CENTRUM

# Morning Wrap

Daily

*India*

10 July 2023

Nifty 50: 19,332

BSE Sensex: 65,280

Institutional Research

## Market commentary

Stock indexes Friday closed moderately lower, with the Dow Jones Industrials falling to a 1-1/2 week low. Stocks initially whipsawed higher and lower Friday from the smaller-than-expected increase in U.S. June nonfarm payrolls. Although weaker-than-expected, Friday's payrolls report was seen as not weak enough to dissuade the Fed from not raising interest rates at this month's FOMC meeting. The broader market recovered from its worst levels Friday on positive comments from Chicago Fed President Goolsbee, who said policymakers are on a "golden path" to ease price growth without triggering a recession. Global bond yields Friday were mixed. The 10-year T-note yield climbed to a 7-3/4 month high of 4.090% and finished up +2.5 bp at 4.054%.

**India:**

The market continued to rally for yet another week, though there was some rush for booking profits last Friday, amid hints of a possible rate hike by the Federal Reserve in its next policy meeting after the US treasury yields looked up and hiring slowed down.The BSE Sensex closed the week ended July 7 up 562 points to 65,280, and the Nifty50 climbed 143 points to 19,332, while the Nifty Midcap 100 and Smallcap 100 indices gained 0.9 percent and 2.6 percent. Most of the sectors contributed to the up-move in the market. Going forward, markets are likely to sustain the current momentum, as stock-specific action will pick up with the onset of the Q1FY24 earnings season. FIIs have bought stocks worth Rs 91bn in the 1st week of July, in addition to around Rs 55,000 crore worth of buying in the cash market in previous two months. The FII trend to be watched closely in midst of rise in US Yields and Oil prices rise to $77

**Key events for the week ahead:**

- India Corporate earnings season :TCS and HCL Technologies July 12, Wipro on July 13, DMART- 15th July, Bandhan: 14th
- India CPI Inflation: July 12th: Consensus @ 4.25/4.35 [Flat MoM]
- US Inflation: July 12
- India FII Flow as US 10yr crossed 4%
- Oil Price : Brent is trading at $77 [2month high]

## Our research releases

Results Preview

1. Chemicals / Agrochemicals I Pain in exports to continue in 2023, cautious outlook
2. Auto Finance NBFCs I Strong AUM and earnings growth to continue
3. Sugar Sector I Enhanced realisations aid financial performance

Flash Note

4. Praj Industries I Expect margin expansion to drive earnings growth
5. Jio Financial Services I Gearing up for the listing

Company Update

6. Dabur India Ltd I Improving revenue trends across markets
7. Titan Company Ltd I Healthy revenue momentum across all divisions
8. Kalyan Jewellers I Strong momentum despite higher volatility in gold prices

### Financial Indicator

| | CMP | 1 D | 1m | 6m |
|---|---|---|---|---|
| S&P 500 | 4,398.95 | -0.8% | 2.6% | 13.3% |
| Nifty | 19,331.80 | -0.8% | 4.1% | 8.2% |
| VIX | 11.53 | -2.6% | 3.7% | -23.2% |
| MIBOR | 6.65 | 2.6% | -0.7% | 9.6% |
| Sensex | 65,280.45 | -0.8% | 4.2% | 9.0% |
| FTSE 100 | 7,256.94 | -0.3% | -4.0% | -5.7% |
| Stoxx 50 | 4,236.60 | 0.3% | -1.2% | 5.4% |
| DAX Index | 15,603.40 | 0.5% | -2.2% | 6.8% |
| Nikkei | 32,388.42 | -1.2% | 0.4% | 24.7% |
| Hang Seng | 18,365.70 | -0.9% | -5.3% | -12.5% |
| Dow Jones | 33,734.88 | -1.1% | 0.1% | 0.9% |
| Stoxx 600 | 447.65 | 0.1% | -2.7% | 0.7% |
| US 10y yield (%) | 4.06 | 0.8% | 8.6% | 14.2% |
| UK 10y yield (%) | 4.65 | -0.2% | 9.7% | 33.9% |
| JAPAN 10y yield (%) | 0.43 | 3.4% | 0.2% | -15.2% |

### Currency Market

| Currency Market | CMP | 1 D | 1m | 6m |
|---|---|---|---|---|
| USDINR | 82.74 | 0.3% | 0.3% | 0.0% |
| USDYEN | 7.23 | -0.3% | 1.2% | 5.9% |
| USDJPY | 142.21 | -1.3% | 2.0% | 7.7% |
| GBPUSD | 1.28 | 0.8% | 2.1% | 6.2% |
| EURUSD | 1.10 | 0.7% | 2.0% | 3.0% |
| DXY | 102.27 | -0.9% | -1.2% | -1.5% |

### Commodity Market

| | CMP | 1 D | 1m | 6m |
|---|---|---|---|---|
| Brent Crude Oil ($/bl) | 78.47 | 2.5% | 4.9% | -0.1% |
| Copper ($/tn) | 376.70 | 1.3% | -0.6% | -3.7% |
| Gold | 1,925.05 | 0.7% | -1.8% | 3.2% |
| Aluminium | 2,086.00 | 0.5% | -5.3% | -6.2% |
| Silver | 23.09 | 1.6% | -5.0% | -3.1% |
| Zinc | 2,352.75 | 0.2% | -1.8% | -22.5% |
| Natural Gas | 2.58 | -1.0% | 14.6% | -30.4% |

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The Centrum Daily

### Nifty Sectors

| | CMP | 1 D | 1m | 6m |
|---|---|---|---|---|
| Nifty Mid Cap | 36,076.80 | -0.8% | 5.6% | 14.8% |
| NSEAUTO INDEX | 15,498.85 | 0.3% | 6.0% | 22.7% |
| NSEBANK INDEX | 44,925.00 | -0.9% | 2.1% | 6.5% |
| NSEFIN INDEX | 20,086.90 | -0.9% | 3.5% | 8.0% |
| NSEREAL INDEX | 531.40 | -1.2% | 6.6% | 24.8% |
| NSEIT INDEX | 29,560.45 | -0.8% | 4.2% | 5.7% |
| NSEPSBK INDEX | 4,459.10 | 1.0% | 10.5% | 4.3% |
| NSEPHRM INDEX | 13,769.00 | -0.7% | 7.1% | 8.8% |
| NSEFMCG INDEX | 52,942.45 | -1.5% | 4.5% | 19.2% |
| NSEMETAL INDEX | 6,279.25 | -0.7% | 4.0% | -6.2% |

### Nifty-50 top-5 gainers

| Stock | LTP (INR) | Chng (%) | Vol ('000) |
|---|---|---|---|
| TATAMOTORS | 623 | 3.68 | 21,066 |
| TITAN | 3,144 | 1.21 | 3,630 |
| M&M | 1,561 | 0.79 | 6,905 |
| SBILIFE | 1,298 | 0.39 | 939 |
| CIPLA | 1,023 | 0.17 | 1,914 |

Source: NSE (Data as of 7 July 2023)

### Nifty-50 top-5 losers

| Stock | LTP (INR) | Chng (%) | Vol ('000) |
|---|---|---|---|
| ADANIPORTS | 719 | -2.78 | 4,248 |
| POWERGRID | 256 | -2.74 | 9,861 |
| APOLLOHOSP | 5,152 | -2.49 | 559 |
| INDUSINDBK | 1,358 | -2.34 | 2,922 |
| NTPC | 193 | -2.13 | 12,652 |

Source: NSE (Data as of 7 July 2023)

### How sectoral indices fared

| | NSE | BSE |
|---|---|---|
| Broad* | -0.85% | -0.77% |
| Capital Goods | | -0.81% |
| Metals | -0.73% | -0.67% |
| Cons Disc | | -0.06% |
| Cons Stapl | -1.53% | -1.45% |
| Healthcare | | -0.69% |
| Financials | -0.90% | -0.85% |
| IT | -0.82% | -0.82% |
| Telecom | | -0.29% |
| Auto | 0.29% | 0.29% |
| Media | 3.91% | |
| Banking | -0.92% | -0.81% |
| Energy | -0.95% | -0.08% |

Source: NSE/BSE, Centrum Broking
* Nifty 50 / BSE Sensex

# Management commentaries

## IdeaForge

**Ankit Mehta, CEO**

- The way they look at the market and opportunities emerged late last year from the Government procurement category- which also included drones
- They expect a lot of these opportunities converting to revenues this year.
- The market is alos opening up in the ability to absorb the unit number of drones- in context to sectors like agri, law, insepction and upcoming opportunities in logistics too.
- The market is expected to grow and scale in this year itself- which will help ideaforge to increase revenues.
- There is a good pipeline alos emerging from civil opportunities too.
- Employee costs is at 23% and one has to look at this number as ESOPs and actual cash payout which includes one time grant.
- Going ahead the employee expenses will increase as they grow- however percentage wise it will remain same.
- The overall capacity the company has 9 drones a day- which is a shiftwise capacity at single shift. However if the shift are increased- the capacity can easily triple at the same unit.
- The cost of drone is Rs 5L-15L depending on configuration.
- Peak levels company can esily cross 2-3x the current revenues.
- Sustainable Ebitda margins the company will be achieving is 30-40%. However as scale comes in- these numbers can be apparent.
- OCF in FTY21 were positive, however FY23 was negative. The current situation is not an issue- as most of the orders are chunky.Going ahead it will settle at 200days

Link: https://www.youtube.com/watch?v=JfGBc8eMLCI

## Bajaj Auto

**Rajiv Bajaj**

- The company already have their own brand ie Domina 400 and KTM 400- Therefore this segment is not new for the company.
- The company has also started a new plant at Chakan in Pune [2nd one]
- The company has achieved highest specs in terms of design , atheistic at this competitive costs.
- If these standards were not achieved- it would have been difficult to achieve such kinds of specs.
- The Speed 400 is priced at Rs 2.33L but the 1st 10k customers will only pay Rs 2.23L.
- With Bajaj's own brand- they can address mass premium & premium market- the company has been able to address with its own brands.
- The lifestyle and the AI segment- the company had to get into the market will be thru a partner to get premium pricing.
- Triumph will be the addressing the cool riding segment-
- Between all 4 players in 2ws: Bajaj has the 50% of the share of profits. With this Triumph brand- it will allow Bajaj to enter into an elusive club of Royal Enfield
- The pie of 350cc is 10% of the Industry[domestic] in volume terms & revenue & profits is larger than 10%.
- The initial capacity at the new plant is 5k units per month and hoping that in coming 3-4months- the capacity will expand to catering to exports.
- Current Chakan plant has the capacity of 30k of which 25k is KTM 400 and 5k will be Triumph. In the second phase- the capacity can increase to 40k and in the future can 1mn
- The Triumph manufactured in India- will go to all Triumph markets in the world.
- Triumph motorcycles will be sold exclusively thru Triumph dealership. Looking to expand dealership from current 16 to 100 in few month. In metros they will carry the big and the middle weight Triumph
- The capex incurred by Bajaj in the 2nd Plant in Chakan is 2bn.

Link: https://www.youtube.com/watch?v=HoUcmZmYcmA

CENTRUM

# Chemicals / Agrochemicals

## Pain in exports to continue in 2023, cautious outlook

Q1FY24 Earnings Preview

India I Chemicals/Agrochemicals

7 July 2023

NIFTY 50: 19,497

BSE Sensex: 65,786

Institutional Research

**During 2HFY23, chemical companies' performance was affected due to lower exports demand and we believe that in Q1FY24E demand weakness has further exacerbated. Despite growth in domestic market, significant weakness in exports is expected to take a toll on overall performance in Q1. Global players' commentary post 1QCY2023 results, indicated that the inventory destocking is at the fag end and expected to be over soon (Voices from Global Chemicals, Agrochemicals players 1Q2023). However, demand related challenges persist and based on recent commentaries from global chemical players suggest that demand recovery is now delayed to end-2023/ early-2024. Late onset of monsoon due to El Nino delayed domestic sowing initially but caught up by end-June. Nonetheless, sowing distribution is uneven with Rice/ Cotton sowing down 26%/ 14% YoY. This is likely to pose challenge for the domestic agrochemicals companies. Severity of El Nino is still unknown and remains a key monitorable to evaluate the impact not only on Kharif but also on Rabi. China coming back in global arena with massive dumping all across chemicals has posed serious challenge for the entire industry. We are extremely cautious on the Indian Chemicals and Agrochemicals space as of now and expect earnings to take a significant hit in FY24E. The intensity would be relatively clear post Q1FY24E numbers.**

### Exports demand recovery delayed, to pose challenge in FY24E

Indian domestic chemicals demand remains good however industry has been facing challenge over the past couple of quarters in exports demand. We believe that exports demand challenge to persist in near term which is expected to impact FY24E performance for the entire chemicals/ specchem segment. Falling RM prices and utilities cost is providing some solace however volume growth remains a key near term challenge. Any surge in demand seems unlikely till the festive season kicks in.

### China post-Covid demand recovery not as per expectations, wages pricing war across chemicals/ agrochemicals

China's demand recovery post removal of Covid restrictions in December 2022, remained tepid. However, China's production remained elevated in anticipation of strong surge in demand post China's re-entry in global arena. Looking at China's Key Chemicals' production data for 2022 (Chemical Pulse) suggests that despite low domestic consumption, China's chemical production remained stable to positive implying inventory creation. Post Chinese new year in February, Chinese manufacturing further accelerated in anticipation of demand. However, slower pickup in global demand led to massive inventory ingress by China in the global arena. Due to significant ingress of Chinese chemicals without demand uptick, prices plummeted substantially during 1H2023. Also, capacity creation in generic agrochemicals and subsequent flow of agrochemicals led to price correction and excess inventories in global generics space.

### Domestic agrochemicals face multiple headwinds

Domestic agrochemicals market is expected to face multiple headwinds including, 1. Demand related challenge due to expected El Nino, 2. High cost inventories, 3. Ingress of Chinese generics at lower prices. We believe performance of domestic agrochemical players is likely to get impacted severely in Kharif season and expected deficiency of monsoon would lead to impact during Rabi season as well.

### Significant revenue and margin impact for chemicals/ agrochemicals universe in Q1

Except for Navin Fluorine and PI Industries, all the other chem/ agrochem companies are expected to report YoY decline in revenues and EBITDA which will percolate further to bottom-line. Significant YoY EBITDA decline is expected in Aarti Industries (down ~36%), Atul (~47%), and UPL (~37%). Change in global narrative due to China reentry over the past few months is likely to impact sector earning in FY24E with further impact in FY25E. **Earnings downgrades are eminent**. Based on Q1 results, management outlook on dom./ exports demand, and commentary from global players, the intensity of earnings cuts would be decided. Thus, we remain **extremely cautious** on the entire chemicals/ agrochemicals space in near-term.

### Stock price performance (%)*

| Company Name | 1 Mth | 3 Mth | 6 Mth | 1 Yr |
|---|---|---|---|---|
| Aarti Industries | (5.1) | (7.6) | (21.2) | (18.7) |
| Anupam Rasayan India | (9.4) | 12.2 | 43.8 | 62.3 |
| Atul Ltd. | 1.5 | (1.2) | (16.1) | (15.4) |
| Deepak Nitrite | 0.2 | 18.2 | 6.8 | 24.2 |
| Dhanuka Agritech | 1.5 | 25.4 | 9.6 | 13.6 |
| Galaxy Surfactants | 1.1 | 10.2 | 7.5 | (7.6) |
| Gujarat Fluorochemicals | (6.5) | (6.2) | (5.2) | 1.4 |
| Navin Fluorine | (0.2) | 8.8 | 14.4 | 23.1 |
| PI Industries | 7.4 | 27.2 | 12.9 | 45.7 |
| SRF | (10.2) | (4.2) | (1.2) | 10.9 |
| UPL | (3.1) | (8.1) | (6.5) | 2.5 |
| Vinati Organics | (0.5) | 1.4 | (8.3) | (7.0) |

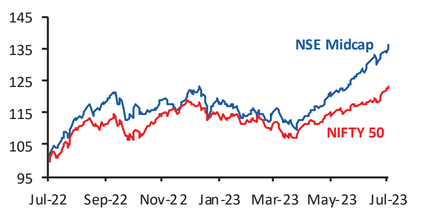
Source: Centrum Broking, *as on 6 July 2023

### Rating and Target prices

| Company Name | Rating | Price* (Rs) | TP (Rs) |
|---|---|---|---|
| Aarti Industries | BUY | 486 | 736 |
| Anupam Rasayan India | SELL | 998 | 951 |
| Atul Ltd. | BUY | 6,852 | 8,147 |
| Deepak Nitrite | BUY | 2,136 | 2,236 |
| Dhanuka Agritech | BUY | 790 | 892 |
| Galaxy Surfactants | BUY | 2,652 | 3.025 |
| Gujarat Fluorochemicals | BUY | 2,943 | 4,535 |
| Navin Fluorine | BUY | 4,616 | 5,768 |
| PI Industries | BUY | 3,854 | 4,245 |
| SRF | ADD | 2,277 | 2,895 |
| UPL | BUY | 673 | 1,062 |
| Vinati Organics | BUY | 1,835 | 2,190 |

Source: Centrum Broking, *as on 6 July 2023

### Nifty 50 vs NSE Midcap




Source: Bloomberg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Chemicals

# Auto Finance NBFCs

## Strong AUM and earnings growth to continue

Q1FY24 Earnings Preview

India I NBFCs

8 July 2023

Institutional Research

NIFTY 50: 17,599

BSE Sensex: 59,833

**We expect auto NBFC's to report AUM growth in the range of 17% to 40% YoY driven by underlying demand in autos segment. Business diversification should aid in strong AUM growth for Cholamandalam Investments & Finance Co. (CIFC) and Mahindra & Mahindra Finance (MMFS). We build in NIMs to decline 10 to 12bps QoQ across players as the old borrowings gets replaced with the new ones along with incremental borrowings to support growth. We expect operating expenses to decline QoQ as we build in sequential decline in disbursements due to 1Q seasonality (ex-Sundaram Finance, SFL). We expect credit costs to remain benign in line with the overall environment and decline between 36bps to 220 bps YoY. Strong AUM growth and benign credit environment led to 12% to 38% increase in stock prices of auto NBFCs (our coverage) over last 3 months. We do not expect any significant surprises on growth or asset quality this quarter. Key to watch out will be NIMs compression, operating expenses and growth guidance given the pre-election year. We maintain Shriram Finance (SHFL) and Sundaram Finance (SFL) at BUY and CIFC and MMFS at ADD.**

### Healthy AUM growth to continue in FY24

We build in auto finance disbursement growth in the range of 15-17% for FY24 and overall disbursement growth in the range of 15% to 21% for FY24. H1 is seasonally weak quarter in autos, despite that we have seen strong underlying demand in Passenger Vehicles driven by Utility Vehicles. CV segment has shown mixed trends. CIFC, MMFS & SHFL have diversified into Personal loans, Consumer loans, MSME loans, LAP, etc which should support disbursements. We build in total AUM growth in the range of 16% to 28% for FY24. We are expecting growth to remain buoyant in 1QFY24, and build in AUM growth of 40%/28%/17%/17.6% for CIFC/MMFS/SFL/SHFL . Mahindra Finance reported provisional numbers for 1QFY24, reporting disbursements at Rs 121bn (up 28% YoY) and business assets at Rs 866bn (up ~ 28% YoY).

### NIMs to contract as maturing debt gets repriced

We expect NIMs to contracts across players as old debt gets repriced and additional debt is raised to meet growth. NBFCs CoF is still lower than pre-covid levels, while NCD's raised for 3- year tenure are up over 200 bps in the last 6 quarters. SBI 1-year MCLR is up by 110bps over last one year. We expect NIMs to decline 10-12 bps QoQ in 1QFY24.

### Operating profit to grow in the range of 7% to 9% QoQ ex-SFL

We expect opex to decline QoQ (ex-Sundaram) due to lower disbursements (seasonality) in 1Q as against 4Q. This should support operating profit to grow in the range of 7% to 9% QoQ (ex-Sundaram). Sundaram had higher other income in 4QFY23, which we do not build in 1QFY24 estimates, thus we expect operating profit for Sundaram to decline ~4% QoQ. The NBFCs have added employees and spent on digital and technological stack in last one year and it will be crucial to watch out on opex trends entering into FY24. Nonetheless, higher revenues will not bring it to the fore in the investor discussion in 1Q itself.

### No red flags in asset quality yet; expect QoQ increase in credit costs as recovery from write-offs will be lower

Credit costs remained benign in H2FY23 due to lower slippages and higher recovery from accounts written off during covid times. In 1QFY24, we expect credit costs to decline on a YoY basis, however, revert to historical levels as the recovery from written off accounts will be muted. Sequentially, we expect credit costs to rise for all, ex-Shriram finance which had a one-off impact (stress testing) of Rs2.95bn in 4QFY23. We build in credit costs at 0.8%/2%/0.3%/2.5% for CIFC/MMFS/SFL/SHFL in 1QFY24. MMFS reported Stage 2 & Stage 3 assets at 6.5% / 4.4% for 1QFY24 in its provisional disclosures, better than our expectation.

### Valuations and view

We increase our earnings estimate by 9% to 12% for CIFC for FY24E and FY25E, driven by higher AUM growth and low credit cost assumptions. We value to stock at 5x FY25E P/ABV to arrive at our Target Price of Rs 1,190. We maintain ADD rating. We have increased our earnings estimate by 3% to 4% for MMFS for FY24E & FY25E as we reduce our credit cost assumptions. We value MMFS standalone business at 2.5x FY25E P/ABV and assign value of Rs 19 to its subsidiaries to arrive at our Target Price of Rs350. Our estimates, target price & recommendation for Shriram and Sundaram Finance remain unchanged. Shriram is our preferred pick due to inexpensive valuations, strong growth expected in used vehicles and cross-sell synergies post-merger, if any.

### Stock price performance (%)*

| Company Name | 1 Mth | 3 Mth | 6 Mth | 1 Yr |
|---|---|---|---|---|
| Cholamandalam | 9.6 | 39.9 | 63.8 | 82.8 |
| Mahindra Fin | 12.7 | 30.4 | 40.5 | 72.7 |
| Shriram Fin | 22.0 | 31.8 | 29.4 | 33.8 |
| Sundaram Fin | 3.7 | 11.7 | 15.2 | 44.6 |

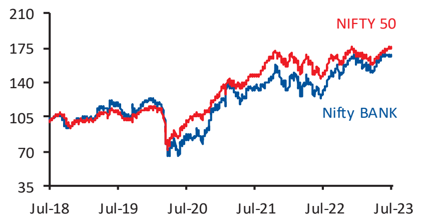
Source: Bloomberg, *as on 7 July 2023

### Rating and Target prices

| Company Name | Rating | Price* (Rs) | TP (Rs) |
|---|---|---|---|
| Cholamandalam Inv | Add | 1175 | 1190 |
| Mahindra Finance | Add | 330 | 350 |
| Shriram Transport | Buy | 1719 | 2400 |
| Sundaram Finance | Buy | 2635 | 2862 |

Source: Centrum Broking, *as on 7 July 2023

### Nifty 50 vs Nifty Bank




Source: Bloomberg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CENTRUM

# Sugar Sector

## Enhanced realisations aid financial performance

1QFY24 Earnings Preview

India I Sugar Sector

8 July 2023

NIFTY 50: 19,332

BSE Sensex: 65,280

Institutional Research

**As of June 15, 2023, India's sugar production for the SSY23 has recorded a decrease compared to the previous year. The production stands at 32.8MMT in contrast to the previous year's 35.4MMT. For the quarter sugar mill owners across India has fetched higher realisations for sugar. Apart from lower sugar production, a notable factor contributing to the firmness of sugar prices is the expected increase in demand during the upcoming festive season. Additionally, the lower stock balances across distribution channels further support this trend. Looking ahead to the SSY24, there is a 2.8% increase in sugarcane acreage compared to previous year, reaching 54.4 lakh hectares. On export front, despite the lower sugar production estimates for SSY24, India is expected to have a surplus of sugar, estimated to be around 5 MMT, which could potentially be exported. However, with the general elections approaching, we expect that the export policy may face delays until March 2024. Our top pick in the sector remains BRCM, and we continue to maintain a ADD rating with a TP of Rs437.**

### Weather conditions brighten: Rain deficiency recedes as monsoon revives

After facing a rainfall deficit of approximately 10% until June, recent developments in the weather have brought respite. The rain gods have showered their blessings in the past few days, significantly reducing the deficiency. Concerns over a potential drought-like situation in India have taken a backseat. Notably, until June 22nd, 2023, the country experienced a rainfall deficit of about 31%. Encouragingly, the Indian Meteorological Department's Director General predicts that July could witness rainfall exceeding 100% of the normal levels. However, certain regions such as Uttar Pradesh, Bihar, Assam, Punjab, Karnataka, and Tamil Nadu may still encounter below-average rainfall. In our recent conversation with management, they emphasized the crucial role of July and August rainfall for the growth of the sugarcane crop. Fortunately, the beginning of the month has aligned with good rainfall. Overall, the improved weather conditions and the anticipation of sufficient rainfall in July bring positive prospects for the agricultural sector, including the sugarcane industry.

### Government approves enhanced FRP for sugarcane, signaling higher ethanol rates

In a recent development, the government has given its approval for the FRP of sugarcane payable by Sugar Mills to sugarcane farmers for the upcoming SSY24. The FRP has been set at Rs315/qtl, representing an increase of Rs10/qtl compared to SSY23. Furthermore, an additional provision has been made to offer a premium or reduction of Rs3.07/qtl for every 0.1% increase or decrease in recovery above or below the baseline recovery rate of 10.25%. This decision is viewed by us as a positive precursor for a potential upward revision (ranging from 2% to 5%) in the ethanol offtake rates for the ESY24. Moreover, the approval of the enhanced FRP has sparked a growing demand for a hike in the MSP as well. The current MSP has remained stagnant at Rs31/kg for the past four years.

### BRCM – Expect significant improvement in quarterly performance

BRCM is expected to report a consolidated revenue surge of 22.8% YoY to Rs13.3bn Vs Rs10.8bn in 1QFY23, driven by a substantial increase in volumes (+64/12%) in the Distillery/Sugar division. Further, SSY23 has seen far better recovery numbers for BRCM vis-vis SSY22. In this backdrop, margins are predicted to be higher at 11.7% (compared to 4.1% in 1QFY23). The rise in revenues coupled with margin expansion is expected to result in BRCM reporting strong consolidated earnings numbers to Rs741mn in 1QFY24, compared to Rs124mn in 1QFY23. **Our top pick remains BRCM, and we maintain our ADD rating with a target price of Rs437.**

### TRE – lower sugar volumes a drag for the quarter

For 1QFY24, we expect TRE to post consolidated revenue decline of 4% on YoY basis to Rs11.8bn (Rs12.3bn) primarily due to lower domestic sugar volumes/quota. EBITDA margins for TRE are also expected to be lower as compared to 1QFY23 primarily due to lower recovery levels in SSY23. Subdued performance on revenue and margin front would entail TRE to post earnings decline of 14% YoY on consolidated earnings to Rs573mn vis-à-vis Rs664mn in 1QFY23. **We have a ADD rating with TP of Rs305.**

**Stock price performance (%)***

| Company Name | 1 Mth | 3 Mth | 6 Mth | 1 Yr |
|---|---|---|---|---|
| BRCM | (2.6) | (7.2) | (1.2) | 10.0 |
| TRE | 1.3 | 1.4 | (0.2) | 20.6 |
| NIFTY Midcap 100 | 6.0 | 18.9 | 14.5 | 32.6 |

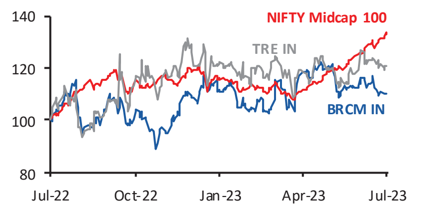
Source: Centrum Broking, *as on 7 July 2023

**Rating and Target prices**

| Company Name | Rating | Price* (Rs) | TP (Rs) |
|---|---|---|---|
| BRCM | Add | 382 | 437 |
| TRE | Add | 281 | 305 |

Source: Centrum Broking, *as on 7 July 2023

**Nifty Midcap100 Vs BRCM Vs TRE**




Source: Bloomberg

Mid Cap

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CENTRUM

# Praj Industries

## Expect margin expansion to drive earnings growth

**Flash Note**

India I Sugar Sector

8 July 2023

NIFTY 50:19,332

BSE Sensex: 65,280

Institutional Research

**Praj Industry (PRJ) is expected to continue posting revenue growth (+15% YoY) in 1QFY24 to Rs8.4bn vs. Rs7.3bn. India's total ethanol production capacity is about ~1200cr litres and is expected to reach ~1800cr litres in next 2-3years which augurs well for PRJ being a market leader. However, in near term order inflow traction is expected to be moderate primarily due to delay in financial closures of grain based ethanol plants. Stainless steel prices have corrected over the few months and hence we foresee marginal uptick on the operating margins. Therefore, we pencil in EBITDAM of 8.1% for 1QFY24 vs. 7.2% in 1QFY23. On earnings front we expect PRJ to post 24% YoY growth to Rs511mn vs. Rs413mn in 1QFY23. We maintain BUY rating by assigning a PE of 30x FY25 Earnings and arrive at a TP of Rs535/-.**

### EBP – achieving targets as planned

The current total ethanol production capacity is about 1200cr litres (which includes more than 800cr litres of molasses based production capacity and balance grain based production capacity). Further, the current ethanol blending rate in India has reached a level of 11.7% as on 29th June with 318crore litres of ethanol lifted. Further, BH route have contributed 138cr litres, followed by Juice route 120cr litres and balance 56cr litres have come from grain route. With the Government's plan to reach 12% by 2023 and 20% by 2025 there is significant capacity that needs to be built to cater to the additional blending requirement which augurs well for PRJ being the market leader.

### IOCL and PRJ collaborate to strengthen India's biofuel production capacities

IOCL and PRJ have signed a term sheet, marking a significant step forward in their joint efforts to enhance biofuels production capacities in India. This MoU encompasses various biofuels, including SAF, Ethanol (E1G and E2G), CBG, Biodiesel, and Bio-bitumen, among others. Notably, both companies had previously joined forces in October 2021, establishing a 50:50 JV to advance these initiatives. By consolidating a wide array of biofuel products under a single umbrella and leveraging PRJ's technology, the partnership is poised to attract significant order accretion for PRJ in the medium to long term. The inclusion of SAF, Ethanol, CBG, Biodiesel, and Bio-bitumen underscores the comprehensive nature of their efforts and highlights their commitment to sustainable and eco-friendly energy alternatives. By combining their respective strengths, the partnership seeks to contribute to India's energy security, promote clean energy solutions, and reduce the nation's carbon footprint.

### Outlook

Over the past twelve months, the stock performance of PRJ has been lacklustre due to worries about a visibility of order inflow. However, we are optimistic that the company's focus on efficient execution, enhanced return ratios, and strong cash flow generation will result in superior performance in the future. Additionally, PRJ recently revealed plans for a capital expenditure of approximately Rs100cr for their CPES business, which primarily caters to exports. This move is likely to benefit their FY25 engineering division performance which we believe are not factored in the current price. **We believe that the market has not fully accounted for various initiatives taken by PRJ to continue its growth journey, and thus, we maintain a BUY rating on the stock with a TP of Rs535/-.**

**Exhibit 1: Key monitorables**

| Company | Comments |
|---|---|
| PRJ | 1) Management commentary on order pipeline and enquiry levels. |
| | 2) More insight into IOCL JV term sheet which is recently signed. |
| | 3) In the backdrop of falling SS prices outlook on margin for remaining part of the year and FY25. |

Source: Company, Centrum Broking

### Stock price performance (%)*

| Company Name | 1 Mth | 3 Mth | 6 Mth | 1 Yr |
|---|---|---|---|---|
| Praj Industry | 3.2 | 14.4 | 8.9 | 6.3 |
| NIFTY Midcap 100 | 6.0 | 18.9 | 14.5 | 32.6 |

Source: Bloomberg * as on 7th July, 2023

### Rating and Target prices

| Company Name | Rating | Price* (Rs) | TP (Rs) |
|---|---|---|---|
| Praj Industry | BUY | 397 | 535 |

Source: Centrum Broking, *as on 7th July, 2023

Mid Cap

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CENTRUM

Flash Note

India I BFSI

09 July 2023

NIFTY 50: 19,332

BSE Sensex: 65,280

Institutional Research

# Jio Financial Services

## Gearing up for the listing

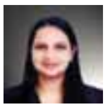
**The NCLT has approved the scheme of demerging the Financial Services Undertaking of Reliance Industries Ltd (RIL) and merging it with Reliance Strategic Investments Ltd (RSIL). RSIL will be renamed as Jio Financial Services Ltd (JFSL). As part of the scheme, 6.1% of treasury shares in RIL will be transferred to JFSL. RIL shareholders will get shares on a 1:1 basis in JFSL. The record date for determining the equity shareholders of RIL entitled to receive shares of JFSL has been fixed at July 20, 2023. The board has decided not to constitute GDR program of RSIL. Mr. Rajiv Mehrishi (13th CAG of India), Mr. Sunil Mehta (ex-MD & CEO of PNB) and Mr. Bimal Manu Tanna (Partner at PWC) has joined as additional directors on the board of RSIL for a term of 5 years. The board has recommended the appointment of Ms. Isha Ambai and Mr. Anshuman Thakur as Non-Executive Directors, subject to approval of members of RSIL and RBI. The board has approved the appointment of Mr. Hitesh Sethia as MD & CEO of RSIL for a period of 3 years subject to approval of members and RBI. Until his appointment as director, Mr. Sethia is designated as President & CEO of RSIL.**

**Strong Capital Base:** RSIL and Financial services undertaking has a combined networth of Rs 280bn (FY22) which includes investments of 6.1% stake (market value of Rs 1 trillion) in RIL. In our view, JFSL may in staggered manner monetize its investments for growth and incubate other businesses in financial services. While MTM gains are not used for the calculation of Capital Adequacy Ratio (CAR), JFS has total capital of Rs 1.19tn calculated on Market Value of investments. It will make JFSL the fifth largest financier in terms of capital. We estimate (link) JFSL to list in the range of Rs 157 -190.

**Leveraging on group strength:** Reliance Industries Ltd has 18040 retail stores and 249mn registered customer base under its retail arm. It has subscriber base of 433.3mn (Apr'23) customers under its telecom business. With access to wide retail footprint and strong subscriber base, Reliance has a competitive edge in terms of data that it can leverage to scale up its financial services business.

**Focus on analytics based retail lending:** JFS plans to launch consumer and merchant lending business based on proprietary data analytics to complement and supplement the traditional credit bureau-based underwriting. JFS will continue to evaluate organic growth, joint-venture partnerships as well as inorganic opportunities in insurance, asset management and digital broking segments. The media articles (link) states that RIL is testing a consumer durables financing programme under the Jio brand at select Reliance Digital outlets.

**Brief profile of Mr. Hitesh Sethia:** Mr. Sethia is a financial services executive with over 2 decades of experience across Europe, Asia (India & Greater China) and North America. He has spent most of his career at ICICI Bank gaining functional experience and handling leadership roles across various departments such as credit, retail banking, corporate banking and transaction banking coupled with understanding of technology applications in financial services. He has experience in the areas of strategy formulation, market development, compliance, risk management and team building across multiple countries. Mr. Sethia was involved with setting up and scaling operations as a key member of the set-up team for ICICI Bank Canada. He also held senior positions /country head positions for the ICICI Bank's operations in UK and Hong Kong. In his last role at the bank, he was Head of Transaction Banking based in Mumbai.



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NBFC

# Dabur India Ltd

## Improving revenue trends across markets

**Company Update**

India I Consumer

07 July, 2023

Institutional Research

**BUY**

Price: Rs572

Target Price: Rs632

Forecast return: 11%

**Dabur India Ltd. in its Q1FY24 business update, said that it witnessed improvement in urban and rural markets given sequential moderation in inflation positively impacted consumer spending. Healthcare & HPC would achieve double-digit growth backed by mid-single digit volume while Badshah masala showed high teens growth. Within HPC, Home Care category is expected to report high teen's value growth and Oral & Hair care categories growing in low double digit while beverages had a muted quarter due to unseasonal rains. Management confirmed some green shoots are visible on the back of moderating food inflation and increase in Govt. spending. We note, in Q1FY24 Dabur to report more than 10% revenue growth whereas volume growth would be 4-5%. International business is expected to register double-digit revenue growth in CC. Management expect gross margin expansion on the back of lower inflation while A&P spend would increase to gain volume. We remain positive and maintain Buy with DCF-based TP Rs632 (implying 46.1x FY25 EPS).**

### Positive momentum has been visible across markets

Management witnessed improvement in urban and rural markets led by lower inflation. We note, in Q1FY24 Dabur to report more than 10% revenue growth while volume would grow 4-5%. Management said, Healthcare & HPC would achieve double-digit growth backed by mid-single digit volume whilst Badshah masala could report high teen's growth. Within HPC, Home Care category is expected to report high teen's value growth and Oral & Hair care categories growing in low double digit while beverages portfolio, had a muted quarter due to unseasonal rains. Management expects India business to grow high single-digit during Q1FY24. International business is expected to register double-digit revenue growth in CC terms and softening inflation would have positive impact on the portfolio.

### Management expects gross margin expansion on the back of lower inflation

Management confirmed that it saw falling inflation trend could help the company to improve gross margin sequentially while A&P spend would increase to gain volume. However, as commodity prices easing further, inflation is expected to impact Q2FY24 which could show up in margin improvement in our view. PAT growth for Dabur in Q1 to be lower than operating profit growth mainly due to brand amortization expenditure on account of Badshah acquisition. Even though operating environment remain challenging, management said its business fundamentals continue to be resilient.

### Our view and Risks

We note, Dabur mitigated impact of inflationary pressures through disciplined cost control, operational efficiencies and judicious price increases. Further, normalization of healthcare business and margin improvement in international business coupled with steady growth in recently acquired Badshah Masala to show up in margin recovery in our view. Management believe, easing raw material cost and emerging green shoots would help to deliver better performance, going forward. We remain positive on growth prospects and maintain BUY, with a DCF-based TP of Rs632 (46.1x FY25E EPS). Risks to our call include tepid demand along with irrational competition.

### Financial and valuation summary

| YE Mar (Rs mn) | FY21A | FY22A | FY23A | FY24E | FY25E |
|---|---|---|---|---|---|
| Revenues | 95,617 | 108,887 | 115,299 | 130,312 | 148,232 |
| EBITDA | 20,027 | 22,538 | 21,641 | 25,157 | 30,461 |
| EBITDA margin (%) | 20.9 | 20.7 | 18.8 | 19.3 | 20.5 |
| Adj. Net profit | 16,933 | 18,242 | 17,072 | 19,883 | 24,304 |
| Adj. EPS (Rs) | 9.6 | 10.3 | 9.7 | 11.2 | 13.7 |
| EPS growth (%) | 9.6 | 7.7 | (6.4) | 16.5 | 22.2 |
| PE (x) | 59.7 | 58.2 | 59.3 | 50.9 | 41.6 |
| EV/EBITDA (x) | 0.4 | 0.6 | 0.6 | 0.5 | 0.4 |
| PBV (x) | 13.2 | 12.1 | 11.3 | 10.4 | 9.4 |
| RoE (%) | 23.7 | 22.7 | 19.7 | 21.3 | 23.7 |
| RoCE (%) | 21.8 | 20.5 | 17.4 | 18.4 | 20.9 |

Source: Bloomberg, Centrum Broking

**Market Data**

| | |
|---|---|
| Bloomberg: | DABUR IN |
| 52 week H/L: | 611/504 |
| Market cap: | Rs1049bn |
| Shares Outstanding: | 1772.0mn |
| Free float: | 35.5% |
| Avg. daily vol. 3mth: | 2227460 |

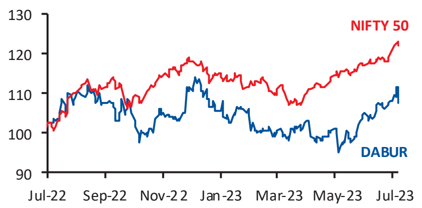
Source: Bloomberg

**Changes in the report**

| | |
|---|---|
| Rating: | Unchanged |
| Target price: | Unchanged |
| EPS: | Unchanged |

Source: Centrum Broking

**DABUR relative to Nifty 50**




Source: Bloomberg

**Shareholding pattern**

| | Mar-23 | Dec-22 | Sep-22 | Jun-22 |
|---|---|---|---|---|
| Promoter | 66.2 | 66.2 | 67.2 | 67.2 |
| FIIs | 19.7 | 20.5 | 20.2 | 20.2 |
| DIIs | 7.3 | 6.5 | 5.8 | 4.0 |
| Public/other | 6.8 | 6.8 | 6.8 | 8.6 |

Source: BSE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Consumer

# Titan Company Ltd

## Healthy revenue momentum across all divisions

Company Update
India I Consumer
07 July, 2023

Institutional Research

**BUY**

Price: Rs3,144
Target Price: Rs3,150
Forecast return: 0%

**As per exchange filling in Q1FY24 Titan witnessed standalone revenue growth of 20.0% whereas Caratlane grew at 32.0% YoY. Growth was driven by, (a) jewelry growth at 21% was led by buyer growth which was higher than ticket size, (b) W&W grew by 13% driven by 8% growth in analog watches, yet wearables grew 84%, (c) Eye care revenues grew at 10%. Despite volatility in gold prices, demand for jewelry was benefited from Akshaya Tritiya in Apr and wedding purchases in Jun, yet golden harvest and exchange programs continued to deliver better results. Watches & Wearables saw strong demand for international watches, whilst e-com, LFS and Helios chain delivered good growth. Growth in Eye care was driven by trade channel though Titan Eye+ has improved contribution to sales. Including Caratlane company added 68 stores in Q1FY24. We believe sales momentum would continue and expect Titan to outperform peers. We retain Buy with DCF-based TP Rs3,150 (implying 60.0x on 25E EPS).**

### Jewelry witnessed 21% growth led by strong footfall along with higher ticket size

Jewelry revenues (ex. Bullion) witnessed sales growth of 21.0% driven by buyer growth which was higher than ticket size. Despite significant volatility in gold prices sales around Aksshaya Tritiya in Apr'23 and wedding season in Jun'23 pushed sales. Management alluded its golden harvest and exchange programs continued to build traction, yet studded share remained strong. In India Tanishq added 9 stores and 8 under Mia. Though it added a new store in Sharjah to reach 7 in GCC and one in the US.

### Watches & Wearables growth was driven by premiumisation

Watches & Wearables achieved 13.0% growth led by higher premiumisation and 8% growth in the analogue watches. Wearables segment grew 84% on YoY driven by strong demand. Brand Titan and international brands saw strong buying momentum clocking double-digit growths. Consumer preferences for premium brands resulted in good uptick in the average selling price. Management attributed strong demand led by, (a) product differentiation & premiumisation driving mix and avg. selling price, and (b) net store addition – 14/9/3 stores under Titan World/ Helios/FastTrack format.

### EyeCare along with emerging business are on the right track

Eyecare sales grew 10% YoY while Titan Eye+ stores achieved double-digit growth (added 2 stores and Fastrack saw 2 store addition. Caratlane (72.3% sub) grew 32.0% YoY led by strong demand around Akshaya Tritiya and new collection such as 'Ada' and 'Minion X' for kids. Caratlane added 11 stores. Fragrances & Fashion accessories grew 11.0% led by 9.0% growth in fragrances and 13% in fashion accessories yet Taneira grew 81%.

### Valuation driven by potential earnings upside

Titan's strategy revolving around serving millennials, meeting their aspirational demand with introduction of new designs and channels, could pay richly. Besides that, industry formalization would help to gain market share for Titan. In addition, we expect strong demand momentum for Watches and Eyewear to continue given normalized consumer mobility. Further turnaround in the Caratlane, watches, and eyewear divisions and improvement in profitability not yet priced in. We remain positive and maintain BUY, with a DCF-based TP Rs3,150 (implying 60.0x on FY25E EPS).

### Financial and valuation summary

| YE Mar (Rs mn) | FY21A | FY22A | FY23A | FY24E | FY25E |
|---|---|---|---|---|---|
| Revenues | 216,440 | 287,990 | 405,750 | 472,148 | 550,496 |
| EBITDA | 17,240 | 33,410 | 48,790 | 58,221 | 69,341 |
| EBITDA margin (%) | 8.0 | 11.6 | 12.0 | 12.3 | 12.6 |
| Adj. Net profit | 9,740 | 22,520 | 32,740 | 38,965 | 46,770 |
| Adj. EPS (Rs) | 11.0 | 25.3 | 36.8 | 43.8 | 52.6 |
| EPS growth (%) | (35.1) | 130.6 | 45.4 | 19.0 | 20.0 |
| PE (x) | 283.1 | 122.8 | 84.4 | 70.9 | 59.1 |
| EV/EBITDA (x) | 158.8 | 82.6 | 57.7 | 47.3 | 39.2 |
| PBV (x) | 36.8 | 29.6 | 23.2 | 18.9 | 15.4 |
| RoE (%) | 13.7 | 26.8 | 30.8 | 29.4 | 28.7 |
| RoCE (%) | 12.8 | 24.0 | 21.5 | 18.2 | 19.1 |

Source: Bloomberg, Centrum Broking

**Market Data**

| | |
|---|---|
| Bloomberg: | TTAN IN |
| 52 week H/L: | 3,044/1,825 |
| Market cap: | Rs2688.3bn |
| Shares Outstanding: | 887.8mn |
| Free float: | 40.3% |
| Avg. daily vol. 3mth: | 903,692 |

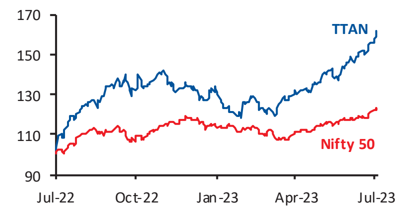
Source: Bloomberg

**Changes in the report**

| | |
|---|---|
| Rating: | Unchanged |
| Target price: | Unchanged |
| EPS: | Unchanged |

Source: Centrum Broking

**TTAN relative to Nifty 50**




Source: Bloomberg

**Shareholding pattern**

| | Mar-23 | Dec-22 | Sep-22 | Jun-22 |
|---|---|---|---|---|
| Promoter | 52.9 | 52.9 | 52.9 | 52.9 |
| FIIs | 17.5 | 17.5 | 17.0 | 16.8 |
| DIIs | 11.4 | 11.3 | 10.9 | 11.0 |
| Public/other | 18.2 | 18.3 | 19.2 | 19.3 |

Source: BSE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Consumer

CENTRUM

# Kalyan Jewellers

## Strong momentum despite higher volatility in gold prices

Company Update

India I Consumer

08 July, 2023

Institutional Research

**BUY**

Price: Rs163

Target Price: Rs165

Forecast return: 1%

**Kalyan Jewellers, in its exchange fillings today said that in Q1FY24 it witnessed robust momentum in both footfalls and revenue across India as well as in the Middle East region. Consol. sales growth could be ~31.0% in Q1FY24 driven by India business with +34.0% growth and International business (Middle East) expect to deliver +21.0% growth YoY (16.0% of sales). Management said that company witnessed strong operating momentum across India business led by the resilience of jewelry category business along with higher sales around Akshaya Tritiya. Non-south market recorded higher revenue growth largely due to sales from new showroom and FOCO stores. On Gross Margin front, it is expected to improve on YoY at a similar level on QoQ. Management expects to add 20 franchise showrooms (FOCO) across non-south markets before Diwali as part of the targeted launch of 52 new showrooms during CY 2023. We remain positive on the business momentum and retain BUY with a DCF based Target Price of Rs165 (implying 21.4x FY25E EPS).**

### Strong momentum in domestic business despite higher gold prices

Management said it witnessed strong revenue growth led by increase in SSSG (~14.0%) along with higher footfalls despite higher gold prices. Consol. revenue is expected to increase by +31.0% while domestic business has grown over 34.0% YoY. Management said that company witnessed strong operating momentum across India business led by the resilience of jewelry category business along with higher sales around Akshaya Tritiya. Non-south market recorded higher revenue growth largely due to sales from new showroom and FOCO stores. Management expects to add 20 franchise showrooms (FOCO) across non-south markets before Diwali as part of the targeted launch of 52 new showrooms during CY 2023. Kalyan added 12 new stores in the non-south markets taking store count to 159 in India. On Gross Margin front, at showroom level it is expected to improve on YoY while similar level in the previous quarter.

### Middle East business is on the right path while Candere (online format) declined YoY

Middle East business which contributed to 16.0% to the topline, though company saw+21.0% revenue growth YoY driven by high footfall from tourists in the region. The growth was driven by same-store-sales-growth since network expansion has not been meaningful. Kalyan expects to launch the first FOCO store in Middle East region during Q2 FY 2024. Online format, Candere is expected to decline by 22.0% while management said it saw encouraging trends in F24. Management expects to open 20 physical showrooms in next 6 months.

### Valuation and Risks

We reckon Kalyan's strategy revolved around adding new stores in non-south markets using FOCO model and calibrated expansion in Middle East region. Kalyan demonstrated its strong intensions of opening stores in non-South markets successfully and could improve studded ratio, serving millennials with online format, and meeting their aspirational demand by introducing new designs. We are sanguine on FOCO opportunity in driving profitability. In addition, the recently concluded quarter Kalyan showcased strong numbers (ahead of Titan), despite volatility in gold prices which indicates strong brand proposition across markets. We expect the demand continue to be robust in Q2FY24 and maintain a positive view on FOCO opportunity driving profitability. We retain BUY, with a DCF-based TP of Rs165 (implying 21.4x FY25E EPS). Risks: irrational competition; lower jewelry demand & higher gold prices.

### Financial and valuation summary

| YE Mar (Rs mn) | FY21A | FY22A | FY23A | FY24E | FY25E |
|---|---|---|---|---|---|
| Revenues | 85,733 | 108,179 | 140,714 | 167,316 | 198,713 |
| EBITDA | 5,943 | 8,145 | 11,140 | 13,351 | 16,055 |
| EBITDA margin (%) | 6.9 | 7.5 | 7.9 | 8.0 | 8.1 |
| Adj. Net profit | (61) | 2,240 | 4,652 | 5,908 | 7,982 |
| Adj. EPS (Rs) | (0.1) | 2.2 | 4.5 | 5.7 | 7.7 |
| EPS growth (%) | nm | nm | 107.6 | 27.0 | 35.1 |
| PE (x) | (2,246.3) | 74.7 | 38.8 | 28.3 | 21.0 |
| EV/EBITDA (x) | 5.4 | 4.1 | 3.2 | 2.6 | 2.1 |
| PBV (x) | 4.8 | 5.3 | 4.6 | 4.0 | 3.3 |
| RoE (%) | (0.2) | 7.5 | 13.7 | 15.0 | 17.3 |
| RoCE (%) | (1.1) | 7.4 | 10.2 | 11.1 | 12.3 |

Source: Bloomberg, Centrum Broking

### Market Data

| | |
|---|---|
| Bloomberg: | KALYANKJ IN |
| 52 week H/L: | 167/62 |
| Market cap: | Rs167.4bn |
| Shares Outstanding: | 1030.1mn |
| Free float: | 13.2% |
| Avg. daily vol. 3mth: | 5,354,679 |

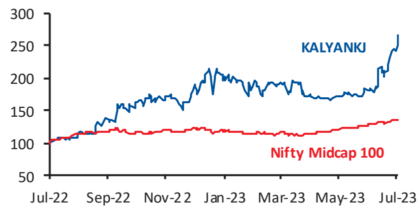
Source: Bloomberg

### Changes in the report

| | |
|---|---|
| Rating: | Unchanged |
| Target price: | Unchanged |
| EPS: | Unchanged |

Source: Centrum Broking

### KALYANKJ relative to Nifty Midcap 100




Source: Bloomberg

### Shareholding pattern

| | Mar-23 | Dec-22 | Sep-22 | Jun-22 |
|---|---|---|---|---|
| Promoter | 60.6 | 60.5 | 60.5 | 60.5 |
| FIIs | 5.8 | 2.4 | 2.8 | 2.8 |
| DIIs | 2.0 | 2.1 | 2.4 | 1.8 |
| Public/other | 31.7 | 35.0 | 34.3 | 34.9 |

Source: BSE

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Consumer

# Market overview

**Deals on NSE***

| Security Name | Client name | Buy/Sell | Quantity traded | Trade price(Rs) |
|---|---|---|---|---|
| Olectra Greentech Limited | GRAVITON RESEARCH CAPITAL LLP | SELL | 887,166 | 1143.7 |
| Olectra Greentech Limited | GRAVITON RESEARCH CAPITAL LLP | BUY | 887,166 | 1143.5 |
| Olectra Greentech Limited | NK SECURITIES RESEARCH PRIVATE LIMITED | SELL | 830,229 | 1182.5 |
| Olectra Greentech Limited | NK SECURITIES RESEARCH PRIVATE LIMITED | BUY | 830,229 | 1182.0 |
| Ideaforge Techno Ltd | NK SECURITIES RESEARCH PRIVATE LIMITED | SELL | 741,071 | 1308.7 |
| Ideaforge Techno Ltd | NK SECURITIES RESEARCH PRIVATE LIMITED | BUY | 741,071 | 1307.7 |
| Olectra Greentech Limited | ELIXIR WEALTH MANAGEMENT PRIVATE LIMITED | BUY | 612,032 | 1166.6 |
| Olectra Greentech Limited | ELIXIR WEALTH MANAGEMENT PRIVATE LIMITED | SELL | 606,032 | 1168.6 |
| Olectra Greentech Limited | XTX MARKETS LLP | SELL | 588,713 | 1171.6 |
| Olectra Greentech Limited | XTX MARKETS LLP | BUY | 589,914 | 1169.1 |
| Olectra Greentech Limited | AAKRAYA RESEARCH LLP | SELL | 536,142 | 1165.5 |
| Olectra Greentech Limited | AAKRAYA RESEARCH LLP | BUY | 536,142 | 1165.0 |
| Olectra Greentech Limited | QE SECURITIES | BUY | 436,719 | 1166.6 |
| Olectra Greentech Limited | QE SECURITIES | SELL | 428,087 | 1166.1 |
| Sunteck Realty Limited | GRAVITON RESEARCH CAPITAL LLP | SELL | 1,504,915 | 328.8 |
| Sunteck Realty Limited | GRAVITON RESEARCH CAPITAL LLP | BUY | 1,504,915 | 328.5 |
| Usha Martin Limited | SOCIETE GENERALE | BUY | 1,659,466 | 280.0 |
| Praj Industries Ltd | GRAVITON RESEARCH CAPITAL LLP | SELL | 982,329 | 397.4 |
| Praj Industries Ltd | GRAVITON RESEARCH CAPITAL LLP | BUY | 982,329 | 397.0 |
| Time Technoplast Limited | CRONY VYAPAR PVT LTD | BUY | 2,856,993 | 129.5 |
| Ideaforge Techno Ltd | GRAVITON RESEARCH CAPITAL LLP | SELL | 273,689 | 1293.3 |
| Ideaforge Techno Ltd | GRAVITON RESEARCH CAPITAL LLP | BUY | 273,689 | 1292.8 |
| Reliance Power Limited | HRTI PRIVATE LIMITED | BUY | 22,115,041 | 15.3 |
| Sunteck Realty Limited | NK SECURITIES RESEARCH PRIVATE LIMITED | SELL | 1,016,730 | 329.8 |
| Sunteck Realty Limited | NK SECURITIES RESEARCH PRIVATE LIMITED | BUY | 1,016,730 | 329.6 |
| Reliance Power Limited | HRTI PRIVATE LIMITED | SELL | 21,621,858 | 15.3 |
| Time Technoplast Limited | CRONY VYAPAR PVT LTD | SELL | 2,422,101 | 129.2 |
| Sunteck Realty Limited | QE SECURITIES | SELL | 799,098 | 329.4 |
| Sunteck Realty Limited | QE SECURITIES | BUY | 794,417 | 329.3 |
| South Indian Bank Ltd. | JUMP TRADING FINANCIAL INDIA PRIVATE LIMITED | BUY | 10,829,522 | 21.3 |
| South Indian Bank Ltd. | JUMP TRADING FINANCIAL INDIA PRIVATE LIMITED | SELL | 10,829,522 | 21.3 |

Source: NSE (Data as on 7 July 2023), *Bulk deals >Rs. 10 Crore being presented

**Insider market trades***

| Security Name | Name | Category | Number of securities | Transaction type |
|---|---|---|---|---|
| DMR Hydroengineering & Infrastructures Ltd | SUBHASH CHANDER MITTAL | Promoter & Director | 12,000 | Acquisition |
| Niks Technology Ltd | ANAMIKA ANAND | Promoter Group | 600 | Disposal |

Source: BSE (Reported to exchange on 7 July 2023), * Only Promoter and Director Insider trades

## Disclaimer

**For any enquiries please contact**

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Buy – The stock is expected to return above 15%.

Add – The stock is expected to return 5-15%.

Reduce – The stock is expected to deliver -5-+5% returns.

Sell – The stock is expected to deliver <-5% returns.

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