



Market News

Mahindra and Mahindra (M&M) on February 10 reported a 13.5 percent jump in its standalone net profit at Rs 1,528 crore during Q3 FY 2023, up from Rs 1,335 crore in the same quarter of the previous fiscal. The company's revenue from operations was up 41 percent at Rs 21,654 crore from Rs 15,349 crore during the quarter ending December.

Dr. Anish Shah, Managing Director & CEO, M&M Ltd, said, "We have had another robust quarter led by the robust performance of our Auto division. Our farm division also reported healthy growth with increased market share. Our capital allocation actions are continuing to show results and we remain committed to our journey of growth and returns."

Hindustan Petroleum Corporation: HPCL reports Q3 profit at Rs 172.4 crore, revenue grows 1% to Rs 1.09 lakh crore. The oil marketing company has turned profitable with Q3FY23 net at Rs 172.4 crore against loss of Rs 2,172 crore in previous quarter, with better operating

performance. Standalone revenue grew by 1% to Rs 1.09 lakh crore compared to previous year. On the operating front, its EBITDA came in at Rs 1,671.7 crore for quarter ended December FY23, against loss of Rs 1,497.9 crore in September FY23 quarter. Paytm founder Vijay Shekhar Sharma said the company had achieved operating profitability in Q3

Shares of Paytm parent One 97 Communications slumped more than nine percent on February 10 after large block deals took place on the bourses, reported CNBC-TV18.

Around 2.1 crore shares of Paytm, which represents 3.4 percent stake in equity, changed hands through block deal. Shares of Life Insurance Corporation of India (LIC) surged more than four percent on February 10 after the insurer reported a rock-solid set of quarterly numbers. At 9:17 am, the stock traded 3.2 percent higher at Rs 633.05 on the BSE.

Revenue rose 13 percent YoY to Rs 1.96 lakh crore with net profit surging 26 times to Rs 6,334 crore.

Result Calendar

Date	Company Name
13 February	<u>Gujgasltd,Cub,Sail,Pfc,Zeel</u>
14 February	<u>Bharatforge,Boschltd,Adanient,Simens,Nmdc, Ibulhsgfin,Eichermot,Gmrinfra,Bataindia,Piind, Ipcalab,Ongc,Grasim,Biocon,Torntpower</u>



Corporate Action only for information	Company Name	Type & Percentage	Record Date	Ex-Date
SPLIT	<u>Vortex</u>	Old fv 2 New fv 1	15-Feb-23	15-Feb-23
SPLIT	<u>Accuracy Shippi</u>	Old fv 10 New fv 1	15-Feb-23	15-Feb-23
SPLIT	<u>Shreeji Translo</u>	Old fv 10 New fv 2	15-Feb-23	15-Feb-23
DIVIDEND	<u>Sun TV Network</u>	Interim 75	13-Feb-23	13-Feb-23
DIVIDEND	<u>TV TodayNetwork</u>	Interim 36	13-Feb-23	13-Feb-23
DIVIDEND	<u>IDFC</u>	Special 110	13-Feb-23	13-Feb-23
DIVIDEND	<u>CAMS</u>	Interim 105	15-Feb-23	15-Feb-23
DIVIDEND	<u>Manappuram Fin</u>	Interim 37.50	15-Feb-23	15-Feb-23
DIVIDEND	<u>ITC</u>	Interim 600	15-Feb-23	15-Feb-23
DIVIDEND	<u>Aarti Ind</u>	Interim 20	15-Feb-23	15-Feb-23
DIVIDEND	<u>Hero Motocorp</u>	Interim 3250	17-Feb-23	17-Feb-23



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 17916.90 in Downside 17652.55.



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

Nifty up side strong supply zone 18100 to 18150 down side strong demand zone 17700 to 17500.

Bank Nifty in Upcoming week:-

Banknifty up side strong supply zone 42100 to 42600 down side strong demand zone 40100 to 39500.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above/ Below/ Add HOLD	CMP as on 11.02.2023	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	KPRMIL(BUY)	ABOVE 594	579		569		640
2	SKIPPER (BUY)	HOLD 98	101.25		87		125
3	MPHASIS(BUY)	HOLD 2124	2156		2042		2300

Commodity Market

COPPER:- :- Investors can sell around 797-805 with sl 815 down side target 730 possibility.



CRUDEOIL:- Investors can Buy in deep around 6300 level with sl 6200 target 6700 possibility.



SILVER:- Investors can Sell on rise around level 69500-700 with stop loss 70600 down target will be 63200 possibility.



GOLD:- Investors can Sell on rise around level 57700-800 with stop loss 58100 down target will be 56100 to 55100 possibility.

Currency Market (Cash Levels)

USDINR:- Investors can sell on rise around 82.70 TO 83.00 range with sl 83.50 down side target 81.00 to 80.00 possibility.



GBPINR: - Investors can sell on rise to 100.65 to 101.80 range with sl 102.50 down side target 96.00 possibility, Investors can buy in deep around 96.00 with stop loss of 95.00 up side target will be 100.00 possibility.

EURINR:- Investors can sell on rise 89.50 to 90.50 range with sl 91.00 down side target 86.00 possibility, Investors can buy in deep around 85.00 with stop loss of 83.50 up side target will be 88.00 possibility.



JPYINR:- Investors can sell on rise 64.00 to 64.50 range with sl 67.20 down side target 60.65 possibility,

Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	81.00	82.00	82.60	83.00	83.50
GBPINR	97.50	98.50	100.00	100.50	101.50
EURINR	86.00	87.00	88.40	89.00	90.00
JPYINR	61.00	62.00	63.05	64.00	65.00

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.15
Three month Forward	0.41
Six month	0.83
One year	1.61

RBI reference Rates	
Currency	Rates
USD	82.61
GBP	100.00
Euro	88.70
100 Yen	62.91

Exit Traditional Capitalism, Enter 'Capitalism Without Capital'

In the olden days we use to consider a company with huge buildings and large factories a BIG company. Most of our investment decisions were based on this physical aspect of the wealth. The blog by Marcellus Investment Manager throws some different idea. (https://mail.google.com/mail/u/0/#advanced-search/subset=all&has=marcellus&within=1d&sizeoperator=s_sl&sizeunit=s_smb&query=marcellus/FMfcgzGrcXhGDTC)

Great franchises in modern India are increasingly defined not by their physical capex & infra investments; rather they are determined by how much and how well they invest in intangible assets and reap non-linear benefits thereof. In the decade ending 2012, approximately 50% of the ten biggest wealth creators in the Indian stock market belonged to industries and sectors that require heavy investment in physical capital. Fast forward to the decade ending 2022 and we see that almost 80% of the top 10 wealth generators were companies that are low on heavy capex in physical assets (firms like TCS, Infosys, HDFC Bank, etc). These companies are plays not on “tangible” assets, but on “intangible”

assets – they are plays on intellectual property, on network effects, and on smartly crafted business processes which in turn are increasingly automated.

Exhibit 1: Companies that created maximum wealth recently belong to sectors that can leverage benefits from intangible investments

Top 10 wealth creating companies in 2002-2012 period	TSR CAGR (2002-2012)	Top 10 wealth creating companies in 2012-2022 period	TSR CAGR (2012-2022)
Reliance Industries Ltd	26%	Reliance Industries Ltd	22%
Oil & Natural Gas Corp Ltd	19%	Tata Consultancy Services Ltd	20%
ITC Ltd	26%	HDFC Bank Ltd	19%
Tata Consultancy Services Ltd	18%	Infosys Ltd	18%
Infosys Ltd	20%	Bajaj Finance Ltd	57%
State Bank of India	26%	ICICI Bank Ltd	16%
Bharti Airtel Ltd	33%	Hindustan Unilever Ltd	17%
ICICI Bank Ltd	22%	Housing Development Finance Corp Ltd	14%
HDFC Bank Ltd	27%	Kotak Mahindra Bank Ltd	20%
Housing Development Finance Corp Ltd	26%	State Bank of India	9%

Source: Marcellus Investment Managers, Bloomberg, Ace Equity; top 10 wealth creating firms have been identified basis absolute market cap change over the decadal period which was reported in Rs. Billion; wealth creation calculated by taking the difference between market capitalization at the end of the period and beginning of the period under consideration; TSR CAGR for the identified companies was then simply calculated over the decade; for companies whose date of inception was after the start of the decade, their inception date was used to calculate the TSR CAGR

TCS vs ONGC: A study in contrast

Tata Consultancy Services' (or TCS') largest office in India is situated in a sprawling 5.2 million sq ft campus in Chennai. That is an area equal to the size of ~100 football fields. If you happen to stand outside this massive campus during the morning rush hour, you'll see close to approximately 20,000 people filing into work in spite of around one-third of the employees working from home. TCS Techno Park, as this campus is called, is Asia's largest such IT facility. With ~600,000 employees on its roll, TCS is arguably India's largest private sector employer. The firm generated ~ Rs. 11 trillion of wealth for its shareholders in the decade ending 2022, making it the second highest contributor to stock market wealth creation in all of India.

Over the past decade, TCS' Total Shareholder Return (TSR) has compounded at a CAGR of 20% whilst its net fixed assets, EBIT, and

Free Cashflows have grown by roughly 12%, 14%, and 22% p.a. over the same period respectively. If we look at TCS' asset turnover (revenue/average net fixed assets and capital work in progress), it has averaged at around 8x in the last 10 years.

As a result, TCS' Return on Capital Employed (ROCE) has risen from 51% in FY12 to 62% in FY22 with the 10-year average ROCE being upwards of 50%. Given that the typical large cap company in India does not even get close to hitting 15% ROCE over a typical decadal cycle (15% being our estimate of the cost of capital in India), what explains TCS' sustained success on such a large scale.

We will look into this aspect in the next issue.

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