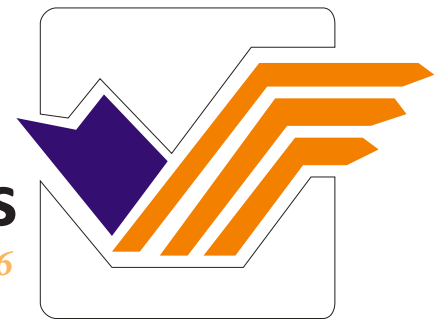


V. Jethalal Ramji Share Brokers

... Tracking Market Since 1906



Market Update

Sights Set on Union Budget 2023

When the market stays in the same range for almost four weeks straight, there isn't much else to say about it. Also, over-analysis should be avoided. That is because over-analysis tends to find factors that fit a certain argument or point of view, which can always lead to unwanted complexity. This is mainly because once the mind has fixed itself to a point of view it becomes difficult for it to accept new information. Bank Nifty's performance versus Nifty remained a bit sub-par although no alarm bells of any kind were heard. During the last five trading sessions, Nifty traded with an upward bias, forming higher high and higher low candlestick formation and on the way up it reclaimed its important short term moving average of 20 DMA as well.

And when everything looked on track, there took place an anti-climax when on Thursday the bulls threw in the towel as the handover from the global markets was negative with the Wall Street ending deep in the red on Wednesday. So, what caused the outperforming US market to crash in such a nasty manner? The scenario remains the same: investors fretting over the health of the US economy. The US Commerce Department report showed a steep drop in US' retail sales in December and a report released by the Federal Reserve indicated that industrial production in the US descended by much more than anticipated in December.

Therefore, it was a kind of double whammy for the US markets. That said, apart from equities we have not seen any wild reactions elsewhere as the US dollar index and the US 10-year government bond yields are flat. Moreover, the incoming data tell us that all the Federal Reserve perhaps needs to carry out in February is a 25 basis point hike and I believe that now those expectations are cemented with the outcome of data on Wednesday. So, considering that data is positive for the rates, why did the market slip sharply lower? Speaking of stocks, what matters is nominal growth and the question is whether inflation can be brought lower without hurting growth too much.

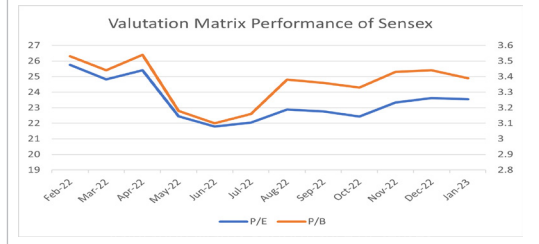
A majority of the market participants in 2022 believed and still believe that it's not possible as there has been no instance of going back over the past three or four decades in the US when inflation has run this high and has been brought under control to under 2 per cent without causing a recession. So, it's up to time to reveal the next part of the inflation story. On the domestic front, the earning season has picked up pace and a couple of dark horses have emerged in the earnings of Q3FY23. The shares of Persistent Systems gained the most in over three months after its EBITDA beat analysts' expectations by surging 11.57 per cent QoQ to Rs 333.2 crore.

The EBIT margin jumped to 15.36 per cent from 14.58 per cent in the previous quarter of the same fiscal. Datamatics Global Services, a small-cap stock, surprised investors as its revenue jumped up 23.9 per cent YoY and PAT rose 24.1 per cent YoY. Talking about the Adani Group stocks, these had a pretty tough day on the bourses on Thursday as a majority of the stocks of the group declined and though they recovered from the lower levels, overall it was a nasty day. This happened after Adani Enterprises pegged the floor price for its Rs 20,000 crore follow-on public offering at Rs 3,112 per share with the cap price of the offer at Rs 3,276 apiece.

The minimum bid lot for the FPO will be four equity shares. Buyers can bid for multiples of four equity shares thereafter. Overall, there has been no major good news barring some excitement seen on the earnings' front. But after several weeks of range-bound activity, there is a chance of a trend looming up on the horizon since we are nearing one of the biggest events of Indian economy, namely, the Union Budget 2023-24 that will be presented on February 1. The street is betting that Finance Minister Nirmala Sitharaman will keep on the path of fiscal consolidation and opt for narrowing the FY24 fiscal deficit. Meanwhile dips will still remain 'buys' as long as the level of 17,700-17,740 is held on the downside.

Jan - Mar., 2023

Valuation Matrix Performance of Sensex



International Markets

Exchange	18-Jan-23	1 Year Change (%)	52-week L/H
Bovespa	111,439	5.21	95267 / 121628
CAC 40	7,083.39	-0.71	5628.42 / 7213.7
DAX	15,181.80	-3.75	11862.84 / 15962.7
Dow Jones	33,910.85	-5.86	28666.77 / 35824.28
FTSE 100	7,830.70	3.53	6707.62 / 7864.95
Hang Seng	21,650.98	-10.1	14597.31 / 25050.59
Nasdaq	11,095.95	-24.47	10088.83 / 14740.54
Nikkei 225	26,405.23	-6.31	24681.74 / 29222.77

Top Gainers

Company	16-Jan-23	16-Dec-22	% change
HCL Tech	1,093.90	1,030.15	6
Tata Steel	119.95	111.00	8
M&M Limited	1,316.15	1,251.40	5
Ultra Tech Limited	7,287.45	7,019.45	4
Sun Pharma	1,035.50	993.25	4

Top Losers

Company	16-Jan-23	16-Dec-22	% change
Bajaj Finserv	1,384.30	1,587.20	-13
Bajaj Finance	6,011.30	6,595.90	-9
Bharti Airtel	758.9	822.05	-8
ICICI Bank	865.55	902.25	-4
Reliance Ind.	2,444.70	2,565.10	-5

Performance of other Indices

Index	price	1 year change (%)
S&P BSE SMALLCAP	28,830.05	-6.76
S&P BSE 500	24,373.28	-2.19
S&P BSE Auto	29,252.74	11.90
S&P BSE BANKEX	47,890.04	10.03
S&P BSE CAP GOODS	34,009.45	10.60
S&P BSE FMCG	15,991.13	14.75
S&P BSE HEALTHCARE	23,018.24	-10.49
S&P BSE IT	29,273.48	-24.68
S&P BSE METAL	21,261.42	5.54
S&P BSE Oil & Gas	20,592.34	9.25
S&P BSE REALTY	3,395.48	-15.86
S&P BSE POWER	4,484.26	15.12



BSE Code	: 509243
CMP	: ₹3334.35
Target Price	: ₹3400

TVS SRICHAKRA LIMITED

Company Profile

TVS Srichakra Limited is one of India's largest manufacturers and exporters of two wheelers, three wheelers and off highways tyres. The firm supplies tyres to all of the top two and three-wheeler original equipment manufacturers (OEM) in the country. Through a national network of depots, distributors, and retailers, the company sells substantial volumes in the domestic replacement market. With sales to more than 70 nations globally spanning all continents, the organisation also has access to international markets. The company is having its manufacturing facilities at two locations in India, one in Tamil Nadu and another is in Uttarakhand.

Strong Market Position

During FY22, the company maintained its market share in the OEM category at about 38%. The revenue from the OEM segment of the firm is varied, with the top five clients accounting for around 50% of the total revenue in FY22 (FY21: 50%, FY20: 53%). Through expanded distribution channel and advertising spend, the firm is also concentrating on strengthening its market position in the less volatile and higher-margin aftermarket segment. This has helped the business strengthen its position in the aftermarket segment, which accounted for around 35% of sales in FY22 (from 36% in FY21 and 28% in FY20). The company's exports have grown over the previous few years, providing 14% of total revenue in FY22 (FY21: 13%, FY20: 11%) from both 2Ws and off highway tires (OHTs).

Strong Growth in Revenue

Both volume and realisation drove the consolidated revenue rise of 30.4% to Rs 2,530 crore in FY22. The aftermarket and exports markets were primarily where the volume rise was seen. Despite the industry's total production volume declining, the OEM segment's growth rate was very modest. The company's several price increases to reflect the increase in the cost of raw materials allowed for the increased realisation.

Enhancement in the Capacity

The firm has a total Capex plan of Rs 1000 crores over the next five years, which aims to double its capacity in the OHT segment, enhance capacities in 2W, and create new possibilities in the 2W/OHT market. OHT space is expected to account for one-third of the entire expenditure. The firm intends to expand primarily in the higher-margin OHT category in order to diversify its revenue base in terms of both product and region and to better serve the export market.

New Product Development

The company has introduced increased range of new products for the European market which includes wide and low aspect ratio tyres by using cross ply technology. Continuing with this initiative, company is introducing more products during the current FY also which covers off road, sport, adventure and custom cruiser model. These products address the popular motorcycles in these markets.

Company Details

Industry	Tyres & Rubber Products
Chairman	Mr. R Naresh
Managing Director	Ms. Shobhana Ramachandran
Company Secretary	Mr. Chinmoy Patnaik
ISIN Code	INE421C01016
Bloomberg Code	SRTY IN
Reuters Code	TVSC.BO

Key Market Ratio

Latest Date	16-Jan-23
Latest Price (Rs)	3,325.40
Previous Close (Rs)	3,366.70
1 Day Price Var (%)	-1.23
1 Year Price Var (%)	52.96
52 Week High (Rs)	3,700.00
52 Week Low (Rs)	1,470.00
Beta	0.82
Face Value (Rs)	10
Industry PE	29.8
TTM Period	202209
TTM EPS (Rs)	63.68
TTM CEPS (Rs)	166.16
Price/TTM CEPS (x)	20.01
TTM PE (x)	20.01
Price/BV (x)	2.48
EV/TTM EBITDA(x)	17.04
EV/TTM Sales (x)	1.14
Dividend Yield (%)	0.49
Mcap/TTM Sales (x)	0.9
Latest Book Value (Rs)	1,340.19
Market Cap (Rs in crores)	2,546.28
EV (Rs)	3,210.07
Latest no. of shares (in crores)	0.77

Share Holding Pattern as on latest quarter

Promoter No. of Shares (Rs in Cr.)	0.35
Promoters %	45.36
FII No of Shares (Rs in crores)	0
FII %	-
Total No of Shares (Rs in Crores)	0.77
Free Float %	54.66



Focusing on Technology, Research and Development

Improving Technology and working on the R&D has also been a major focus of the company and in the same direction company has taken several initiatives which includes 1) Setting up of a satellite technical centre for off highway tyre technology in Israel 2) Modernisation of a state-of-art test track with dry and wet grip test tracks specifically designed to test motorcycles and scooters. 3) Company's technical centres in Milan, Italy and Madurai worked together to develop and launch a range of premium tyres for the European, Southeast Asian and Indian Markets.

Strong Distribution Network

The company has a strong distribution network and now covers close to 640 districts across India having around 600 distributors. Through this strong network, more than 50,000 tyre retailers are served. Company has also started its e-commerce service which allows customers to research about the products online on the platform. Presently, around 1 per cent of the sales are completed through e-commerce platform. Company has also launched a category first "WhatsApp" based warranty application that makes it extremely convenient to service any warranty related issues.

Opportunities ahead

Despite being the world's largest two-wheeler producer, India has the lowest penetration, with 110 per 1000 people, compared to an average of 240 per 1000 in South-East Asian nations. While two-wheeler adoption has grown, there are still chances for growth.

With a median age of 28.4 years, India has a more favourable demographic profile. It is anticipated that this "demographic dividend" would increase mobility. India's population is becoming more urbanised, and by 2025, it is predicted that 36.2% of Indians would live in urban areas, necessitating the purchase of

more automobiles and creating a business opportunity. By 2050, it's anticipated that more than 60% of India's population would reside in cities. Due to the rising urbanisation, there will be an increased need for speedy modes of transportation, which is anticipated to be met by the rise in scooter and motorbike sales. Keeping in mind the bright future of the industry, the company will also get benefited from the industry growth and help expand its market share.

Recent Financial Performance

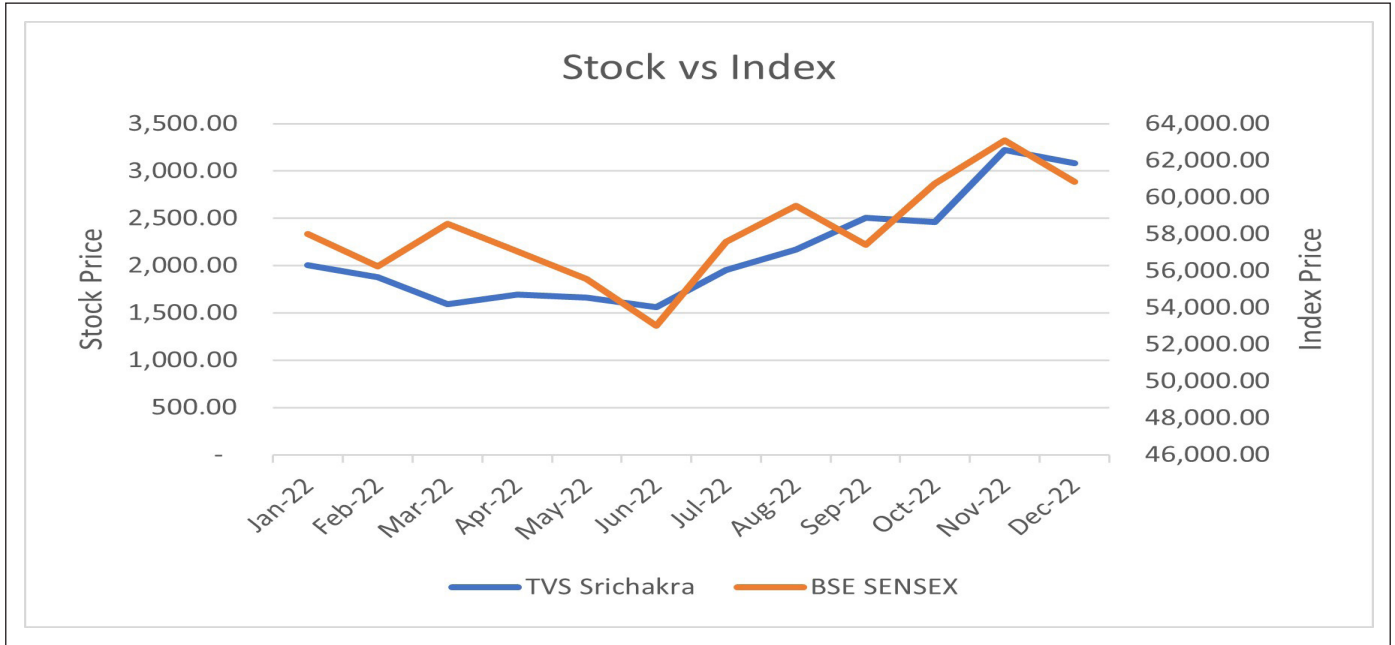
If we look at the recent performance on consolidated basis, the revenue for the Q2FY23 has jumped by 20.56 per cent to Rs 833.50 crores compared to the same quarter of last financial year where company had recorded the revenue of Rs 691.34 crores. Operating profit has also jumped substantially by 30.75 per cent on yearly basis. During Q2FY23, operating profit stood at Rs 82.71 crore whereas for the Q2FY22 it was Rs 63.26 crore. On sequential basis, the top line has increased from Rs 737.36 crore in Q1 FY23 to Rs 833.50 crore in Q2FY23. Company has recorded a jump of 51.13 per cent in its net profit on yearly basis. Net profit for Q2FY23 stood at Rs 38.19 crore whereas for the same quarter of the previous financial year, it was Rs 25.27 crore.

Valuation Outlook

Shares of company is presently trading at the TTM P/E of 50.80x whereas its 3-year median P/E stood at 21.2x and the Industry P/E is currently at 43.57x. In terms of price to book values, company's share is at 2.60x and the same for the sector average is 5.63x. Company has delivered ROE of 5.05 per cent and ROCE of 7.37 per cent last fiscal. The debt-to-equity ratio stood at 0.69x and company is having interest coverage of 3.28. Keeping in mind the valuations, Company seems fairly valued at these levels. Considering the bright future, we expect tremendous growth ahead in the business of the company and we recommend a BUY on the stock.

Consolidated Profit and Loss

Particulars	2022	2021	2020	2019	2018	2017
Sales	2,528.00	1,939.00	2,104.00	2,431.00	2,152.00	1,961.00
Expenses	2,359.00	1,709.00	1,887.00	2,168.00	1,899.00	1,676.00
Operating Profit	169.00	230.00	217.00	263.00	253.00	285.00
OPM %	7%	12%	10%	11%	12%	15%
Other Income	4.00	5.00	10.00	12.00	15.00	5.00
Interest	34.00	33.00	39.00	37.00	31.00	22.00
Depreciation	80.00	104.00	100.00	85.00	69.00	56.00
PBT	59.00	98.00	87.00	153.00	169.00	211.00
Net Profit	43.00	74.00	82.00	103.00	116.00	148.00
EPS in Rs	56.77	96.54	107.53	134.44	151.68	192.79
Dividend Payout %	29.00	31	19	30	26	26





Two Buzzing Stocks

Delhivery Limited

BSE Code : 543529

52 Week High / Low : ₹708 / ₹300

Face Value : ₹1

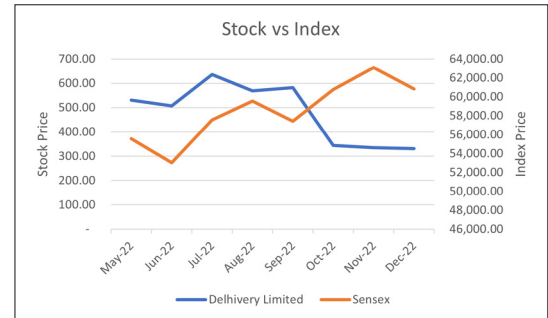
In May 2011, Delhivery was founded as SSN Logistics Ltd. For the first few months after its creation, it was initially envisioned as a hyperlocal express delivery service provider for offline retailers, delivering food and flowers locally in the city of Gurugram.

Presently, Delivery express parcels and large items, Partial Truck Loading and Full Truck Loading freight, warehousing, supply chain solutions, cross-border express, freight services, and supply chain software are all provided by Delhivery. The business also provides value-added services including fraud detection, payment collecting and processing, installation and assembly, and return services for online purchases. By revenue as of FY21, Delhivery was the largest and most rapidly expanding fully integrated logistics services provider in India.

The business's in-house technological solutions allow it to provide comprehensive Logistics services to a wide range of clients. For all supply chain procedures, its technological stack comprises of nearly 80 apps.

Presently, it has more than 164-network architecture consists of 2,235 direct delivery centres, 124 gateways, 20 automated sort centres, 83 fulfilment centres, 35 collection sites, 24 returns processing centres, 249 support centres, and 120 intermediate processing centres. The business employs more than 474 people in engineering, data sciences, and product development. More than 21,342 active Customers from a variety of industries, including e-commerce, consumer durables, electronics, lifestyle, FMCG, industrial products, automotive, healthcare, and retail, were served by the firm.

If we look at the recent financials of the company, during Q2FY23, company recorded its revenue of Rs 1,796 crore whereas its EBITDA was negative 138 crore. Presently the market cap of the company is Rs 22,064.18 crore.



Yes Bank Limited

BSE Code : 532648

52 Week High / Low : ₹24.80 / ₹12.10

Face Value : ₹2

Yes Bank is a private sector bank that offers a variety of banking services, such as corporate and institutional banking, wealth management, financial markets, investment banking, corporate financing, and branch banking.

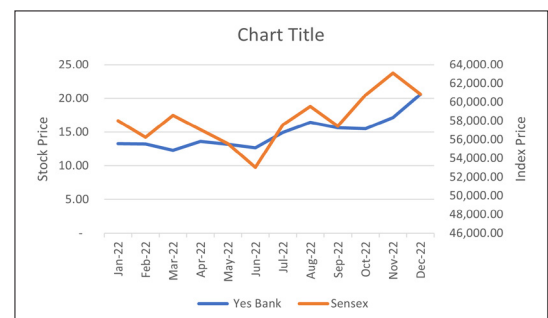
Yes Bank has placed a heavy emphasis on development banking as part of its distinctive approach, as seen by the innovative work it has undertaken in the fields of food and agribusiness, infrastructure, microfinance, and sustainability, most of which has been first-of-its-kind in India.

The bank provides Indian corporations & groups, global corporations, federal and state governments, governmental organisations, and public sector firms with a wide variety of financial and risk management solutions.

Small and medium-sized enterprises may take use of a variety of products, services, and resources from Yes Bank. Additionally, it provides corporate finance solutions to a variety of clientele, including local businesses, global corporations, financial institutions, and government agencies. The bank provides a wide variety of products and services within its retail banking division, including savings accounts, current accounts, fixed deposits, retail loans, depository services, and many more. The investment banking services of Yes Bank additionally include consulting services for initial public offerings (IPOs), divestitures, mergers and acquisitions, and private equity syndication.

In the recent development, the bank has chosen JC Flowers Asset construction Pvt Ltd to transfer its stressed assets worth Rs 48,000 crore. This move has been taken by bank to clean its bad assets. As per Yes Bank, it is by far the single largest transaction of sale of non-performing assets in the Indian banking system. Another recent development is that the bank has signed an investment agreement with two investors Carlyle and Advent this acquisition would add Rs 8,900 crore to the equity capital base. Credit Rating of the Bank has also been upgraded by Credit Rating Agencies CRISIL, ICRA, India Ratings and CARE. Now the bank has the highest short-term rating which is at A1 plus and its long-term rating has improved to A- with a positive outlook.

During the recent quarter performance on consolidated basis, revenue jumped to Rs 5,475 crore from the previous quarter where it recorded the revenue of Rs 5,135 crore. The profit before tax for Q2FY23 stood at Rs 215 crore and the net profit of the same quarter is Rs 160 crore. On TTM basis, the company recorded total revenue of Rs 20,453 crore and the net profit of Rs 1,112 crore. If we look at the valuations, the stock of bank is currently trading at the P/B ratio of 1.70x.





Market Statistics

DIVIDEND BECOME EX-DATED IN FORTHCOMING DAYS

Company Name	Dividend (%)	Ex Div Date	Company Name	Dividend (%)	Ex Div Date
Mastek	140	1-Feb-22	Siemens	500	30-Jan-22
CCL Products	150	31-Jan-22	Persistent	280	25-Jan-23
Wendt	300	31-Jan-22	Wipro	50	24-Jan-23

NET INVESTMENT IN EQUITY MARKETS (₹/CR)

Days	FII's	DII's	Days	FII's	DII's
19-Jan-23	399.98	-128.96	12-Jan-23	-1,662.63	2,127.65
18-Jan-23	-319.23	1,225.96	11-Jan-23	-3,208.15	2,430.62
17-Jan-23	211.06	90.81	10-Jan-23	-2,109.34	1,806.62
16-Jan-23	-750.59	685.96	9-Jan-23	-203.13	1,723.79
13-Jan-23	-2,422.39	1,953.40	6-Jan-23	-2,902.46	1,083.17

SPLIT DECLARED IN LAST FEW DAYS

Company Name	Date Of Announcement	Old Face Value	New Face Value
Fourth Dimensio	23-Jan-2023	10	2
Goldstar Power	20-Jan-2023	10	1
Shradha Infra	20-Jan-2023	10	5
Deep Diamond	20-Jan-2023	10	1
Vishnu Chemical	13-Jan-2023	10	2
Rajnish Wellnes	10-Jan-2023	2	1

EX-BONUS

Company Name	Ex-Bonus Date	Current Holding	Ratio Offered
Goldstar Power	20-Jan-2023	5	4
KPIGREEN	18-Jan-2023	1	1
Music Broadcast	13-Jan-2023	10	1
Bombay Metrics	09-Jan-2023	1	3
Rama Steel Tube	06-Jan-2023	1	4
Globe Commercia	06-Jan-2023	1	1
GM	04-Jan-2023	1	6
SecJR Credentia	04-Jan-2023	1	3

RECENT ANNOUNCEMENTS

Interglobe Aviation Limited

IndiGo, a subsidiary of InterGlobe Aviation, has begun 28 new routes. 16 Republic Day-specific flights will be offered as part of this between January 19 and January 26, 2023. With effect from February 1, 2023, the airline has also expanded its winter schedule by adding 12 more routes and more frequency. Regional destinations including Bengaluru-Ahmedabad, Chennai-Ahmedabad, Bengaluru-North Goa, Mumbai-Rajkot, Raipur-Mumbai, Kolkata-Guwahati, Guwahati-Agartala, and Port Blair-Chennai would also receive more flights.

Bharat Heavy Electricals Ltd

Bharat Heavy Electricals (BHEL) has been given the job of renovating and modernising the steam turbines at Gujarat's Ukai Thermal Power Station (TPS) despite fierce competition from other bidders. Gujarat State Electricity Corporation has given BHEL the R&M order for the 200 MW Unit-3 and the 210 MW Unit-5, which is estimated to be worth over Rs 300 crore. Notably, BHEL is also the Original Equipment Manufacturer (OEM) of these turbine sets, which were used for R&M after around 40 years of successful operation.

Maruti Suzuki India Ltd

Grand Vitara, Maruti Suzuki India's wildly popular luxury SUV, is now being exported. Recently, the first Grand Vitara cargo left the Kamarajar port for Latin America. Grand Vitara will be exported by the corporation to more than 60 nations in Latin America, Africa, the Middle East, ASEAN, and surrounding areas.

Maruti Suzuki exported more than 2.6 lakh automobiles in calendar year 2022, which was a record for the company. The Company hopes to further solidify its position as India's top exporter of passenger vehicles with the inclusion of Grand Vitara.

Heritage Foods Ltd

A whey-based fast energy drink called GlucoShakti has been introduced by Heritage Foods. It is an inexpensive, all-natural energy drink that revitalises the body after severe exercise. The benefits of whey are enhanced in GlucoShakti by the addition of glucose for instant energy. It contains naturally occurring minerals including sodium, potassium, phosphorus, magnesium, and others that assist the body replace its vital salts. In comparison to rival goods, it has almost 1.5 times more potassium.

With a 200ml pouch pack pricing of just Rs 10, GlucoShakti is a cost-effective and practical source of energy that doesn't fizz. The product is now accessible in General Trade stores, Heritage Parlors, and a few Modern Retail stores in Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu.

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