can lead to better than expected earnings growth.

Going forward, our assessment makes us believe that the overall Indian economy remains at the cusp of secular growth due to various policy initiatives and the overall business environment which continues to be optimistic. It is our firm belief that as wealth managers, we should utilize this opportunity to invest in businesses which are well poised to witness above average earnings growth over a longer period of time and are also available at reasonable valuations to the overall markets.

We want to reassure the investors, that, we the fund managers of MMFS, are fully engaged in analysing the markets on a continuous basis and shall capitalize on given opportunities to the fullest benefit of the investors, and, in the meanwhile, we continue to hold around 10% - 15% surplus cash in liquid form.

TOP HOLDINGS AT NET PRESENT VALUE						
NAME	Fluorochemicals India	Polycab India	Siyaram Silk Mills	Dwarikesh Sugars	State Bank of India	Cash + Liquid Funds
% Weight	12%	10%	8%	7%	7%	
NAME	Hdfc Life	LTTS	Devyani International	ITC Ltd	Transpek Industries	
% Weight	5%	5%	5%	5%	5%	**10%**

NOTES:
1) Above Data is as on 30st September 2022
2) Top Holding Calculation is an estimate at the consolidated fund level

PORTFOLIO SUMMARY

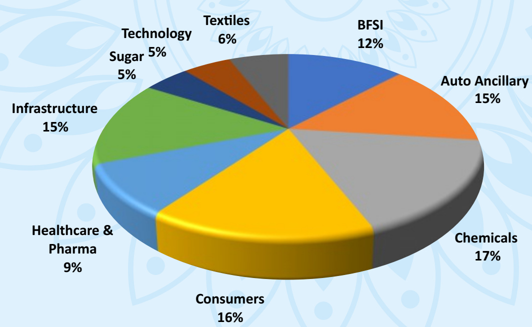
MARKET CAPITALIZATION BREAK UP		
Large Cap	> $10 Billion	20%
Mid Cap	$2 - $10 Billion	45%
Small Cap	<$2 Billion	35%
Weighted Market Cap		***INR 50,000 Crores***

PERFORMANCE REVIEW

TWRR (%)	MTD	QTD	YTD	1 Year	2 Year	3 Year	Since Inception
MMFS	**1.8%**	**11.5%**	**2.5%**	**5.5%**	**26.0%**	**21.0%**	**15.5%**
Nifty	-3.8%	8.5%	-2.2%	2.0%	23.5%	13.5%	10.0%
BSE Midcap	2.2%	14.0%	3.5%	2.0%	32.0%	18.5%	10.8%

NOTES:
1) Above Data is as on 30st September 2022
2) Inception date of MMFS portfolio is 9th August 2018 Returns as on 30th September, 2022; Returns are net of all fees and expenses.
3) Please Note : Any Performance Related information provided in this newsletter is not verified by SEBI

Portfolio Allocation Sector Wise



Shrem InvIT

MR. NITAN CHHATWAL
Chairman
Shrem InvIT

01

InvITs or REITs are a relatively new asset class in our country, but they have been quite popular globally, so how do you see Investors' response to such investment instruments for the long term?

Reply

We have interacted with various investors viz. Body Corporates, Mutual Funds, Insurance Companies, NBFCs, HNIs, Family Offices, etc while doing our Invit. We have received quite a good response from the Investors. To date, we have close to 72 investors from various sectors viz. Provident Fund, AMCs, Family Trust, NBFCs, Corporate Bodies, we see a very positive response by investors in the long term.

02

Of late, Infrastructure Investment Trust then REITs & InvITs are increasingly becoming popular terms for fundraising instruments. Would you agree to this?

Reply

Yes, we do agree with that. InvITs are becoming popular terms for fundraising instruments via both Debt & Equity. As per SEBI regulations minimum of 80% of the investment by InvIT should be in completed and revenue-generating assets. This makes investment more attractive for investors as the construction risk is eliminated to the great extent and it gives more accurate revenue visibility to the investors.

InvIT is also a preferred platform as it provides a very good corporate governance structure wherein multiple stakeholders keep watch on the operations of InvIT viz. SEBI, Trustee, Stock exchange, Lender (100% escrow to escrow routing of cash flows), Auditor, Project Authorities, Valuer, and Independent Directors (Investment Manager should have a minimum of 50% of independent Directors). This robust regulatory discipline increases the trust of investors/Lenders in InvIT. Hence the fundraising becomes easier for InvIT.

03

Why does any company choose the InvITs route for fundraising? Kindly guide our readers?

Reply

As we know InvIT can make investments only in infrastructure Projects. Infrastructure Projects have a very long gestation period for freeing up invested equity of their developer. Normally infrastructure projects have a minimum lifecycle of 15-20 years which includes construction and then operation and maintenance period. Once the project starts operation and revenue-generating then the first obligation of the developer is to serve its debt obligation and only the residual cash belongs to the developer, in this way, the developer will have to wait for at least 10-15 years to get it invested equity back.

Now InvIT provides a platform wherein the Developer can sell the project to InvIT and free up its invested equity. Also if the developer forms its InvIT then by way of periodic distribution, an investor can unlock its invested capital as SEBI regulation mandates minimum distribution of 90% of its surplus cashflows.

04 How different is Shrem InvIT from other listed players in the market?

Reply

Shrem InvIT is different from many other listed InvIT due to various reasons, some of them are as follows:

- ~ 80% of its revenue is in the form of annuities i.e. fixed periodic payments.
- Diverse Revenue Mix from HAM, Toll, Annuity, Toll + Annuity Projects.
- Seamless cash flow throughout the year with ~44 Annuity payments in a year
- Fixed-Price O&M Contracts are in place with its O&M Contractor for the entire life of all the assets.
- Being a financial investor, InvIT its group doesn't carry construction risk.
- All portfolio assets are acquired and will be acquired post-independent Due diligence, hence the risk of acquisition of a non-profitable business is very unlikely.

05 How InvIT has contributed to the company's growth?

Reply

- Low leverage at consol level due to leverage Cap as per SEBI regulation.
- InvIT has reduced its cost of the fund by consolidating debt across the SPVs and refinancing the same at the InvIT level. InvIT helped its promoter to unlock its invested capital through regular distribution.
- Consolidation of debt at the InvIT level helped InvIT to better finance its different interest rate external debt at the SPV level based on project-specific risk and returns.
- Reduction in Administrative & Operation Cost as Each SPV is having long-term Infra projects. Their follow-up was done by different lenders and third-party agencies. Bringing it under one entity has resulted in a substantial reduction in administrative and operation costs vis-a-vis resulting in an improvement in the bottom line.

06 What are the key issues and challenges for the InvITs in your space?

Reply

- The first and foremost challenge is towards more clarity on the tax structure. InvIT regulation allows 2 layer structure whereas income tax provision has no such special provision for cashflows received from underlying SPVs are transferring the same to InvIT.
- NHAI/Other infrastructure Authorities may add InvIT-specific guidelines under the concession agreement for the smooth exit of developers from the Projects.
- Income generated by InvIT on its own by investing in the surplus fund becomes taxable on its hand, which should be taken care of by the InvIT/Tax structure.
- RBI should come up with its guidelines for banks for smooth funding of InvIT in a more structured way.

?07 InvITs are called safe, high-yielding investment options; is it 100% risk-free?

Reply

Nothing comes 100% risk-free however InvIT can be considered the safest investment. Indian investors including Mutual funds, Insurance companies, Family Wealth offices, and Ultra HNI's have been active investors in this space as this is a new asset class in India. Govt of India along with InvIT stakeholders are making all the efforts to provide fiscal incentives like tax benefits and support to boost the investments in InvIT and make it a more attractive investment opportunity for Indian investors. As per the AXIS report, the last 7 years' rolling returns on Equity are 11% and on debt is 7%. Debt returns along with FD have now fallen very steeply with wholesale FD rates falling to as low as 2.5% - 3.00%. In light of these, currently, Indian investors have started warming up to the idea of an asset class that provides a steady long-term return in the range of 9-10% without carrying the equity-like risk. InvIT will provide two major advantages to India, it will give an alternate asset class for investment to the investor and secondly fund the Indian infrastructure development.

- Credit rating of InvITs and REITs in India, demonstrated the highest safety level on low debt, with a very comfortable combined debt-to-AUM ratio of less than 35 percent, whereas over 90 percent of AUM was deployed in operational assets.

?08 From a retail investor's point of view would you suggest products like InvITs or REITs as better investment options in comparison to low-yielding instruments?

Reply

Yes, Even Retail Investors can invest in InvIT/REITs and can earn superior returns as compared to traditional investments like FDs. Having said that even Retail investors should consult with some subject expert matter as not all InvIT/REITs can generate superior returns therefore knowing about the InvIT/REITs is mandatory. Also Recently SEBI has lowered the limit of investment in public listed InvITs/REITs even in single Unit.

?09 Help us understand the prospects of InvITs or REITs in India over the next five years?

Reply

The need for the adoption of such alternative mechanisms has only been further pronounced in the wake of COVID-19. On one hand, the budgetary imperatives of social sector priorities and economic stimuli limit fiscal headroom. While simultaneously, reduction in the risk appetite of private developers/ equity investors and debt financiers. limit private investment in greenfield infrastructure. This invariably necessitates innovative mechanisms, structured around mature brownfield assets, for the tapping of private sector investment. Hence InvIT provides a very good platform to Private Developers for an early exit from the completed projects. As recently the government is pushing and keeping infrastructure development as the top priority.

- Also as quoted by rating Agency Crisil,

  i. Infrastructure investment trusts and real estate investment trusts can raise ₹8 lakh crore to take their total assets under management to ₹10 lakh crore in the next five fiscals.

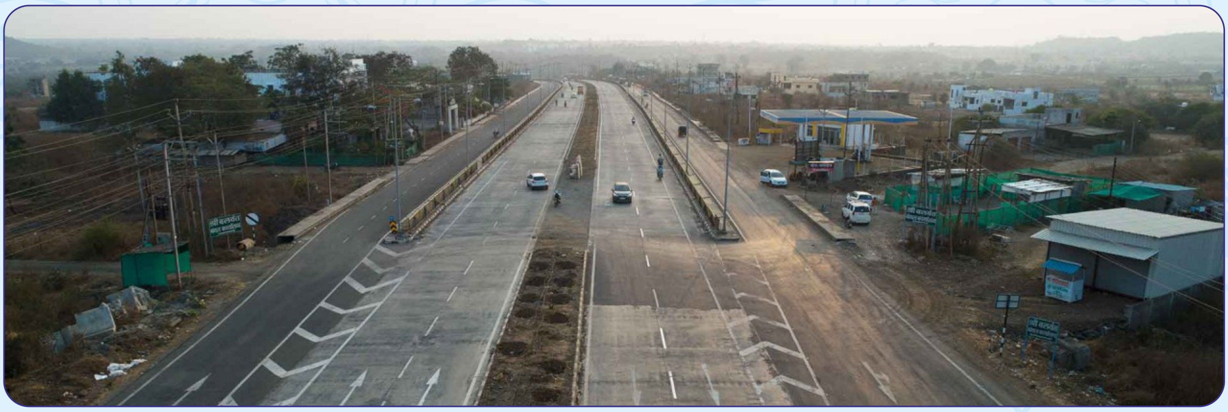
ii. Investments under InvITs and REITs can grow by another ₹8 lakh crore over the next five fiscals, driven by an enabling regulatory framework, ample availability of operational infrastructure and real estate assets, and increasing appetite from global and domestic investors looking to invest in high-yield assets," the rating agency's senior director Manish Gupta said.

iii. Regulatory support including a cap on leverage and allowing investments in operational assets, stipulating a AAA rating threshold for listed InvITs if their debt-to-AUM ratio exceeds 49 percent, and also the mandatory distribution of surplus cash will further add to the growth of InvIT/REITs.

? 10 A small brief on Shrem InvIT, business model, and outlook?

Reply

- Shrem InvIT is a Private Listed InvIT registered with the SEBI as an infrastructure investment trust under the InvIT Regulations (under Regulation 3 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014). Shrem InvIT is listed on National Stock Exchange(NSE).
- Shrem InvIT is AAA (Stable) Rated Portfolio by ICRA & India Rating (Fitch).
- Currently, Shrem InvIT is holding Investment in 24 road assets.
- Strong cash streams from the 24 fully operational and revenue-generating geographically diversified road assets were out of 24, 22 projects are annuity based which receives 44 annuities in a year.
- Diversified Revenue Mix from HAM (6 Projects), Toll (2 Projects), Annuity (6 Projects), and Toll + Annuity Projects (10 Projects).
- Continuous cash flow throughout the year with 44 Annuity payments in a year which in turn contributes 85%(approx..) of the total revenue.
- InvIT has completed its 3 distributions so far after its launch on 15th September 2021with a distribution of Rs. Rs.425.00 Crore i.e. close of Rs. 10.826 per Unit.
- InvIT has entered into a definitive agreement with DBL for the acquisition of NHAI`s 10 completed revenue-generating HAM (Hybrid Annuity Model) assets. These projects will be part of Shrem InvIT in a phased manner. These will further strengthen the portfolio of InvIT



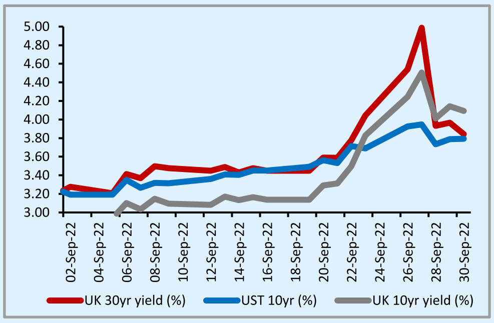
Market Insights- October 22

SBI MUTUAL FUND
A PARTNER FOR LIFE

MR. GAURAV MEHTA
CIO-Alternatives - SBI Fund Management Ltd

Long apparent vulnerabilities in global financial markets came to the forefront over the last month as the messaging from key Central Banks continued to be more aggressive with respect to bringing inflation back to targets. The 75 bps policy hike by the US FED was accompanied by a more decisive guidance with respect to the end objective with acknowledgement of the possibility of a potential rough or not so “soft landing” . Even as the FED dot plots point to policy rates staying at elevated levels through CY23, financial markets continue to anticipate a modest easing by the year end. However, over the month , the peak FED Funds rate estimate has been marked up higher in line with the FED dot plots to 4.50% by end March 23.

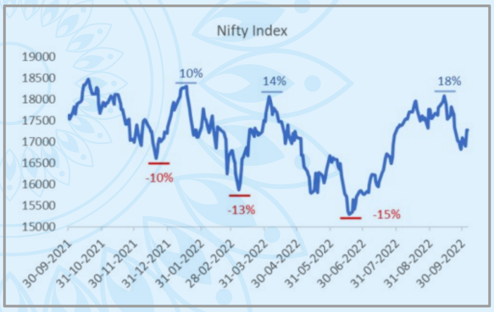
Even as Advanced Economy Central Banks continue to ratchet up the aggressive response referred to as the “ Third storm “ (after the pandemic and the geo political frictions) by the RBI Governor, the Mini Budget from the new UK Government rattled bond markets across the developed world. Institutional credibility, market liquidity & depth have apparently been touted as a given in developed markets, without much evidence to back up the same in recent times. Underfunded large tax cuts in the current context was clearly likely to rattle bond markets. That the large surge in bond yields could call into question the viability of pension funds undertaking Liability Driven Investment strategies with large derivative positions was another unknown risk that lurked in the markets. Intervention by the Bank of England through a limited period Gilt purchase program of 65bn GBP stemmed the immediate rout. Ironically BoE was scheduled to inititate its pre planned program of selling Gilts from its portfolio in the coming month. Apart from the fact that interconnected markets transmit volatility, the above episode brings out the risk of other hidden vulnerabilities as well as the overdependence on central bank intervention. As financial conditions continue to tighten driven by inflation concerns, it is quite likely that central banks could face mounting pressure to soften their stance as financial markets exhibit episodes of volatility or similar financial stability issues come to the forefront.



Source: Bloomberg, SBIMF Research

Equity:

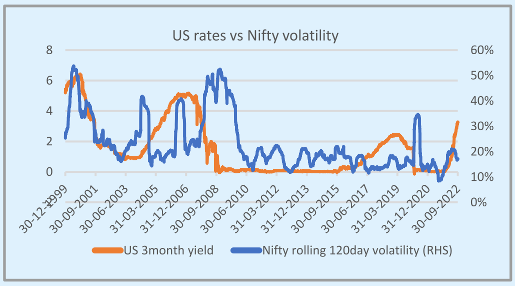
Indian equity markets finally caved in to global macro pressures and declined sharply in second half of September. For the month, the Nifty and the Sensex declined by 3.7% and 3.5% respectively. Nifty Small cap (-0.9%) and Nifty Midcap (-1.8%) declined too even as they fared better on a relative basis. On one hand India continues to be a beneficiary of the changing world order. While a lot of erstwhile strong economies are struggling to keep their place in the global economic order, countries like India are slowly and steadily moving towards capturing these slots. On the other hand, however, global macro challenges are bound to have near-term impact on India as well, and at a time when equity valuations are expensive, the tug of war is likely to continue between bulls and bears. Indeed, over the past twelve months Indian equities as measured through the movement of the Nifty or the Sensex have largely stayed flat. Yet within the broad rangebound action, the volatility has been high. We have had three instances of the index correcting over 10% with an average decline of 13%. Similarly, we have had three sharp rallies of over 10% each with an average rise of 14%.



Source: Bloomberg, SBIFM research

Indian markets have been flattish over the past year with sharp interim volatility

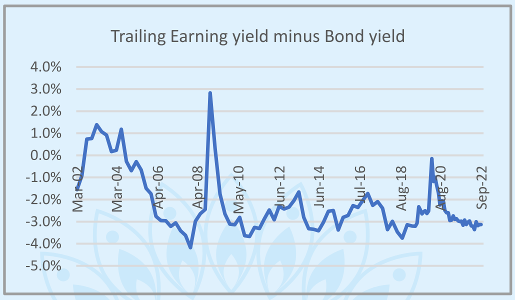
There is a good chance that this volatility continues in the near term. For one, volatility in global financial markets including Indian equities is directly proportional to the cost of global money. Nifty's volatility has moved in tandem with 3-month treasury rates in the US. With global rates likely to stay high as central banks fight inflation, volatility should stay elevated too.



Source: Bloomberg, SBIFM research

Rising global rates imply higher financial market volatility

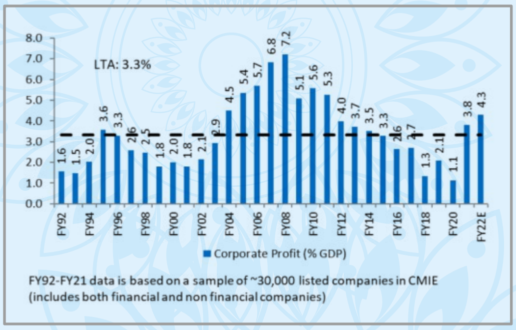
Two, our preferred valuation gauge that measures earnings yield relative to bond yields points to continued richness of Indian equities relative to bonds. This amidst a challenging global macro backdrop that poses risks to near-term earnings makes for an uncertain and volatile near term outlook.



Source: Bloomberg, SBIFM research

Equity valuations expensive given current levels of bond yields

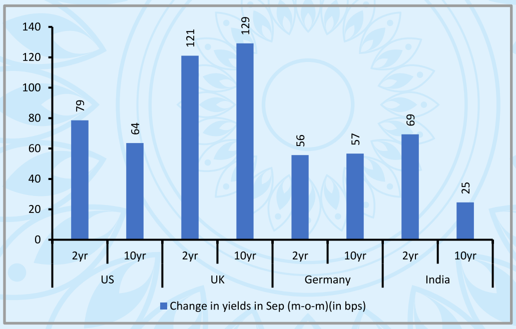
Yet the key story for Indian equities stays a longer-term uptick in corporate earnings cycle. Profits to GDP, after secularly declining from FY08 to FY20, have begun reverting higher and the trend augurs well for earnings outlook beyond the near-term challenges. Therefore, amidst the pulls and pushes of a challenging near term and promising long term, investors would do well to befriend the ensuing volatility. Neither getting too fearful on sharp dips, nor getting swayed by sharp rallies will be prudent. Preserving emotional energy and sticking to investment discipline will be key in these volatile times.



Source: CMIE Economic Outlook, Bloomberg, SBIFM Research

Beyond the near-term challenges, longer term earnings cycle in India may be looking up

Fixed Income:



Source: Bloomberg

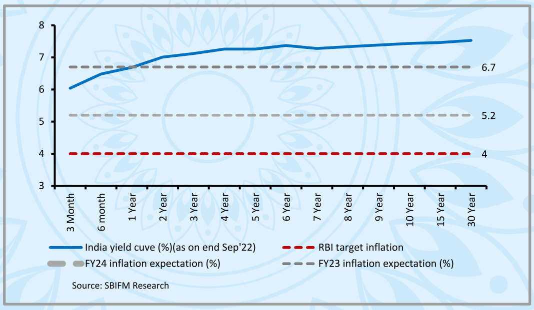
After a brief period of being disconnected with emerging realties in the global context, bond yields in India moved up over the month. The reality of continued unwinding of excess liquidity as well as emerging pressure on the currency outweighed the positives from contained crude oil prices. Over the month, markets started to reprice hopes over near term index inclusion. FTSE Russel in its scheduled review in end Sep has maintained India on Index watch. In the first week of October, the long hyped Index inclusion by JP Morgan has also failed to materialise as concerns with respect to operational issues remain. This is in line with our expectations that index inclusion in the latest review was an unlikely event and also not likely to provide any immediate flow benefits. With index inclusion hopes out of the way, over the coming months macro factors that shape the RBI policy stance and demand-supply dynamics should guide market movements.

With an additional policy rate hike of 50 bps in the September review, the RBI has cumulatively increased the policy rate by 190 bps since May22. Alongside the shift in liquidity dynamics, the effective tightening has been higher as reflected by the shift in the overnight rate and other money market segments. At the same time, the MPC vote signals a debate on the sequencing of incremental rate hikes. The influence of spillover effects from policy actions of Adavanced economy central banks has clearly had an influence even as domestic inflation dynamics warrant additional tightening. To the extent that these spillover effects could linger on for a while, the expectations surrounding our terminal rate could potentially move up marginally. The RBI has clearly articulated its intent to bring headline CPI below the 6% range and subsequently align closer to the target i.e 4%. The reference to the real policy rate based on forward looking CPI during the shift from neutral to accomodative stance in June 19 provides some guidance on the likely direction.

Seen alongside RBI's recently published research, reaching a stage of forward looking real policy rate of 1% seems more likely to signal a pause in this cycle. Providing for a reasonable margin on the FY24 expected CPI and the possibility of policy tightening moving lockstep with the FED (not in terms of magnitude) into Q1 CY23, we could potentially see the policy rate moving to around 6.40%-6.50% in this cycle. With the likely 3 quarter breach of the upper range of the CPI target band and subsequent report to the government on remedial actions, it is fair to expect that policy tightening would continue until at least headline CPI moves below 6%, which is expected to by Q1 CY23. While we expect re emphasis on the 4% target, given the expected soft patch of growth into FY24 from FY23 levels, a glide path is more likely over a 2 year period. A period of restrained reserve money growth and neutral liquidity is more likely alongside stable policy rates as the terminal rate is achieved.

In the near term, with higher inflation prints and a reasonably heavy auction calendar alongside external head winds, yields could move higher. The thesis of gradual addition to duration holds even as there could be a modest uptick in the terminal rate expectation. The broad factors underlying this are as follows:

1. "Higher for longer" remains our base case for policy rates in large Advanced economies such as US. Alongside continued balance sheet normalisation, episodes of volatility could continue with spill over effects. Expectation or hopes surrounding potential central bank pivot and pricing of rate cuts currently seem premature.
2. The RBI pivot on liquidity and policy rates has been timely and resolute. Recent commentary on anchoring inflation expectations and ensuring positive real rates provide comfort on taking a more medium term duration stance at this stage of the cycle. This needs to be seen alongside the already delivered policy tightening actions.
3. Near term challenges surrounding the evolution of CPI in coming months and external noise and spillovers, apart from domestic demand – supply dynamics warrant a gradual approach over the coming months. Spillover effects could arise largely from capital flows and resultant impact on the currency markets.
4. As we head into FY24, economic growth trajectory could influence the glidepath towards the 4% target. Hence a heavy handed approach towards the mid point is unlikely to materialise.
5. The adjustment in market rates over the recent months provide a much awaited scenario of positive real return across most tenors on the yield curve , basis expected FY24 CPI of around 5.0%- 5.50%.
6. Corporate bond spreads provide less relative value and is vulnerable to reasonable repricing as the new normal of more moderate liquidity situation plays out. Sovereign securities remain the best relative value segment currently.



Source: SBIFM Research

SAMVAT 2079

Muhurat Investment & Trading Idea's

ITC	CONCOR
Tata Motors Ltd	HFCL Ltd
Bharat Electronics Ltd	USHA MARTIN
UPL Limited	Dodla Dairy Limited
BOSCH LTD	Karnataka Bank Ltd

Investors are advised to refer through important disclosures made at the last page of the Research Report.

ITC Limited

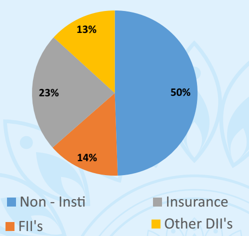
Key Data

BSE Code	500875
NSE Code	ITC
52 Week High (Rs)	349
52 Week Low (Rs)	207
Market Cap (Rs Cr)	429445
Face Value	1

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	High
Msearch View	Positive

Shareholding June 2022



Promoters/ Management

Mr. Sanjiv Puri	Chairmen & MD
Mr. Nakul Anand	ED
Mr. Sumant Bhargavan	ED
Mr. Supratim Dutta	ED & CFO

Key Ratios

PE	25.89
EPS	13.14
ROE	26.4%
ROCE	33.5%

Price Chart

Research Analyst

Rinkle Vira
rinkle.vira@mehtagroup.in
022-61507142

Prices as on 19th October 2022

ITC — Oct - 22

Industry : FMCG — **CMP Rs. 346**

Recommendation : Buy

About the Company:

ITC – A true Indian Conglomerate. ITC has a diversified presence in cigarettes, FMCG, hotels, packaging, paperboards & specialty papers and agri-business. Apart from having a near borderline monopoly in its traditional business of cigarettes, ITC is the country's leading FMCG marketer, a clear market leader in the Indian paperboard and packaging industry, a globally acknowledged pioneer in farmer empowerment through its wide-reaching agribusiness, and a pre-eminent hotelier in India - a 'Responsible Luxury' chain of hotels.

Investment Rationale:

Healthy revenue diversity: ITC has evolved from a pure tobacco company into a well-diversified business conglomerate, with a strong presence in paperboards, printing and packaging, agricultural commodities, hotels, branded packaged foods, personal care products, stationery, safety matches, agarbatti (incense sticks) and other fast-moving consumer goods (FMCGs). Cigarettes continue to remain the cash-cow with pricing supremacy. Rising contribution from high margin products like Atta, noodles, Bingo, biscuits to drive foods profitability

Strong multi-channel distribution network: Over the past 110 years, ITC has built a very strong multi-channel distribution network, which facilitates availability of its products in nearly 7 million retail outlets, was further strengthened during the year with the addition of new markets and outlets to its direct servicing base. Market and outlet coverage were stepped up to appx. 1.4x and 1.1x respectively over the previous year. Continue wide spread would help in FMCG and Cigarette distribution enhancing the volume growth with cost effective supply chain network.

Value unlocking opportunity through hotel segment: We see sharp rebound in Hotel business attaining back the pre-covid level profitability. ITC is considered as one of India's pre-eminent hospitality chains with 113 hotel properties in over 70 locations. Recovery is seen as revenue was up 41.4% over Q1 Fy20 – ARR and Occupancy ahead of pre-pandemic levels – Segment EBITDA at 180 cr. (positive swing of 268 cr. YoY; up 111 cr. over Q1 FY20) margin expansion driven by higher RevPAR, operating leverage and structural cost interventions. We believe going forward ITC is looking to unlock value in demerging its hotel business looking its growth this step could be beneficial for shareholders in medium to long term. The outlook for hotel companies is pretty decent at this point of time post Covid. ITC hotels with its brand network and a decent track record could surpass the industry competition.

Growth opportunity seen in Paperboard segments: ITC is the market leader in the paperboards segment, in India with a wide range of products. With timely investments in capacity expansion is paying off, the segment has recorded strong growth of 36% in Segment Revenue. Growth was aided by demand revival across most end-user segments, higher realisations, product mix enrichment and exports. Robust margin expansion of appx. 270 bps was achieved leveraging the integrated nature of the business model, Industry 4.0 and other digital interventions. Hence we believe going forward with diversified products and technology addition with environmental friendly approach this segment looks to be profitable.

Risk:

- Regulatory risks in the cigarette business

MView:

We believe ITC has a strong business product profile due to its presence in diverse businesses with dominant position in the cigarette market followed by FMCG and hotel business and strong sustainable profitability from many decades. We are also confident in this Indian Conglomerate on the back of its legacy of giving out High Dividend yields to its shareholders. We expect this trend to continue with improved Cigarette volumes and earnings visibility over the medium-term. Therefore, given the brand value that ITC possess it is the must have stock in one's portfolio to enjoy the growth trajectory available at attractive valuations for future growth. Hence, considering the long term rationales and growth prospects, we recommend investors to accumulate ITC on every dip with a 4-5 years' time horizon which could deliver 20% CAGR return.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	49272	60668	72802
EBITDA	17009	20679	27503
EBITA Margin (%)	34.52%	34.09%	33.00%
PAT	13161	15242	17556
PAT Margin (%)	26.71%	25.12%	24.11%
EPS	10.69	12.37	14.16

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A MAGAZINE
October 2022 / Volume : 14 / Issue : 14

SAMVAT 2079 - Passenger Cars & Utility Vehicles

TATA MOTORS

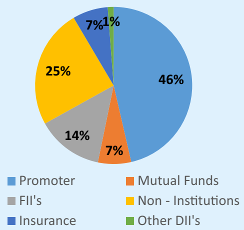
Key Data

BSE Code	500570
NSE Code	TATAMOTORS
52 Week High (Rs)	536
52 Week Low (Rs)	366
Market Cap (Rs Cr)	133448
Face Value	2

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Low
Msearch View	Positive

Shareholding June 2022



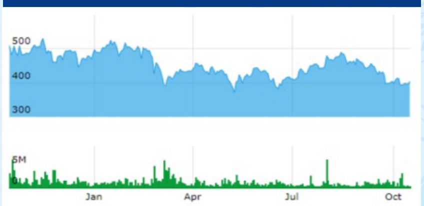
Promoters/ Management

Mr. Girish Wagh	ED
Mr. P B Balaji	CFO
Mr. Rajendra Petkar	CTO
Mr. Shailesh Chandra	MD -TPEL

Key Ratios

PE	-
EPS	-
ROE	-
ROCE	-

Price Chart



Research Analyst

Yash Kukreja
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022-61507197

Prices as on 19th October 2022

Tata Motors Ltd — Oct - 22

Industry : Passenger Cars & Utility Vehicles — **CMP Rs. 402**

Recommendation : Buy

About the Company:

Tata Motors Limited (TML) is a leading global automobile manufacturer of cars, utility vehicles, pick-ups, trucks and buses. It is a market leader in commercial vehicles segment with a market share of 42.5% and amongst the top four in the passenger vehicles segment with a market share of 14.3% in the Indian market. It has presence in more than 125 countries and strong global network of 134 subsidiaries, associate companies and joint ventures. TML has Jaguar Land Rover in the UK and Tata Daewoo in South Korea which specialises in manufacturing premium cars, and Land Rover, specialising in premium sports utility vehicles. In the FY2022, Tata motors hive off the PV unit into a separate subsidiary and passenger electric mobility business – TPEML (Tata Passenger Electric Mobility Business) which will be involved into manufacturing of electric vehicles.

Investment Rationale:

Strong Ecosystem from TATA group to boost EV segment: Tata group has formed an ecosystem which will be beneficial for Tata motors in the long run as Tata power is the leading player in the EV charging space, Tata Elxsi could help for driving advanced research and product development with respect to ADAS system and connected car tech, Tata Chemicals as technical partner for evaluating establishment of Lithium- ion cell manufacturing plant, Tata Autocomp as operating facility for battery assembly for Nixon and Tigor and Tata Motors Finance as it can provide structured solution for fleet buyers to drive EV adoption including subscription and leasing facilities.

Dominant market position in the CV business: Tata motors is the market leader in the CV segment and offers a broad portfolio of automotive products, including light, medium and heavy commercial vehicles both in goods carrier and passenger carrier varieties with a market share of 42.5% in the Q1 of FY23. Tata motors had unveiled LCHV – Ace light (Electric) in May this fiscal and the company had bagged order of 39k units from aggregators like Amazon, Flipkart and Big basket and have started delivering from October 2022 which has helped the company to enter into EV-CV space.

Market leadership in the EV space and improving market share in the PV segment: Tata motors is the market leader in the EV space with a market share of 87% in FY2022 and 88% in Q1FY23 as they have robust product portfolio and recently, they have launched Tata Tiago EV which is the most affordable EV car in the world with a starting price of Rs 8.50 lakh. Tata motors have gained a significant market share in the PV segment in the last 3 years from 4.8% in FY20 to 12.1% in FY22. Currently, it stands at 14.3% in Q1FY23 with the revival of the product lifecycle.

Global Presence & strong order book in the premium and luxury automobile segment: Tata motors has both the iconic brands -Jaguar and Land Rover which are known for its rich heritage in the premium luxury segment. It has an order book of 200k units and the new launches New Range Rover, New Range Rover Sport consists of 60% of these orders and rest 40% orders are for different jaguar cars. The company is looking to modernise the brand, scale-down loss-making sedans and make it all-electric from 2025 and with frequent refreshes and new product launches in the Land Rover segment, TML would continue to maintain its niche position in the global auto market.

Risk:

- Operating across the globe and volatility relating to forex rates could impact its profitability
- Ongoing Geopolitical risks will adversely impact the revenue of the company.
- Sluggish macro-economic environment in India can impact the highly cyclical domestic CV industry.

MView:

We believe TML to perform better than the industry focusing more on EV segment with no less than 10 new electric cars over the next five years to maintain and increase their market share in the EV space, turnaround of JLR with a sharp recovery of 30-35% rise in JLR volume is projected for fiscal 2023, on the expectation of improvement in semiconductor supply. Overall demand remains strong with an order book at over 200k units strong which unclouds the future earnings of the company. Hence, considering the long term rationales and growth prospects, we recommend investors to accumulate TML on every dip with a 2-3 years' time horizon which could deliver 20-25% CAGR return.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	2,49,795	2,78,454	3,34,144
EBITDA	17,817	23,980	33,414
EBITA Margin (%)	7.13%	8.61%	10.00%
PAT	-13451	-11,441	2,299
PAT Margin (%)	-5.38%	-4.11%	0.69%
EPS	-35.13	-29.34	6.92

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS

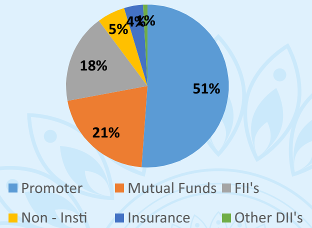
Key Data

BSE Code	500049
NSE Code	BEL
52 Week High (Rs)	115
52 Week Low (Rs)	61
Market Cap (Rs Cr)	77410
Face Value	1

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Low
Msearch View	Positive

Shareholding June 2022



Promoters/ Management

Mr. Anandi Ramalingam	Chairperson
Mr. Vinay Kumar Katyal	ED
Mr. Dinesh Kumar Batra	ED
Mr. Rajasekhar Matukumalli	ED

Key Ratios

PE	27.97
EPS	3.79
ROE	23.1%
ROCE	27.8%

Price Chart

Research Analyst

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022-61507123

Prices as on 19th October 2022

Bharat Electronics Ltd — Oct - 22

Industry : Aerospace & defense — **CMP Rs. 105**

Recommendation : Buy

About the Company:

Bharat Electronics Ltd (BEL) is a globally recognised electronic player and a Navratna company with multi product, multi-technology company operating in strategic electronics in defence & non-defence segments with over six decade of executing experience. It is been the key player in the Indian Defence segment, and have a growing presence in the civilian and export segment. BEL's Capabilities is in designing, developing, manufacturing and supplying a wide range of strategic electronic products/systems. BEL's diverse product range including radar, missile systems, electronic warfare & avionics, anti-submarine warfare, electro-optics, homeland security, civilian products, etc. It is also recognised 56th among top 100 Companies Worldwide in Defence Revenue (Defence News Top 100, Year 2021)

Investment Rationale:

High revenue visibility on strong order book and healthy pipeline: Encouraging govt policies towards boosting indigenization products through the Atmanirbhar Bharat initiative supports the optimistic outlook on BEL's growth. With order book totalling to Rs 55,800 Cr as on Sept 2022 which gives almost 4x revenue visibility and we further expect the order momentum to continue going forward.

Competitive advantage due to high entry barriers: BEL continues to enjoy advantage over its competitors due to high entry barriers followed by its dominant market position, proven track record for executing high strategic projects in association with the Indian armed forces, with established infrastructure and manufacturing facilities, along with strong R&D capabilities.

Actively exploring opportunities in the non-defence space: Being leading player in missile systems, naval equipment and radar systems in defence segment BEL is also exploring into non-defence segments to de-risk the single segment dependency. Segments is which BEL has already bagged opportunities in Medical Electronics (ventilators), Solar & Space Electronics, cyber security, Railways & Metro Solutions and developing Smart Cities across India, BEL is mow looking to increase its share of non-defence revenues from currently 10 % of its total revenue to 25-30% over the next few years, and we believe this business diversification efforts would drive medium to long term revenue growth more the CAGR 15-20% YoY.

Atmanirbhar Bharat initiative to drive future growth: India being the third-largest military spending country globally and has accounted for almost ~3.7% of global military spending and India has been among the top importers of defence equipment for many years. In last 4-5 years India is undergoing major reforms though Atmanirbhar Bharat initiatives strengthening the nation's defence prowess by reducing dependence on imports. In this govt drive, BEL has significantly contributed its efforts to reduced India's reliance on imports through manufacturing indigenous design and defence equipment which were majoring imported. As per industry reports Indian government has set an ambitious defence production target at US$25 Bn by 2025 (including US$5 Bn from exports by 2025) which means companies like Bharat Electronics Ltd (BEL), Hindustan Aeronautics Limited (HAL) and few more would get healthy pipeline orders going forward.

Risk:

- Dependence on government contracts as Over 90% of its revenue comes from the government's defence orders.
- Working capital intensive nature of operations

MView:

We believe BEL would play a major role in the successful execution of the government's Make in India and Atmanirbhar Bharat initiatives. We also think that global tie-ups would open up tremendous export opportunities for components sourcing from India and with focus on growing non-defence segments bodes well for BEL to reduce segment dependency in next 2-3 years would be great diversification to de-risk the business model. Hence considering the investment rationales like robust order book along with healthy order prospects, potential export opportunities, diversifying revenue stream, and strong financial profile with healthy profitability and low leverage, we recommend investors to accumulate BEL for medium to long term horizon assuming it would deliver 15-20% CAGR return on investment for 2-3 years.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	14109	15368	17212
EBITDA	3214	3344	3787
EBITA Margin (%)	22.78%	21.76%	22.00%
PAT	2065	2349	2582
PAT Margin (%)	14.64%	15.28%	15.00%
EPS	8.62	9.85	3.53

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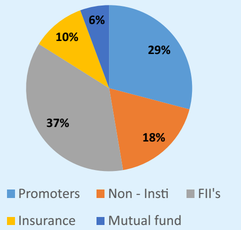
Key Data

BSE Code	512070
NSE Code	UPL
52 Week High (Rs)	848
52 Week Low (Rs)	607
Market Cap (Rs Cr)	51706
Face Value	2

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Moderate
Msearch View	Positive

Shareholding June 2022



Promoters/ Management

Mr. Rajnikant Shroff	Chairman & MD
Mr. Jai Shroff	Group CEO
Mr. Vikram Shroff	Director

Key Ratios

PE	37.02
EPS	45.18
ROE	16.9%
ROCE	17.4%

Price Chart

Research Analyst

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022-61507142

Prices as on 19th October 2022

UPL Limited — Oct - 22

Industry : Pesticides & Agrochemicals — **CMP Rs. 676**

Recommendation : Buy

About the Company:

UPL Limited, formerly United Phosphorus, is a global post-patent agrochemical company. UPL is a provider of an integrated portfolio of agriculture solutions, including seeds, conventional crop protection products, BioSolutions, post-harvest products, physical and digital services throughout the food value chain. It enables company to create and enhance sustainable food systems and makes them a leader in the agri-solutions space. The company is focused on helping farmers maximise their yields, optimise costs and enhance their resilience against climate risks. UPL also has a captive power plant with a generating capacity of 48.5 MW. UPL's envision is to capture over 80% of the market by investment in 22 countries and most importantly, increasing penetration across geographies, crops & its related segments.

Investment Rationale:

Drivers for accelerated sustainable growth -

a) NPP solution market leader- UPL is no.1 BioSolutions with ambition to grow at 20% CAGR, outperforming the market. Currently ~ 8% of total (crop protection) CP sales ($412m) in FY22 at higher contribution margins

b) UPL focuses on solving farmer resilience through integrated digital solutions with nuture.farm. Till now UPL has successfully onboarded over 1.5 million farmers. Within the next 3 years, it plans to serve over 40 million acres, with over 6 million farmers and 300,000 retailers on boarded.

c) The company envision to capture over 80% of the market by investment in 22 countries. UPL prioritize the opportunities to address unmet needs of farmers and expanding presence in untapped segments for which it has designed 96 accretive strategic initiatives, which are in the execution phase.

d) UPL's adapted ProNutiva strategy in India which combines targeted conventional crop protection and biosolutions for increased crop and soil health, continues to see rapid traction in FY 2022, which has improved yields and incomes. ProNutiva constitutes ~8% of total revenue in India expected to grow to ~10% in FY 2023.

Leveraging the key strength for post patent and off-patent products : UPL has been the front runner in manufacturing proprietary off-patent & specialty products, deep marketing reach and R&D capabilities. Post-patent is another area of strength, contributing close to approx. 70% of their topline currently. Over the past 2 years, UPL has launched more than 80 products in the market. Growth in off-patent products was largely driven by increased pricing, growth in their differentiated and sustainable products was driven by higher volumes, which helped increased adoption by farmers across the world. UPL is aiming to change its current product mix of post patented (70%) and sustainable & differentiated products (30%) to 50:50 in future, which will improve its margin profile as sustainable & differentiated products have higher margins.

Backward Integration providing competitive edge in supply chain: UPL strength lies in the backward integrated model for key Active Ingredients (AI) and strategically located formulation sites along with a well-diversified global raw material sourcing that provides a competitive edge in supply chain as well as reliability to their customers. UPL strategic tie-ups with partners for custom manufacturing of AIs which enables to further diversify the sourcing and reduce import dependence. Approx 72% are manufactured in- house which helps reducing logistics costs.

Risk:

- The crop-protection sector remains susceptible to various environmental rules and regulations in different countries.
- Fluctuations in the foreign currency

MView:

We believe that, UPL is well-placed to capitalize on the evolving opportunities in agro-chemical space over the long-term on account of market share gains, increasing contribution of high margin bio-solutions business, expanding geographical presence via diverse acquisitions. Success in its debt reduction plan and keeping its rating at investment grade by bringing Net Debt/EBITDA below 2x, will drive re-rating for the stock. The management has also given strong guidance to maintain healthy growth both in topline as well as margin, With ROCE of 15% in last financial year management has shown confidence in rising it by 125-200 bps in the coming years. Therefore, we are confident on UPL and recommend investors to Buy for medium- long term perspective.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	38694	46240	52020
EBITDA	8114	9205	11138
EBITA Margin (%)	20.97%	19.91%	21.00%
PAT	2871	3626	4210
PAT Margin (%)	7.42%	7.84%	8.09%
EPS	37.53	47.4	56.09

SAMVAT 2079 - Auto Components & Equipments

BOSCH

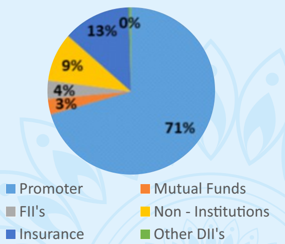
Key Data

BSE Code	500530
NSE Code	BOSCHLTD
52 Week High (Rs)	19244
52 Week Low (Rs)	12940
Market Cap (Rs Cr)	46355
Face Value	10

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Low
Msearch View	Positive

Shareholding June 2022



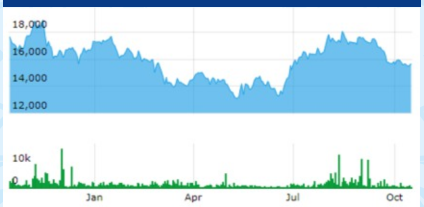
Promoters/ Management

Mr. Markus Bamberger	Chairperson
Mr. Soumitra Bhattacharya	MD
Mr. Guruprasad Mudlapur	ED
Mr. Sandeep Nelamangala	ED

Key Ratios

PE	35.77
EPS	437.92
ROE	12.1%
ROCE	14.9%

Price Chart



Research Analyst

Yash Kukreja
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022-61507197

Prices as on 19th October 2022

BOSCH LTD — Oct - 22

Industry : Auto Components & Equipments — **CMP Rs. 15717**

Recommendation : Buy

About the Company:

Bosch Ltd is the flagship company of The Bosch Group in India, which operates through 12 companies catering to different verticals. Bosch Ltd. is the only listed subsidiary globally of parent Robert Bosch, which holds a 70.5% stake. In India, Bosch set-up its manufacturing operation in 1951, which has grown over the years to include 16 manufacturing sites, and seven development and application centers. It is a leading supplier of technology and services in the areas of Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology.

Investment Rationale:

Clean Balance Sheet and CAPEX on cards: Bosch Limited will invest more than INR 200 crore in India in the next five years in advanced automotive technologies and in the digital mobility space. The company is net debt free company and has a robust cash book to fund its capex plans.

Low penetration in EV to aid long term growth: As far as Electric -2Ws are concerned, the company has full portfolio from motors, power electronics, battery system etc. It has been in the first generation products of several OEMs and also working with new OEMs. For strong hybrid for PVs, it has full array of product range for this technology, and is offering it to several OEMs in India and globally. Bosch has incremental role to play in e-mobility space along with new age technologies like flex fuels, fuel cells with apt support from the parent.

Pickup in aftermarket business: Automotive Aftermarket segment surpassed its peak revenues with a growth of 61% due to increase in sales of diesel components, spark plugs and filters. To improve their margins, the company is planning to increase the share of aftermarket sales from present levels of 20% to 25%.

Derisking from diesel to new-age automobile product segment: Historically, Bosch has been the leader in the diesel segment powertrain which the company now has a plan to become no. 1 provider of products and solutions in the diversified powertrain sector ranging from gasoline and diesel injection to electrified drives with battery and fuel cell technologies. For diesel systems, the division is developing even more fuel-efficient and eco-friendly injection systems for applications ranging from passenger cars and commercial vehicles of all kinds to industrial power-generation units.

Risk:

- About 85% of the business is dependent on the auto sector.
- Operates in a highly competitive environment due to which it is exposed to risks of pricing pressures.

MView:

We believe Bosch is well placed to do well with the revival in the automobile industry, easing supply chain issues and semi-conductor issue as it has basket of products for E-2w and 3w and has full array of products for PV and CV segment. Along with the segment growth it has a sound order book (with OEMs) and better outlook for aftermarket segment gives them a healthy revenue visibility going forward. As far as non-auto business is concerned company is focusing on two approaches - fit for the market' products and solutions and plans to increase its 'go to the market' footprint, using both offline and digital platforms. Considering all this, we expect BOSCH to perform as EV penetration goes up and it provides advanced automotive technologies in the digital mobility space. Hence, we recommend investors to accumulate BOSCH on every dip for next 2-3 years which can deliver 12-15% CAGR return.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	9,716	11,782	14,138
EBITDA	1,160	1,457	1,784
EBITA Margin (%)	11.94%	12.37%	12.62%
PAT	482	1,218	1,337
PAT Margin (%)	4.96%	10.34%	9.46%
EPS	163.39	412.88	453.22

Investors are advised to refer through important disclosures made at the last page of the Research Report.

कॉनकॉर
CONCOR

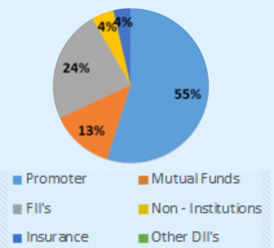
Key Data

BSE Code	531344
NSE Code	CONCOR
52 Week High (Rs)	781
52 Week Low (Rs)	554
Market Cap (Rs Cr)	46933
Face Value	5

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Low
Msearch View	Positive

Shareholding June 2022



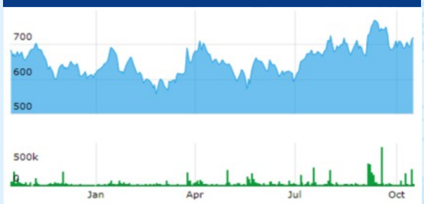
Promoters/ Management

Mr. V Kalyana Rama	Chairperson
Mr. Pradip K Agrawal	ED
Mr. Sanjay Swarup	ED
Mr. Manoj Kumar Dubey	ED

Key Ratios

PE	39.99
EPS	18.03
ROE	10.2%
ROCE	13.9%

Price Chart



Research Analyst

Prashanth Tapse
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022-61507123

Prices as on 19th October 2022

Container Corporation Of India Ltd. (CONCOR) Oct - 22

Industry : Logistics Solution Provider **CMP Rs. 770**

Recommendation : Buy

About the Company:

Container Corporation Of India Ltd. (CONCOR) is an undisputed market leader and a Navratna company under the ownership of Indian Railways engaged in the business of providing inland transportation of containers by rail having the largest network of 61 ICDs/CFSs in India (59 terminals and 2 strategic tie-ups). In addition to providing inland transport by rail for containers, it has also expanded to cover management of Ports, air cargo complexes and establishing cold-chains. CONCOR operates in both EXIM and Domestic divisions engaged in handling, transportation and warehousing activities. Revenue from rail transportation comprised almost 75% of total revenues (rest 4% by road, 13% via handling income, 2% warehousing and 4% others).

Investment Rationale:

Leadership position with strategically located infrastructure: as on date CONCOR is the dominant player in the CTO business with almost 65% market share with ~61 terminals operational. Along with this infrastructure it has movable asset which includes ~15,500+ Container Wagons, ~37,861 Containers, 14 Gantry Cranes and 111 Reach Stakers. We believe due to its pan-India presence with strategically located infrastructure would act as a competitive advantage despite new players entering the business segment. Govt being the largest shareholder would also be benefiting the business in easy approvals and expansions.

Roll-out of the dedicated freight corridor should boost volumes for container train operators: We believe with dedicated freight corridor (DFC) getting operational in phases, CONCOR would be one of the biggest beneficiaries as the market share of rail would gradually increase as Govt wants to shift share of road transport Since rail transport is ~30-40% cheaper than road. CONCOR is also moving from single stack to double stack operations to bring world class efficiency in its services with higher load capacities as well as reduced turnaround time and eventually CONCOR can see incremental volume growth as well as expect margins to stay strong and grow going forward.

Speeding up its divestment process: As per media reports Govt may invite EoIs for CONCOR strategic sale in Q3 of FY23 and with recent amendment to the Railway Land Policy is likely to attract private investors to buy the government's stake in the private sector enterprise, thereby speeding up its divestment process. It is largely believed to be because of the Cabinet clearing a favourable railway land-lease policy. Freight operators such as Concor use railway land to park containers. The operators have been paying 6% of the market value of the land as a fee for the facility used for parking, now the draft cleared by the Cabinet would reduces this cost to 1.5% and also extends the leasing term to 35 years from the existing 5 years benefiting CONCOR business model.

Expect healthy containerised cargo growth in India: We believe containerised cargo movement in India is significantly below the global average and with the Indian economy expanding and targeting for $5 trillion from $3 trillion would boost up cargo movement going forward in the medium to long-term. The development of the DFC is expected to provide impetus to containerised cargo movement in the country.

Risk:

- Global trade restrictions due to geopolitical issues
- Delay in divestment plan
- Rising competition from private players

MView:

We believe CONCOR remains a structural growth story that would play a essential role in the raising economic growth and changing Indian logistics landscape. We expect that the company will get benefits from the strong parent (GoI holds a 54.8% stake), strong market share with strategically located infrastructure and along this successful operationalization of Dedicated Freight Corridor(DFC) would help increase in market share of Rail freight to which CONCOR is one of the largest beneficiary. Hence considering the long term investment rationales, we remain positive on the long term growth prospects on the stock and recommend investor to accumulate on every dip with 2-3 years time horizon which could deliver 15-20% CAGR return.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
evenue from Operations	6525	7770	9025
EBITDA	1270	2019	2256
EBITA Margin (%)	19.47%	25.98%	25.00%
PAT	501	1052	1387
PAT Margin (%)	7.67%	13.54%	15.37%
EPS	8.22	17.27	22.78

HFCL LIMITED

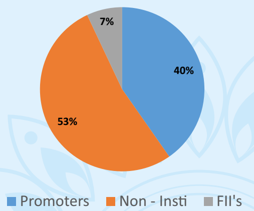
Key Data

BSE Code	500183
NSE Code	HFCL
52 Week High (Rs)	101
52 Week Low (Rs)	55
Market Cap (Rs Cr)	10443
Face Value	1

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Low
Msearch View	Positive

Shareholding June 2022



Promoters/ Management

Mr. Mahendra Nahata	MD
Mr. SK Garg	ED
Mr. V R Jain	CFO

Key Ratios

PE	41.59
EPS	1.82
ROE	9.3%
ROCE	17.1%

Price Chart

Research Analyst

Rinkle Vira
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022-61507142

Prices as on 19th October 2022

HFCL Ltd (Himachal Futuristic Communications Limited) Oct - 22

Industry : Telecom Infrastructure **CMP Rs. 75**

Recommendation : Buy

About the Company:

HFCL Ltd (Himachal Futuristic Communications Limited) is a leading diversified telecom infrastructure and equipment manufacturer. HFCL is the No.1 Optical Fibre Cable (OFC) supplier in India with large market share and it is one of the largest implementer of defence and public communication network. It offers a wide range of next-generation communication products and integrated solutions to diverse sectors including telecom, defence and railways in India and abroad. Revenue contribution from Public Telecommunication (79%), Defence Communication (19%) and Railway Communication (2%). Their manufacturing facilities are located at Solan in Himachal Pradesh Salcete in Goa and New Delhi.

Investment Rationale:

Well-positioned to capitalise on the 5G opportunities : In partnership with Qualcomm, HFCL will foray into a design and development agreement for 5G Outdoor Small Cell devices in line with its 5G plan. For 5G rollout, HFCL is investing around Rs 400 crore for the manufacturing of telecom equipment. 5G spectrum prices will help in fuelling growth in the telecom industry. Healthy telecom revenues will further feed into continued network expansion which would in return enhance company's profitability as it is the leading manufacturer of optical fibre cables and a reliable communication network solutions provider.

Capacity Expansion: HFCL is in the process of increasing its optical fibre (OF) manufacturing capacity 10 million fibre kilometres (mn fkm) to 22 mn fkm and optical fibre cable to 34.75 mn fkm from 23.4 mn fkm. These expansions are likely to be completed by FY 24. This would help to bridge the gap between the growing fibre demand and cable capacity. It would also strengthen the supply chain and increase the Company's margins post operations.

Growing demand for optical fibre cable networks: HFCL is one of the few companies in India that has completed the deployment of 7,843 km of OFC Network in Punjab and 7,733 km in Jharkhand for the BharatNet Phase II project. There is plenty of room for expansion in India, as the tower fiberisation as of March 2022 it stood only 33%. As a result, demand for optical fibre cable networks and related solutions has increased significantly and is expected to continue in the coming years. 5G rollout in metros, 4G expansion in remote areas, FTTH/broadband penetration and BharatNet are expected to be an Rs 3.0 lakh cr opportunity in the OFC space

Marquee network projects under implementation: HFCL has received order worth Rs 1519 cr under Public Telecommunication- to roll out backbone and backhaul Optical fibre Cable & FTTH Network for Reliance Jio across Northern India. Along with it order pipe line consists of Multiple hybrid projects for BharatNet Phase-II OFC network, setting up Rural mobile network, WiFi, IP and MW network. Under Defence communication the company has bagged Order book worth Rs 2354 cr aiding growth in defence segment. The strengthening of order would help HFCL is producing healthy revenue followed by rewarding margins. HFCL has high scope of focusing towards export market in Optical fiber wherein it has 95% demand. With the increase in revenues and equipment orders, the order book will also keep on extending, and we could see 15-20% growth every year.

Risk:

- Any failure in scaling up telecom business due to any micro or macro hurdles, revenue and profitability could be affected.
- If there are disruptions in the roll out of 5G networks, growth of the company could get delayed.

MView:

HFCL being in diversified verticals has vast growth opportunities across the telecom, Defence and railway segment. These verticals are expected to improve business opportunities for HFCL and de-risk the overall business model. In addition, both telecom equipment and defence electronics are high-margin businesses (more than 14% EBIT margin), compared to OFC (11-12% EBIT margin). Hence, an increase in revenue share from new verticals like 5G plan roll out could improve the operating profitability and cash flow of the company. Considering the investment rationales, we recommend investors to accumulate HFCL with multi-bagger approach for 2-3 years.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	4422	4727	5058
EBITDA	553	564	637
EBITA Margin (%)	12.51%	11.93%	13.00%
PAT	239	313	360
PAT Margin (%)	5.40%	6.62%	7.12%
EPS	2.28	1.86	2.61

Investors are advised to refer through important disclosures made at the last page of the Research Report.

usha martin

USHA MARTIN — Oct - 22

Industry : Iron and Steel Products — **CMP Rs. 133**

Recommendation : Buy

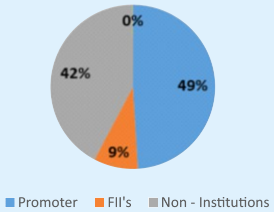
Key Data

BSE Code	517146
NSE Code	USHAMART
52 Week High (Rs)	164
52 Week Low (Rs)	81
Market Cap (Rs Cr)	4077
Face Value	1

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

Shareholding June 2022



Promoters/ Management

Mr Rajeev Jhawar	ED & MD
Mr Dhruv Jyoti Basu	ED
Mr Devadip Bhowmik	ED

Key Ratios

PE	18.00
EPS	7.56
ROE	24.9%
ROCE	27.2%

Price Chart

Research Analyst

Prashanth Tapse
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022-61507123

Prices as on 19th October 2022

About the Company:

Kolkata-based Usha Martin Ltd (UML)is a leading global manufacturer of wire ropes established in the year 1960 with world's largest wire rope manufacturing units at Ranchi(186,000TPA). Usha Martin has grown from strength to strength to establish itself as the market leader with its multi-unit and multi-product portfolio. UML primarily engaged in manufacture and sale of steel wires, strands, wire ropes, cords, related accessories, etc. It is also involved in sale of other products such as wire drawing and allied machines. It has manufacturing facilities in Ranchi, Hoshiarpur(48,000TPA), Thailand (36,000TPA),Dubai(15,000TPA), Bangkok and UK(11,500TPA) produce the widest range of wire ropes that find application in various industries across the world.

Investment Rationale:

Leading and DiversifiedPlayer in the Wire and Wire Rope Business: Being a market leader in the Indian wire and wire rope space it is also among the top five leading manufacturers globally with diversified end-user industries like elevators, mining, container port cranes, fishing, construction, among others – with a considerable market share in each industry. UML has two manufacturing plants in India and three overseas through its foreign subsidiaries.

Value-added Products to drive future growth: After exiting steel division to Tata Group, UML became largely manufacturer of high margin value-added wire and wire rope products. Now all the wire ropes manufactured are customised products as per consumers' needs and requirements, hence we believe UML would command higher and more stable realisations than volatile commodity products and eventually maintain and increase market share.

Secured raw material supply ensured: Post the sale of its steel division Tata Group, UML' procures raw material wire rods from the open markets and along with this dusting the slump sale UML has entered into arrangement for the supply of 100,000TPA of wire rods from the Jamshedpur unit up to FY24, which ensures raw material availability for around 50% of the requirement and rest from local players. UML work process is now majorly shifted to order based work order in which UML has ability to pass on raw material price volatility and gain stable and improved operating margins.

Subsidiaries & Joint Ventures next growth engines: We believe UML is becoming a locally global organisation with international subsidiaries & JV's providing significant synergy and support to the overall business and performance. Share of revenue from international sales51% with 15 global distribution centres including Channel Partners and Share of Domestic Sales is around 49% with 19 Distribution centres including Channel Partners.

Focused capex program across product segments - UML is undertaking debottle necking, modernisation, upgradation and capacity enhancement of the plant at Ranchi, Jharkhand which shall enhance its overall capacity by 25% to 233,000 tonnes per annum (TPA) by FY25 funded with internal accruals. The capacity expansion plan also includes adding new high-value, high-margin niche products to UML's portfolio, having a significant demand in the export market. Thus, the expanded capacities shall be more EBITDA accretive than the existing operations once fully operational.

Risk:

- Volatile commodity prices
- Risk of Contingent Liabilityon account of disputed tax and duty
- Promoters pledge 53.8% of their holding

MView:

We believe Usha martin has a Multibagger story on the back of increased focus on improving the company's product mix towards a more value-added portfolio in India as well as in the international markets. With ongoing capex plan UML's future growth would be driven by new potential high-margin value-added products which could eventually contribute more to EBITDA with enhanced facilities reaching optimal capacity utilisation post expansion. Hence considering the investment rationales like Diversified player in wire, Export focused and potential growth driven by high-margin value added products and improved financial profile followed by low leverage, we recommend investors to accumulate UML for medium to long term horizon assuming it would deliver 20-25% CAGR return on investment for 2-3 years.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	2,097	2,688	3,494.49
EBITDA	279	384	559
EBITA Margin (%)	13.30%	14.27%	16.00%
PAT	150	291	402
PAT Margin (%)	7.13%	10.84%	11.50%
EPS	4.91	9.54	13.19

MEHTA SINCE 1995

October 2022 / Volume : 14 / Issue : 14

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A MAGAZINE

SAMVAT 2079 - Dairy products

DODLA DAIRY

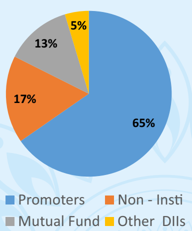
Key Data

BSE Code	543306
NSE Code	DODLA
52 Week High (Rs)	672
52 Week Low (Rs)	385
Market Cap (Rs Cr)	2956
Face Value	10

Industry Snapshot

Customers	Open
Market Presence	Global
Govt Regulations	Low
Msearch View	Positive

Shareholding June 2022



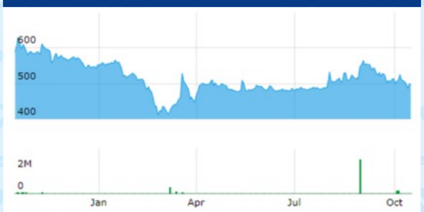
Promoters/ Management

Mr. Dodla Sesha Reddy	Chairman
Mr. Dodla Sunil Reddy	MD
Mr. Madhusudhana Reddy	WT Director

Key Ratios

PE	22.87
EPS	21.81
ROE	16.5%
ROCE	23.1%

Price Chart



Research Analyst

Rinkle Vira
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022-61507142

Prices as on 19th October 2022

Dodla Dairy Limited (DDL) — Oct - 22

Industry : Dairy products — **CMP Rs. 497**

Recommendation : Buy

About the Company:

Commenced its production in the year 1998, Dodla Dairy Limited (DDL) is a leading private dairy also being the 3rd largest milk procurement network in South India. The Company is also having overseas operations in Uganda, Kenya. DDL has its strategies & operations for creating value across the dairy value chain. While the core business is dairy processing in liquid milk and value added products (VAP) like curd, ultra-high temperature processed milk, ghee, butter, flavoured milk & ice cream among other.

Investment Rationale:

Integrated business with procurement, distribution capabilities : The Company has as strong integrated value chain consisting of procurement, processing, distribution & marketing operations which resulted in in strong volume growth in milk and VAP. Up till now DDL has accomplished procurement of raw milk from approx. 1.2 lakh farmers across 8,000+ villages through 7,900+ Village level collection centres (VLCCs) and third parties. This milk processing operation is spread across 13 plants in south India with an installed capacity of 1.70 Mn litres per day. Its distribution network consists of 40 sales offices, 3,285 distribution agents, 861 milk distributors and 544 milk product distributors further envision to spread its visibility beyond southern territory.

Strong Value added portfolio (VAP) portfolio: Dodla Dairy is investing heavily in expanding its range of value-added products, a move that is anticipated to boost margins VAP growth. Revenue break up 72.8% of the revenue comes from Milk & milk products and 27.2% comes from Value-added products like Ghee, Ice creams, Paneer etc. Milk offers higher ROCE whereas value-added products offer higher margins. In FY22 this segment grew by around 22% year on year in value terms. The company has been proactive in identifying and responding to customer preferences. DDL sees tremendous opportunity in VAP such as products with enhanced protein content, less sugar – this is a niche market with a 3-to-5-year.

Focused Long-Term Relationship with Dairy Farmers: We believe DDL has maintained a strong relationship with the farmers helping the company to get direct procurement of raw material by eliminating the middleman, which reduces the cost and generate better margins.

Expand the operations domestically & internationally by way of organic & inorganic growth: DDL has the proven track record of successfully integrating organic and inorganic assets with existing operations leading to substantial growth. For India operations, the company has grown both organically by setting up its own processing plants and inorganically by either acquiring processing plants or business units from third parties. Recently the DDL has acquired Shri Krishna Milks (SKM) in North Karnataka as part of its inorganic expansion plans which will help in further expanding opportunities in North Karnataka and Goa. Internationally, the Company has a fast-growing branded dairy product business in Africa through its subsidiaries Lakeside Dairy Limited, Uganda & Dodla Dairy Kenya Limited, Kenya.

Risk:

- Increase in input cost would lead to margin pressure
- Competition from dairy cooperatives and private players

MView:

We are positive on Dodla due to its competitive advantages and strong growth opportunity in wide spread in South India. Also the distribution strategy from SKM would likely to boost Dodla sales in northern Karnataka and Goa markets in the coming years. With the economic growth in hotel, restaurants, cafes (HoReCa) the demand for value added products is likely to grow and being a high business Dodla would get benefited by this. Hence with timely price hikes, higher revenue shares of value-added products, operating leverage in addition with plans to add more milk products going forward makes it good long term investment avenue and recommend investors to accumulate DDL only with long term horizon for a healthy ROI.

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Revenue from Operations	1944	2243	2624
EBITDA	244	212	231
EBITA Margin (%)	12.55%	9.45%	9.00%
PAT	125	132	157
PAT Margin (%)	6.43%	5.88%	5.98%
EPS	22.32	21.6	26.39

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A MAGAZINE
October 2022 / Volume : 14 / Issue : 14
SAMVAT 2079 - Private Sector Bank

Karnataka Bank Ltd.
Your Family Bank. Across India.

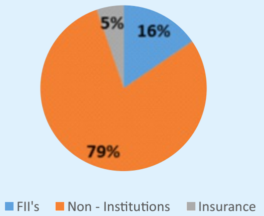
Key Data

BSE Code	532652
NSE Code	KTKBANK
52 Week High (Rs)	91
52 Week Low (Rs)	55
Market Cap (Rs Cr)	2583
Face Value	10

Industry Snapshot

Customers	Open
Market Presence	Domestic
Govt Regulations	High
Msearch View	Positive

Shareholding June 2022



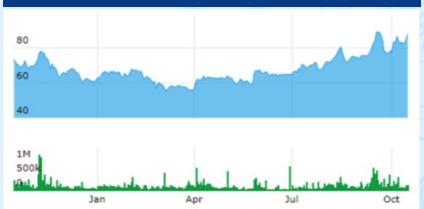
Promoters/ Management

Mr. Pradeep Kumar Panja	Chairperson
Mr. Mahabaleshwara M S	CEO & MD
Mr. Balachandra Y V	COO
Mr. Gokuldas Pai	CBO

Key Ratios

PE	5.29
EPS	16.60
ROE	7.3%
ROCE	9.4%

Price Chart



Research Analyst

Yash Kukreja
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022-61507197

Prices as on 19th October 2022

Karnataka Bank Ltd — Oct - 22

Industry : Private Sector Bank — **CMP Rs. 87**

Recommendation : Buy

About the Company:

Karnataka Bank Ltd a premier private sector bank and is leading 'A' Class Scheduled Commercial Bank in India with over 9 decades of professional banking experience. The bank has national presence with a network of 877 branches, 1448 ATMs/Cash Recyclers spread across 22 States and 2 Union Territories. 12 million Customers. The Bank offers a total value package a one-stop shop for all the banking needs. The bank has been Initiating steps for Setting-up of Bank's Wholly Owned Non-Financial Subsidiary - `KBL Services Ltd which plays significant role in enhancing the operational efficiency. It has forayed into General Insurance business as a JV partner in Universal Sompo General Insurance with a 15% stake.

Investment Rationale:

Digital Push: KBL has been significantly investing in technology and digital and the transformation journey has also enhanced the visibility of the bank, the brand and digital capabilities at par with any new generation bank as the bank proposes to open two Digital Banking Units (DBUs) shortly, in addition to the already existing Digi branch and a Digi centre. The Bank has enabled a platform for Digital sanction of Home loans, Personal loans, Car loans, 2-wheeler loans & MSME loans. The total digital transactions stood at 93.22% as at 31.03.2022. KBL-Mobile has recorded tremendous growth as the registered users increased from 12.62 lakhs in FY2021 to 23.86 lakhs in FY2022.

Improvement in Asset Quality and CASA ratio: The bank's asset quality is witnessing positive traction as their GNPA and NNPA has improved from 4.84% to 4.03% and 3.02% to 2.16% in Q1FY23 respectively. Slippage Ratio of bank has come down to 1.03% as against 3.11% in Q4FY22. CASA ratio has gone up by 6.5% to 32.80% and the management continues with its loan growth guidance of 15% aided by a strong credit demand pipeline.

Buzz on acquisition by big banks: KBL being a mid-size professional bank is always on the news targeting to acquisitions by large banks due to its strong presence in South India specially in the state of Karnataka. Any kind of such consolidation in the banking sector mid-size banks like KBL would be a preferred buy. KBL management is highly focused towards growth, outperforming the banking sector but they have always denied for such rumours in the past.

Long Operational Track Record: KBL is an old generation private sector bank. It was established in the year 1924, it has a proven track record of over nine decades in banking. Over the years it has developed a strong deposit base in the state of Karnataka and adjoining states like Maharashtra, Andhra Pradesh, and Tamil Nadu. KBL has 696 branches in South India which is 80% of their total branches.

Risk:

- High presence in single state would be risky in case of unexpected events.
- Any changes in Asset Quality under NBFC and MSME segment would be a concern.
- Increasing competition remains a challenge for smaller banks

MView:

We believe KBL is a well-recognized and preferred private banking player with focused business in high growth segments like NBFC and MSME which could be the growth driver for the bank in the longer run. Considering valuations, we feel KBL is undervalued and trading with a market cap of Rs 2748 Cr and it is available at P/BV of 0.38x which seem the bank is reasonably available for a long term investor. Hence, if we look at its improved asset quality along with a highly focused retail loan mix and digital adoption can bring in more business growth going forward. Investors considering to invest in small cap banks, we recommend KBL to deliver healthy returns with 2-3-year time horizon .

FINANCIALS OVERVIEW:

Particulars (in Cr)	FY21	FY22	FY23E
Interest Earned	6,232	6,222	7,155
Interest Expense	4,049	3,731	4,290
Net Interest Income	2,183	2,491	2,865
Operating Profit Before Prov	1,679	1,811	1,831
PAT	483	509	604
EPS	15.5	16.4	19.4

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Performance overview
Samvat 2078 recommendation

Sr No	Stock	Sector	Reco rate Samvat 2078 27th Oct 2021	Performance post recommendation (High)	Upside from Recommendation	CMP as on 19th Oct 2022	Return as on CMP (%)
1	SBI	Bank	523	578	11%	553	6%
2	Bharti Airtel	Telecom	707	816	15%	779	10%
3	HCL Tech	IT	1174	1359	16%	997	-15%
4	L&T	Infra	1804	2078	15%	1904	6%
5	Godrej Consumer	Consumer goods	1015	1012	0%	825	-19%
6	Muthoot Finance	NBFC-Finance	1526	1721	13%	1050	-31%
7	Ajanta Pharma	Pharma	1405	1569	12%	1249	-11%
8	Tata Power	Power	227	298	31%	218	-4%
9	Motherson Sumi	Auto-parts	139	192	38%	63	-55%
10	Hindustan Aeronautics	Aerospace Defence	1323	2638	99%	2467	86%
11	Birla Corp	Cement	1410	1650	17%	929	-34%
12	Intellect Design	IT Software	669	986	47%	514	-23%
13	MCX	Exchange	1692	2021	19%	1333	-21%
14	Kalpataru Power	Heavy Electrical	440	455	3%	436	-1%
15	Shilpa Medicare	Pharma	606	606	0%	337	-44%
16	Globus Spirits	Breweries & Distilleries	1250	1759	41%	823	-34%
17	Usha Martin	Iron & Steel	92	164	78%	134	46%
18	Amrutanjan Health	Pharma	941	1024	9%	707	-25%
19	JBM Auto	Auto Parts	238.4	270	13%	412	73%
20	Kolte-Patil Dev	Realty	321	382	19%	356	11%
21	BPCL	Refineries	431	431	0%	294	-32%
22	BEL	Defence	69	113	64%	106	54%
23	SAIL	Iron & Steel	119	119	0%	78	-34%
24	Concor	Transport Services	684	782	14%	756	11%
25	SCI	Shipping	132	160	21%	118	-11%

Average return from Reco Date	-3.7%
Average return Post recommendation	24%
Nifty Samvat 2078 -2079 Returns	-3.7%
Sensex Samvat 2078- 2079 Returns	-3.1%
Mehta Samvat 2078 Performance	Average

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October 2022 / Volume : 14 / Issue : 14

Commodity Outlook - SILVER

Mr. Rahul Kalantri
VP Commodities

Diwali (Dhanteras) the most auspicious gold & silver buying day of the year in the Hindu calendar. Usually, gold and silver move together as both are considered safe havens during economic and political uncertainties. However, in the past few years we saw silver was underperforming in comparison with gold.Silver was the worst performer among precious metals in 2022. The metal has lost more than 13 percent since January, due to a stronger US dollar, backed by the assertiveness of the US Federal Reserve in curbing inflation.

Silver as a distinct asset class should be considered as a strategic investment allocation within a global multi-asset portfolio:

A first sign that silver could rise next year is the move above 80 by the gold-silver ratio (GSR), an unsophisticated measure, which compares the price of an ounce of silver against an ounce of gold. At its simplest, the GSR tells an investor that silver looks cheap relative to gold.

Second silver is an industrial metal as well; Silver is an integral part of many green technologies. Since countries across the globe are moving toward a greener economy, investments in decarbonisation and electrification projects continued to grow. It is largely used in renewable energy solutions, especially in photovoltaic industries. Silver loadings are high for the electrification of electric vehicles and 5G infrastructureas well. These new and emerging applications are offering structural support to the metal.Physical demand is expected to rise by 5% in 2023.Coin and bar purchases contributed a large chunk of the volume followed by industrial demand.

However, contrasting forces continue to dominate the market outlook.Factors like geopolitical and economic issues, including the Russian invasion of Ukraine, multi-decade-high inflation, lower global growth projections, and increasing interest rates, present challenges to restricting precious metals this year.

In general, you also have to keep in mind that silver is an industrial metal as well, so if we are going to see a slowdown globally, then it's very unlikely that we would see silver fall in kind.If the Federal Reserve is going to have to force a recession to bring down demand due to massive inflation, then silver is probably going to struggle for some time.

Breaking down below the bottom of the candlestick, then we could see silver looking at the $18 level. The $18 level is an area where there are a lot of buyers, as we have seen a lot of support in that area. If we break down below there, we could see silver plunge quite drastically to a price around $16to$17, which is when it sees the metal as "an excellent buying opportunity".

On the domestic front, a weak INR and high duties are likely to back prices. The upcoming festive and wedding seasons may bring some of the shine to the metal. Buying precious metals is considered auspicious during key Indian festivals. Demand for silver jewellery is expected to rise over the winter wedding season in the country.

On the price front, overseas prices may edge higher in the near-term, but may face resistance at $22.40 an ounce and above that at $27.00 an ounce. Consistent trades below $16.00 is a sign of liquidation pressure. On the domestic front, silver prices are most likely to stay above Rs 51,600, and the key upside hurdle is placed at Rs75,000.

Mr. Prashanth Tapse
Research Analyst,
Sr VP – Research

Long story short: India stands out strong and better in the global volatility due to growth visibility and sustainability.

Samvat 2079 now looks much brighter and more promising as Indian economy stands strong with growth and stability against the backdrop of a volatile global economy. We believe that India would relatively outperform global emerging markets as well and would be led by favourable macroeconomic factors and better-than-historical fundamentals due to continuous reforms done in last few years.

Recession word is hitting markets hard with fear; The big billion dollar question in everyone's mind is that will recession knock the door, Yes! Probability it would be hard for developed countries in ways we can't even imagine now. Everyone is blaming the situation on Russia and Ukraine which triggered all the cons for what we are witnessing it today. Market volatility by any reason is inevitable and no way anyone can avoid it in this world and not paying attention to short-term fluctuations sometimes can be harder to assume when our portfolio take a 50% hit in any bear market. We all know that it's the nature of the markets to move up and down over the short term and grow in the long run. But trying to time the market in bear zone is extremely difficult and if anyone says they are doing it's just a lucky bet rather than any calculated strategy. There is one best solution is just to maintain a long-term horizon and ignore the short-term fluctuations.

In spite of short-term fears all over the world, I believe India has increased consumer confidence in Indian economic growth and well prepared to navigate through volatile times considering the factors which other countries are missing:

Positive factors

- √ Highest GDP growth expected in EM space.
- √ Domestic consumption driven economy.
- √ Higher Retail Investment via mutual SIP route 12-15kmonthly.
- √ Healthy corporate earning visibility.
- √ Bank balance sheets are healthy.
- √ Economic activities at all time high with growing GST collections.
- √ Capital expenditure share to GDP exp to raise to 18 month high.
- √ Direct and Indirect Tax collections remain high.
- √ Higher Consumer spending- 2022 Festival season breaks all records.
- √ Credit growth remains in higher double digit.

Negative factors

- Geopolitical risk
- Currency risk
- Import dependent
- Volatile Commodity prices
- Global raising interest rates scenario.

SAMVAT 2079 Equity Outlook: Nifty's range until next Diwali would be between 15,000-20,000 zones.

Despite Samvat 2078 was tough year for India, We believe Samvat 2079 would do extremely well in comparison to global indices. As of now Indian markets are currently witnessing volatility shocks due to global headwinds and eventually trading at a premium to its emerging market peers, still, we are confident about the economy over the next 5 years. **With growth coming in we would like to focus on sectors like 1) Bank, 2) Defence, 3) Electric vehicles, 4) Pharma and 5) Auto Ancillaries.**

Happy Investing, Happy Samvat 2079

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MEHTA

BEST MUTUAL FUND SCHEME

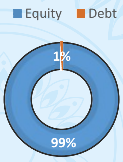
SBI MultiCap Fund- Regular Plan

Category : Equity-Multi Cap | AUM: 11441 Cr| NAV: Rs 10.79 | Expense Ratio: 1.76% | Fund Manager: Mohit Jain, Rama Iyer

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
SBI MultiCap Fund	3.73	0	0	0	12.46
S&P 500 BSE Sensex	-2.45	-3.42	15.24	12.72	13.81

Top 10 Sector Exposure	
Sector	Holding%
Banks	12.02
Automobiles	11.40
Other	9.78
Textiles	9.69
Chemicals	7.46
Metals and Mining	5.63
Insurance	5.62
Life Sciences Tools	4.12
Auto Components	4.05
Household durables	3.84

ASSET ALLOCATION



Top Equity Holding	
Equity	Holding%
Tvs Motor Company Ltd	6.02
ICICI Bank Ltd	5.42
State Bank of India	5.10
Divis Laboratories Ltd	4.12
Endurance Technologies	4.05
TTK Prestige Ltd	3.84
KPR Mills Ltd	3.61
Hindalco Industries	3.45
Page Industries Ltd	3.43
ICICI Prudential Life Insurance	2.05
Total Stock Holding	**35**
Total Debt Holding	**3**
Assets in top 10 Holding	**42.54%**

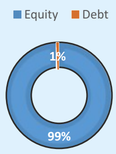
Kotak Small Cap Fund - Regular Plan

Category : Equity-small Cap | AUM: 8355 Cr| NAV: Rs 166 | Expense Ratio: 1.93% | Fund Manager: Pankaj Tibrewal

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
Kotak small cap	-0.91	0.57	34.49	17.37	17.28
Nifty smallcap 100 TR	-3.41	20.02	18.78	9.57	10.55
S&P BSE Sensex	-2.45	3.45	15.24	12.72	13.81

Top 10 Sector Exposure	
Sector	Holding%
Chemicals	13.51
Machinery	12.58
Household durables	7.98
Other	7.80
Building products	6.83
Metal & Mining	5.98
Textiles & Apparels	5.06
Paper and forest production	4.64
Electrical Equipment	4.05
Pharmaceuticals	3.50

ASSET ALLOCATION



Top Equity Holding	
Equity	Holding%
Century plyboards	4.64
Carborundum Universal	4.22
Sheela Form Ltd	3.43
Galaxy surfactants Ltd	3.41
Ratnamani metals & Tub	3.18
Blue Dart express Ltd	2.60
Blue Star ltd	2.60
Cyient Ltd	2.51
Schaeffler India Ltd	2.42
Supreme Industries Ltd	2.33
Total Stock Holding	**72**
Total Debt Holding	**1**
Assets in top 10 Holding	**31.42%**

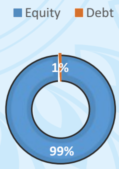
Mirae Asset Tax Saver Fund - Regular Plan

Category : Equity-ELSS | AUM: 13148 Cr| NAV: Rs 30.36 | Expense Ratio: 1.72% | Fund Manager: Neelesh Surana

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
Mirae Asset Tax Saver Fund	-3.56	-4.56	20.83	14.27	17.77
Nifty 200 TR	-2.22	13.85	16.90	14.28	14.25
S&P BSE Sensex	-2.45	-3.42	15.24	12.72	13.81

Top 10 Sector Exposure	
Sector	Holding%
Banks	24.34
IT Services	9.99
Oil & Gas	7.40
Pharmaceuticals	6.71
Automobiles	5.25
Metals and Mining	3.50
Wireless Telecommunication	3.41
Insurance	3.07
Electrical Equipment	2.99
Capital Market	2.71

ASSET ALLOCATION



Top Equity Holding	
Equity	Holding%
HDFC Bank Ltd	7.76
ICICI Bank Ltd	7.09
Reliance Industries	5.86
Infosys Ltd	4.89
Axis Bank Ltd	4.63
State Bank of India	3.58
Bharti Airtel Ltd	3.05
TCS	2.54
Larsen & Tourbo Ltd	2.18
SunPharma	2.17
Total Stock Holding	**69**
Total Debt Holding	**3**
Assets in top 10 Holding	**43.83%**

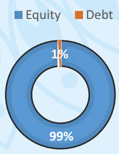
HDFC Banking and Financial Services Fund - Regular Plan

Category : Equity-Sectoral Banking | AUM: 2579 Cr| NAV: Rs 10.46 | Expense Ratio:2.28 % | Fund Manager: Anand Laddha, sankalp Baid

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
HDFC Banking & Financial Services	0.19	2.41	0	0	3.62
Nifty Financial Services	-8.33	1.50	14.06	15.59	15.49
S&P BSE Sensex	-2.45	3.42	15.24	12.72	13.81

Top 10 Sector Exposure	
Sector	Holding%
Banks	66.00
Thrifts & Mortage	13.85
Insurance	7.10
Consumer Finance	5.63
Diversified Financial	4.56
Capital Market	2.71
Others	0.67

ASSET ALLOCATION



Top Equity Holding	
Equity	Holding%
ICICI Bank Ltd	19.41
IHDFC Bank Ltd	18.14
HDFC Ltd	10.90
Axis Bank Ltd	8.76
State Bank of India	8.64
ASBI Life Insurance	4.17
IndusInd Bank	3.06
Bajaj Finance ltd	2.10
AU Small Finance Bank	2.07
SBI Cards & Payments	2.06
Total Stock Holding	**27**
Total Debt Holding	**2**
Assets in top 10 Holding	**79.38%**

LIQUILOANS | MEHTA REWARDING RELATIONSHIPS

A UNIQUE ALTERNATE & SAFE HIGH YIELDING DEBT INVESTMENT OPPORTUNITY

About LiquiLoans

LIQUILOANS

Company	:	NDX P2P Pvt ltd
Founded	:	2018
Category	:	Fintech
Presence	:	PAN India
Distributors	:	600+
Profitable	:	Yes

II. Business Offerings

- An online peer-to peer lending platform whereby we leverage new age technology to match credit worthy borrowers and lenders basis their risk appetite
- Lucrative Alternative Debt Investment Opportunity with Complete Aligment of Interest

WHY INVESTORS LIKE US

PRUDENTLY OPTIMIZE YOUR DEBT INVESTMENTS

Key Takeaway Points:

- Lending to High Quality Borrowers viz. Senoir Salaried Individuals wanting Small Shirt Term Loans for varied needs like Healthcare, Education, etc.
- Direct Monthly Auto-Debit of EMIs for each borrower
- Optimal Underwriting Algorithm to select borrowers based on Credit Bureau Recorsd, Social Background & Banking Records
- Avg. Loan (re. 60k), which is Avg. 20% of Borrowers Annual Salary
  Avg. Loan tenure < 12 Months
- Diversified Retail Loan Debt Portfolio
- Superoir Tech-Enabled Risk Management process for minimising risks and frauds

Key Takeaway:

- LiquiLoans platform helps investors get direct, diversified & transparent access of only high quality Prime Retail borrower base, which reduces costs & enables them to earn a higher return with relatively low risk.
- Even in the unlikely scenario of Elevated loss levels estimated by CRISIL, investors shall still earn their capital and the indicative yield.
- LiquiLoans' fees keep reducing with increase in NPAs, hence LiquiLoans' shall always endeavour to source the best quality borrowers

Retail Debt Asset Class: One to Many Retail Borrower Lending Platform (Avg. CIBIL Score of 700+)

High Yielding & Safe Fixed Income Investment

High Diversification: Exposure across Avg. 200+ Names

Inflation Beating Return: Upto 9.35% Net Return

100% Success Rate

World's 1st P2P: Assessed by CRISIL & (AA-) ICRA Rated

RBI Regulated Platform with Transparency In Flow of Funds

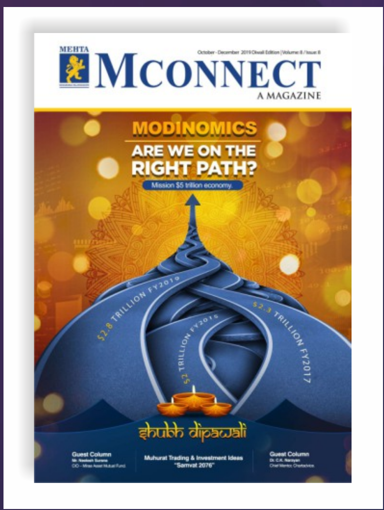
LiquiLoans is an RBI Regu;ated Entity registered asa Peer to Peer (P2P) NBFC - which facilitates deployment of funds towards diversified prime retails borrowers.

All transactions executed on the platform will be mandated thriugn as escroe account which will be managed tu atrustee. Being an RBI regulated ring-fencedstructure, LiquiLons shall facilitate deployment of all the monies accumulated in the excrow account through the trustee to multiple diversified and selected prime retail borrowers.

This create a robust strcture safeguarding investor funds; thereby providing the lender confidence and trust.

For More info Please Contact
Mr Vinay Tiwari Mobile-+91-9967794884 / Email: vinaytiwari@mehtagroup.in

THOUGHTFUL & INSIGHTFUL MAGAZINES



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Msearch's Recommendation (Absolute Performance) Buy: > 20% within the next 12 Months Accumulate: 5% to 20% within the next 12 Months Sell : < -20% within the next 12 Months

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