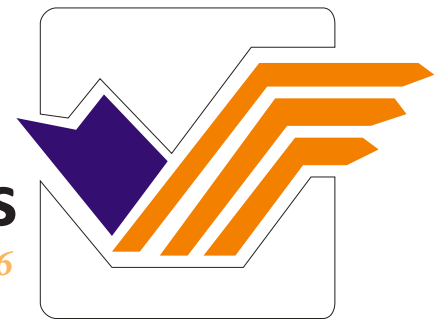


# V. Jethalal Ramji Share Brokers

... Tracking Market Since 1906



## Market Update

### Corporate Earnings Season to be the next make-or-break event for stocks!

“Buy the rumour, sell the news.” This is a popular trading strategy that captures the excitement and anticipation of market participants as they try to profit from upcoming news or data announcements. In recent times, the Indian market has witnessed a similar scenario as the NSE benchmark Nifty 50 index remained indecisive despite a positive macro-economic data point that pleasantly surprised the market participants. The big news was India's retail inflation dropping to a 15-month low of 5.66 per cent, falling within the RBI's comfort zone band, and US CPI decelerating below consensus expectations. While this news was good for the bulls, the lack of mention of rate cuts in the FOMC minutes released after the CPI data did not go down well with market participants, who were expecting aggressive rate cuts in the second half of the year. Federal Reserve officials did acknowledge that inflation is coming down, but they emphasised that there is a long way to go before the job is done.

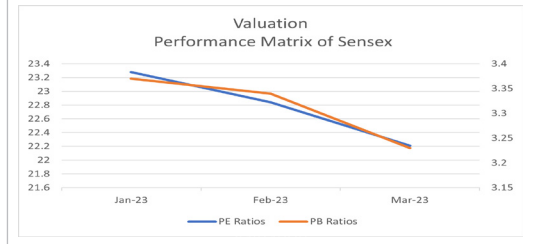
In the midst of this mixed interpretation, India's IT giants, Infosys and TCS reported their Q4 earnings that fell short of both internal and street expectations. Clients pushing back discretionary spending across sectors in North America as their financial health deteriorated led to weak revenue and margin. The management did not indicate when they expect growth to pick up and whether it will be front-loaded or back-loaded in FY24. This weak outlook adds to the uncertainty around the demand visibility for the IT sector, which makes up a good weightage of the Nifty 50 index. Adding to the mix of changes and transitions, the outgoing CEO of TCS, Rajesh Gopinathan, mentioned that the transition is going smoothly and as per the plan.

In the next 12 months, several large corporations' CEOs (HUL, TCS, Tech Mahindra, HDFC, Kotak Bank, etc), representing almost 21 per cent of the Nifty weight and 17 per cent of FII holdings, will change. After analysing 72 CEO transitions over the last five years among large-listed companies, a study indicates that the impact of CEO transitions on stock performance is fairly even, with about half of the events (53 per cent) not producing any change in relative performance i.e. stocks outperforming leading up to the transition continued to outperform post-transition as well. The same is true for underperforming stocks. In cases where stocks reversed relative performance (the balance 47 per cent), 68 per cent of the changes were for good, meaning an underperforming stock becomes an outperforming stock in six months, split equally between internal replacement versus external replacement.

So, what should you be watching out for? Keep an eye on the performance of other IT stocks to see if they can overturn the negative sentiment towards the sector as on an MTD basis the sector is down by 1.24 per cent and it's the only sector to deliver negative returns on MTD basis. Pay attention to HDFC Bank's numbers on April 15 as they could impact the Bank Nifty's bullish posture. And don't forget to keep an eye on the technical parameters – the level of 17,550 remains an important level to watch out for on the downside. With so much uncertainty and anticipation, the market remains a captivating and interesting space to watch.

Apr - Jun, 2023

Valuation Matrix Performance of Sensex



#### International Markets

Global Indexes	13-Apr-23	1 Year Change (%)	52-week Low	52-week High
Bovespa	106,458	-8.84	95,267	120,752
CAC 40	7,480.83	14.35	5,628.42	7,516.38
DAX	15,729.46	11.74	11,862.84	15,827.46
Dow Jones	33,910.85	-5.86	28,666.77	35,824.28
FTSE 100	7,843.38	3.46	6,707.62	8,047.48
Hang Seng	20,344.48	-4.82	14,597.31	22,700.85
Nasdaq	13,209.75	-7.21	10,484.75	14,298.00
Nikkei 225	28,493.47	5.99	25,520.23	29,222.77

#### Top Gainers

Company	13-Apr-23	13-Mar-23	% change
Adani Green Energy Ltd.	940.90	717.20	31.19
DLF Ltd.	413.50	342.55	20.71
Divi's Laboratories Ltd.	3182.85	2768.15	14.98
Bajaj Auto Ltd.	4288.8	3778.5	13.51
ICICI Pru. Life Ins. Co. Ltd.	442.85	392.75	12.76

#### Top Losers

Company	13-Apr-23	13-Mar-23	% change
Indus Towers Ltd.	137.30	153.30	-10.44
FSN E-Commerce Ven. Ltd.	126.10	140.00	-9.93
Adani Total Gas Ltd.	914.30	997.65	-8.35
Bandhan Bank Ltd.	205.00	217.85	-5.9
Adani Wilmar Ltd.	410.35	435.4	-5.75

#### Performance of other Indices

Index	price	1 year change (%)
S&P BSE SMALLCAP	28,149.58	-4.65%
S&P BSE 500	23,789.46	-1.26%
S&P BSE Auto	29,747.70	22.10%
S&P BSE BANKEX	47,793.96	10.96%
S&P BSE CAP GOODS	35,459.60	25.37%
S&P BSE FMCG	16,647.47	18.26%
S&P BSE HEALTHCARE	22,789.00	-8.44%
S&P BSE IT	28,235.20	-18.39%
S&P BSE METAL	19,797.02	-13.57%
S&P BSE Oil & Gas	27,707.95	-11.06%
S&P BSE REALTY	3,404.58	-7.61%
S&P BSE POWER	3,654.12	-23.58%



## PTC INDIA LTD.

### Power Sector Overview

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 408.71 GW as of October 31, 2022. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power, to viable non-conventional sources such as wind, solar, agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

### About PTC India

PTC India was incorporated in 1999 to support implementation of the mega power policy of the government. The company is promoted by NHPC Ltd, NTPC Ltd, Power Finance Corporation Ltd, and Power Grid Corporation of India Ltd. PTC India has a Category I licence issued by the Central Electricity Regulatory Commission under the Electricity Act 2003, which permits unlimited trading in power. The company is the largest player in the power trading market with share of over 52 per cent in fiscal 2022. PTC India traded 87 billion units in fiscal 2022 compared to 80 billion units in fiscal 2021.

### Business Segments

The company provides integrated energy services including Power Trading, Renewable Energy, Advisory Services and Investment services primarily through its subsidiaries. Majority of the company's revenue comes from Power trading segment (94 per cent of FY22 revenue)

### Power Trading

PTC India was the first company to start power trading in India in 2001; over the years, it has established strong relationships with various players. Long- and medium-term trades, which relatively have a higher margin (including cross border), contributed around 41% of total volume, while short-term trades accounted for the remaining during fiscal 2022. Furthermore, the company has maintained healthy relations with state power utilities (SPUs). It is efficient in client servicing and management, and should continue to leverage its market leadership position.

### Cross Border trading

Cross-border trades are of a strategic importance to the Company. Cross-border trades with Bhutan were to the extent of 7,676 MUs for FY22 against 8,754 MUs in the previous year. It was lower primarily due to lower supply. In a first, PTC facilitated Bhutan Druk Green Power for procurement of power on the power exchanges and supplied 240.1 MUs to Bhutan in FY23 during winter months. Also, trade with Nepal for FY22 stood at a volume of 194.90 MUs. Similarly, PTC has supplied a total of 412.55 MUs in FY22 to Bangladesh Power Development Board (BPDB) under the Long-term contract for 200 MW capacity. So, PTC has a trading relationship with three strategic neighbouring countries and the company hopes to strengthen this relationship going forward.



BSE Code : 532524

CMP : ₹92.10

Target Price : ₹110

Company Details	
Industry	Power Generation/ Distribution
Chairman	Rajib Kumar Mishra
Managing Director	Rajib Kumar Mishra
Company Secretary	Rajiv Maheshwari
ISIN Code	INE877F01012
Bloomberg Code	PTCIN IN
BSE Code	532524
Key Market Ratio	
Latest Date	13-Apr-23
Latest Price (Rs)	95.54
Previous Close (Rs)	93.82
1 Day Price Var %	1.83
1 Year Price Var %	0.67
52 Week High (Rs)	117.5
52 Week Low (Rs)	67.75
Beta	0.78
Face Value (Rs)	10
Industry PE	15.69
TTM Period	202212
TTM EPS (Rs)	16.13
TTM CEPS(Rs)	21.61
Price/TTM CEPS(x)	4.42
TTM PE (x)	5.92
Price/BV(x)	0.56
EV/TTM EBIDTA(x)	6.56
EV/TTM Sales(x)	0.65
Dividend Yield%	8.16
MCap/TTM Sales(x)	0.19
Latest Book Value (Rs)	171.22
Market Cap (Rs in Crores)	2828
EV (Rs)	9671
Latest no. of sharesCrores	30
Share Holding Pattern as on Mar-2023	
Promoter No of shares (Rs in Cr.)	13-Apr-23
Promoter %	0.78
FII No of Shares (Rs in Cr.)	10
FII %	15.69
Total No of Shares (Rs in Cr.)	202212
Free Float %	16.13



## Partnering with N-Side to develop predictive solution

PTC India has partnered with Belgium-based N-Side to work on developing a predictive solution for the Indian power market. As part of a long-term strategy to position itself as a technology-enabled solutions provider in the electricity value chain, PTC India is building a portfolio of forecasting tools across various tenors to forecast demand and prices in the electricity markets.

The new solution will be in addition to PTC's in-house Analytics Lab that has been set up to generate proprietary analysis and insights for its internal use as well as for its clients. PTC India has maintained its leadership position in power trading since inception. The company has also been mandated by the government to trade electricity with Bhutan, Nepal and Bangladesh.

## Receiving interest of supply of 3500 MW of Renewable Energy.

PTC India has received an interest of supply of 3500 MW of Renewable Energy (RE) from a total of 14 of the top RE producers against its Expression of Interest for procurement of 1000 MW for onward sale through market linked RE products. This model will lead to significant changes in the present electricity market structure and speed up the renewable energy generation. Most of the big domestic private players, including Tata Power Renewable Energy (TPREL), Torrent Power and ReNew Power, participated in the process. Besides, many internationally renowned companies like Enel Green and Engie Power have also shown interest.

## Financial Highlights

In Q3FY23, the PTC India posted consolidated revenue of Rs

3,138.85 crore declined by 5.56 per cent YoY compared to Rs 3,323.58 crore from previous year's corresponding quarter while sequentially declining by 35.93 per cent. The reason for such fall was due to lower volumes as company's business strategy more focused on core margins and wanted to increase it. This is reflected in per unit core margin realized during the quarter, which increased from Rs 2.51 paise per unit at the end of Q3FY22 to Rs 3.09 paise per unit for Q3FY23. EBITDA increased by 9.44 per cent YoY and stood at Rs 317.66 crore from Rs 290.25 crore and sequentially declined by 12 per cent. Net profit stood at Rs 104.48 crore compared to Rs 62.91 crore, a YoY growth of 66.08 per cent and sequentially declined by 24.42 per cent. The EBITDA margin increased by 139 bps YoY and 275 bps QoQ to 10.1 per cent. Net profit margin increased by 144 bps YoY and 51 bps QoQ at 1.1 per cent.

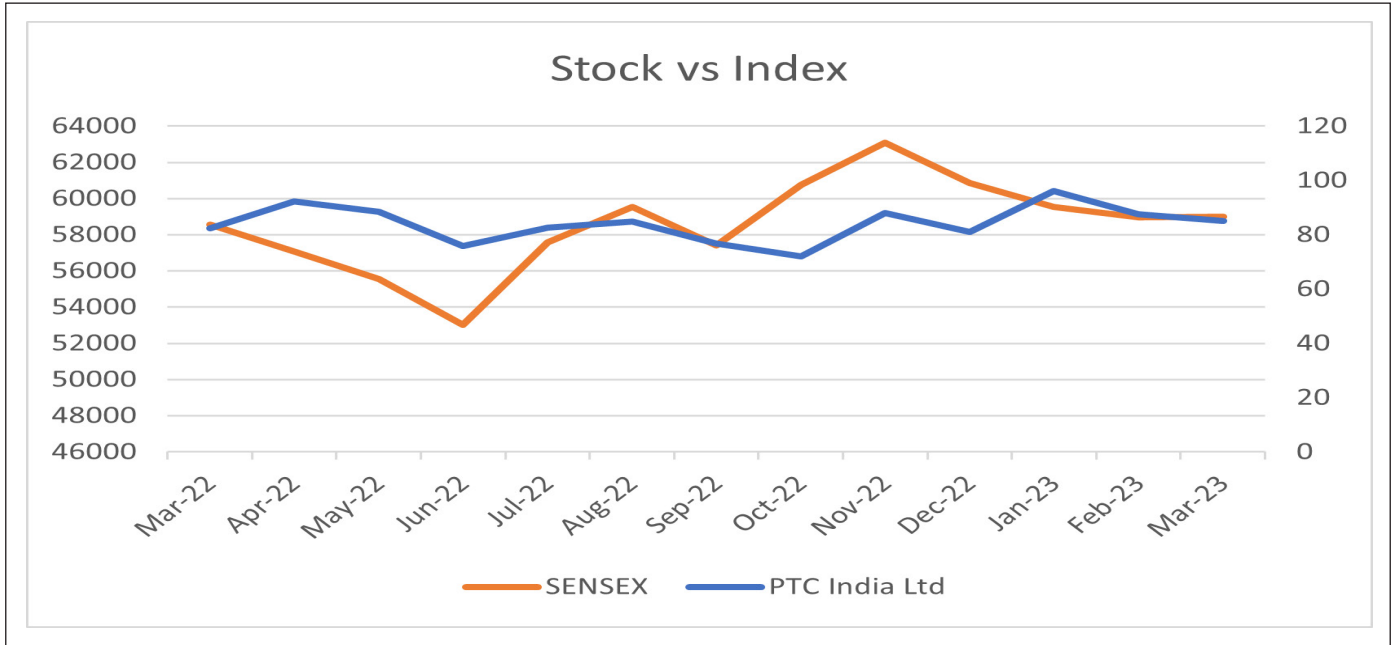
## Valuation & Outlook

At TTM, PTC India is trading at a P/E of 5.74x which is slightly higher compared to its 3-year median P/E (5.6x) however, looks cheaper compared to the industry average (33x). The company is trading at 0.57x its book value with PEG ratio of less than one. The company has an average (3-year) RoE and RoCE of 10.89 per cent and 10.24 per cent, respectively. The company's compounded 3-year sales and profit growth stands 3.61 per cent and 5.98 per cent, respectively. The company has an interest coverage of 1.98x over the debt to equity of 2.07x. The company has maintained a healthy average 5-year CFO/PAT of 3.34x.

The company is the largest player in the power trading market with share of over 52 per cent. Furthermore, the company has a mouthwatering dividend yield of 8.39 per cent and a robust balance sheet. Owing to these factors, we recommend a BUY.

## Consolidated Profit and Loss

Particular	2022	2021	2020	2019	2018	2017
Sales	16,856.39	18,345.50	18,100.81	15,155.08	19,639.40	15,310.55
Expenses	15,283.42	16,649.93	16,275.05	13,201.46	18,485.37	13,917.95
Operating Profit	1,502.18	1,604.26	1,748.05	1,986.74	1,203.99	1,574.26
OPM %	9.48	9.37	10.19	13.73	10.17	10.40
Other Income	31.23	29.43	22.76	130.17	147.38	202.92
Interest	757.42	925.70	1,158.72	1,242.51	946.34	802.41
Depreciation	101.32	100.01	100.47	97.08	97.44	21.24
PBT	744.76	678.56	589.33	744.23	257.65	771.85
Net Profit	551.67	457.62	406.10	489.75	164.85	505.81
EPS in Rs	17.10	15.16	12.42	14.37	6.75	14.01
Dividend Payout %	78.00	75.00	55.00	40.00	40.00	30.00







## Two Buzzing Stocks

### Coforge Ltd

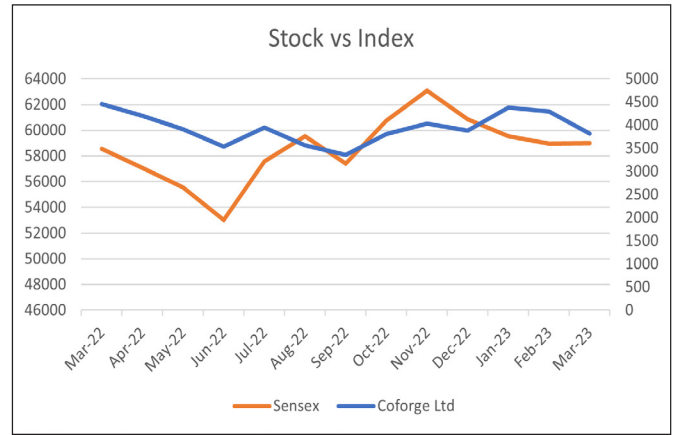
BSE Code : 532541 | 52 Week High / Low : ₹4,512.70 / ₹3210 | Face Value : ₹10

**C**oforge (Formerly known as NIIT Technologies) is a leading global IT solutions organization, enabling its clients to transform at intersect of unparalleled domain expertise and emerging technologies to achieve real-world business impact. The company leverage AI, Cloud and Insight driven technologies, allied with its industry expertise, to transform client businesses into intelligent, high growth enterprises.

The company is rendering information technology solutions and is engaged in application development and maintenance, managed services, cloud computing and business process outsourcing to organizations in a number of sectors like Financial Services, Insurance, Travel, Transportation and Logistics, Manufacturing and Distribution and Government.

With the appointment of a new CEO, the company's performance has dramatically increased, with a 17% CAGR in sales and a 130 bps increase in EBIT margin between FY18 and FY22. In Q3FY23, Coforge Limited reported revenue of Rs 2,056 Crore, up 4.9% QoQ. The company's operating profit stood at Rs 380 Crore, reporting a healthy growth of 5.5% on a QoQ basis. The company's operating margins remained flat at 17.6%, largely due to lower operating expenses and a favourable currency mix during the quarter. Its net profit for Q3FY23 stood at Rs 228 Cr, registering a growth of 84bps QoQ. Given its numerous long-term partnerships with the top companies in the world, we think Coforge is well-positioned to foster growth over the long run. Richer revenue visibility provides us hope for the company's future business success.

The company's short-term growth rates are, however, questionable due to escalating worries about the futures of advanced economies and ongoing supply-side restrictions.



### Laurus Labs Ltd

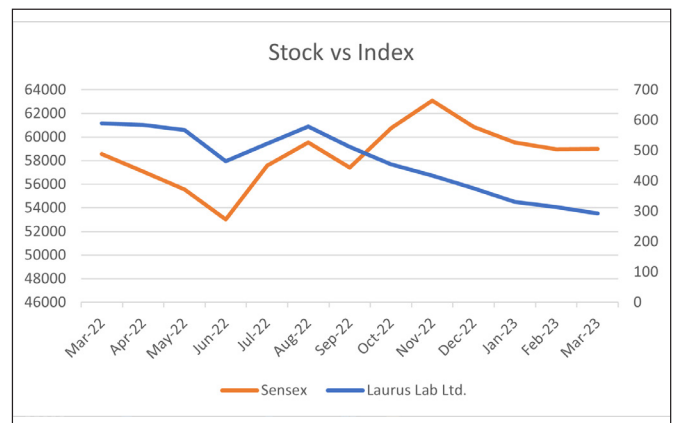
BSE Code : 540222 | 52 Week High / Low : ₹626.00 / ₹286.80 | Face Value : ₹2

**L**aurus Labs develop innovative medicines that greatly improve health outcomes for patients with an unremitting focus on quality and affordability. It works with all the top generic pharmaceutical companies in the world. The company sells its APIs in many countries. Its major focus areas include anti-retroviral, Hepatitis C and Oncology drugs. Continuous innovation is the lifeblood of its business. Therefore, it undertakes dedicated R&D in areas that have significant growth potential.

The company has commercialised various products since inception across three distinct business units: Generics API, Generics FDF and Synthesis. Laurus Labs offers broad and integrated portfolio of Active Pharma Ingredients (API) including intermediates, generic finished dosage forms (FDF) and contract research services to cater to the needs of the global pharmaceutical industry.

The company has four business segments Formulations, API, Synthesis and Biologics. The company plans to focus on formulations segment on niche products for the developed markets which will be supported by in-house API strength. For API segment, the company plans to maintain ARV API leadership position in current product line and increase developed market supplies. For Synthesis, the company plans to strengthen presence in Nutraceutical & Cosmeceutical area. For Biologics, the company plans expansion to create 1 million liters fermentation capacity. And expand the biologics CDMO at scale in the long term.

The stock is currently trading at a P/E multiple of 20.94 times with a industry P/E of 35.89x. Laurus Labs is among the leading API manufacturers in ARV and oncology segment. Its customers include Mylan, Natco, and Aurobindo Pharma. Laurus Labs business approach remains to identify and invest ahead of time with strategic investments in state-of-the-art R&D and manufacturing infrastructure, enabling it to become a quality supplier of high-volume products. Laurus Labs had planned capex for greenfield expansion in CY22 which had 10 projects out of that 4 projects have already been completed and are already operational.





## Market Statistics

### DIVIDEND BECOME EX-DATED IN FORTHCOMING DAYS

Company Name	Dividend (%)	Ex Div Date	Company Name	Dividend (%)	Ex Div Date
Britannia	7200	13-Apr-2023	Visaka Ind	70	12-Apr-2023
Varun Beverages	10	12-Apr-2023	Good Luck	100	13-Apr-2023
Edelweiss	25	13-Apr-2023	Schaeffler Ind	1200	11-Apr-2023

### NET INVESTMENT IN EQUITY MARKETS (₹/CR)

Days	FII's	DII's	Days	FII's	DII's
13-Apr-23	221.85	-273.68	03-Apr-23	321.93	-328.24
12-Apr-23	1,907.95	-225.22	31-Mar-23	357.86	2,479.96
11-Apr-23	342.84	-264.02	29-Mar-23	1,245.39	822.99
10-Apr-23	882.52	351.50	28-Mar-23	1,531.13	-156.11
06-Apr-23	475.81	-997.08	27-Mar-23	-890.64	1,808.94
05-Apr-23	806.82	-947.21	24-Mar-23	-1,720.44	2,555.53

### SPLIT DECLARED IN LAST FEW DAYS

Company Name	Date Of Announcement	Old Face Value	New Face Value
Comfort	13-Apr-2023	10	1
Mufin Green	13-Apr-2023	2	1
Deep Ind	10-Apr-2023	10	5
Shree Secu	06-Apr-2023	10	1
Avance Tech	31-Mar-2023	10	5
Artemis Elect	31-Mar-2023	10	1

### EX-BONUS

Company Name	Ex-Bonus Date	Current Holding	Ratio Offered
Innovana	29-Mar-2023	1	1
Growington Vent	24-Mar-2023	100	24
Sundaram-Clayto	24-Mar-2023	100	116
Magellanic	21-Mar-2023	1	3
Astral Ltd	14-Mar-2023	3	1
Rhetan TMT	10-Mar-2023	4	11

### RECENT ANNOUNCEMENTS

#### Ashok Leyland Ltd

Ashok Leyland has recently received an order of 1560 trucks from VRL Logistics Limited (VRL), which is one of the largest logistics companies in India. The order is for AVTR 3120 and AVTR 4420 TT models of Ashok Leyland. The trucks have all the advanced features to bring more efficiency and profitability to VRL's expanding fleet.

#### TCM Ltd

TCM Ltd informed that the company has received 5 orders worth Rs 2.0 crore from Agency for New and Renewable Energy Research and Technology (ANERT), Department of Power, Government of Kerala for the design, supply, installation and commissioning of grid connected SPV power plants in public buildings at Thiruvananthapuram under Solar City Project.

#### Veerhealth care Ltd

Veerhealth Care has decided to introduce new product line i.e. Disinfectant manufacturing. The company has received License to manufacture for sale (or for distribution) of drugs other than those specified in Schedules C, C(1) and X from the Food & Drugs Control Administration, Gujarat State.

With this license, the company has also received approval for in house Microbiology, Physical & Chemical testing laboratory. The company is expecting growth in sales in the current Financial Year (FY24) with the introduction of new Disinfectant category.

#### Vedanata Ltd

Vedanta has received an approval to raise funds on a private placement basis through issuance of up to 21,000 nos. Secured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures (NCDs) of face value Rs 10,00,000 each aggregating up to Rs 2,100 crore in one or more tranche(s). The duly authorized Committee of Directors at its meeting held on April 13, 2023, considered and approved the same.

Vedanta is a diversified natural resources company, whose business primarily involves producing oil and gas, zinc-lead-silver, copper, iron ore, aluminium and commercial power.

#### HDFC Bank

HDFC Bank has received an approval for the issuance of Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Long-Term Bonds (Financing of Infrastructure and Affordable Housing) up to total amount of Rs 50,000 crore over the period of next twelve months through private placement mode. The Board of Directors of Bank, at its meeting held on April 15, 2023, has inter alia approved the same.

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