



**HAPPY**  
*Diwali*



**"SAMVAT 2079"**

*Wishing all our customers a Profitable Year!!!*

**Investment Picks – SAMVAT 2079**



**Indbank**

Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)

# SAMVAT 2079

## INVESTMENT PICKS 2022

Stocks	Current Market Price (CMP) * (Rs)	Support Level *# (Rs)	Target ^ (Rs)
ITD Cementation	119	90	165
Coal India	236	208	300
Silverbees (Silver ETF)	55	45	68
SBI	527	465	650
Mahindra & Mahindra	1230	1060	1500

\* Price as on 14.10.2022.

# As these are investment picks, stop loss must be based on one's own risk appetite. If and when a stock breaches given support level, investor may review their investments in the stock based on the then prevailing market conditions whether to hold or exit one's investment.

^ When a stock reaches mentioned target levels, investors taking in to consideration their risk profile can realize profit or maintain trailing stop loss and can look for higher levels in the stock, based on the then prevailing market conditions.

# ITD Cementation



## Scrip Details:

No. of shares (cr)	17.18
Market Cap (cr)	2107
52-week high/low	123.4/55.6
BSE Code	509496
NSE Code	ITDCEM

## Business Operations:

ITD Cementation India Limited is engaged in the business of providing design, engineering, procurement and construction (EPC) services for infrastructure projects in India.

Some of its main clients include Dubai Ports Ltd, JSW Steel Ltd, Port of Singapore Authority, Mumbai Metro Rail Corporation Limited, Rail Vikas Nigam Ltd, Tata Power Limited, Airport Authority of India, Indian Oil Corporation Limited, Central Public Works Department, Delhi Metro Rail Corporation, etc.

## Investment Rationale:

- **Substantial growth in order book -**

This was a landmark year for the company as it saw highest-ever order inflow. It's well diversified order book value increased by 58% to 15,550 crores during the year which enhances its long term revenue earning potential.

- **Major emphasis on Infra projects to drive growth**

Nearly 50% of the company's orders have been derived from the infrastructure segment. Increased impetus to develop infrastructure in the country is expected to provide sustainable long term growth.

- **Robust top line and profitability growth**

The company has delivered impressive top line growth of 40% amidst volatile markets in the past year. With 336.61% and 78% growth in y-o-y annual and quarterly profit, company looks in a strong financial position to capitalize on their growing order book.

## Financial Highlights (cr.)

	2022	2023E	2024E
Sales	3,809.02	4196.48	4696.28
EBITDA	293.06	302.20	319.89
PAT	68.81	76.84	81.88
EPS	4.01	4.47	4.77
P/E	15.75	27.27	28.37

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## Stock vs Nifty returns:

Stock has yielded 27.55% against NIFTY returns of -6.99%

## Business Operations:

Coal India Ltd is mainly engaged in mining and production of Coal and also operates Coal washeries. CIL is the single largest coal producing company in the world

## Investment Rationale:

- Coal India Ltd leads the country's coal production contributing to around 80% of the Nation's entire coal output. This provides the Company great opportunity to capitalise on high domestic coal demand and to on increasing international coal prices,
- Coal India allocated 108 MTs of coal under various e-auction windows during FY 2021-22 gaining an add-on of 88% over notified price
- This past year company recorded sales growth of 21.87%, which is its highest for the last decade.
- Coal India stock saw net profit growth by 36.68% and highest price growth of 40.43% in FY22
- Stock recently broke above 200 EMA resistance level of 196.

## Key Financials:

Narration	Mar-22	Mar-23E	Mar-24E
Sales	1,09,713.50	1,16,855.85	1,23,446.52
Operating Profit	24,697.40	26,721.78	27,805.26
Net profit	17,358.10	18,974.55	19,379.98
EPS	28.17	30.79	31.45
Price to earning	6.50	6.32	11.89

# SILVERBEES (Nippon India Silver ETF)



## INVESTMENT RATIONALE

- **Macro volatility**

The international silver markets have climbed from the \$12/ounce lows reached at the start of the Covid-19 pandemic, as investors have bought physical precious metals and financial instruments as safe-haven assets during ongoing economic uncertainty. The silver price reached a \$28 high in August 2020 and ended the year around the \$22 dollar mark. The price then jumped to an eight-year high in February 2021, briefly touching the \$30 per ounce psychological level, as the market attracted the attention of retail investors.

- **Rising industrial use**

The silver price trend has found support from its growing use in industrial settings, which account for around half of the metal's annual demand. Physical silver demand climbed to a record high in 2021, led by an all-time high in industrial applications, where consumption rose by 9% to 508.2 million ounces, according to the Silver Institute. There were several trends driving up silver demand, including strong consumer electronics demand amid the transition to remote working, investment in 5G infrastructure and rising silver use in the green economy, especially in solar photovoltaic (PV) panels. Physical demand is expected to rise by 5% to another record in 2022. Sales of silver coins and bars for investment jumped by 36% to 278.7 million ounces, the highest level since 2015, "as retail investors in North America and Europe, motivated by safe-haven and inflationary concerns, took advantage of periodically lower silver prices to purchase coins and bars," said the Silver Institute.

- **Falling spot price**

The silver spot price has fallen from \$24 to \$23 per ounce since the start of the year, as central banks are combating inflation by rapidly raising interest rates. Higher interest rates tend to be bearish for precious metals, as investors opt for interest-bearing savings accounts and other assets that generate guaranteed returns. Silver traded up from \$22.30 per ounce in late January to \$26.90 per ounce in early March, a peak so far this year, as the market responded to the Russian invasion of Ukraine. But while the market traded between \$24 to \$26 until mid-April, it began to sell off sharply later in the month as the dollar strengthened.

- **Possible pause of interest rate hike (or) Interest cut cycle ahead**

Minutes from the Federal Open Markets Committee (FOMC) July meeting indicated the Fed will abandon forward guidance and make decisions based on the latest data, while policymakers have agreed that interest rates must continue to rise and reach a restrictive monetary setting instead of the current neutral level. At an August gathering of top central bankers in Jackson Hole, Wyoming, Federal Reserve chair Jerome Powell said the Fed's "overarching focus" is 2% inflation, saying it would deliver it by "using the Fed's tools forcefully". Once there seems respite in rising inflation the coming days, we may possibly witness start of rate cut cycle which can positively impact precious metals including silver.

***\* All price references herein above made are of international silver prices.***

# STATE BANK OF INDIA

## Scrip Details:

No. of shares (cr)	892.46
Market Cap (cr)	470505.5
52-week high/low	425/578.5
BSE Code	500112
NSE Code	SBIN

## Stock vs Nifty returns:

Stock has yielded 5.99% against NIFTY returns of -6.99%

## Business Operations:

State Bank of India is a Fortune 500 company. It is an Indian Multinational, Public Sector banking and financial services statutory body headquartered in Mumbai. It is the largest and oldest bank in India with over 200 years of history.

## INVESTMENT RATIONALE:

- **Economies of scale achieved through leading market share**

SBIN has a dominant market position with 46% share in the PSU banks sector. With improving economic activity and demand for credit and liquidity, the bank is expected to benefit owing to its strong market share and stable fundamentals.

- **Improving asset quality to drive prospects**

The bank has improved on its asset parameters like GNPA and PCR. It recorded a better GNPA of 6.5% and PCR of 75%. Typically, a PCR ratio of 70%+ is considered healthy for banks.

- **Enhanced efficiency metrics**

Net profit and stock price has grown at a CAGR of 33.77% and 58.60% CAGR respectively in last two years.

## Key Financials:

Narration	Mar-23E	Mar-24E
Sales	308107.7	325300.1
Operating Profit	85320.6	76402.4
Net profit	39129.8	43364.9
EPS	43.8	48.6
Price to earning	13.2	11.4



## Scrip Details:

No. of shares (cr)	124.28
Market Cap (cr)	155069.7
52-week high/low	1338/671.2
BSE Code	509496
NSE Code	M&M

## Stock vs Nifty returns:

Stock has yielded 35.30% against NIFTY returns of -6.99%

## Business Operations:

Mahindra & Mahindra Ltd., is the flagship Company of the Mahindra Group. Company is engaged in the business of providing mobility products and farm solutions. Its offering includes products and solutions ranging from SUVs, pickups, commercial vehicles and tractors, to electric vehicles, two-wheelers, gensets and construction equipment.

## INVESTMENT RATIONALE:

- **Seasonal uptick in demand to boost growth numbers -**

Despite rise in inflation India's consumption story continues to flourish and is expected to better come the seasonal upcycle. The festive season is expected to significantly boost the demand for automobiles

- **Dominant position in electric 3W segment**

M&M is the No.1 Electric 3W Company Market Share of 73.4%. The company is expected to benefit from trend arising from shift in consumer preference to electric utilities.

- **Rapid technological advancement to bolster production capacities**

Globally, manufacturing has started to witness a paradigm shift to a new technology - Industry 4.0, which incorporates next-gen technologies in automation, big data and the Industrial Internet of Things (IIoT). Mahindra is taking major strides to adopt these developments and is among the first to employ Industry 4.0 in its manufacturing plants.

- M&M recorded its highest growth in y-o-y sales of 21.4% in the past year
- Growth in net profit was 262% in FY22

## Key Financials:

Narration	Mar-22	Mar-23E	Mar-24E
Sales	90170.57	92938.81	95318.04
CAGR		3.1%	2.6%
Expenses	75487.72	77495.69	79185.1
CAGR		2.7%	2.2%

# SAMVAT 2079

Narration	Mar-22	Mar-23E	Mar-24E
EBITDA	14682.85	15443.11	16132.94
Other Income	3204.47	3717.826	4426.816
CAGR		16.0%	19.1%
Depreciation	3507.5	3717.249	3946.603
CAGR		6.0%	6.2%
Interest	5018.05	5473.187	5861.236
CAGR		9.1%	7.1%
Profit before tax	9361.77	9970.504	10751.92
Tax	2108.76	2726.83	2940.539
Tax rate	0.225252	27.3%	27.3%
Net profit	6577.32	7243.67	7811.38
EPS	52.90637	58.28	62.85
Price to earning	15.24486	21.40	21.40

**Disclaimer:** <https://corporate.indbankonline.com/Standard%20and%20General%20Disclaimer.pdf>

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