MEHTA

REWARDING RELATIONSHIPS

Nov 2023 Diwali Special Edition I Volume 18 I Issue 18

MCONNECT

A QUATERLY MAGAZINE

INDIA'S UNWAVERING SHIELD

IN A TURBULENT WORLD

FUND EXPERT
Mr. Nilesh Shah,
Managing Director, Kotak Mutual Fund

"Samvat 2080"
Muhurat Trading & Investment Ideas

PMS SNAPSHOT
WHY INDIA?
Investment Strategy by MMFS-PMS

Happy Investing and wishing everyone a Happy Diwali and a Prosperous Samvat 2080

30 Saal Bemisaal

Moving forward and Celebrating

Years Of Rewarding Relationships

Dear Readers,

CA Rakeshh Mehta
Chairman, Mehta Equities,
Mehta Group

Let me begin by thanking

Each and every one for your continued support and faith in **MEHTA GROUP-MEHTA EQUITIES LTD** for last 30 years.

January 2024 we are in the mood for celebrating 3 decades of servicing and rewarding relationships.

Markets have crossed the historic numbers and touched @ LIFE TIME HIGH, which I believe is on the back of investor's confidence over Indian economic growth despite global uncertainty. To navigate the global volatility, we at Mehta Group – Mehta Equities have suggested our investors to Re-balancing & Diversify portfolios time to time as small corrections may disturb the movement on account of geo-economics factors.

We at Mehta Group are continuously building products based services to match all type of investors needs at all time high or all time low scenario. In terms of the future, we can clearly see the demand for investment opportunities continues to be higher and that is why we are seeing this kind of rush in new demat accounts and mutual fund portfolios and this trend might continue to see that in the long term.

The BIG Billion Dollar Question in every investors mind: Will SENSEX HIT 100K market from 65K?

I believe, we will be around 100K mark; this number would come in next three years or five years from now. Historically Sensex has grown at a CAGR of ~14% average over the past 20 years and if we assume the same trend, I can say the magical 100,000 mark would be any time between 2025-2026E.

In short term valuations will remain a major concern in many investors in the market. However, on the other hand, mutual funds AMC's are seeing record inflows with SIP touching record Rs 16000 Cr per month highest ever witnessed in the market keeping market up in hand despite FII's being net sellers in this financial year.

So any corrections may be looked upon as buying opportunities for long term, the con going rally is far better and faster than what we had predicted earlier. We believe despite the fact that we had touched all-time highs few months back, we will keep getting newer opportunities and that will create decent ROI's. New economy stocks will be the most attractive for the investors due to the high growth rate, upcoming business model relating to internet, food and these are good businesses to invest in for the long term,

If conservative investors are getting into the market at all-time high levels, one needs to be prepared to some humps and dumps considering the nature of markets. We advise Invest in stock markets only if you can digest the short term volatility.

Overall, we have outperformed markets from Samvat 2079 to Samvat 2080. Hence assuming optimistic view on long term, we have identified potential trading and investment ideas which are expected to do well in Samvat 2080.

Happy investing and wishing everyone a Happy Diwali and a Prosperous Samvat 2080

WHY INDIA?

INDIA GROWTH STORY

OUR FORECAST FOR INDIA BY 2030

	GDP	Per Capita income	HH Consumption Expenditure	States with per capita GDP > 4K	Gross Good Trades
2030 F	USD 6tn	USD 4,000	USD 3-3.4tn	9	USD 2.1tn
Latest	USD 3.5tn	USD 2450	USD 2.1tn	1	USD 1.2tn

DRIVERS OF GROWTH

Consistent policy reform → Micro stability → Healthy external / financial sector → Large share of working population → Digitisation → Political stability

STEPS TO ADDRESS CHALLENGES COULD FURTHER BOOSTS GROWTH PROSPECTS

- Employment and employability
- Physical infrastructure gaps
- Social infrastructure gaps
- Inequality
- Climate change

MMFS-PMS

INVESTMENT STRATEGY

PMS will allocate funds across three investment strategies

1 Transformational
60% AUM to be allocated

- Focus on potential emerging market leaders
- Focus on highly entrepreneurial- driven companies
- Stocks will be held generally for a period of 3 years

2 Dynamic
30% AUM to be allocated

- Focus on emerging sectors
- Dynamic thematic strategy with exposure to a maximum of two sectors
- Stocks will be held generally for a period of 18 months

3 Quasi Cash Position
10% AUM to be allocated

- Focus on companies with a market cap greater than USD $3 billion

WHY INVEST IN MEHTA EQUITIES – MEHTA MULTI FOCUS STRATEGY FUND(MMFS)?

Our Sector-Agnostic Portfolio Management Services (PMS) offer a versatile and adaptive investment approach, providing you with the flexibility to diversify across various industries and capitalize on emerging market trends. Unlike traditional sector-focused strategies, our sector-agnostic approach enables us to swiftly respond to changing market dynamics, helping you stay ahead in the investment landscape

Robust Risk Mitigation Strategy

We have implemented a robust risk mitigation strategy. Our fund benefits from an independent board consisting of experienced investment professionals and industry veterans who provide non-binding advisory services and periodically monitor the fund's performance.

Experience

Mehta Group boasts an impressive 30-year track record in the Indian capital markets, managing over $500 million in assets across various asset classes.

Low Churn Rate

At MMFS, we maintain a remarkably low churn rate, ensuring that we select stocks only when we have a strong conviction in their potential

MMFS SNAPSHOT

Name of the Scheme	**Mehta Multi Focus Strategy (MMFS)**
Type	Portfolio Management Service
Investment Objective	To provide long-term capital appreciation by investing in companies that are largely undervalued, under researched and ignored by the market
Minimum Investment Amount	INR 50 Lakhs
Investment Universe	Sector Agnostic
Benchmark Index	Nifty / BSE Mid-Cap
Inception Date	9th August 2018
Fund Manager	Mr. Rajat Mehta and Mr. Samridh Poddar

PMS FEE SCHEDULE

Nature of Fees	Fees %
Fixed Management fees based on AUM	0.25% every quarter based on daily weighted average
Hurdle Rate	10.00%
Performance based Management fees	15.00% profit sharing on high watermarking basis with a catch up clause
Exit Load	1 year or less - 3.00% | 1 - 2 years - 2.00% | 2 years + - nil

For More Details Contact :
Ms Jayanti Goswami
PMS Operation
Direct No. : +91-2261507146

HOW TO NAVIGATE GLOBAL VOLATILITY
AND BE INVESTED IN INDIA FOR LONG TERM?

Mr Nilesh Shah
Managing Director
Kotak Mutual Fund

1 Global Economy

The scene on the world's economic stage has been changing with interest rates on the rise, managed carefully by central banks through their monetary policy. The decrease in inflation has been a good sign, though its dual nature keeps long-term rates high. While inflation of goods is on a decline, inflation of services remains high due to tight labor market conditions across many countries.

Real incomes are decreasing with the rising rates, impacting global trade significantly. With central banks reducing liquidity, demand has decreased considerably. Europe seems close to facing a recession. China, with its lower exports and real estate market issues, is also showing signs of an economic slowdown. In Japan, less action by the central bank in bond markets has shifted 10-year bond yields back into positive territory, illustrating the delicate nature of global interest rate scenarios.

In the United States, the Federal Reserve has remarkably shifted its public stance on inflation over the recent years. From dismissing inflation concerns in March 2020 to now forecasting that inflation will stay above target levels until 2025. To maintain a balance between interest rates, inflation, and economic growth, the Fed has altered its policies frequently. It has increased rates quickly to control inflation but hasn't significantly reduced liquidity to support economic growth.

However, the action of raising rates is showing noticeable side effects. The US budget deficit is widening, now at 8% of GDP, reminiscent of the high levels during the 2008 global financial crisis. National debt has jumped from $33 trillion to a staggering $33.4 trillion now. Consumer debt is also increasing, with housing and auto markets feeling the squeeze as lending rates rise.

The massive debt and dwindling savings have led to more adults living with their parents, reminiscent of the 1930s Great Depression era. Renowned economists like Larry Summers are predicting a US recession as early as 2024. The risks to economic growth seem to be escalating steadily. Despite these risks, US equity markets have remained stable so far, against the turbulent currents in the broader economy.

2 Domestic Economy

Shifting focus to India, the economic scene shows hopeful anticipation. Capacity utilization levels stand at a healthy 76.3%. Rising exports reflect growing industrial strength and external competitiveness. Strong GST collections surpassing 1.5 trillion regularly and increased government spending on infrastructure are fostering confidence in our domestic economy.

Yet, some concerns linger. Uneven monsoon distribution across states could hamper rural recovery and affect crop yields. Rising global oil prices are another concern, more so when rural spending appears subdued. The Indian IT sector, a major job creator over the past decade, is now facing stagnant job growth, which could impact consumer spending and urban economic activity.

3 Domestic Equity Markets

Moving to our domestic equity markets, the PAT, market capitalization, and EPS figures have exhibited good growth between FY20 and FY23, indicating that company financials are on a reasonable footing compared to the past. The Nifty50's expected 15% EPS growth to 1128 by FY2025 also augments hope for corporate earnings. However, the mid and small cap segments of the market, now trading at higher valuations compared to large caps, appear expensive,

4 Domestic Bond Market

In the bond market, the RBI's monetary policy and liquidity supportive measures have brought about stability so far. However, global trends in interest rates necessitate caution now. Rate increases in the US and EU could also push our bond yields higher, highlighting the global interlinkages.

For investors, these are challenging times, both in India and globally. Staying invested through systematic investment plans, keeping some money saved, and having a mix of different investments seem to be a sensible strategy at this stage. Despite the ups and downs in the stock markets, a balanced approach could serve well.

Looking ahead, the growth story of India holds promise. But it requires careful steps by our policymakers. They need to keep an eye on global changes while also strengthening our local economy. History has shown that with careful planning and steps, rough waters can be navigated well.

In conclusion, the Indian economy holds a lot of promise. But this is not a market to run a leveraged position. Traders should follow their stop loss or hedge their risk. For investors, maintaining asset allocation discipline is crucial. It's not a market to be overweight on equity; it's a fairly valued market with some dark clouds gathering. It's advisable to be marginally overweight on large caps, marginally underweight on small caps and mid caps, and maintain an overall equal weight allocation. By creating a conducive environment for businesses, encouraging new ideas, and ensuring growth benefits everyone, India can not only face the economic challenges but also move towards a sustainable and strong economic future. Through smart investing and careful planning, together, we can work towards a stable and prosperous economic future for our country

MCONNECT
A QUATERLY MAGAZINE

MUHURAT TRADING & INVESTMENT IDEAS
SAMVAT 2080

Company	Cmp ₹	Market CAP ₹ Cr
HDFC BANK	1495	11,27,285
LARSEN & TOUBRO	2979	4,18,793
TATAMOTORS	646	2,37,446
Interglobe Aviation Ltd.	2570	99,421
TATA POWER	251	80,155
ABFRL	218	20,720
CROMPTOM GREAVES CONSUMER ELECTRICALS	284	18,207
USHAMARTIN	295	9,017
DODLA DAIRY	694	4,141
ASHOKA BUILDCON	138	3,895
LG BAL BRO	1150	3,526
IMAGICAA	46.8	2,250

Price as on : 6th Nov, 2023

MUHURAT TRADING & INVESTMENT IDEAS
SAMVAT 2079

Portfolio Performance

SR No.	Stocks	Sector	Reco rate Samvat 2079 19th Oct 2022 (In ₹)	Performance post recommendation (High) (In ₹)	Upside From Recommendation	CMP as on 13 Oct 2023 (In ₹)	Return as on CMP (%)
1	ITC	FMCG	346	499.60	44.4%	448.30	29.6%
2	Tatamotors	Passenger Cars & Utility Vehicles	402	677.90	68.6%	667.15	66.0%
3	Bharat Electronics	Aerospace & defense	105	147.20	40.2%	137.30	30.8%
4	UPL Ltd	Pesticides & Agrochemicals	676	807.00	19.4%	623.25	-7.8%
5	Bosch Ltd	Auto Components & Equipments	15717	20920.65	33.1%	20532.15	30.6%
6	CONCOR	Logistics Solution Provider	770	828.50	7.6%	713.60	-7.3%
7	HFCL Ltd	Telecom Infrastructure	75	88.80	18.4%	75.15	0.2%
8	Usha Martin	Iron and Steel Products	133	373.60	180.9%	322.80	142.7%
9	Dodla Diary ltd	Dairy products	497	908.40	82.8%	678.15	36.4%
10	Karnataka Bank Ltd.	Private Sector Bank	87	257.80	196.3%	242.90	179.2%

Average return	50.0%
Nifty Samvat 2079 -2080 Returns	12.78%
Sensex Samvat 2079- 2080 Returns	12.35%
If Invested ₹ 1 Lac in each SAMVAT 2079 stock Totaling ₹	1000000
Profits generated (in ₹)	500346

MUHURAT TRADING AND INVESTMENT IDEA

HDFC BANK

HDFC BANK LTD

Industry	Private Bank
CMP	₹ 1495
Recommendation	Buy on decline

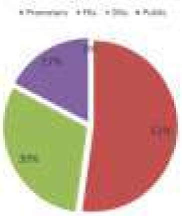
KEY DATA

BSE Code	500180
NSE Code	HDFCBANK
52 Week High (₹)	1757.80
52 Week Low (₹)	1460.55
Market Cap (₹ Cr)	1127285
Face Value	1

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	High
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR ATANU CHAKRABORTY	CHAIRPERSON
MR KAIZAD MANECK BHARUCHA	EXECUTIVE DIRECTOR
MR SASHIDHAR JAGDISHAN	EXECUTIVE DIRECTOR, MD
MR BHAVESH ZAVERI	EXECUTIVE DIRECTOR

KEY RATIOS

PE	16.6
EPS	89.6
ROE	17.1%
ROCE	6.24%

PRICE CHART

RESEARCH ANALYST

Prashanth Tapse
Prashanth.tapse@mehtagroup.in
022-61507142

ABOUT THE COMPANY

HDFC Bank Ltd (HDFC Bank), India's largest private sector bank by assets with a Pan-India presence and world's fifth largest bank by market capitalisation as of August 2023, following its takeover of parent company HDFC. The bank has been designated by the Reserve Bank of India (RBI) as a domestic systemically important bank (D-SIB), underlining its importance in the financial system. HDFC Bank caters to a wide range of banking services covering commercial and investment banking on the wholesale side and transactional/branch banking on the retail side. The bank's loan book is well balanced between retail and wholesale loans. As a business entity, HDFC Bank continues to deliver steady performance with well-maintained margins and conservative asset-quality performance.

INVESTMENT RATIONALE

- **Best in class and largest private sector bank in India:** Post merger of HDFC Bank Ltd and HDFC LTD, the new HDFC Bank entity leaps to 4th World's Most Valuable Banks and called the biggest transaction in the history of India Inc. The bank is the market leader in non-mortgage retail asset segments such as commercial vehicles and car financing. It has also been expanding its geographical reach over the past few years; and has set up new branches primarily in semi-urban and rural areas. As on March 31, 2023, the bank had 7,821 branches.
- **Merger helps geographic expansion benefits:** HDFC Bank has a strong presence in urban and semi-urban areas, while HDFC Ltd has a wider reach across both urban and rural markets. The merger allows for geographic expansion, enabling the combined entity to tap into previously untapped markets and cater to a more diverse customer base.
- **Higher potential for cross sell within mergered business:** We believe here is a huge cross-selling opportunity and that a lower cost of funds will make housing growth profitable post-merger. Lot of synergies are coming on books with roughly 40 million customers were there with HDFC Limited and post-merger those customers would access to current account, savings, and insurance, personal loan, mutual fund so on and so forth.
- **Maintain an aggressive branch expansion:** As per management the bank is planning to double its footprint in the next 3-5 years by opening 1,500 to 2,000 branches every year from Currently, the lender has over 6,000 branches across India. The branch will be digital from a customer on-boarding and transaction/servicing perspective.
- **Technical Outlook:** HDFC Bank is trading well above the anchor VWAP plotted from the March 2020 lows. With the current anchor around 1405, the stock should outperform going forward. Its strong technical structure, combined with a strategy of buying on declines, would be the ideal setup. Weekly charts indicate a potential upside of around 20% with a buy-on-declines strategy.

RISK

- Economic slowdown
- Slower deposit mobilisation

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Interest Earned	128552	135936	170754	272279
Interest Expended	59248	58584	77780	153821
Net Interest Income	69305	77352	92974	118458
Operating profit before Prov	61636	68799	75352	84395
PAT	31857	38151	46149	66571
EPS	57.9	68.8	82.6	119.3

Report Dated : 06 Nov, 2023

MUHURAT TRADING AND INVESTMENT IDEA

LARSEN & TOUBRO LTD.

Industry	Civil Construction
CMP	₹ 2979
Recommendation	Buy on decline

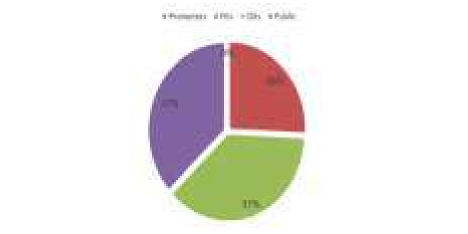
KEY DATA

BSE Code	500510
NSE Code	LT
52 Week High (₹)	3114
52 Week Low (₹)	1970.15
Market Cap (₹ Cr)	418793
Face Value	2

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. SEKHARIPURAM NARAYANAN SUBRAHMANYAN	EXECUTIVE DIRECTOR-CEO-MD
MR. RAMAMURTHI SHANKAR RAMAN	EXECUTIVE DIRECTOR

KEY RATIOS

PE	34.5
EPS	74.5
ROE	11.7%
ROCE	11.6%

PRICE CHART

RESEARCH ANALYST

Prashanth Tapse
Prashanth.tapse@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Larsen & Toubro Ltd (L&T) is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. It operates in over 50 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for over eight decades. L&T is mainly engaged in core, high impact sectors of the economy and with its integrated capabilities span the entire spectrum of 'design to delivery'. Every aspect of L&T's businesses is characterised by professionalism and high standards of corporate governance. Sustainability is embedded into L&T's long-term strategy for growth. The Company's manufacturing footprint extends across eight countries in addition to India. L&T has several international offices and a supply chain that extends around the globe.

INVESTMENT RATIONALE

- **Leading position in the domestic EPC segment with diversified revenue profile:** We believe the L&T would maintain its dominant position in the EPC market in India by judiciously bidding for projects across infrastructure, defense, solar, energy storage and water treatment sectors. Domestic EPC segment is well supported by its track record of more than seven decades, ability to cater to several sectors and strong brand. The business spans a spectrum of projects, ranging from complex turnkey EPC projects to simple construction activities. In-house design, engineering and fabrication capabilities for critical equipment and systems give a strong competitive advantage. Strong competencies across segments and sectors along with a track record of completing projects as per specifications have led to a robust brand image in India and overseas.

- **Strong order book and high revenue visibility:** As of June 2023, the company has orders of Rs 4.12 lakh crore, led by the infrastructure segment (73%), energy segment (18%), the hi-tech manufacturing (6%) and the rest from other segments. International orders accounted for 29% of the order book with bulk of the orders from the Middle East. These should provide strong revenue visibility of over 2-3 years.

- **Healthy & robust financial flexibility:** Capital allocation has been driven by strong cash accrual built up through core business. L&T has robust liquidity, with cash and equivalent of around Rs 23,700 cr as of March 2023. It is also expected that the net cash accrual of more than Rs 10,000 cr in fiscals 2024e and 2025e, which could suffice to cover the incremental working capital, capital expenditure, scheduled debt obligation in coming years.

- **Technical Outlook:** L&T is trading well above the 100-day and 200-day moving averages. With the overall stock trend being positive, the strategy would be to buy on declines. The stock is making higher highs and higher lows on both daily and weekly charts, indicating a strong technical structure. Weekly charts indicate a potential upside of around 25% with a buy-on-declines strategy

RISK

- High working capital
- Any delay in developing projects would affect earning growth

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	135979.03	156521	183341	210842
Total Expenditure	116219.91	132364.08	156560.98	179216
EBITDA	19759	24157	26780	31626
EBITDA Margin %	14.5%	15.4%	14.6%	15.0%
Profit after tax	12907	10291	12625	15202
PAT Margin %	9.5%	6.6%	6.9%	7.2%
EPS	82.5	61.7	74.5	110.6

Report Dated : 06 Nov, 2023

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MUHURAT TRADING AND INVESTMENT IDEA

TATA MOTORS

Tata Motors Ltd.

Industry	Passenger Cars & Utility Vehicles
CMP	₹ 646
Recommendation	Buy on decline

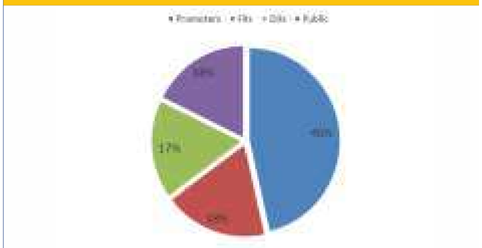
KEY DATA

BSE Code	500570
NSE Code	TATAMOTORS
52 Week High (₹)	677.9
52 Week Low (₹)	375.5
Market Cap (₹ Cr)	237446
Face Value	2

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. CHANDRASEKARAN NATARAJAN	CHAIRPERSON
MR. GIRISH ARUN WAGH	EXECUTIVE DIRECTOR
MR. P B BALAJI	GROUP CHIEF FINANCIAL OFFICER

KEY RATIOS

PE	14.8
EPS	6.3
ROE	5.62%
ROCE	5.95%

PRICE CHART

RESEARCH ANALYST

Prashanth Tapse
Prashanth.tapse@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Part of the USD 128 billion Tata group, Tata Motors Limited (TATAMOTOR) is a leading global automobile manufacturer of cars, utility vehicles, pick-ups, trucks and buses, offering extensive range of integrated, smart and e-mobility solutions. With 'Connecting Aspirations' at the core of its brand promise, Tata Motors is India's market leader in commercial vehicles and amongst the top three in the passenger vehicles market. Tata Motors strives to bring new products that fire the imagination of GenNext customers, fuelled by state-of-the-art design and R&D centres located in India, UK, US, Italy and South Korea. The company is pioneering India's Electric Vehicle (EV) transition and driving the shift towards sustainable mobility solutions by preparing a tailor-made product strategy, leveraging the synergy between the Group companies and playing an active role liasoning with the Government in developing the policy framework.

INVESTMENT RATIONALE

- **Dominant market position in domestic CV segment and improving market position in domestic PV:** Tata Motors is the dominant player in the domestic commercial vehicle (CV) segment, with a market share of around ~40% and on the PV front, the company has seen significant turnaround in the operations, led by new product launches, product re-engineering and footprint expansion leading to increased reliability and acceptance amongst customers. In fiscal 2023, the market share grew to 13.5% from below 5% in fiscal 2020. Its strong distribution presence along with service touchpoints provides it with a competitive edge.
- **Iconic brands to lead global auto segment growth:** In June 2008, Tata Motors acquired JLR, which specialises in manufacturing premium cars, and Land Rover, specialising in premium sports utility vehicles. Both are world's leading iconic brands with a rich heritage in the premium luxury segment. JLR's product-development capabilities enabled successful launches and expansion into new segments, thus enhancing its product portfolio. The Land Rover segment contributed over 85% to the overall sales of JLR in fiscal 2023 with new product launches it is gaining good traction. While Jaguar has been a drag on profitability, the company has been looking to modernise the brand, scale-down loss-making sedans and make it all-electric from 2025e. 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.
- **Strong financial support from parent Tata Son:** Tata Motors is one of the leading flagship companies of the Tata group under the guidance of the group chairman Mr N Chandrasekaran, also chairs its board. Given its strategic importance, it derives strong financial support from the Tata group through its holding company, Tata Sons Ltd. Being a part of the Tata group, the company derives significant financial flexibility and access to low-cost funds from banks and capital markets.
- **Technical Outlook:** The stock has broken out above the 2015 highs and continues to make higher highs and higher lows on both the daily and weekly time frames. Monthly charts indicate a potential upside of around 60% from current levels.

RISK

- High competition in the global luxury car segment.
- High capital intensive nature of business.
- Cyclicality in domestic CV and PV business trends.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	246972	275235	342875	428593
Total Expenditure	233160	254473	314288	375019
EBITDA	13812	20762	28587	53574
EBITDA Margin %	5.6%	7.5%	8.3%	12.5%
Profit after tax	-15839	-14453	-739	15515
PAT Margin %	-6.4%	-5.3%	-0.2%	3.6%
EPS	0	0	6.3	40.5

Report Dated : 06 Nov, 2023

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MUHURAT TRADING AND INVESTMENT IDEA

IndiGo

Interglobe Aviation Ltd.

Industry	Airline
CMP	₹ 2570
Recommendation	Buy on decline

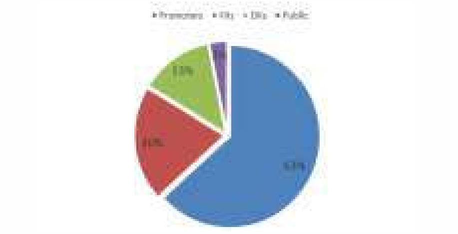
KEY DATA

BSE Code	539448
NSE Code	INDIGO
52 Week High (₹)	2745.95
52 Week Low (₹)	1676
Market Cap (₹ Cr)	99421
Face Value	10

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. VENKATARAMANI SUMANTRAN	CHAIRPERSON
MR. RAHUL BHATIA	EXECUTIVE DIRECTOR-MD
MR. PIETER ELBERS	CHIEF EXECUTIVE OFFICER
MR. GAURAV NEGI	CHIEF FINANCIAL OFFICER

KEY RATIOS

PE	-
EPS	-
ROE	-
ROCE	6.9%

PRICE CHART

RESEARCH ANALYST

Prashanth Tapse
Prashanth.tapse@mehtagroup.in
022-61507142

ABOUT THE COMPANY

IndiGo is India's largest and rapidly expanding low-cost airline, known for its affordable fares, punctual flights, and hassle-free travel experience. With its fleet of 320+ aircraft, the airline is operating 1900+ daily flights and connecting 80+ domestic destinations and will soon further grow its footprint to 30+ international destinations. IndiGo commenced operations in August 2006 with a single aircraft and has grown its fleet to 300+ aircrafts.

INVESTMENT RATIONALE

- **Market Leadership & Expansion:** IndiGo holds a dominant 54% market share in the Indian aviation industry. They're committed to growth, adding 12 aircraft in Q1FY24, increasing their fleet to 316, and gaining more market share, which rose from 55.7% to 60.7% in the same quarter, solidifying their leadership position.

- **Strong financial performance and growth:** In Q1FY24, IndiGo achieved impressive revenue growth of 30% YoY, surpassing market expectations. They also went from a loss of Rs.1,640cr to a net profit of Rs.3,091cr, highlighting their efficient operations, stable fuel costs, and increased revenue.

- **Healthy Cash Position and consistent earnings outlook:** IndiGo's solid cash reserves enable it to weather industry challenges and invest in future growth. The outlook is optimistic, with projections of sustained passenger traffic and a resurgence in leisure and corporate travel. An expected 18% CAGR revenue growth from FY23 to FY25 offers a positive prospect for potential investors.

- **Technical Outlook:** The stock is trading well above its 200-day moving average and has given a strong breakout above the all-time highs of 2021. With the stock making higher highs and higher lows, the overall trend remains positive, and the stock should likely outperform in the coming year. Monthly charts indicate a potential upside of around 35% from current levels

RISK

- Exceptional variation in fuel prices.
- Competition in the airline industry.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	14641	25931	54446	62000
Total Expenditure	14654	25384	47951	48980
EBITDA	-14	547	6495	13020
EBITDA Margin %	-0.1%	2.1%	11.9%	21.0%
Profit after tax	-5806	-6162	-306	3536
PAT Margin %	-39.7%	-23.8%	-0.6%	5.7%
EPS	-150.9	-160.0	-7.9	91.6

Report Dated : 06 Nov, 2023

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MCONNECT
A QUATERLY MAGAZINE

Tata Power Company

Industry	Integrated Power Utilities
CMP	₹ 251
Recommendation	Buy on decline

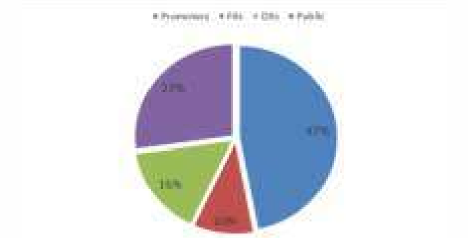
KEY DATA

BSE Code	500400
NSE Code	TATAPOWER
52 Week High (₹)	276.5
52 Week Low (₹)	182.45
Market Cap (₹ Cr)	80155
Face Value	1

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Domestic
Govt Regulations	High
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. N. CHANDRASEKARAN	CHAIRPERSON
MR PRAVEER SINHA	EXECUTIVE DIRECTOR, CEO-MD
MR. SANJEEV CHURIWALA	CHIEF FINANCIAL OFFICER

KEY RATIOS

PE	23.9
EPS	10.4
ROE	12.6%
ROCE	11.7%

PRICE CHART

RESEARCH ANALYST

Prashanth Tapse
Prashanth.tapse@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Tata Power Ltd (Tata Power), a Tata Group company, is one of India's largest integrated power companies, present across the entire power value chain of conventional & renewable energy, power services, and next-generation customer solutions including solar rooftop, EV charging stations, and home automation. As on date Tata Power has a total installed power generation capacity of 14,294 MW (thermal: 8,860 MW, hydro: 880 MW, wind: 969 MW, solar: 3,142 MW and waste heat recovery-based capacity of 443 MW) on its own books as well as its subsidiaries.

INVESTMENT RATIONALE

- **Diversified business profile with presence across all power sector value chain:** Tata Power is the largest integrated private power utility company supported by its presence across the power sector value chain - generation, distribution and transmission businesses having aggregate generation capacity around 14,294 MW (including Resurgent platform) across thermal, hydro, wind, solar and waste heat recovery, with the majority of the capacity having long-term PPAs, providing long-term revenue visibility. Its presence across the value chain of the power sector (generation, transmission and distribution, power trading, as well as fuel supply [imported coal mining and shipping]) cushions it from project-specific issues and helps achieve operating efficiencies and better working capital management at the group level.

- **Strong financial and parental support from Tata group:** Being a part of the Tata group, enjoys strong financial flexibility from the group, demonstrated in its strong ability to raise funds in the debt and equity markets to support growth.

- **Healthy recovery in electricity demand growth and improved operating efficiencies:** The growth in the generation business was supported by the addition of new renewable energy (RE) capacity and a stable generation performance of the existing thermal and RE assets. Further, the implementation of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (LPS), notified by the Ministry of Power, Government of India (GoI), in June 2022 improved the collections from the discoms for the generation assets

- **Technical Outlook:** The stock is trading well above its 200-day moving average. With the overall structure being positive on both monthly and weekly charts, the strategy should be to buy on dips. Monthly charts indicate a potential upside of around 35% from current levels.

RISK

- Slow progress in resolution of tariff issue
- Debt-funded acquisition can weaken financial risk profile

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	32703	42816	55109	63375
Total Expenditure	25856	36303	47403	53552
EBITDA	6847	6513	7706	9823
EBITDA Margin %	20.9%	15.2%	14.0%	15.5%
Profit after tax	1439	2156	3810	4356
PAT Margin %	4.4%	5.0%	6.9%	6.9%
EPS	3.2	5.4	10.4	13.6

Report Dated : 06 Nov, 2023

MCONNECT
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MEHTA SINCE 1995

MUHURAT TRADING AND INVESTMENT IDEA

Aditya Birla Fashion & Retail Ltd.

Industry	Speciality Retail
CMP	₹ 218
Recommendation	Buy on decline

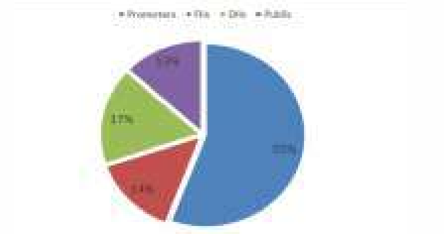
KEY DATA

BSE Code	535755
NSE Code	ABFRL
52 Week High (₹)	355.7
52 Week Low (₹)	184.4
Market Cap (₹ Cr)	20720
Face Value	10

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Domestic
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. KUMAR MANGALAM BIRLA	CHAIRPERSON
MR. ASHISH DIKSHIT	EXECUTIVE DIRECTOR-MD
JAGDISH BAJAJ	CHIEF FINANCIAL OFFICER

KEY RATIOS

PE	-
EPS	-
ROE	-
ROCE	5.03%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Aditya Birla Fashion & Retail Limited (ABFRL) stands as India's largest fashion and retail company, boasting a vast retail footprint of 10.8 million square feet, including numerous stores and multi-brand outlets. Their brand portfolio includes notable names like Louis Philippe, Van Heusen, and international brands like Ralph Lauren. ABFRL has also ventured into the branded ethnic wear business and holds strategic partnerships with renowned designers. To cater to digitally-savvy consumers, they are developing a range of digital-first brands under their 'House of D2C Brands' initiative, TMRW.

INVESTMENT RATIONALE

- **Building strong brands:** ABFRL is renowned for building iconic apparel brands in India. Their success is rooted in continuous product innovation and a strong distribution network. These brands are considered the company's most valuable assets and are constantly adapting to evolving customer preferences. With several brands in growth phases, ABFRL has a unique opportunity to transform them into iconic names. They have a significant presence in various segments and are using their expertise to nurture and elevate these brands further.
- **Wide and deep distribution network:** Company holds a dominant position in India's fashion retail landscape, operating approximately 4,000 stores and over 32,000 points of sale. Leveraging its extensive distribution network, the company is strategically poised to expand into untapped markets, presenting a promising growth avenue. The strong brand reputation and customer loyalty cultivated in current markets can be valuable assets in new regions. Success in this expansion hinges on localized marketing and a deep understanding of each region's distinct challenges and opportunities to establish strong connections with target consumers.
- **Building a diverse portfolio with presence in high-growth categories:** The company is actively expanding its portfolio in high-growth categories. Van Heusen Innerwear, Reebok and existing brands like Van Heusen, Allen Solly, and Forever 21 are thriving in various segments. The fashion accessories market, handbags, and footwear are experiencing significant growth. Partnerships with Sabyasachi and Tarun Tahiliani tap into the luxury wedding and designer wear markets. The company is venturing into affordable premium ethnic wear with TASVA and Marigold Lane. TMRW is creating a robust portfolio of digital-first brands across multiple categories. This diverse approach positions the company to seize market opportunities, drive growth, and deliver value to customers.
- **Technical Outlook:** Monthly charts of ABFRL indicate that the stock is now trading around crucial parallel channel support. With very limited downside, the stock has the potential to rise over 40% from current levels. Monthly charts indicate a good setup with a strategy to buy on declines.

RISK

- Any slowdown in the discretionary demand environment would impact same store sales growth (SSSG), affecting revenue growth.
- Heightened competition, especially in the form of private labels by other branded players, would act as a threat to revenue growth.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	5249	8136	12418	13660
Total Expenditure	4695	7036	10924	11813
EBITDA	554	1100	1494	1847
EBITDA Margin %	10.6%	13.5%	12.0%	13.5%
Profit after tax	-736	-118	-59	76
PAT Margin %	-14.0%	-1.5%	-0.5%	0.6%
EPS	-8.2	-1.2	-0.4	0.8

Report Dated : 06 Nov, 2023

MEHTA

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MCONNECT
A QUATERLY MAGAZINE

MUHURAT TRADING AND INVESTMENT IDEA

Crompton Greaves Consumer Electricals Ltd

Industry	Household Appliance
CMP	₹ 284
Recommendation	Buy on decline

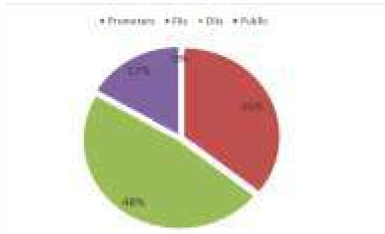
KEY DATA

BSE Code	539876
NSE Code	CROMPTOM
52 Week High (₹)	376.2
52 Week Low (₹)	251.25
Market Cap (₹ Cr)	18207
Face Value	2

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. SUNDARAM DAMODARANNAIR	CHAIRMAN
MR. PROMEET GHOSH	EXECUTIVE DIRECTOR-CEO-MD

KEY RATIOS

PE	42.1
EPS	7.3
ROE	18.1%
ROCE	16%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Crompton Greaves Consumer Electricals Ltd (CGCEL) is a leading consumer companies in India with a 90+ years old brand legacy. As of February 2016, they are an independent company under professional management and have 2 business segments – Lighting and Electrical Consumer Durables. They market their products under the "Crompton" brand name in India and select export markets.

INVESTMENT RATIONALE

- **Strong Market Position, Brand Recall:** CGCEL is a leader in the fan market with a 26% share and strong brand recall. It also leads in ceiling fans and residential pumps with 28% and 27% market share, respectively. In the electronic consumer durable (ECD) segment, it contributed around 70% of revenue in FY23. CGCEL is among the top three companies in lighting and kitchen appliances. They've rapidly expanded in these segments through innovation, advertising, and wider distribution, maintaining a strong brand presence and customer acceptance. Consistent product launches and a focus on meeting consumer demands have fueled revenue growth and brand recognition.

- **Well-diversified Revenue Portfolio**: CGCEL has a diversified business, with ECD contributing significantly to revenue. Under the ECD business, the company's product portfolio is diversified across fans, pumps, water heaters, air coolers, and other smaller appliances. It has a strong Pan-India presence with an extensive distribution network. The company combines in-house and outsourced production methods, allowing for efficient capital utilization.

- **Strong Distribution network:** Crompton has a robust distribution network that enables us to reach consumers across multiple markets. A Crompton continues to be No 1 player wrt. Numeric distribution ("ND") and Weighted distribution ("WD") in Fans category and for Lighting ND is stable and gain in WD.

- **Technical Outlook:** Monthly charts of Crompton Greaves Consumer indicate that the stock is moving in a disjoint channel. With very limited downside of just 15% from current levels, the stock has the potential to rise around 50% from current levels. Monthly charts indicate a strategy to buy on declines.

RISK

- Intense Competition.
- Demand slowdown

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	4804	5394	6870	7900
Total Expenditure	4083	4638	6099	6952
EBITDA	720	756	770	948
EBITDA Margin %	15.0%	14.0%	11.2%	12.0%
Profit after tax	617	578	476	513
PAT Margin %	12.8%	10.7%	6.9%	6.5%
EPS	9.8	9.2	7.3	8.0

Report Dated : 06 Nov, 2023

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MUHURAT TRADING AND INVESTMENT IDEA

Usha Martin Ltd

Industry	Iron & Steel Products
CMP	₹ 295
Recommendation	Buy on decline

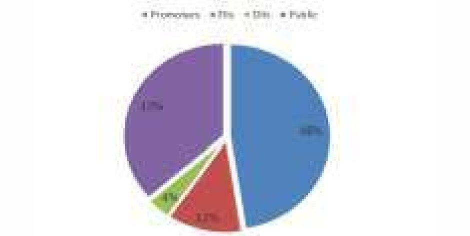
KEY DATA

BSE Code	517146
NSE Code	USHAMART
52 Week High (₹)	373.6
52 Week Low (₹)	125.25
Market Cap (₹ Cr)	9017
Face Value	1

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. VIJAY SINGH BAPNA	CHAIRPERSON
MR RAJEEV JHAWAR	EXECUTIVE DIRECTOR, MD
MR SUMIT KUMAR MODAK	EXECUTIVE DIRECTOR

KEY RATIOS

PE	22.5
EPS	11.51
ROE	18.8%
ROCE	21.2%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Usha Martin, a prominent wire rope manufacturer since 1960, is a market leader with multiple production units worldwide. Their cutting-edge facilities in Ranchi, Hoshiarpur, Dubai, Bangkok, and the UK create a diverse range of high-quality wire ropes for global industries, backed by state-of-the-art machinery.

INVESTMENT RATIONALE

- **Focus on high value products:** Company to enhance market positioning, gain a competitive edge, and boost margins, the company is focusing on producing high-value products. This strategy involves a capital expenditure plan of Rs. 310 crores for FY22 and a proposed Rs. 167 crores for FY24. Objectives include capacity expansion, modernization, R&D enhancements, infrastructure improvement, and digitalization. The increased capacity will emphasize value-added products, and funding is planned primarily through internal accruals with a 20-25% debt component. The goal is to achieve 2-3x asset turns in the next two years at optimal utilization levels.
- **Expanding it's market segments and geographies**. Diversification into different geographies and sectors has reduced the company's reliance on a single product or market, ensuring sustained growth and profitability. International operations have been a significant contributor, accounting for 55% of FY 2022-23 revenue and recording a remarkable 34% increase over the previous year. Growth is attributed to both macroeconomic factors like expansion in oil & gas and renewable energy, and internal strategies, including closer integration of international businesses with Indian operations, focused cross-functional groups for key segments, a one-stop-shop approach, and strengthening international teams and organization.
- **Leading through innovation:** Company have enhanced their manufacturing facilities with technology to boost efficiency, lower production costs, and improve product quality. Looking ahead, we understand that our digital transformation will set us apart from competitors. Digital marketing will play a pivotal role in future growth, driving customer engagement, raising brand awareness, and increasing brand value. We're creating interactive digital marketing channels and utilizing innovative tools to achieve these objectives.
- **Technical Outlook:** The stock has touched a crucial support level of 270 as well as the 200-day moving average around 260. With the overall trend being positive and the stock poised for good growth in the coming future, Usha Martin has the potential to rise over 50% from current levels with very limited downside.

RISK

- Inability to pass-off the effect of adverse movement of prices of key input materials and rising freight costs.
- Slowdown of major economies might impact growth plans of the Company.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	2097	2688	3268	4085
Total Expenditure	1818	2304	2754	3349
EBITDA	279	384	513	735
EBITDA Margin %	13.3%	14.3%	15.7%	18.0%
Profit after tax	147	291	351	444
PAT Margin %	7.0%	10.8%	10.7%	10.9%
EPS	4.91	9.56	11.51	14.3

Report Dated : 06 Nov, 2023

MUHURAT TRADING AND INVESTMENT IDEA

Dodla Dairy Ltd

Industry	Dairy Products
CMP	₹ 694
Recommendation	Buy on decline

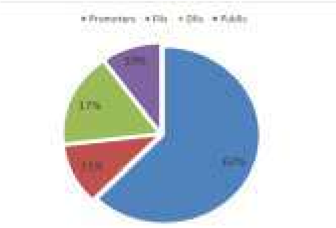
KEY DATA

BSE Code	543306
NSE Code	DODLA
52 Week High (₹)	908.4
52 Week Low (₹)	417
Market Cap (₹ Cr)	4141
Face Value	10

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR. DODLA SESHA REDDY	CHAIRPERSON
MR DODLA SUNIL REDDY	EXECUTIVE DIRECTOR, MD
MR AMBAVARAM MADHUSUDHANA REDDY	EXECUTIVE DIRECTOR

KEY RATIOS

PE	30.3
EPS	20.6
ROE	13.2%
ROCE	16.2%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Dodla Dairy is an integrated dairy company located in Telangana, Company Incorporated in the year 1995. Its primary revenue source is the sale of milk and dairy-based value-added products in the branded consumer market. The company operates in 5 states for milk procurement and distributes products in 11 states. It manages 94 milk chilling centers as part of its operations.

INVESTMENT RATIONALE

- **Integrated Business Model:** Dodla Dairy adheres to an integrated business model that encompasses engagement in multiple facets of the dairy value chain. This strategic approach entails the entire process, from procuring milk from farmers to processing and distributing dairy products. By retaining control over these critical aspects of the value chain, Dodla Dairy can uphold stringent quality standards, optimize operations, and effectively manage the supply chain. This integrated model contributes to the company's ability to maintain product quality, operational efficiency and ultimately its competitive advantage in the dairy industry.
- **Diverse Product Portfolio**: Dodla Dairy boasts a versatile product portfolio encompassing a range of dairy offerings such as milk, yogurt, ghee, paneer, cheese, and UHT milk. This extensive array of products not only caters to diverse consumer preferences but also enriches the overall customer experience. It grants customers the flexibility to choose products that align with their tastes and dietary requirements, underpinning the company's commitment to enhancing consumer satisfaction and market competitiveness.
- **Expansion into Overseas Markets:** Dodla Dairy has executed a well-planned international expansion strategy, notably in Kenya and Uganda, both in Africa. Through the establishment of subsidiaries and marketing their products under well-recognized brands, Dodla Dairy is positioning itself to capture the surging demand for dairy products in these markets. This strategic move not only opens doors to new customer bases but also diversifies the company's revenue streams, reducing dependence on a single market.
- **Technical Outlook:** The stock has given a strong breakout above the all-time high of 674.80 and is now seen re-testing that breakout level. With the overall structure being positive, monthly charts indicate that the stock is poised for an upside of 45% from current levels with downside being very limited.

RISK

- Sharp increase in input prices and competitive pressures.
- Delays in launch of new products.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	1944	2243	2812	3374
Total Expenditure	1702	2033	2621	3071
EBITDA	242	211	191	304
EBITDA Margin %	12.5%	9.4%	6.8%	9.0%
Profit after tax	126	133	122	172
PAT Margin %	6.5%	5.9%	4.3%	5.1%
EPS	22.5	22.4	20.6	29.1

Report Dated : 06 Nov, 2023

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MEHTA SINCE 1995

MUHURAT TRADING AND INVESTMENT IDEA

ASHOKA

Ashoka Buildcon Ltd

Industry	Civil Construction
CMP	₹ 138
Recommendation	Buy on decline

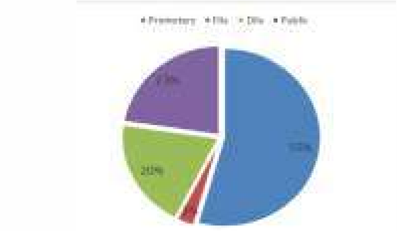
KEY DATA

BSE Code	533271
NSE Code	ASHOKA
52 Week High (₹)	150.9
52 Week Low (₹)	70.1
Market Cap (₹ Cr)	3895
Face Value	5

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Domestic
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR ASHOK KATARIYA	CHAIRPERSON
MR SATISH PARAKH	EXECUTIVE DIRECTOR, MD
MR SANJAY LONDHE	EXECUTIVE DIRECTOR
MR ASHISH KATARIA	EXECUTIVE DIRECTOR

KEY RATIOS

PE	12.2
EPS	13.2
ROE	26.4%
ROCE	38.6%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Ashoka Buildcon Ltd (ABL), established in 1993, is a Nashik-based company specializing in Engineering, Procurement, and Construction (EPC) contracts for road and power projects. They are prominent players in the Build Own, Transfer (BOT) sector and have recently entered the City Gas Distribution (CGD) segment. The group operates in EPC services for various sectors, road and highway development through BOT and Hybrid Annuity Model (HAM) projects, and holds equity stakes in numerous subsidiaries established for BOT and HAM projects.

INVESTMENT RATIONALE

- **Established position in EPC, BOT and HAM Road Segments:** ABL operates in two main businesses: EPC services for diverse projects, including roads, power distribution, railways, and building projects, and road and highway development through BOT and HAM projects. They have a strong track record in executing EPC contracts and railway electrification projects. They manage both EPC and O&M responsibilities for road projects in ABL and its subsidiary, Ashoka Concessions Limited. With almost three decades of expertise, they have built over 14,000 lane Km of roads.

- **Strong order book:** As of FY 2022-23, ABL maintains an order book of Rs. 15,805 Crore. The majority (61%) of this order book is allocated to Roads and Railways projects, including HAM and EPC Road projects, and Railway contracts. Power T&D and other segments contribute around 25%, while the EPC building segment represents 14%. ABL is strategically poised for growth in infrastructure development, backed by strong execution capabilities and a robust balance sheet, providing opportunities to capture a significant market share.

- **Asset Monetization Program continue:** ABL's asset monetization program is efficiently utilizing capital from development to investments sales. Favourable business conditions have supported asset divestments, including the CGD business and road project SPVs, benefiting the financial investors of UEPL and ACL. The company is actively pursuing the sale of HAM projects, toll projects, annuity projects, and CGD business. A previous transaction involving NHAI toll road projects and Galaxy Investments II Pte. Ltd. (KKR-owned entity) was mutually terminated due to delays, with no financial impact on either party.

- **Technical Outlook:** The stock has given a good breakout above the multi-year resistance level of 125. With the overall structure being positive and the stock trading well above the 200-day moving average, any pullback towards 120-125 should offer a good buying opportunity for a potential upside of 30% from current levels.

RISK

- Delay in order execution than expected.
- Delay in asset monetization.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	4992	5999	8100	10126
Total Expenditure	3456	4210	6204	7695
EBITDA	1536	1789	1897	2430
EBITDA Margin %	30.8%	29.8%	23.4%	24.0%
Profit after tax	273	771	373	556
PAT Margin %	5.5%	12.9%	4.6%	5.5%
EPS	9.8	27.7	13.2	19.9

Report Dated : 06 Nov, 2023

MUHURAT TRADING AND INVESTMENT IDEA

L G Balakrishnan & Bros Ltd

Industry	Auto Components & Equipments
CMP	₹ 1150
Recommendation	Buy on decline

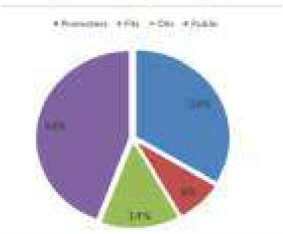
KEY DATA

BSE Code	500250
NSE Code	LGBROSLTD
52 Week High (₹)	1237.7
52 Week Low (₹)	647.65
Market Cap (₹ Cr)	3526
Face Value	10

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR B VIJAYAKUMAR	CHAIRPERSON
MR P PRABAKARAN	EXECUTIVE DIRECTOR,MD
N. RENGARAJ	CHIEF FINANCIAL OFFICER

KEY RATIOS

PE	14.2
EPS	80.25
ROE	19%
ROCE	24.2%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

L.G. Balakrishnan & Bros Ltd is a major manufacturer of chains, sprockets and metal formed parts for automotive applications. The company's manufacturing is divided in 2 business segments -transmission, metal forming and others. Presently, the company has 23 manufacturing facilities located across India in Coimbatore, Karur, Mysore, Bangalore, Pune, Gurugram, Chennai, Uttarakhand, Alwar. It stands as the premier manufacturer of automotive chains under the popular brand name 'ROLON' and also caters to export, after market and spares segments.

INVESTMENT RATIONALE

- **Superior Position in the two-wheeler chain segment & Long Established Relationship with reputed OEM's:** LGB is the no.1 OEM supplier of Drive chains with 70% Market share, around 50% in the Replacement market. The company has two business segments – Transmission and Metal forming products. It has diversified customer base and long standing relationship with the OEM's.

- **Product Diversification:** LGB plans to diversify its products by entering into industrial chains segment and the company is setting up a new plant in Nagpur to manufacture industrial chains, conveyor chains, auto components and assemblies. The plant is expected to be commissioned by early FY2024. This would also help LGB to capture further opportunity in its export segment.

- **Significant presence in the replacement segment**: The company markets chain and sprockets with the 'Rolon' brand in the replacement market. These aftermarket sales account for over 30% of its total revenues. This diversification helps protect its revenue from potential downturns or reduced production in the domestic two-wheeler industry. Moreover, products in the domestic aftermarket segment tend to yield higher margins compared to the domestic OEM segment.

- **Technical Outlook:** The stock has given a good breakout above higher highs. With the 200-day moving average at around 890, the stock should offer a good buying opportunity on any declines. Monthly charts indicate that the stock has the potential to rise over 40%, with downside being very limited.

RISK

- Reliance on Two-wheeler industry.
- Sharp increase in commodity prices as primary raw material for LGB is steel.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	1609	2102	2203	2423
Total Expenditure	1356	1714	1819	1987
EBITDA	253	388	384	436
EBITDA Margin %	15.7%	18.5%	17.4%	18.0%
Profit after tax	133	246	252	270
PAT Margin %	8.3%	11.7%	11.5%	11.2%
EPS	42.51	78.2	80.25	87.2

Report Dated : 06 Nov, 2023

MUHURAT TRADING AND INVESTMENT IDEA

Imagicaa world Entertainment Ltd

Industry	Amusement Parks/ Other recreation
CMP	₹ 46.8
Recommendation	Buy on decline

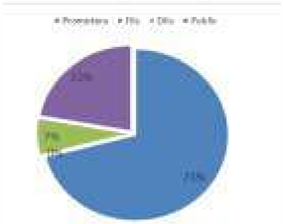
KEY DATA

BSE Code	539056
NSE Code	IMAGICAA
52 Week High (₹)	65.2
52 Week Low (₹)	30.7
Market Cap (₹ Cr)	2250
Face Value	10

INDUSTRY SNAPSHOT

Customers	Open
Market Presence	Domestic
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN (AS ON SEPT-2023)



PROMOTERS/MANAGEMENT

MR RAJESH OMKARNATH MALPANI	CHAIRPERSON
MR MANISH MADHAV MALPANI	NON-EXECUTIVE - NON INDEPENDENT DIRECTOR
MR JAI MANISH MALPANI	EXECUTIVE DIRECTOR,MD
MR. MAYURESH KORE	CHIEF FINANCIAL OFFICER
MR. DHIMANT BAKSHI	CHIEF EXECUTIVE OFFICER & CHIEF MARKETING OFFICER

KEY RATIOS

PE	6.27
EPS	8.68
ROE	-
ROCE	34.6%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

ABOUT THE COMPANY

Imagica world Entertainment Ltd operates themed entertainment destination featuring multiple themed experiences, combining thrilling rides, family-friendly attractions, live entertainment, and water-based adventures it's a place for all seasons, all interests, and all ages. It's India's first and only family holiday destination from Mumbai and Pune located in Khopoli which It includes an International Standard theme park, a water park and a premium hotel.

INVESTMENT RATIONALE

- **Strategically located in an attractive area:** Imagica is located in khopoli, Maharashtra on Mumbai-Pune expressway and Aquamagicaa in Surat, Gujarat which makes them a prime placement as it attracts guests from Mumbai, Pune and the rest of Maharashtra and Gujarat, which are some of the more economically developed areas in India. Imagicaa is located in the Sahyadri mountain range providing a scenic backdrop and a serene environment for visitors, the region also experiences suitable weather throughout the year for spending a day outdoors.

- **High Entry Barriers:** The business of theme and water parks is difficult to replicate as such business require large infrastructure. For a new player to identify and purchase large and suitable parcels of land on commercially viable terms and the long lead-time from the conceptualization to the launch of rides and attractions. Company believes. location off the Mumbai - Pune Expressway, the large parcel of land owned by the Company, the rides and attractions of international quality and standards and the qualified management and operations team provide the Company with a significant competitive advantage over any new entrants.

- **Increase Profitability and achieve cost optimization:** The company's goal is to enhance attendance and per capita spending at its theme parks to increase profitability. They plan to achieve this by focusing on boosting food, beverage, retail, and merchandise sales to improve operating margins. With the recent acquisition of the Malpani group, the company will benefit from their expertise in power generation, including an 8 MW solar plant for Imagica, reducing energy costs significantly. The group's proficiency in procurement and IT will also help lower costs related to food, beverage, retail, and merchandise, ultimately leading to improved operating margins.

- **Technical Outlook:** The stock has given a good breakout above the monthly anchor VWAP from the listing day. Monthly charts indicate a good buying opportunity in the range of 40 to 50, with downside being very limited. The stock has the potential to rise over 40% from current levels. Its strong technical structure, with a strategy to buy on declines, should be the ideal setup.

RISK

- Business is seasonal in nature and weather dependency.
- High capital intensive business.

FINANCIAL OVERVIEW (₹ IN CRORES)

Particulars	2021	2022	2023	2024E
Revenues	22	72	251	300
Total Expenditure	57	40	171	189
EBITDA	-35	32	80	111
EBITDA Margin %	-158.8%	44.9%	31.8%	37.0%
Profit after tax	-269	-244	357	68
PAT Margin %	-1223.4%	-338.8%	142.5%	22.8%
EPS	0.0	0.0	8.68	1.42

Report Dated : 06 Nov, 2023

ET MARKETS SMART TALK

KUCH CORRECTION ACHHE HOTE HAI

INTERVIEWED BY KSHITIJ ANAND, ETMARKETS.COM
ON NOVEMBER 7, 2023

Mr Prashanth Tapse
Research Analyst
Sr VP Research, Mehta Equities Ltd.

The Economic Times Markets

"I still feel Indian markets are not out of geopolitical concerns (woods). Geopolitical tensions have come to India at the cost of outperformance against the world," says Prashanth Tapse, Sr. VP Research Analyst at Mehta Equities Ltd.

In an interview with ETMarkets, Tapse said: "I believe India is in a phase of preparing itself to surpass Japan and become the third-largest economy in the world, with a projected GDP of $7.3 trillion by 2030e, as per the latest report from S&P Global Market Intelligence" Edited excerpts:

1 We have seen some selloff from the highs in both Sensex and Nifty. What is fueling the fall – is it the combination of rise in US Yields and geopolitical concerns?

"Kuch correction acche hote hain (Some corrections are good.)"

I believe a lot of global noises are fuelling Indian market correction, be it the uncertainty escalations between Israel-Hamas and the continued Russia-Ukraine conflict which are concerning the emerging world and raising concerns over the tight global supply of crude.

Along with geopolitical concerns, inflation in the US, which stands to be higher than FED estimates pushing the bond yields to all-time highs which is eventually giving FIIs room to sell or book profits and look for safe havens.

I don't believe in saying a 5-6% fall from its all-time high as market correction, but it's more like the market taking a short break or profit booking after witnessing a spectacular rally in the last few months touching ALL TIME HIGHS.

Market correction or a big crash can be defined only once markets are down more than 10% from their all-time high in a shorter time duration.

I still feel Indian markets are not out of geopolitical concerns (woods). Geopolitical tensions have come to India at the cost of outperformance against the world.

If the Israel conflict remains and escalates, which I believe it will continue, then there would be little more downside for India but may not go below 10% from the top.

2 The next big question is – should one buy the fall or stay put?

I believe India is in a phase of preparing itself to surpass Japan and become the third-largest economy in the world, with a projected GDP of $7.3 trillion by 2030e, as per the latest report from S&P Global Market Intelligence.

Hence the ongoing short break or so-called short-term correction can be considered healthy due to domestic data points remaining strong, be it GDP growth expectations, raising IIP, controlled Inflation even after so much global uncertainty, and benefiting by the way of self-reliant programs set by Govt of India to make sure we are not beaten down more when something goes worst on the global front.

Considering the microeconomic data points such falls should be used for shopping or accumulating best-in-class fundamental strong businesses which can sustain and grow healthy in the medium to long term.

3 After the recent fall how should one play the small & midcap space?

We have always seen when the market corrects 5-6% in the short term, Small & midcap space gets maximum gravity due to high beta correlations, while the other way around in bull markets they are the most outperforming play for long-term Investors.

The big question: After the recent fall how one should play the small & midcap space: I cautiously say it YES, and recommend serious long-term investors should accumulate best-in-class fundamental strong businesses in a phased manner that can sustain the short-term uncertainty concerns and have healthy growth visibility in medium to long term.

4 What does the management commentary suggest from the companies that have come out with September quarter results? If the geopolitical position escalates there could be further pressure on commodity prices?

Post-Russia-Ukraine conflicts, Indian companies have learned a lot, and now management is running businesses with a calculated risk considering all unexpected and uncertainty.

Despite this, Indian corporates are taking geopolitical challenges as opportunities to be self-reliant (ATMANIRBHAR) and lead the world.

As a result, I believe India has tremendous potential to catch up on China plus one strategy as the next growth engine and alternative for world economic growth.

Indian corporates believe India is moving in line with the programs like "Make in India" and "Make for the World".

The Prime Minister said that the government is making a lot of policies and taking decisions regarding the present as well as the goals of the next 25- 30 years taking India towards becoming 3rd largest economy in the world.

Being one of the fastest-growing economies in the world we are bound to be under pressure but the impact, if any, on the economy will be short-lived.

Any further geopolitical escalations would continue to put pressure on commodity prices be it crude, gas, or gold, which could eventually bring pressure on Indian corporate earnings performance.

But Indian corporates have taken smart actions, which we have learned from COVID-19 disturbance by being self-reliant and not being dependent.

With stable government and healthy relationships with all major economies of the world is helping our economy to sustain the global volatility.

ET MARKETS SMART TALK

5 We are approaching Diwali as well and entering the new Samvat year. What were your key learnings from the year gone by?

Despite all the global challenges India stands to be among the fastest-growing large economies which was a commendable performance against all large as well as emerging economies.

Last year was a difficult year for India with high commodity prices leading to high inflation and followed by raising bond yields which led to volatility but having demographic strength and a domestic consumption story we managed to raise and scale to ALL TIME HIGH in the financial world, when other economies were dealing with recession headlines.

Key learnings from the year gone by
a) Not to panic about global noise.
b) Tackling high inflation and raising interest rates scenario.
c) Volatility is the new game of the world.
d) The power of Indian retail investors replacing FII money by the way of Mutual funds and driving India's growth story.

6 Which sectors are likely to hog the limelight till next Diwali?

A) Automobile

b) Banks & NBFC

c) Consumer Durables

d) Defence

e) EV

f) Real Estate

7 How are you looking at the recent crackdown by SEBI on fin influencers?

I believe SEBI is on the right track in cracking down on finfluencers to protect the interests of investors.

Social media platforms have played a vital role in expanding the financial world in the field of educating investors but equally being misused and misguiding unknown investors community lending to disturbance.

Unregistered and unregulated fin influencers are a threat for the growing Indian investors community and SEBI is concerned that finfluencers have a significant influence power over the financial decisions of their followers which can lead to huge losses.

I strongly agree and support the consultation paper to curb the influence of finfluencers.

8 What is your take on the recent IPOs that are hitting the D-Street? Any IPO which you are tracking?

The IPO market in India has experienced a remarkable rush, witnessing a record number of companies making their public debut.

We also saw a lot of retail participation due to an overall optimistic market mood with markets scaling to lifetime highs.

IdeaForge, Aeroflex, and SBFC saw among the highest retail participation setting new records in history.

The best thing I saw was during this public offering a lot of promoters have raised fresh growth capital which was the highest in the last 7 years.

If we look at the CY2023 we had almost 35-40 public offers collectively raised more than Rs 28000 Cr via the main board.

This year it is a bit different as we saw a lot of mid and small-cap companies ranging in market cap between Rs 1000 to 8000 cr which is good for expanding capital markets and larger IPOs were Mankind and JSW Infra.

Due to outperforming Indian markets scaling near ALL TIME HIGH, the primary market generated returns as high as 170% in Plaza Wires Limited.

Overall average returns from 35-40 public offers collectively was around ~41% given the positive secondary market environment and ample liquidity in the market.

9 Have you made any investments in the recent IPO?

Personally, I had subscribed to JSW Infra, Vishnu Prakash R Punglia Ltd, and SBFC Finance Ltd IPO but due to overwhelming response and oversubscription I would not get lucky to get any allotments hence it's a missed opportunity in recent times.

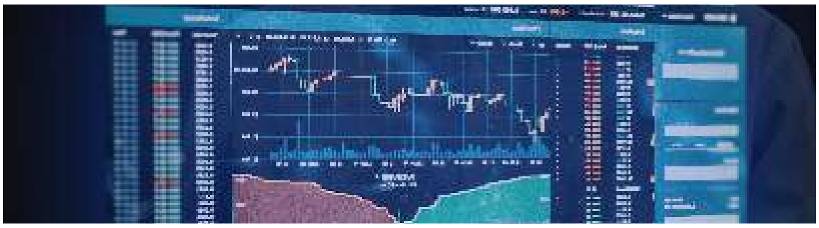
10 How should one spot gems in a falling market?

"Everybody wants to go to heaven, but nobody wants to die", a similar quote also applies in the inventor's mind as "everybody wants to Invest in multibagger gems, but nobody wants to take risk".

Falling markets are usually the best time for shopping if we are disciplined long-term investors but historically we have seen investors run away from stock market sales due to tight liquidity and fear of losing more, be it in the time of COVID-19 or the Russia-Ukraine war or the latest Israel-Hamas conflict.

I believe that spotting a gem in a falling market is a myth, being a fundamental research analyst, I believe risk-and-return are part of investing and identifying gems or a multibagger in the stock market which requires research, a disciplinary approach, high patience, and a willingness to take calculated risks and holding it for long-term.

(Disclaimer: Recommendations, suggestions, views, and opinions given by experts are their own. These do not represent the views of the Economic Times)



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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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Phone No +91 22 61507180
For grievance redressal contact Customer Care Team Email: help.kyc@mehtagroup.in Phone: + 91 22 61507154

MEHTA EQUITIES LIMITED,
903, 9th Floor, Lodha Supremus, Dr.E.Moses Road, Worli Naka, Worli,Mumbai 400 018, India
Tel: +91 22 6150 7101, Fax: +91 22 6150 7102
Email: info@mehtagroup.in, Website: www.mehtagroup.in
CIN No: U65990MH1994PLC078478; **SEBI Regn. No.** INZ000175334 for BSE/ NSE/ MCX/ NCDEX/ MSEI
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