

EDITION : JANUARY, 2024

INVASSET NEWS



Inside INVasset News :

- BREAKING NEWS
- INVASSET PERFORMANCE
- FUND MANAGERS VIEWS
- INVASSET RECIPE OF SUCCESS
- INTERVIEW EXCERPTS



INVASSET PMS

SEBI: INP000006907

BECOMES THE LEADING PMS
WITH 96.57% RETURNS
IN 2023

Company Profiles

- BEML LTD
- CG POWER
- IRCON
- J&K BANK
- JSW STEEL
- RHI MAGNESITA
- RVNL



We are humbled to share that INVASSET LLP has been recognized as the top-performing PMS in India for the calendar year 2023.

A sincere thank you to all our clients for your trust and to our team for their commitment. We are grateful for this journey together.

TOP 10 PERFORMERS - CY 2023

AMC	INVESTMENT APPROACH	CATEGORY	1 YEAR RETURNS (%)
INVASSET LLP	GROWTH PRO MAX FUND	MULTI CAP	96.57%
AEQUITAS INVESTMENT CONSULTANCY PVT LTD	INDIA OPPORTUNITIES PRODUCT	SMALL CAP	91.23%
SHEPHERD'S HILL FINANCIAL ADVISORS LLP	VALUE MAGNO	FLEXI CAP	89.55%
SAMVITTI CAPITAL PVT LTD	PMS ACTIVE ALPHA MULTICAP	MULTI CAP	85.13%
GREEN LANTERN CAPITAL LLP	GROWTH FUND	SMALL & MIDCAP	84.74%
EQUITREE CAPITAL ADVISORS PVT LTD	EMERGING OPPORTUNITIES	SMALL CAP	79.71%
INVESTSAVVY PORTFOLIO MANAGEMENT LLP	ALPHA FUND	MULTI CAP	79.61%
CARNELIAN ASSET MANAGEMENT AND ADVISORS PVT LTD	YNG STRATEGY	MULTI CAP	76.56%
ASIT C MEHTA INVESTMENT INTERMEDIATES LTD	ACE MULTICAP	FLEXI CAP	73.69%
ITHOUGHT FINANCIAL CONSULTING LLP	VRDDHI	SMALL CAP	73.03%

Source: PMS Bazaar

OUR FOUNDER

Rajnish Garg

Partner & Fund Manager

GOODWILL

Rajnish Garg is one of the most respected names in the stock market fraternity in North India.

EXPERIENCE

He is a Chartered Accountant & Company Secretary and has 30+ years of wealth creating experience in the stock market.

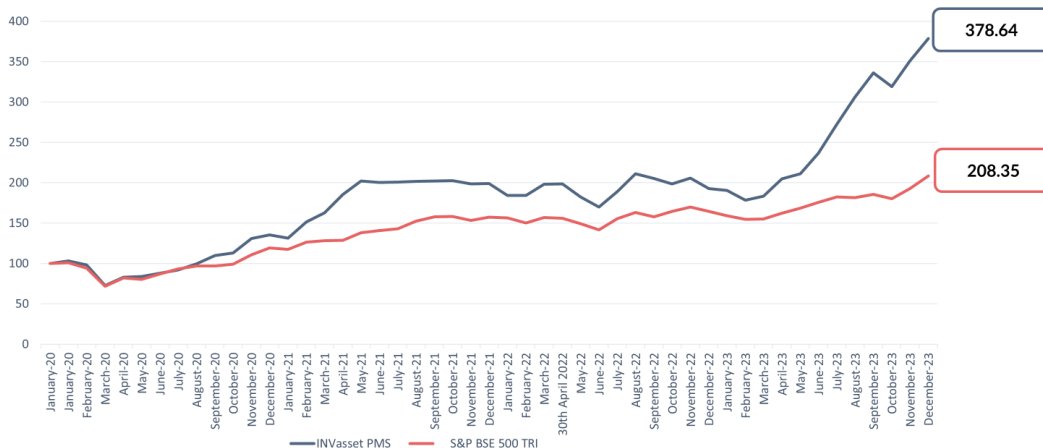
EXPERTISE

An ardent investor, Mr. Rajnish is known for his investing techniques & strong grasp of market fundamentals. This unique blend has enabled him to create long term sustainable wealth for his clients and stakeholders



INVASSET LLP PMS FUND PERFORMANCE

Absolute Basis



Note: source BSE & SEBI website; Date as on 31st December 2023. Past performance may or may not sustain in future. Price has been calculated by monthly cumulative basis. This data shown above pertains to be index and does not in manner indicate performance of any scheme of the fund.

INVASSET LLP PMS has outperformed S&P BSE 500 TRI by around 2x

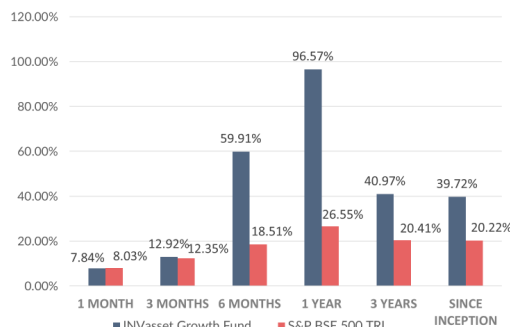
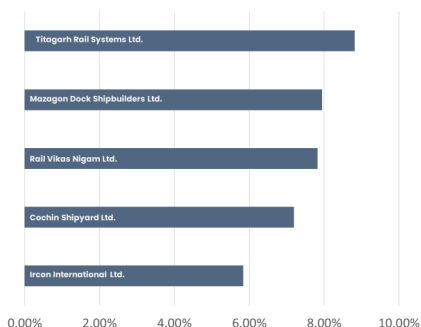
As on 31st December 2023 | Inception Date 08 January 2020



*The Investment beliefs are indicative and there is no assurance that they will be followed in every case

INVasset LLP PMS Fund Performance

Top 5 Holdings as on 31st December 2023



*Annualized

Note: source BSE & SEBI website; Date as on 31st December 2023. Past performance may or may not sustain in future. Price has been calculated by monthly cumulative basis. This data shown above pertains to be index and does not in manner indicate performance of any scheme of the fund. Performance of 1 year and above is on annual CAGR basis.

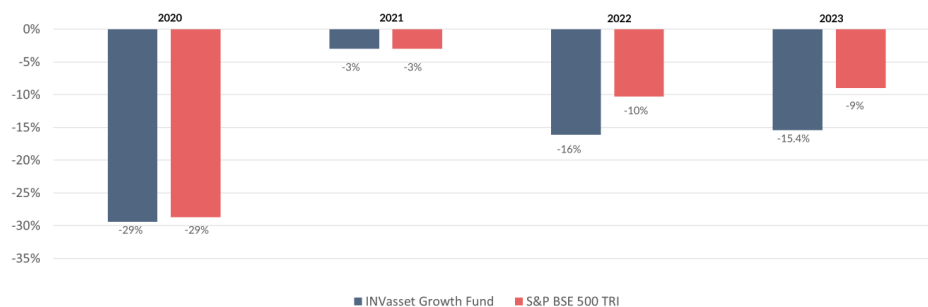
As on 31st December 2023 | Inception Date 08 January 2020



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INVASSET LLP PMS & S&P BSE 500 TRI INDEX

DRAWDOWN



2020 was Black Swan Event. Events like Covid 19 Pandemic are once in a century events which led to such a downfall across all asset classes. The Good News is that our AI has learnt from this and is prepared to handle all events like these in the future.

Note: source BSE & SEBI website; as on 31st December 2023. Past performance may or may not sustain in future. Data has been provided by Edelweiss, SEBI registered custodian on monthly cumulative basis. This data shown above pertains to be index and does not in manner indicate performance of any scheme of the fund.

As on 31st December 2023
Inception Date 08 January 2020



*The Investment beliefs are indicative and there is no assurance that they will be followed in every case

Budget 2024 may not impact the Indian stock market significantly: Anirudh Garg

Excerpts of Interview with Livemint

Anirudh Garg, Partner and Fund Manager at INVAsset, PMS, believes the Budget 2024 might not bring substantial changes for the stock market and investors, but any important announcements will still be noted and considered for their potential impact. The triggers for the market this year seem to be largely centred around political events and economic policies.

What are your expectations from the Budget 2024? Is it going to be a pro-growth or a populist budget ahead of the General Elections 2024? What budget announcements would be important from the perspective of the market?

The expectations for the Budget 2024 seem to revolve around the belief that it won't be significantly impactful due to its proximity to the election year. Instead, the focus is on analysing the Budget from February 2023, which prioritised capital expenditure (capex) over popular measures to woo voters. Last year's Budget allocated 19.5 per cent of expenses towards capex, marking the highest in two decades, indicating the government's long-term planning approach. This strategy is seen as crucial for a nation's prosperity, as capital investments yield benefits over a longer period, in contrast to immediate, short-term gains from revenue expenditure. The argument is that investing in long-term assets, much like a family investing in a business for future income, is critical for a developing nation like India. While the current budget might not bring substantial changes for the stock market and investors, any important announcements will still be noted and considered for their potential impact.

What are the next triggers for the market?

The triggers for the market this year seem to be largely centred around political events and economic policies. Firstly, the General Elections in 2024 and the expected victories of the current government in key Indian states are believed to be already factored into the market. However, the actual results, especially the majority with which BJP might secure the victory, are still anticipated to be significant triggers for the market. Additionally, the Federal Reserve's stance on inflation and interest rates is seen as a critical determinant. If the Fed continues to manage inflation effectively, interest rate adjustments may not heavily impact the markets. Conversely, any change in this stance could serve as a trigger. The US elections later in the year are also expected to be pivotal. As political landscapes shift, policy changes and economic directives that come with new administrations can lead to market volatility. The advice emphasises understanding that markets are forward-looking and tend to price in anticipated outcomes rather than react to current events. Therefore, markets might perform better in anticipation of a positive event, and there might be less reaction once the event occurs. Investors are cautioned against being swayed by market spikes following positive developments and are advised to focus on opportunities during periods of uncertainty or volatility. The strategy recommended is to "buy on dips" — purchasing when prices are low in anticipation of future gains. This year is expected to be characterized by high volatility due to several significant events on the horizon, suggesting a cautious and strategic approach to investment.

Top 49 PMS schemes deliver over 50% returns in 2023

Portfolio Managers share their secret mantra

From buying top-quality leaders at inexpensive valuations in down-beat and out of favour sectors with a massive potential for growth to scientific methods of stock picking, here's how fund managers deliver big returns

- Almost 100 per cent of PMS schemes managed to deliver positive return in 2023.
- The BSE Smallcap and BSE Midcap indices surged 48 per cent and 46 per cent, respectively, last year
- 49 schemes generated more than 50 per cent return for investors

Almost all portfolio management schemes (PMS) generated positive returns for their rich investors in 2023. The performance came at a time when the BSE Sensex advanced 19 per cent during the year. On the other hand, broader indices BSE SmallCap and BSE MidCap surged 48 per cent and 46 per cent, respectively. With a return of 96.57 per cent in 2023, Invasset LLP's Growth Pro Max Fund topped the chart, as per data collated by PMS Bazaar. Overall, as many as 317 PMS schemes delivered positive return to investors in the past 12 months. Out of that, 49 schemes generated more than 50 per cent returns for investors.

Anirudh Garg, Partner and Fund Manager, Invasset PMS said, "We attribute our success to our unique, scientific approach in stock selection. Unlike traditional methods, which often rely on the subjective judgments of fund managers, our methodology is rooted in rigorous data-driven analysis. This objective stance allows us to eliminate biases towards specific sectors, market caps or investment styles."

"One of the key strengths of our approach is its forward-looking nature. The stock market is inherently predictive and our algorithms excel in identifying and understanding trends, biases and valuations before they manifest in market movements. This proactive stance enables us to anticipate changes and adapt our strategies accordingly, staying ahead of traditional market analysis methods," Garg said.

INVASSET LLP launched with a dream to make people achieve their financial freedom.

We are a SEBI registered portfolio management service provider (SEBI: INP000006907) consisting of a specialized research team having 27+ years of professional experience and in-house developed INVASSET AAID (Algo, AI & Data) driven approach for selection of companies and sectors that will lead to Alpha generation.



This fund manager sees another 10% upside in market, bets on domestic tourism. With improved infrastructure, evolving consumer behaviour and a recovering airline industry, domestic tourism sector is a compelling opportunity for portfolio inclusion. - Anirudh Garg of Invasset PMS

Excerpts from Moneycontrol

Anirudh Garg, partner & fund manager at Invasset PMS, thinks the market is not done hitting new highs and says their analysis of the current trend and dynamics point to a 10 percent uptick. Garg, who has 15 years of market experience and uses AI algorithmic models, is betting big on the tourism sector and sees it as a portfolio must-have. Improved infrastructure, evolving consumer behaviour and a recovering airline industry, signal a significant change the domestic tourism sector, says Garg who is a chartered accountant by training. Budget 2024 should at least increase capital spending by 20 percent and remain conservative on reducing fiscal deficit. This would ensure a balanced approach towards fiscal management while stimulating economic growth, he says.

Do you think technology stocks have priced in all the positive expectations after the December quarter earnings?

Invasset currently maintains a cautious stance on technology, FMCG, pharma and white goods, considering the ongoing "old economy run". While recognising that these sectors have already experienced substantial market activity and price adjustments reflecting negative news, Invasset refrains from deeming them as attractive investments. Despite potential global growth with US inflation stabilising, Invasset views technology stocks as not sufficiently cheap or growth-leading to warrant inclusion in its portfolio. Instead, the firm prioritises interest-rate sensitive sectors and capex beneficiaries, aligning with market dynamics and presenting what they believe are superior opportunities for growth and value.

Do you expect a 1,000-1,500 points correction after the Budget?

Our strategy involves strategic and careful investment decisions, considering where and how much to invest while staying vigilant. Market fluctuations such as a potential 1,000 to 1,500 point correction post-budget, are not predicted, as we avoid short-term market timing. Instead, we categorise market phases using our multi-factor algorithmic models. Contrary to a correction, we are contemplating a potential 10 percent uptick in the markets based on our analysis of current market dynamics and trends.

IRFC's market cap crosses Rs 2 lakh crore for first time

IRFC's market cap crosses Rs 2 lakh crore for first time. What sent IRFC shares soaring? "The surge in the Indian Railway Finance Corporation (IRFC) stock can be attributed to several key factors, bolstering its long-term growth prospects. Currently, India is in the midst of an 'old economy' run, which underscores the significance of capital expenditure (capex) and sectors sensitive to interest rates," said Anirudh Garg, Partner and Fund Manager at INVAsset, PMS. Garg believes that the rally is powered by the government's plans to launch 3,000 additional Vande Bharat trains over the next five years.

Railways may get more elbow room to spend in year ahead Mr Anirudh Garg, Partner and Fund Manager at Invasset, PMS, said, "We adhere to the Two Run Theory, a strategy that categorises economic runs into two distinct parts: the Old Economy Run and the New Economy Run. Currently, India finds itself in the midst of an Old Economy run, which places a strong emphasis on capital expenditure (capex) and sectors sensitive to interest rates. "Our proactive identification of this old economy run has shaped our investment focus, leading us to emphasise railway, defence, and PSU (public sector undertaking) stocks. It's essential to note that this approach is not geared towards short-term gains but rather focuses on capitalising on the entire sectoral run," he added. Anirudh Garg highlights the following key reasons behind the surge in railway stocks: Fundamental Shift: The railway sector is undergoing a fundamental transformation, presenting significant growth opportunities. This shift extends beyond short-term market dynamics. Earnings Growth: Evaluating these stocks based solely on price-to-earnings (PE) expansion overlooks the substantial earnings growth expected in the next 2 to 3 years. Expanding Order Book: It's important not to judge the sector solely based on the current order book, as it is poised to expand significantly in the coming years. Government Initiatives: Railway Minister Ashwini Vaishnaw's announcement of a substantial capex of 2.4 lakh crore in the Union Budget 2023-2024, a substantial increase from the previous ₹55,000 crore, demonstrates the government's commitment to the sector's development.

What will we do for you?



1. Can Markets be Timed ?

The Answer is "NO". Time & again various Market Gurus including Warren Buffet, Charlie Munger, Peter Lynch and others have reiterated this point.



3. Can one analyze which stocks Should do well in current scenario?

"Yes", with ample research and experience and machine learning taking the upper hand, one can develop a nag of analysing what type of stocks should perform in the current market scenario.



2. Can Same type of Stocks do well in all Market Scenarios ?

"No", Different types of stocks perform in different market scenarios. Commodities, Turn Arounds, Disruptors, Stalwarts & Momentum, each have their own time for generating alpha.



4. What affects an investors psychology more: More Return or More Risk?

We believe that pain of losing money is far greater than joy of earning it. We make sure protecting the drawdowns is given more priority over increasing the returns while constructing a portfolio.

Do you want a portfolio that can generate alpha in any market scenario keeping your drawdown in check?

If your answer to this question is "Yes", then INVASSET LLP is the right avenue for you.





Excerpts of Interview with Money Control

“The ratings by agencies have less correlation to what the markets are performing. At INVasset we are a quant driven PMS and we strongly believe that in the next couple of years India will have a great run in terms of stock market performance. After the China fiasco, FII's are very clear that anything which is not a democracy is a no investment zone. India is changing the business dynamics and is commanding a lot of respect in International markets.” - Anirudh Garg



Excerpts of Interview with CNBC



Excerpts of Interview with The Portfolio Manager

Join us for an engaging interview with Anirudh, a seasoned Fund Manager at INVasset PMS. He'll unveil exclusive insights into India's ever-evolving stock market. Explore the enigmatic Specialty Chemicals sector, delve into promising Defense investments, discover the potential of Renewable Energy, and consider the opportunities in the Old Economy and Real Estate sectors. These valuable insights can revolutionize your investment strategies. Don't miss out!

Old Economy Run has two themes which runs a) Interest Rate sensitive b) Capex : In India the conditions for capex theme to run were intact. Government is working towards infra building. - Anirudh Garg

Watch this interview to get the understanding on INVasset investing mindset.

The Secret Mantra Unveiled !

Anirudh Garg's Vision: Unlocking Investment Potential with INVasset's Algorithmic PMS! Anirudh Garg, Fund Manager at INVasset PMS sheds light on INVasset's innovative Quant-Based Data-Driven Algorithmic PMS, emphasizing their unwavering commitment to an unbiased approach for stock selection. He delves into the intricacies of their algorithm's stages, distinguishing between the Old and New Economy Run. Anirudh's perspective highlights the market's inclination to reward relative change while penalizing biases. This principled strategy underscores INVasset's dedication to delivering consistent and reliable performance in the ever-evolving financial landscape.





BEML LIMITED

Company Overview

BEML Limited, originally established as Bharat Earth Movers Limited in 1964, stands as a prominent player in the Indian manufacturing and engineering sector. Headquartered in Bangalore, Karnataka, this public sector undertaking (PSU) has evolved over the years to become a key contributor to vital industries such as defense, mining, and construction. With a comprehensive portfolio spanning heavy earthmoving equipment for mining and construction, defense vehicles, and metro and railway coaches, BEML operates under three major business verticals: Mining & Construction, Defence, and Rail & Metro.

Positioned as a Miniratna Category-I PSU, BEML is strategically poised to capitalize on robust growth opportunities within the dynamic landscape of the mining, defense, and transportation sectors. The company's proactive approach aligns seamlessly with national initiatives like "Make In India" and "Aatmanirbhar Bharat," which aim to foster self-reliance and indigenous manufacturing capabilities. The recent opening of the mining sector to private participation further enhances BEML's prospects, providing impetus to domestic production.

Amidst a period of heightened government expenditure, particularly in the railways and metro rail sectors, BEML anticipates significant growth opportunities. The Draft Defence Production & Export Promotion Policy (DPEPP) sets ambitious revenue targets, reinforcing BEML's pivotal role in achieving self-reliance and increasing domestic procurement in the defense sector. As a divestment candidate, with the government intending to divest 26% of its 54% stake, BEML's valuation is poised to benefit from an improving earnings profile. The company's strategic positioning and security clearances from the Ministry of Home Affairs further underscore its potential for sustained growth and leadership in the evolving industrial landscape.

Investment Rationale

Diversified Business Segments: BEML operates in three major business verticals - Mining & Construction, Defence & Aerospace, and Rail & Metro, providing a stable revenue base through diversification.

Leading Position in Mining & Construction: BEML is a prominent manufacturer of mining and construction equipment in India, offering a comprehensive range of machinery for both opencast and underground mines, positioning it to benefit from the growth in the mining sector.

Railways & Metro Opportunities: BEML holds a significant presence in the Rail & Metro segment, with a history of manufacturing coaches for Indian Railways and metro cars. The substantial government investments in railway and metro projects create promising growth opportunities for BEML in this segment.

Defence & Aerospace Growth: BEML holds a significant position in India's defense equipment manufacturing sector, delivering a range of military vehicles and equipment. The government's strong emphasis on the "Make in India" initiative and achieving self-reliance in the defense sector presents BEML with substantial opportunities for growth. This strategic positioning enables the company to leverage the expected expansion in the defense and aerospace industry, further solidifying its role as a prominent player in this vital sector.

International Operations and Export: BEML's global presence extends to its operations in 68 countries. This international footprint, notably in regions like Africa and the Middle East, plays a crucial role in diversifying the company's revenue sources. By actively participating in overseas markets, BEML not only strengthens its financial stability but also positions itself to tap into potential growth opportunities in international markets. This global reach enhances its ability to contribute significantly to the global defense and aerospace landscape while simultaneously bolstering its domestic standing.

Stock Data	
CMP (09-01-2024)	3166.05
52 Week High/Low	3316.70/1128.00
Face Value	10
Market Cap (In Crs)	13,152
NSE	BEML
BSE	500048
Bloomberg	BEML:IN
Sector	Engineering – Industrial Equipments

Shareholding Pattern (in %)		
	Jun-23	Sept-23
Promoter	54.03	54.03
FII	6.08	6.79
DII	19.51	19.03
Public	20.38	20.16

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	2.74	11.45	20.64
BEML	28.86	105.33	110.02

Key Ratios	
P/E	65.5
P/B	5.55
Debt To Equity	0.16
ROE	6.30%
ROCE	10.50%
Dividend Yield	0.32%



BEML LIMITED

Strengths

- Established manufacturing infrastructure and extensive knowledge base ensure operational excellence.
- Robust R&D base, contributing to over 76% of sales through the continuous development of innovative products.
- Proficiency in designing and manufacturing high-end mining equipment showcases technical prowess and market relevance.
- Extensive sales and service infrastructure, with established regional, district offices, and activity centers, strengthens customer support across India.*

S

Weaknesses

- Depletion of skilled manpower and an aging workforce pose challenges in maintaining workforce dynamism and innovation.
- No assured business from the Government of India, unlike some other Defense Public Sector Undertakings, creating uncertainty.
- Uncertainty in orders for Rolling stock from Indian Railways introduces revenue stability concerns.
- Challenges related to sourcing critical aggregates and technologies may impact production capabilities and hinder innovation.*

W

Opportunities

- Substantial increase in the Indian Army's modernization budget, aligning with the 'Make in India' initiative, offers avenues for growth.
- Growth opportunities in the mining and construction sectors with a heightened focus on infrastructure development and AI integration.
- Rail and metro expansion in India, coupled with increased demand for Electric Multiple Units, presents a lucrative market.
- Diversification into new areas, including the aerospace sector and unmanned vehicles, opens up exciting prospects for expansion and innovation.

O

Threats

- Competition from technology leaders directly operating in India intensifies market challenges and requires strategic responses.
- Difficulty in sourcing critical aggregates and technologies poses a risk to production efficiency and product development.
- Increased pressure on reducing life cycle costs requires vigilant cost management and operational efficiency.
- Intensified competition from Indian private industry and foreign OEMs demands a proactive approach to maintain market share and profitability.

T



CG Power & Industrial Solutions Ltd, an illustrious member of the esteemed Murugappa Group with over 85 years of heritage, stands as a global enterprise at the forefront of delivering comprehensive solutions for the efficient and sustainable management of electrical energy. As a stalwart in the industry, CG operates through two pivotal business segments: Power Systems and Industrial Systems, both of which play pivotal roles in shaping the company's market dominance. Its market leadership, global outreach, and commitment to technological advancement make it a visionary company at the forefront of the electrical energy revolution. The company embarks on a journey of expansion, modernization, and strategic reorganization. The company's Industrial Systems division caters to Motors & Drives and the Railway sector, while the Power Systems division focuses on transformative solutions for Transformers, Switchgears, and allied products. It is not only a market leader but also a volume player in the Motors business.

Manufacturing Excellence:

With a footprint spanning 17 state-of-the-art manufacturing facilities across India, including strategic locations in Goa, Madhya Pradesh (Bhopal, Indore, and Gwalior), and Maharashtra (Ahmednagar, Nashik, and Aurangabad), CG is strategically positioned to meet the growing demands of its diverse clientele. The company is poised for substantial capacity expansion, with an investment of approximately 400 crores earmarked for debottlenecking, modernization, and expansion across key plants in Ahmednagar, Goa, Bhopal, and Malanpur, slated for FY24-25.

Global Reach and Export Focus:

CG Power & Industrial Solutions proudly extends its footprint across the globe, with a strong presence in Burkina Faso, Cameroon, Congo, Greece, Kenya, Paraguay, Philippines, Suriname, Tunisia, UAE, and Uganda. The company has set ambitious targets to enhance its export contribution from the current 10% to an impressive 20% over the next 4-5 years, affirming its commitment to global expansion and market leadership.

Strategic Capital Reorganization:

In a move indicative of its financial acumen and strategic foresight, CG's Board of Directors approved a capital reorganization scheme. The proposed transfer of Rs. 400 crores from General Reserves to Retained Earnings underscores the company's commitment to optimizing its capital structure for sustained growth. Pending requisite approvals, this initiative is poised to further enhance shareholder value and financial stability.

Network of Subsidiaries:

CG Power & Industrial Solutions maintains a robust network of subsidiaries, comprising three Indian and eighteen foreign entities. Notably, the subsidiaries include two entities in Belgium and others with diverse financial statuses. This reflects CG's commitment to a global presence while ensuring prudent management of its subsidiary portfolio for sustained growth and resilience.

Financial Maneuvers and Streamlining:

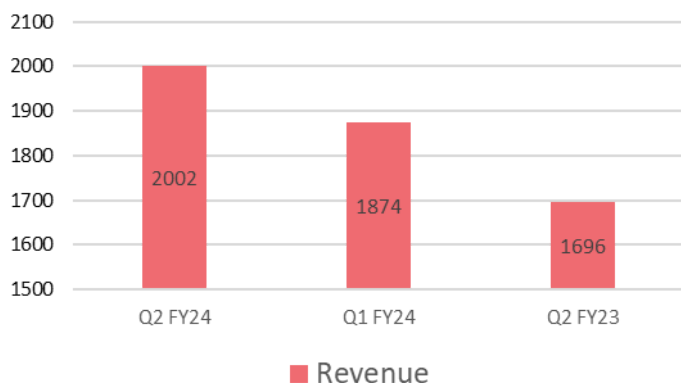
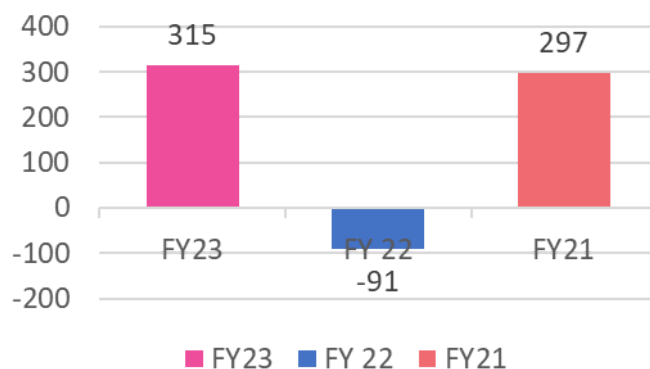
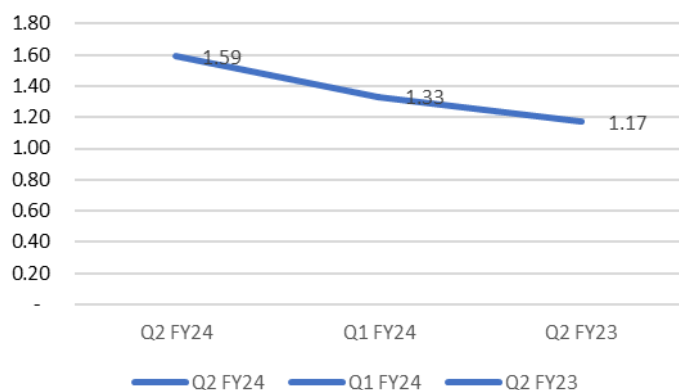
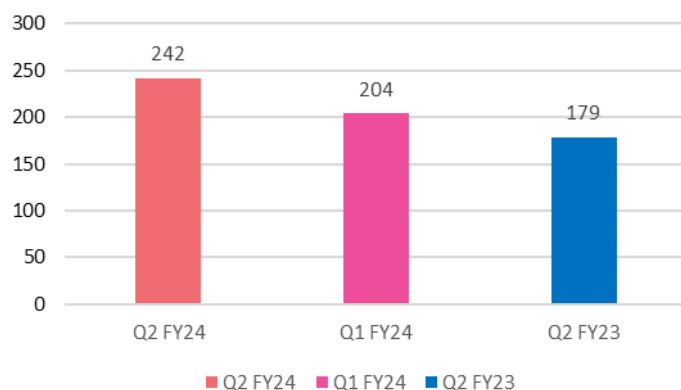
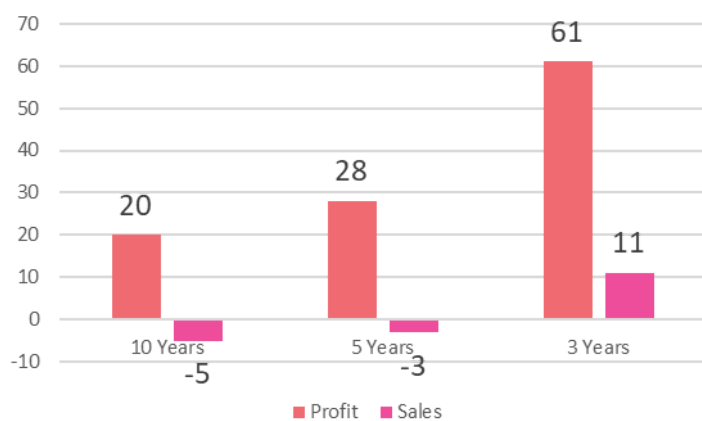
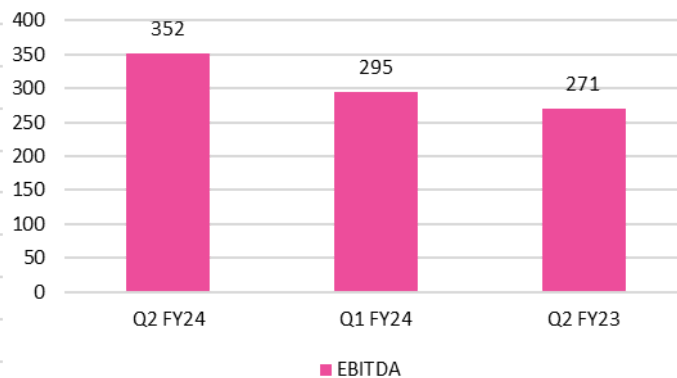
CG Power & Industrial Solutions executed impactful financial moves in the past, including the redemption of 20,000 Non-Convertible Debentures amounting to Rs. 200 crores. Additionally, the completion of the liquidation process of the Step-Down Subsidiary in Dubai, UAE, demonstrates the company's commitment to agile decision-making and streamlining operations for optimal efficiency and resource allocation.

Stock Data	
CMP	453.05
52 Week High/Low	503.45 / 276.65
Face Value	2.00
Market Cap (In Crs)	69,186
Enterprise Value (In Crs)	68,722
NSE	CGPOWER
BSE	500093
Bloomberg	CGPOWER:IN
Sector	Heavy Electric Equipment

Shareholding Pattern (in %)		
	SEP 23	JUN 23
Promoter	58.12	58.12
FII	16.74	15.94
DII	7.83	7.74
Public	17.31	18.18

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	0.03	8.88	18.88
CGPOWER	-1.44	11.34	48.23

Key Ratios	
P/E	79.3
P/S	9.19
P/B	31.0
Debt To Equity	0.01
ROE	66%
ROCE	61.6%
Dividend Yield	0.32%


Revenue(In Cr)

Cashflow(In Cr)

EPS

PAT (In Cr)

Compounded Growth(In %)

EBITDA(In Cr)




IRCON International Ltd.

Established in 1976, Ircon International Limited (IRCON) has evolved from its roots as a dedicated railway construction company to emerge as a prominent integrated engineering and construction Public Sector Undertaking (PSU). With a rich history spanning over four decades, IRCON has become synonymous with excellence in executing large and technologically intricate infrastructure projects across diverse sectors, including railways, highways, and beyond. It stands as a stalwart in the infrastructure sector, with a storied history, a robust order book, strategic alliances, and a clear vision for sustained growth.

Brand Reputation:

IRCON holds a unique distinction as the sole Indian PSU and one of merely five Indian companies featured in the prestigious list of top 250 international contractors. This recognition underscores the company's global standing and its commitment to delivering projects of the highest standards. Within the Indian landscape, IRCON stands out as a sectoral leader in transportation infrastructure with the execution of turnkey railway projects.

Projects and Services:

IRCON's diverse service portfolio encompasses Project Management Consultancy, Engineering, Procurement & Construction, Public-Private Partnership, and Real Estate. The company's adaptability is further showcased through its engagement in projects on Build, Operate and Transfer (BOT) / Hybrid Annuity Mode (HAM) basis, reflecting a holistic approach to infrastructure development.

Subsidiaries & JVs:

IRCON's strength is further accentuated by its diverse portfolio of subsidiaries and joint ventures. The IRCON Group comprises 11 subsidiary companies and 7 joint venture companies, augmenting its operational capabilities and enabling strategic partnerships for mutual growth.

Future Plans:

IRCON's vision for the future is characterized by a dual focus on international expansion and strategic diversification. The company aims to enhance its global portfolio, tapping into the lucrative profit margins in international projects. As part of its diversification strategy, IRCON has ventured into the renewable power sector, with plans to establish a 500 MWh solar power plant. The company aspires to transition from being solely a construction entity to a diversified corporation.

Strategic Alliances:

Demonstrating its forward-thinking strategy, IRCON engaged in a substantial joint venture with the Cochin Port Authority. This strategic partnership was established to participate in the bidding process for a prospective harbor project in a neighboring nation. This move underscores IRCON's dedication to venturing into fresh opportunities and broadening its presence in global markets. It reflects the company's proactive stance in pursuing international ventures and highlights its commitment to growth and diversification beyond its domestic operations. This collaboration showcases IRCON's determination to remain at the forefront of the infrastructure and construction industry.

Manufacturing and Distribution: Strategically headquartered in Saket, New Delhi, IRCON orchestrates its vast business operations through 54 project offices and 4 regional offices spread across India. The company's global footprint is strengthened by 5 overseas project offices in key locations such as Sri Lanka, Bangladesh, Malaysia, South Africa, and Algeria. This extensive network enables seamless project execution and underscores IRCON's commitment to quality and efficiency on a global scale.

Stock Data

CMP (01-01-2024)	174.55
52 Week High/Low	181.60/50.10
Face Value (In Rs.)	2
Market Cap (In Crs)	16,356
Enterprise Value (In Crs)	12,510
NSE	IRCON
BSE	541956
Bloomberg	IRCON:IN
Sector	Civil Construction

Shareholding Pattern (in %)

	SEP 23	JUN 23
Promoter	73.18	73.18
FII	4.01	5.17
DII	0.36	0.80
Government	0.26	0.26
Public	22.17	20.59

Price Performance (in%)

(%)	1M	6M	1Yr
Nifty 50	8.19	14.60	19.52
IRCON	5.02	108.54	189.95

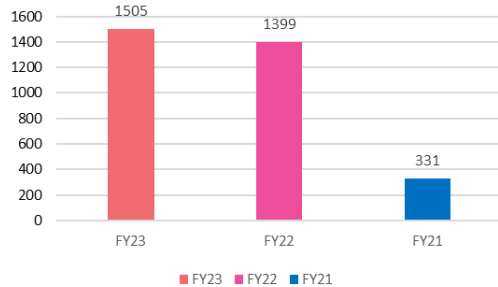
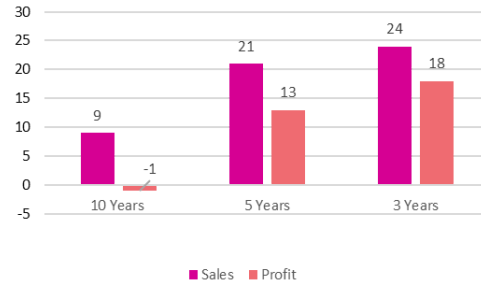
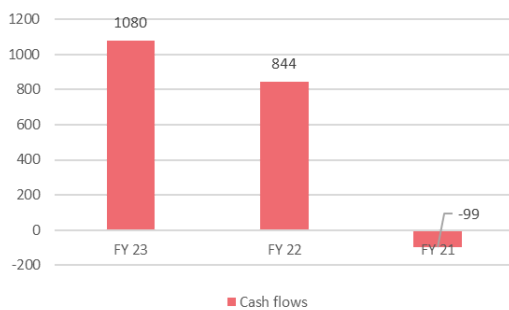
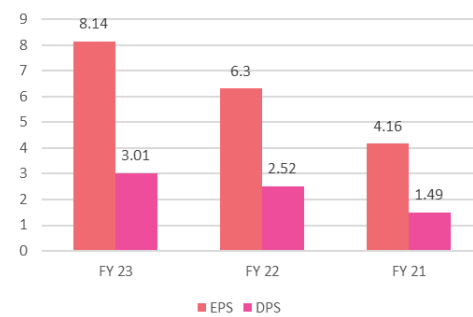
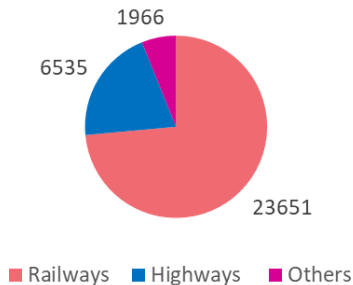
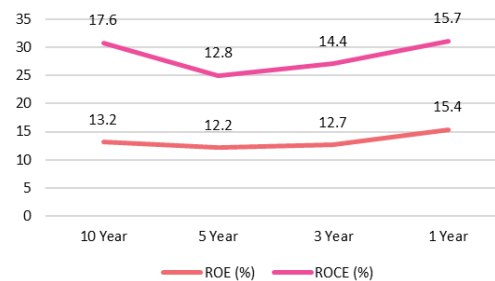
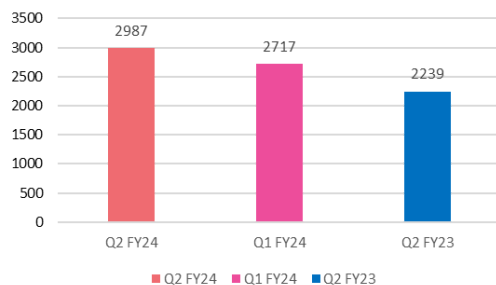
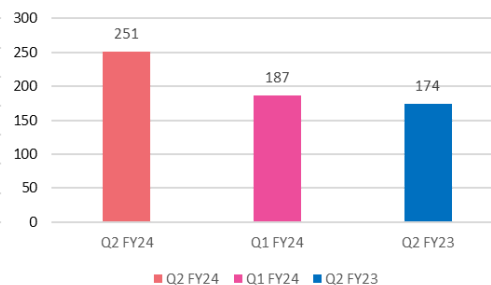
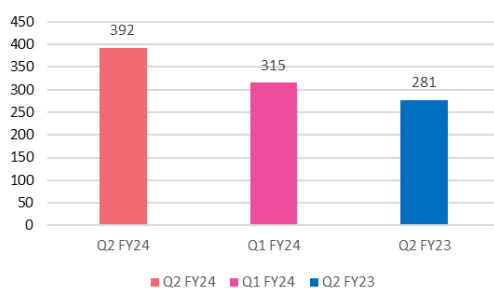
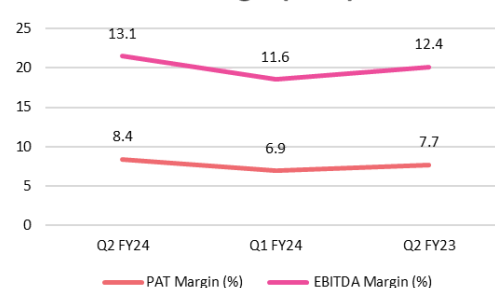
Key Ratios

P/E	18.50
P/S	1.39
P/B	2.95
Debt To Equity	0.30
ROE	15.40%
ROCE	15.70%
Dividend Yield	1.72%



IRCON International Ltd.

Story Through Charts

Borrowings(In Crs)

Compounded Growth(In %)

Cash flows (In Crs)

Earnings & DPS

Order Book(In Cr)

Returns(In %)

Revenue (In Cr)

PAT (In Cr)

EBITDA (In Cr)

Margin(In %)




Jammu & Kashmir Bank (J&K Bank) stands as a prominent and resilient banking institution, deeply rooted in the picturesque region of Jammu and Kashmir, India. As a publicly held banking company, it plays a pivotal role in offering a diverse spectrum of financial services, encompassing Retail Banking, Corporate Banking, and Treasury Operations. J&K Bank emerges as a stalwart financial institution, leveraging its regional expertise while embracing a progressive vision for national growth. The bank's financial soundness, diverse portfolio, and strategic initiatives position it as a strong spearhead, promising sustainable growth and continued success in the evolving financial landscape.

Lead Bank Responsibility:

One distinctive feature setting J&K Bank apart is its designation as the sole Private Sector Bank entrusted with the significant responsibility of convening State/UT Level Bankers' Committee (SLBC/UTLBC) meetings. Successfully discharging its lead bank role in 12 districts of the Union Territory of Jammu & Kashmir, including prominent regions such as Srinagar, Baramulla, and Anantnag, underscores its integral role in the regional financial ecosystem.

Geographical Presence end and Network Expansion:

With a formidable presence across the nation, J&K Bank operates through a network of 990 branches (including IARs) strategically spread across 18 states and 4 union territories. Notably, its rural focus is significant, with 55% of branches situated in rural areas, aligning with the bank's commitment to inclusive growth. In tandem with technological advancement, the bank added 17 ATMs during FY23, augmenting its total ATM network to 1421, ensuring accessibility for customers across diverse regions.

Lending Landscape:

The bank's gross advances totaled approximately Rs. 86,100 Crores, reflecting a well-diversified loan book. Personal loans dominate at 39%, closely followed by the service sector (33%), Industry (16%), and Agriculture (12%), demonstrating prudent risk distribution and having a diverse loan portfolio.

Subsidiaries and Sponsorship:

The bank's wholly-owned subsidiary, JKB Financial Services Ltd., operates as a brokerage firm in the Union Territory of J&K, providing equity broking services, mutual fund distribution, and retail banking products. Affirming its commitment to rural development, J&K Bank sponsors J&K Grameen Bank, holding a significant 35% stake. Operating in 13 districts across J&K and Ladakh, the RRB plays a crucial role in financial inclusion with 215 branches and approximately 1120 employees.

Regional Dynamics:

J&K Bank's profound ties to the socio-political landscape of Jammu and Kashmir (J&K) and Ladakh are evident through its allocation of 72% of total advances to these regions. This substantial commitment underscores the bank's crucial role as a financial lifeline for local businesses and residents, fostering economic development. However, it also highlights the potential risks the bank faces, as any regional unrest could significantly impact its growth, asset quality, and overall profitability, emphasizing the intertwined nature of the bank and regional stability.

Strategic Vision:

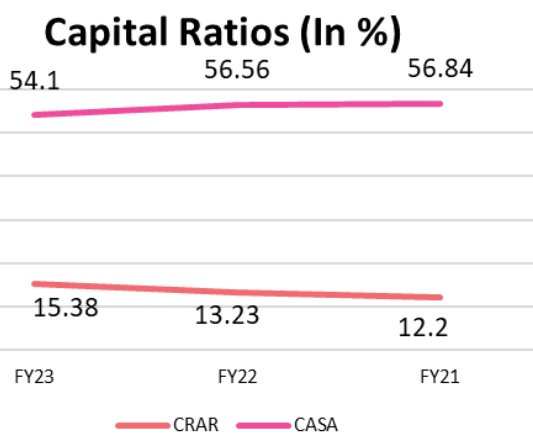
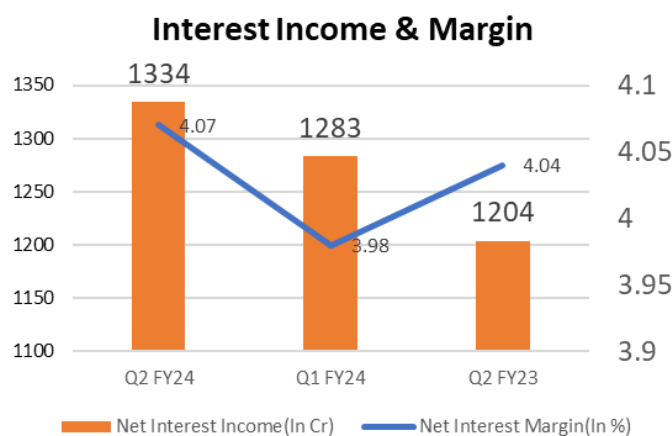
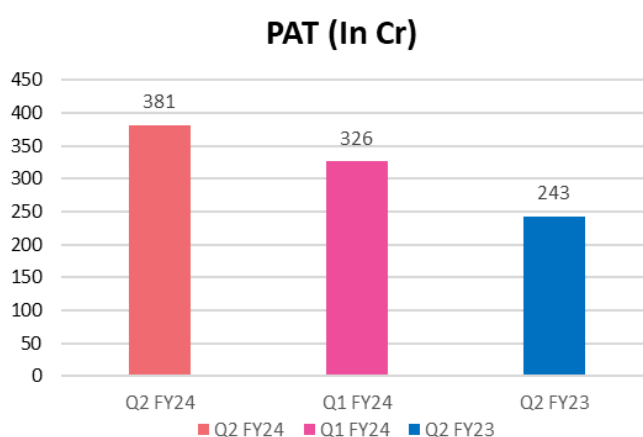
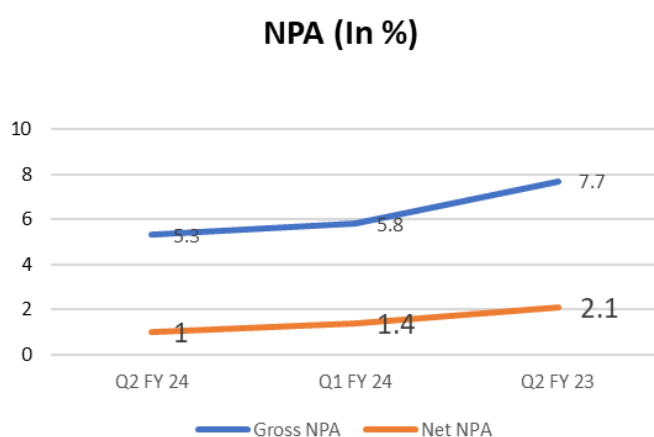
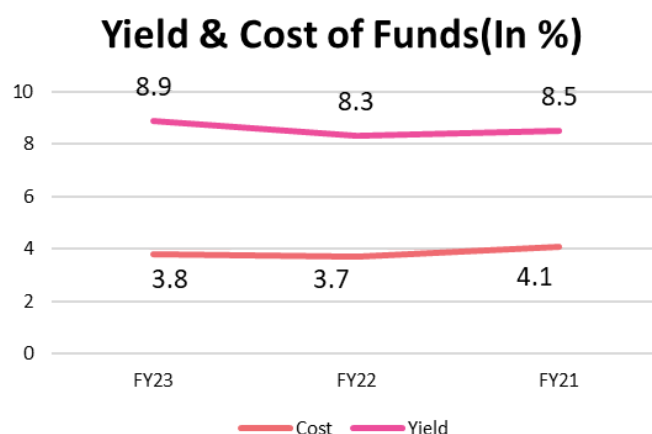
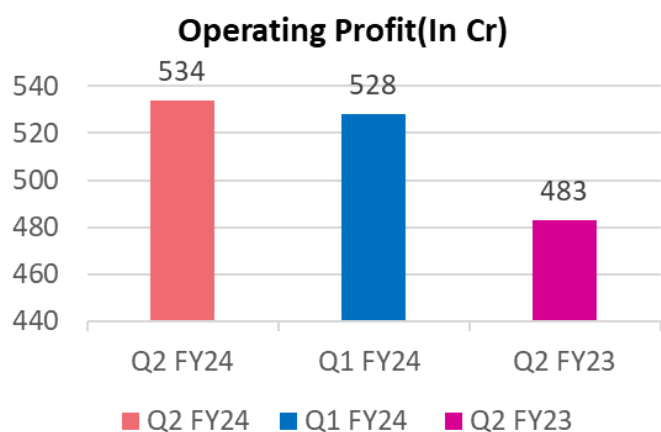
J&K Bank's forward-looking approach emphasizes growth across all segments, expanding its footprint strategically in key areas nationwide, while steadfastly retaining its stronghold in J&K and Ladakh. This dual focus ensures business expansion, risk diversification, and sustained success in the dynamic banking landscape.

Stock Data	
CMP (05-01-2024)	129.70
52 Week High/Low	140/44.55
Face Value	1
Market Cap (In Crs)	14,244
Enterprise Value (In Crs)	1,30,297
NSE	J&KBANK
BSE	532209
Bloomberg	JKBK:IN
Sector	Private Sector Bank

Shareholding Pattern (in %)		
	DEC 23	SEP 23
Promoter	59.40	63.41
FII	5.16	2.61
DII	6.83	4.92
Public	28.60	29.06

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	4.95	11.97	20.33
J&KBANK	12.44	97.71	130.58

Key Ratios	
P/E	9.51
P/S	1.38
P/B	1.35
Debt To Equity	12.6
ROE	13.1%
ROCE	4.92%
Dividend Yield	0.39%





JSW Steel Ltd.

JSW Steel, a leading player in the Indian steel industry, stands at the forefront of manufacturing and selling iron and steel products. With a vision to redefine the steel landscape, JSW Steel aspires to expand its crude steel capacity from 18 MnTPA to an ambitious 45 MnTPA within the next decade. The company recently solidified its position as the largest steel producer in India through the strategic acquisition of Bhushan Power and Steel Ltd. (BPSL), a move that reinforces JSW Steel's commitment to growth and market leadership. JSW Steel is not merely a player in the steel industry; it is a visionary force shaping the future of steel manufacturing. With a focus on innovation, strategic acquisitions, and global partnerships, JSW Steel is poised for sustained growth and profitability, making it an attractive proposition for investors seeking a stake in the future of steel.

Diversified Product Portfolio and Revenue Breakup

JSW Steel boasts a diversified product portfolio, encompassing a wide range of products, including hot-rolled, cold-rolled, galvanized/galvalume, pre-painted, tinplate, electrical steel, TMT bar, wire rod, special steel bar, round, and bloom categories. This diverse product mix positions the company for resilience and adaptability in dynamic market conditions.

The revenue breakdown reflects the company's strong domestic foothold, with 79% of revenue generated domestically and 21% through exports. The product mix is strategically balanced, with flats contributing 72%, longs 24%, and semis 4% to the overall revenue. This balanced approach mitigates risks and enhances stability in revenue streams.

Driving Growth Through Value Addition and Capacity Utilization

JSW Steel is strategically focused on increasing the share of revenue from Value Added Steel Products (VASP) to enhance margins and overall profitability. The company's commitment is evident as the revenue share from VASP has climbed from 35% to an impressive 50%. Capacity utilization rates have consistently been robust, ranging from 79% in FY16 to 89% in FY20, showcasing the company's efficiency in utilizing its production capabilities.

Global Presence and Distribution Network

JSW Steel has a global footprint, exporting its products to over 100 countries across five continents. The company's distribution network includes an extensive chain of 11,000+ exclusive and non-exclusive retail outlets, solidifying its market presence. The strong foothold in South and West India further enhances the company's reach and accessibility.

Robust Manufacturing Capabilities and Raw Material Security

With a journey that began with a modest crude steel capacity of 2.5 MnTPA in FY06, JSW Steel has significantly expanded its manufacturing capabilities. Currently operating from three facilities, Vijaynagar Works (12 MnTPA), Dolvi Works (5 MnTPA), and Salem Works (1 MnTPA), the company's plants have a combined captive power capacity of approximately 1,000 MW.

Strategic Investments and Expansion Initiatives

JSW Steel's dedicated pursuit of growth and technological advancement is evident in its robust expansion strategy, involving a substantial capex of Rs. 49,000 crores. This commitment materializes through key projects and endeavors which strategically position JSW Steel for increased production, operational efficiency, and sustainable practices, showcasing a forward-thinking approach to secure a strong foothold in the competitive steel industry.

Challenges and Mitigation Strategies

While the company faces challenges in its foreign operations, particularly in the US and Italy, due to market dynamics, it has proactively undertaken a modernization program to improve the operating profile and address the issues. The strategic collaboration with JFE Steel Corporation since 2010 and their 15% stake acquisition underscores the company's commitment to technological excellence and global partnerships.

Stock Data	
CMP (03-01-2024)	837.65
52 Week High/Low	895.75/649.05
Face Value	1
Market Cap (In Crs)	2,04,770
Enterprise Value (In Crs)	2,76,599
NSE	JSWSTEEL
BSE	500228
Bloomberg	JSTL:IN
Sector	Iron & Steel

Shareholding Pattern (in %)		
	SEP 23	JUN 23
Promoter	44.79	45.41
FII	26.13	25.98
DII	9.50	9.59
Government	0.51	0.51
Public	18.64	17.99
Others	0.43	0.51

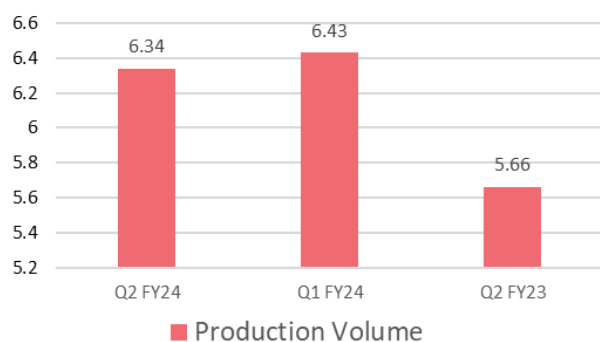
Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	6.16	12.13	18.24
JSWSTEEL	3.31	6.73	8.04

Key Ratios	
P/E	23.1
P/S	1.18
P/B	2.77
Debt To Equity	1.11
ROE	5.64%
ROCE	8.33%
Dividend Yield	0.41%

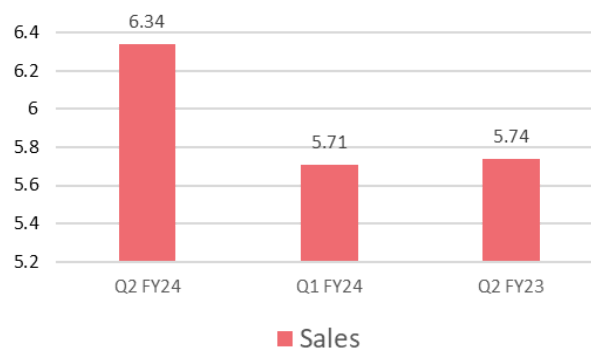


JSW Steel Ltd.

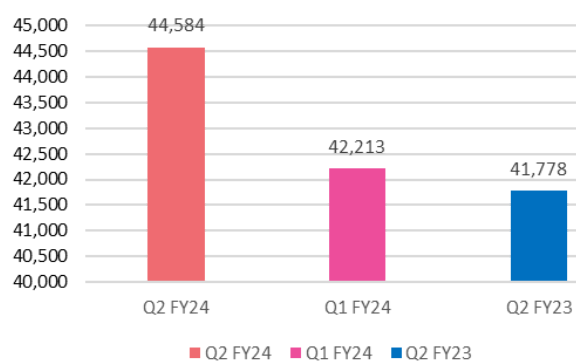
Crude Steel Production(MT)



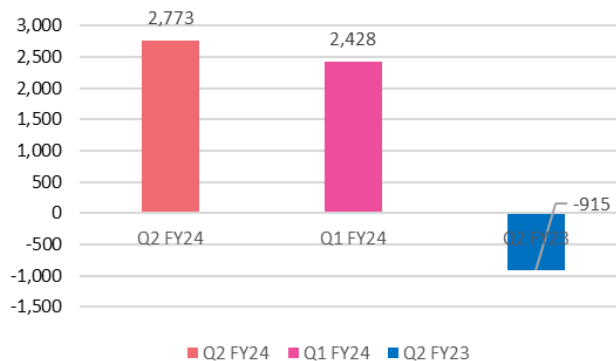
Steel Sales(MT)



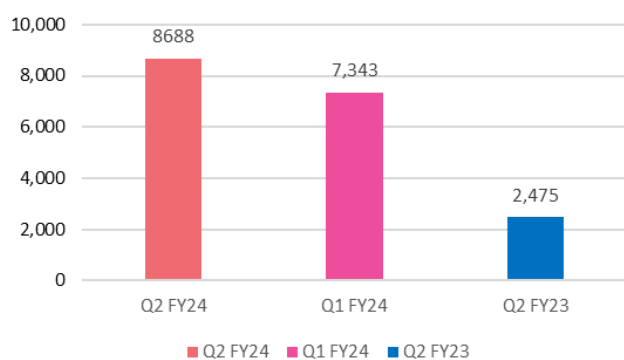
Revenue (In Cr)



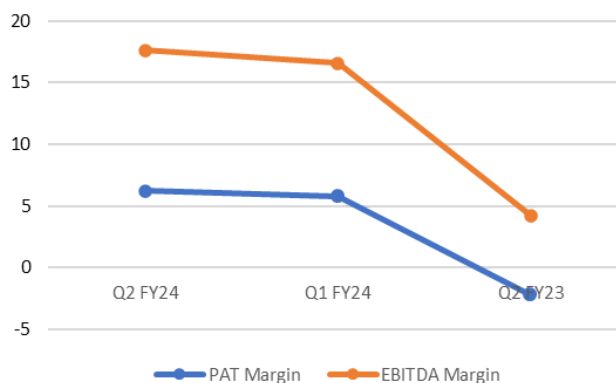
PAT (In Cr)



EBITDA (In Cr)



Margin (%)





RHI Magnesita India Ltd.

RHI Magnesita India Ltd has embarked on a transformative journey, guided by visionary leadership, strategic foresight, and an unwavering commitment to excellence. This foundation is a testament to the company's resilience, showcasing its ability to navigate challenges with grace. The company's ascent is not merely a result of financial triumphs but is rooted in a leadership ethos that constantly envisions the future. The company's journey through intricate regulatory frameworks underscores its adaptability and fortitude, essential attributes for a global refractories powerhouse. The ability to not only weather challenges but to thrive in the face of adversity is a hallmark of RHI Magnesita India Ltd's corporate character.

Dependent Industries and Diversification

The demand for refractories, constituting 75% of total sales, is intricately linked with the steel industry, a sector in which RHI Magnesita excels. Moreover, the company's influence extends to diverse industries such as glass, cement, non-ferrous, and petrochemicals, showcasing its adaptability and contribution to multiple sectors.

Strategic Manufacturing Facilities

RHI Magnesita India Ltd has strategically positioned manufacturing facilities across the country. Before the transformative M&A in 2023, the company operated three plants in Bhiwadi, Vizakhapatnam, and Cuttack. The recent acquisitions of Dalmia OCL Limited and Hi-Tech Chemicals Limited have significantly expanded its footprint, adding five facilities in the west and south, including Jamshedpur. This strategic move aligns with the company's vision of becoming a global powerhouse.

Visionary Management Targets

Underpinning its ambitious growth strategy, RHI Magnesita India aims to double its production capacity and revenue by FY 2025-26 compared to the base year of 2020-21. This vision is pursued through a combination of organic and inorganic means, reflecting the management's commitment to sustained and robust expansion.

Merger Scheme and Regulatory Landscape

While proposing a merger scheme with RHI India and RHI Clasil in the past, RHI Magnesita faced regulatory challenges. The NCLT at first rejected the scheme, only to be later directed to be approved without delays. This dynamic regulatory journey underscores the company's resilience and its commitment to navigating challenges to achieve its strategic objectives.

Aspirations of the Leadership

RHI Magnesita India has set an ambitious target to double its production capacity and revenue by the fiscal year 2025-26 when compared to the benchmark. The management's strategy is forward-looking, combining organic and inorganic approaches to ensure sustained and dynamic growth. This commitment to expansion underscores their vision for a prosperous future, leveraging innovative methods and market opportunities to solidify their position as a prominent player in the industry while serving their customers with excellence.

Investment in Expansion

The company has committed approximately Rs. 400 crore of phased investment by FY 2026 to augment its production capacity in India. With an eye on doubling production to nearly 3,00,000 tons per annum by 2026, RHI Magnesita has already invested Rs. 50 crore during FY21-22 to expand the Vizag plant's capacity by 30%. This strategic investment reinforces the company's dedication to meet growing market demands.

Stock Data	
CMP (02-01-2024)	794
52 Week High/Low	892.90/576
Face Value	Rs. 1
Market Cap (In Crs)	16,376
Enterprise Value (In Crs)	16,341
NSE	RHIM
BSE	534076
Bloomberg	RHIM:IN
Sector	Electrodes & Refractories

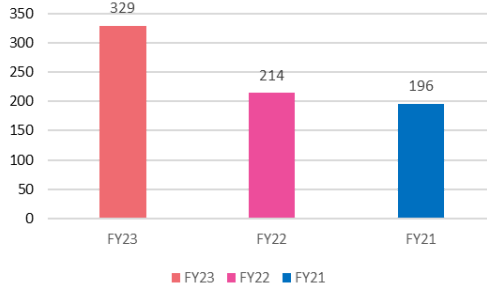
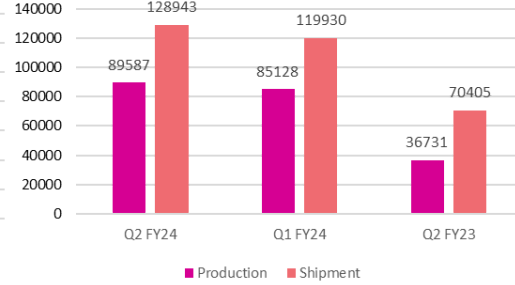
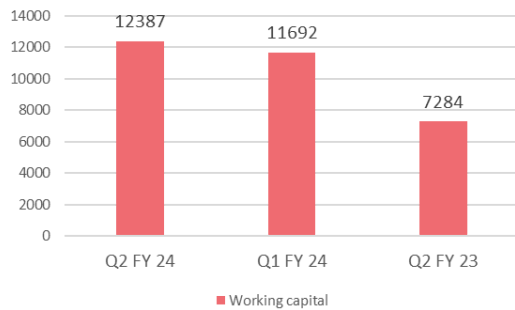
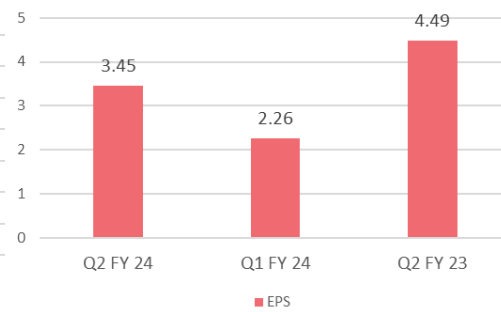
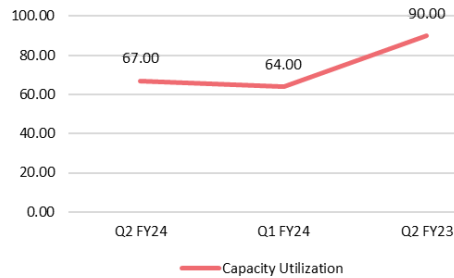
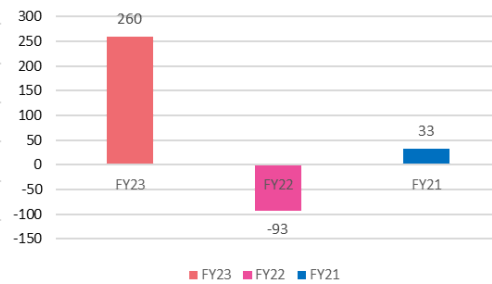
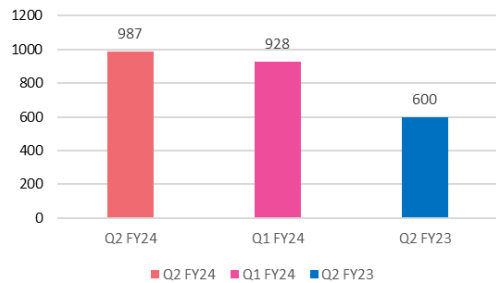
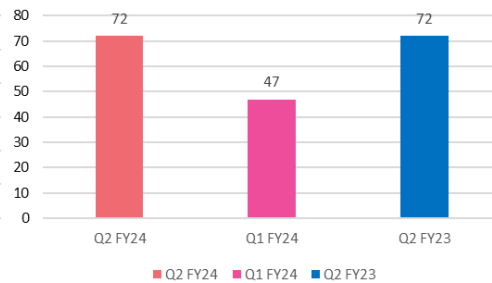
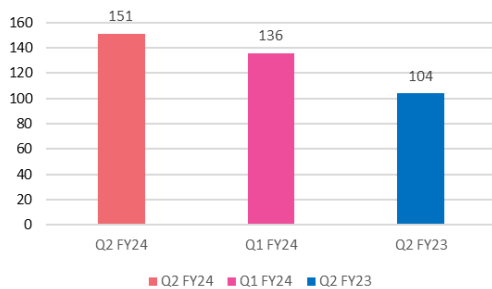
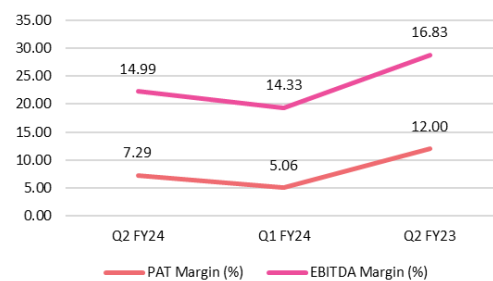
Shareholding Pattern (in %)		
	SEP 23	JUN 23
Promoter	56.07	55.47
FII	3.68	3.79
DII	13.59	14.08
Public	26.65	26.67

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	6.90	12.91	19.67
RHIM	5.33	22.95	-5.43

Key Ratios	
P/E	N.A (Negative Earnings)
P/S	4.77
P/B	4.02
Debt To Equity	0.13
ROE	14.00%
ROCE	10.80%
Dividend Yield	0.32%



RHI Magnesita India Ltd.

Volume(kt)

Manufacturing Output (kt)

Working capital Management (kt)

Earnings per Share (Rs)

Capacity Utilization(In %)

Cash Flows (In Cr)

Revenue (In Cr)

PAT (In Cr)

EBITDA (In Cr)

EBITDA & PAT Margin (In %)




Rail Vikas Nigam Ltd.

Rail Vikas Nigam Limited (RVNL), incorporated in 2003 by the Government of India, stands as a pivotal player in the railway infrastructure sector, contributing significantly to the nation's transportation network. The company's core mission involves the implementation of diverse rail infrastructure projects assigned by the Ministry of Railways (MoR). RVNL's portfolio encompasses a spectrum of projects, ranging from doubling existing routes to establishing new lines, electrification of rail networks, and metropolitan transport projects, including metro lines and suburban networks in metropolitan cities. The company's extensive experience, coupled with a forward-looking approach, presents a compelling investment opportunity for stakeholders seeking exposure to India's burgeoning infrastructure sector.

Projects and Achievements:

RVNL has successfully executed a total of 120 projects, with 72 projects under implementation and 3 projects awaiting sanction. The company has been entrusted with a total of 195 projects, reflecting its prowess in project execution and management.

Securing New Orders:

RVNL has secured contracts and orders from various entities, both domestic and international, for railway corridor construction, infrastructure projects, metro rail station design and construction, and multi-modal logistics park construction.

Financial Highlights and Disinvestment:

The company's financials reflect resilience and growth, with disinvestment of 9.64% equity shares through an Offer For Sale, realizing Rs. 552 Crores. RVNL has wisely invested approximately ₹1872 Crores as of FY21, primarily in joint ventures.

Contingent Liabilities:

While RVNL has contingent liabilities of Rs. 3000 Crores due to adjudication in arbitration and other pending court cases, the company's strategic approach positions it well to manage potential liabilities effectively.

Comprehensive business offerings:

The company plays a pivotal role in advancing railway infrastructure development across various dimensions. Its contributions encompass expanding the rail network by introducing new railway lines to bolster bi-modal transportation connectivity. Additionally, it serves a vital function in alleviating traffic congestion for the Indian Railways by duplicating existing routes and transforming meter gauge lines into broad gauge railway lines. RVNL extends its specialized knowledge to the creation of workshops, incorporating manufacturing facilities for both the repair and production of rolling stock. The company boasts a diverse portfolio that includes the construction of traffic facilities, railway safety enhancements, electrification projects, training initiatives, comprehensive surveys, and bridge construction. These activities collectively exemplify its multifaceted role in shaping the future of railway infrastructure in India, facilitating smoother transportation, enhanced safety, and improved efficiency for the nation's railway network.

Special Purpose Vehicles (SPVs) and Subsidiary:

RVNL operates four operational SPVs – Kutch Railway Company Ltd, Krishnapatnam Railway Company Ltd, Baruch Dahej Railway Company Ltd, and Haridaspur-Paradip Railway Company Ltd. Additionally, there is an SPV under construction (The Angul Sukinda Railway Limited) and one under consideration (Dighi Roha Rail Limited).

The company also has a subsidiary, High-Speed Rail Corporation of India Ltd., dedicated to high-speed corridor feasibility studies and implementation.

Stock Data	
CMP (29-12-2023)	181.55
52 Week High/Low	199.25/56.05
Face Value	10
Market Cap (In Crs)	37,854
Enterprise Value (In Crs)	39,331
NSE	RVNL
BSE	542649
Bloomberg	RVNL:IN
Sector	Civil Construction

Shareholding Pattern (in %)		
	SEP 23	JUN 23
Promoter	72.84	78.20
FII	2.32	1.75
DII	5.83	5.75
Public	19.01	14.30

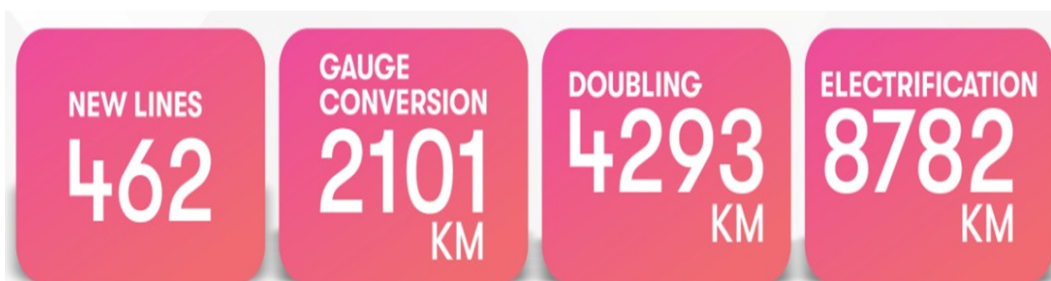
Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	8.13	14.54	19.46
RVNL	9.80	47.60	164.84

Key Ratios	
P/E	25.6
P/S	1.78
P/B	4.79
Debt To Equity	0.76
ROE	20.80%
ROCE	17.80%
Dividend Yield	1.17%

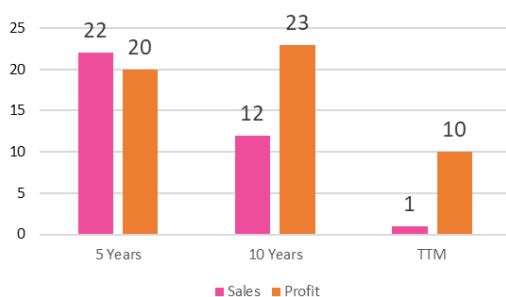


Rail Vikas Nigam Ltd.

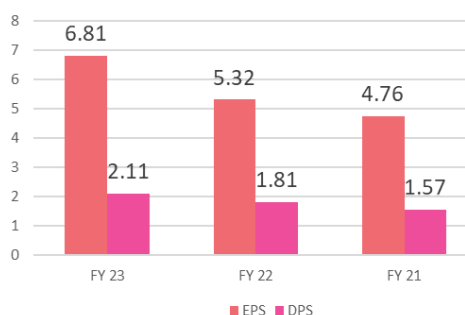
Project Developments



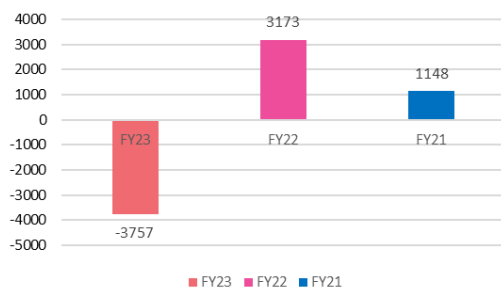
Compounded Growth (In %)



Earnings & Dividends



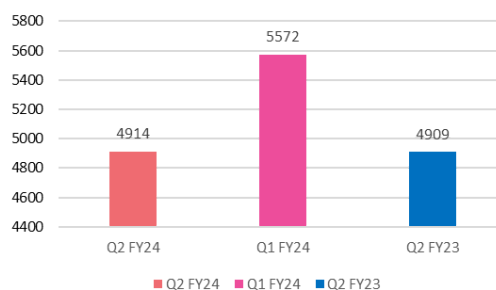
Cash Flows



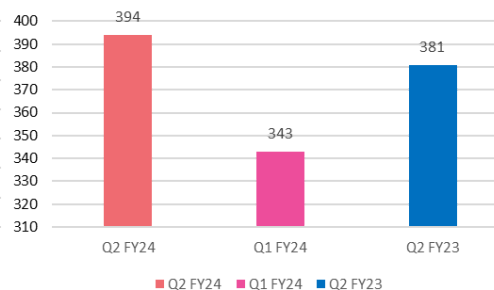
Return Margins(in %)



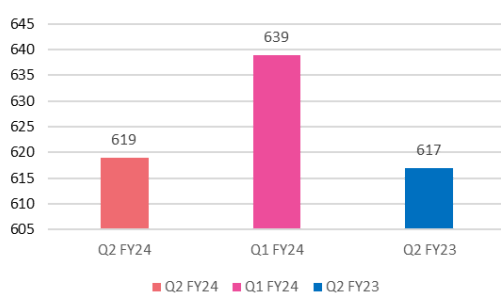
Revenue (In Cr)



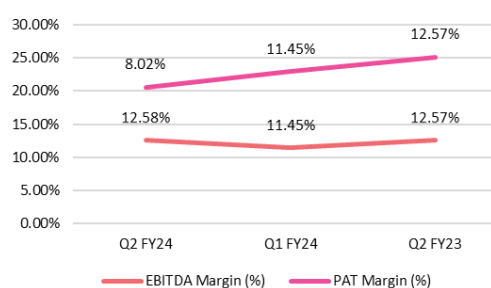
PAT (In Cr)



EBITDA (In Cr)



EBITDA & PAT Margin



Investing in the style of Benjamin Graham, Warren Buffett helps this PMS deliver 97% return

Anirudh Garg, Partner and Fund Manager at INVasset, tells BT that the aim is to foster long-term growth free from any biases, whether it is market cap or sector.

Excerpts : Business Today

- INVasset LLP's Growth Pro Max Fund delivered 96.57 per cent the past 12 months
- The primary aim is to foster long-term investing
- The PMS zero in on self-sufficient companies with strong management and financials

A portfolio management strategy, which follows the principles of legendary investors such as Benjamin Graham and Warren Buffett, emerged as the top gainer of 2023. This is INVasset LLP's Growth Pro Max Fund, which delivered 96.57 per cent return to high net worth investors in the past 12 months and 59.91 per cent return in the six months till December 31.

Explaining the investing strategy, Anirudh Garg, Partner and Fund Manager at INVasset, PMS, told Business Today that their primary aim is to foster long-term investing, free from any biases, whether it is market cap, sector, or investment style biases. To understand the INVasset strategy, Garg said that one must understand the four primary investment styles. "The first is value investing, where we calculate a company's value using models like discounted cash flows. This strategy, used by the father of modern investing, Benjamin Graham, involves buying stocks below their intrinsic value and selling above it," he said.

The second style is growth investing, he said adding they believe each bull market brings new leaders in stocks, sectors, or groups due to underlying changes in the market. "Our approach here involves analysing these changes and their impact on the companies' revenues and profits," Garg said.

He further added that the third style is quality investing, akin to Warren Buffett's approach. "We focus on self-sufficient companies with strong management and financials, high return on investment and excellent free cash flow. These companies typically have competitive advantages like innovative products or cost leadership and are often market leaders or have significant market share gains," he said.

The fourth and final style is a safety or pension fund approach. Here, the priority is capital preservation. This helps INVasset to generate modest alpha without risking the principal capital.

"After years of research, we have amalgamated these styles to develop the INVasset AAID (Advanced Algorithm for Investment Decisions). Coupled with our proprietary INVdex, a greed and fear index, we discern the market's stages and make informed decisions. Our decision-making process is multi-modal. We analyze hundreds of factors in unison, moving away from a uni-modal approach," Garg said.

The money manager also said that they engage in value investing when they perceive overall value in the market, especially during corrections. Their principle is that what appears valuable in a bull market may be a value trap. "As the markets transition into a new bull run, we focus on growth investing. About 50 per cent to 60 per cent of the time, our strategy revolves around identifying stocks that exhibit relative growth. This means focusing on future potential rather than past performance. We have developed a 'relative change rewarding criteria,' where over 170 factors continuously assess more than 1,800 companies to identify the top 100 with the maximum relative change," Garg said.

When the markets become expensive, they pivot to quality investing. "Our premise here is that markets can remain overvalued for extended periods. By investing in quality stocks, we aim to safeguard against downturns, not exceeding a 15-20 per cent loss," he said.

In situations where their index indicates that markets have become overly exuberant and the risk-reward ratio is unfavourable, they shift investments to alternative assets like gold, USD or liquidated arbitrage funds. "This approach was evident when we exited equities entirely in September 2021, before re-entering the market in March 2022, post the Russia-Ukraine conflict," Garg said.

In India, INVasset zeroed in on the capex sector, particularly post the implementation of GST. The coordination between the central bank and the government, along with digitalisation initiatives, has opened up significant investment avenues.

"We have capitalised on these developments by investing in sectors like defence, power, railways, and public sector banks. Notable stocks in our portfolio include names from the defence sector like Mazagon Dock Shipbuilders, Cochin Shipyards and Bharat Dynamics; from the railways sector like IRCON, RVNL and Titagarh Wagons; and from the power sector like SJVN, NHPC, REC, PFC, as well as public sector banks like PNB and Bank of Maharashtra," he said.

Their investment in these sectors is based on the belief that the re-rating catch-up required in these sectors is now complete, but there remains significant scope for growth as India continues to develop.

"We are moving from a \$2 trillion economy towards a \$10 trillion economy in the next decade, and we believe the pace of capex investments in India will be critical in this journey. The transformation that took place in the first 60 years of India's independence, we anticipate, will be replicated in the next five years, signifying a rapid phase of development and investment opportunities," he said.

2024 and beyond

Excerpts : Business Today

Nifty surges 3,600 pts, Sensex 11,000 pts in 2023: One PMS fund manager has forecast a target of 23,000 for Nifty by the time of general elections, but also anticipates a possible correction post-elections. Key sectors to watch include technology, financials, and consumer staples, alongside emerging sectors like battery energy storage, green hydrogen, and semiconductor manufacturing, said a PMS fund manager 2024 will be an interesting year as developed economies are likely to slow down, but challenges of rate hikes are unlikely, said a market expert India's blue-chip Nifty 50 and BSE Sensex rose around 20% in 2023, their second-best year since 2017, and were among the top-performing stock indexes globally. Nifty rose 3,600 points to reach 21,800-mark while Sensex rose 11,000 points during 2023 to surpass 72,000-mark. The rally was driven by sustained domestic mutual fund inflows, return of foreign buying, better-than-expected economic growth, and healthy corporate earnings. Foreign portfolio investors (FPIs), who were net sellers of Indian shares in 2022 as global central banks hiked rates, returned to buying in 2023. The broader small- and mid-caps gained about 55.62% and 46.57% in 2023, far outperforming the blue-chip indexes despite valuation concerns. Will the euphoria continue in 2024? A few market experts weighed in on this all-important question for traders and investors.

As we step into 2024, under the strong governance of the BJP government, the market is anticipated to enter a phase marked by higher valuations says, Anirudh Garg, Partner and Fund Manager at Invasset PMS. Despite this, the underlying positive trend is expected to persist for the next two years, interspersed with significant corrections and sharp rebounds. This period is identified as an 'old economy run', with a focus on sectors like railways, defence, infrastructure, PSU, and PSU banks. This thematic emphasis on capital goods is seen as a continuation of the current growth trajectory. There's a prediction that if there is a sharp market rally leading up to the elections, we may witness the market entering an expensive phase, likely setting the stage for corrections. If, however, the market does not experience such a rally, it is expected to continue its normal course. Regarding the Nifty index, Invasset PMS forecasts a target of 23,000 by the time of the elections, but also anticipates a possible correction post-elections. This expectation is based on the market adage of "buy on hope, sell on confirmation." During this rally, large-cap stocks are expected to perform well alongside mid-caps. However, the focus on value in the old economy suggests that mid and small-caps would not underperform their large-cap counterparts. Interestingly, large-cap stocks that have been dormant over the past year are also expected to start participating in the rally. We advise that the current market scenario presents a favourable investment opportunity. However, as the market rises in the coming 2-3 months, investment strategies may need adjustment. Investors are cautioned against the pitfalls of greed and fear, emphasizing the importance of continued investment. In summary, the market outlook for 2024 is cautiously optimistic, with an emphasis on specific sectors driven by the old economy. While there are expectations of higher market valuations and potential corrections, the overall trend remains positive, offering opportunities for both large and mid-cap segments. Investors are encouraged to stay vigilant and adapt to the evolving market landscape.

Historical ties between market crashes and leap years:

What lies for markets in 2024?

Excerpts : Financial Express

Historical ties between market crashes and leap years: What lies for markets in 2024? The phenomenon of leap years, characterized by an additional day, has historically brought about significant downturns in both Sensex and Nifty. An analysis of market performance since 1984 reveals that the average annual returns in all the 10 leap years have been less than 8%. As the financial world steps into the leap year 2024, market analysts are taking note of historical patterns that suggest a degree of caution. While there is no inherent fundamental reason for the stock market to follow a particular trajectory during a leap year, past seasons have witnessed notable crashes, making investors wary. Instances of market turbulence were observed in 1992, 2000, 2008, and notably during the Covid-induced lows of 2020. An analysis of market performance since 1984 reveals that the average annual returns in all the 10 leap years have been less than 8%. In contrast, non-leap years have shown considerably higher returns, averaging at 23%. The stock market's uneasy relationship with leap years traces back to 1992 when the Harshad Mehta scam rattled investor confidence. On April 29, 1992, Sensex experienced a staggering 12.77% drop, marking one of the most severe crashes in Indian market history. Despite closing the year 42% lower from the calendar year's high, Sensex managed to end with a 37% annual return. In 2000, global markets, including India, faced a 21% loss due to the dot-com bubble burst in the United States. The year 2008 witnessed another tumultuous period on Dalal Street as Sensex lost over half of its value amidst the global financial crisis. Even in 2016, investors navigated a volatile landscape marked by significant events such as demonetization, surgical strikes, and the US elections. The memory of the Covid-induced crash in 2020 is still fresh for investors. Although the index closed 16% higher by the end of the year, thanks to central banks injecting funds into the market, it was not without heart-wrenching plunges. March 23, 2020, marked a historic day when Sensex hit a lower circuit limit, falling 12.71% in a single day.

What is in store for 2024? The looming question now is whether 2024 will follow the historical trend of leap years' market challenges. Despite Nifty's recent record highs, analysts are cautious. Positive outcomes related to rate cuts and Lok Sabha elections are already priced in, leaving little room for safety, according to market experts. "We anticipate that the level of 21,600, which marked last year's close, will act as a solid foundational support. Our projections suggest that the market might climb above 24,000 levels before experiencing a corrective phase. Although we predict notable upward movements and corrections, we believe the Nifty will likely exceed 25,000 by the end of December 2025, said responses by Anirudh Garg, Partner and Fund Manager at Invasset



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