

# INDIA BUSINESS MARKET

GO TO DIRECT RESOURCE

DIGITAL JOURNAL



Follow



**YASH BAHETI, JMD,  
BAHETI RECYCLING  
INDUSTRIES**

**ON GROWTH MODE**

**WEEKLY  
FEATURE:  
PAGE 1**



**WHAT IS  
CIRCULAR  
ECONOMY?**



**RECYCLING INDUSTRY**

**MONTHLY DEBT  
MARKET UPDATE**

**Focus:**



**GOVERNMENT TO GIVE  
A BIG PUSH TO THE  
MSME SECTOR**

**Right issue:**



# CONTENTS

GO TO DIRECT RESOURCE



**STOCKS TO WATCH: RECYCLING INDUSTRY**

**06** WHAT IS CIRCULAR ECONOMY?

**16** RESEARCH:

## GROWTH STORY:

**INTERVIEW OF YASH BAHETI, JOINT MANAGING DIRECTOR, BAHETI RECYCLING INDUSTRIES**

**LIFE INSURANCE: NON-SINGLE PREMIUMS LEAD THE GROWTH CHARTS BUT FALL IN OVERALL SINGLE PREMIUMS DRAG**

## ON GROWTH MODE

**23** NEWS

**04** WEEKLY FEATURE: PAGE 1

**17**



## FOCUS:

**GOVERNMENT TO GIVE A BIG PUSH TO THE MSME SECTOR**

**05** MONETARY POLICY

FOR ADVERTISEMENT AND ANY OTHER INFORMATION CALL US ON 9833603148

TO SUBSCRIBE WHATSAPP ON 9833603148 FOR 12 MONTHS ₹1200. MONTHLY ALSO AVAILABLE.

CLICK BELOW TO GET NEW UPDATES REGULARLY



08

**RESEARCH:**

**MONTHLY DEBT MARKET UPDATE**

**COURTSEY: CARE EDGE**



21

**RIGHT ISSUE:**



25

**CURRENT IPO SME LIST**

25

**CURRENT MAINBOARD IPO LIST**

25

**CURRENT RIGHT ISSUE LIST**



38, ASHOKA SHOPPING CENTRE, GT HOSPITAL, LT MARG, MUMBAI-1



**IBMTVLIVE@GMAIL.COM**

chaitalishah@indiabusinessmarket.in



**9833603148**

DISCLAIMER: No financial information whatsoever published anywhere here should be construed as an offer to buy or sell securities, or as advice to do so in any way whatsoever. All matter published here is purely for educational and information purposes only and under no circumstances should be used for making investment decisions. Readers must consult a qualified financial advisor before making any actual investment decisions, based on information published here. With entry barriers, SEBI wants only well-informed investors to participate in such offers. With crazy listings in the past, SME IPOs drew the attention of investors across the board. However, as SME issues have entry barriers and continued low preference from the broking community, any reader taking decisions based on any information published here does so entirely at own risk. The above information is based on information available as on date coupled with market perceptions. The Author has no plans to invest in this offer and any information published.

[www.indiabusinessmarket.in](http://www.indiabusinessmarket.in)

**Important news from the week**

This week was met with ample bullish news which has caused the Nifty to bounce-back to 19,750 levels. Following big bearish news on Monday, Nifty as well as the mid-cap and small-cap index regained significantly riding on bullish macro and domestic news.

On Monday, global financial markets fell regarding conflict between Israel and Palestinian Islamist group Hamas which caused oil prices to rise which is an extremely bearish news for importers like India. Through the week, oil prices stabilized to a great extent and there were many other positive global and domestic cues which outweighed the Middle Eastern conflict.

On Friday the 6th of Oct, the MPC decided to keep the policy repo rate unchanged at 6.50% in this meeting. The RBI held the standing deposit facility rate at 6.25% and the marginal standing facility rate, and the bank rate, at 6.75% and posted official CPI Inflation to be 5.4% on year. Stability of rates and inflation numbers within RBI's target range builds a strong economic bedrock for financial markets to grow and keep a bullish sentiment around company earnings performance and fund flow.

Furthermore, The International Monetary Fund (IMF) has raised the growth forecast for India's GDP to 6.3% from 6.1% projected earlier. This again provides a bullish sentiment amongst global investors causing markets to gain. The global brokerage firm CLSA also increased its exposure to Indian equities, citing prospects of strong economic growth, robust earnings and credit demand.

Amongst International cues, equities advanced after Atlanta Fed Bank President Raphael Bostic said the central bank does not need to raise rates further and that the Fed does not expect a recession which shows a turnaround from the global correction that has been happening.

**What happened & Why?**

THIS ARTICLE IS PUBLISHED FOR EDUCATION AND INFORMATION PURPOSE ONLY. WE ARE NOT SEBI REGISTERED. PLEASE CONSULT YOUR FINANCIAL ADVISOR BEFORE TAKING ANY DECISION. WE ARE NOT LIABLE FOR ANY LOSS

This week the Nifty has ended in the green with a 0.5% increase from last week's closing.

Following a red Monday, India's leading index experienced one of its biggest recent days in the green with a 0.91% increase on Tuesday.

This week the rate sensitive sectors have done well such as the realty and financial sector due to the bullish news of unchanged domestic repo rates. The week has on average seen all sectors end in the green except for the IT sector which shows all around investment.

I believe this week has seen HNI and global equity fund inflows due to sustainable macro economic and microeconomic conditions in the economy. The inflation has eased back to RBI's comfort level of below 6% after two months. The official numbers state 5.02% CPI in September, driven by the easing food prices, against 6.83% in August. Along with consistent earnings growth and optimistic GDP forecasts, the curbed inflation works as a perfect bullish environment for investment while China and US have a more pessimistic and volatile environment.

**What is the outlook for next week?**

I expect increased volatility next week due to uncertain geopolitical relations globally and fluid situation in the Middle East.

Considering global volatility, I yet believe Indian equities should outperform markets and show a consistent bull trend. As CLSA posted, strong credit impulse, favorable energy costs, robust corporate earnings growth, and a stable macroeconomic outlook and improving will sustain the momentum in Indian equities.

I expect a net positive global inflownext week since FPI's have been net sellers since the past few weeks and with the dollar reducing many investors should be shifting

allocations back to equities. In addition to this, I expect corporate earnings to increase as well and each successive day of earnings calls would provide a good sentiment across sectors in the market.

It will be interesting to see earnings of mid caps and small caps on average over the next week. The current euphoria in mid- and small-cap stocks may fade if the valuations do not realign with the fundamentals as we have already experienced a~30% appreciation in the index.

**Sector calls**

I expect rate sensitive sectors to continue on a bullish trend in the coming week. The realty sector along with the financial services sector might have a good upside potential. I also expect the FMCG and energy sector to end in the green due to the ICC CWC and upcoming festive season and an optimistic earnings call for the energy sector respectively.

The IT sector could remain subdued or sideways due to bleak global future and weak earnings report.

**Stock picks**

In terms of stock picks, I expect a good amount of the corporates whose earnings are expected in the week to end in the green.

I also expect L&T to do well next week. The water and effluent treatment business of L&T secured an order from the Public Health Engineering Department in Rajasthan. Additionally, L&T Energy Hydrocarbon, the hydrocarbon business of Larsen & Toubro has secured a "mega" onshore project from an undisclosed client in the Middle East. Both these newsflashes haven't been priced on last week's price appreciation and I believe the corporate should receive inflows and subsequent price appreciation.

Furthermore, I also expect JSW Steel to do well as they booked a 13% jump in the consolidated production to 6.41 million tons in September against 5.68 million tons a year ago.

Lastly, I expect Zomato to have a potential breakout next week after it jumped to a 21-month high last week after the domestic brokerage ICICI Securities raised its target price on expectations of profit growth

**Prabhat Poddar**

Currently : Director and portfolio manager at Ashirwad Capital.

BSc in entrepreneurship with a concentration in finance IB diploma



[WWW.INDIABUSINESSMARKET.COM](http://WWW.INDIABUSINESSMARKET.COM)

For advertising and making profile video contact us on 9833603148



@IBMTVLIVE

Email- [ibmtvlive@gmail.com](mailto:ibmtvlive@gmail.com)



The Monetary Policy Committee's decision to maintain the current policy rate and stance was on expected lines. Overall, the policy had a hawkish undertone to it. The governor sounded cautious about inflation even though the full-year inflation projection was unchanged. It is to be noted that the governor reiterated the RBI's commitment to bring CPI inflation down to 4% target. The RBI kept the GDP growth projection for FY24 untouched as they await additional data points to comprehensively assess the evolving dynamics.

Furthermore, the RBI remains watchful of the liquidity conditions and wants to ensure no build-up of surplus liquidity. Hence the governor announced that RBI would consider open market operation (OMO) sale of government securities to mop up excess liquidity as required. We expect the RBI to start its rate-cutting journey from the second quarter of next fiscal year as inflation edges closer to 4% target.

[www.indiabusinessmarket.in](http://www.indiabusinessmarket.in)

**IBMTVLIVE**  
BUSINESS CHANNEL

SUBSCRIBE

LIKE . SHARE . FOLLOW @IBMTVLIVE








**@IBMTVLIVE**

Email-[ibmtvlive@gmail.com](mailto:ibmtvlive@gmail.com) whatsapp 8779662933

## G20 SERIES

# What is circular economy?

## LINEAR ECONOMY

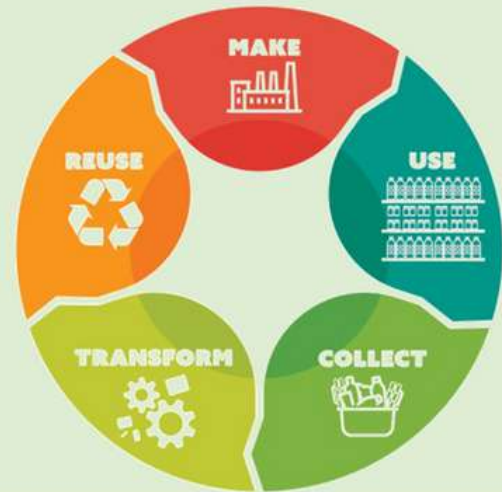
Materials in a **Linear Economy** create waste after use.



VS.

## CIRCULAR ECONOMY

Materials in a **Circular Economy** are collected and reused after each use.



### What is circular economy?

- A circular economy entails markets that give incentives to reusing products, rather than scrapping them and then extracting new resources.
- This is a departure from the traditional, linear economic model, which is based on a take-make-consume-throw away pattern.
- A circular economy reduces material use, redesigns materials, products, and services to be less resource intensive and recaptures "waste" as a resource to manufacture new materials and products.
- Different forms of waste, such as clothes, scrap metal and obsolete electronics, are returned to the economy or used more efficiently.
- It involves sharing, leasing, reusing, repairing, refurbishing and recycling

existing materials and products as long as possible.

- In practice, it implies reducing waste to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible thanks to recycling. These can be productively used again and again, thereby creating further value.
- This can provide a way to not only protect the environment, but use natural resources more wisely, develop new sectors, create jobs and develop new capabilities.
- Reusing and recycling products would slow down the use of natural resources, reduce landscape and habitat disruption and help to limit biodiversity loss.
- Another benefit from the circular economy is a reduction in total annual greenhouse gas emissions.

## G20 SERIES

# What is circular economy?



- Union Minister Bhupender Yadav launched a [Resource Efficiency Circular Economy Industry Coalition \(RECEIC\)](#).
- It is conceptualised under India's G20 Presidency to promote the practices of resource efficiency and circular economy globally.
- This industry-driven initiative was launched at the G20 fourth Environment and Climate Sustainability Working Group and Environment and Climate Ministers meeting in Chennai.

## Resource Efficiency Circular Economy Industry Coalition

- The coalition is envisioned to be a self-sustaining entity that will continue to operate beyond India's G20 Presidency, making a lasting impact on environmental sustainability.
- About 39 companies headquartered in 11 different countries have joined the coalition as its founding members.

The mission of this coalition is to:

- Facilitate and foster greater company-to-company collaboration.
- Build advanced capabilities across sectors and value chains.
- Bring learnings from diverse and global experiences of the coalition members.
- Unlock on-ground private sector action to enhance resource efficiency and accelerate circular economy transition.

The coalition has three guiding principles:

- Partnerships for impact
- Technology cooperation
- Finance for scale.

- Resource efficiency and circular economy industry coalition will also aim to contribute towards progress on key global goals and priorities set by the G20 and other international fora.

- RECEIC will also act as an overarching platform enabling industries to address information gaps and coordination challenges across the G20 members.

# Research Report

## Monthly Debt Market Update

IBMDJ

### Global Overview

#### US

- The 10-year US Treasury yield rose to levels last seen in 2007 following hawkish comments from Fed officials, the central bank's upward revision to growth and inflation forecasts, and better-than-expected jobs data.
- On the data front, nonfarm payrolls posted their largest gain since January, rising 336K in September, well above forecasts of 170K. Meanwhile, the unemployment rate held steady at 3.8%. Headline numbers for both CPI and PCE came slightly above expectations, while core inflation of both indicators showed signs of moderation, reflecting the impact of the recent rise in global food and energy costs. Other high-frequency indicators such as retail sales, PMI, and industrial production also beat market forecasts. More notably, the Fed's upward revision of GDP and inflation forecasts further reinforced optimism over the strength of the US economy. 2023 real GDP and PCE inflation forecasts were seen at 2.1% and 3.3%, respectively, from 1% and 3.2% estimated in June. Further, Fed policymakers including Loretta Mester, Thomas Barkin and Michelle Bowman opined that the restrictive policy needed to stay for longer, with Mester supporting the case of one more hike.
- The recent upside in the 10-year bond yield is unlikely to sustain as the economy is expected to slow, given that the full impact of the total 500 bps of rate hikes is yet to play through. Although signs of slack have begun emerging (i.e. cooling housing and labour market, dwindling savings, tightening bank credit conditions), there may still be some time before these signs of weakness reflect on the broader economy. That said, every incoming data that surprises on the upside will continue to keep yields elevated. The upside will however be contained as the US government's temporary stopgap funding bill runs out in November, in the run-up to which, could be the source of continued political chaos and uncertainty in the near term. According to the CME FedWatch Tool, the Fed is expected to be done with rate hikes, and expectations of rate cuts have been pushed back to July 2024.

#### Europe (ex-UK)

- Hawkish comments by the European Central Bank (ECB) officials and revision of GDP and inflation forecasts at the September policy meeting amidst a 25bps rate hike weighed on European bonds, with the 10-year German bund yield rising over 40 bps in the last month.
- Although the ECB raised the policy rate by 25 bps to a record high of 4% at the September policy meeting, the Governing Council signaled that it is likely done tightening. Forecasts for 2023 GDP growth were seen lower at 0.7% (from 0.9% estimated in June), while average inflation was now seen higher at 5.6% (from 5.4% forecasted in June). However, policymakers remain divided over the future course of action amidst stubbornly high price pressures and rising recession fears. Separately, central bank officials including chief Christine Lagarde, Philip Lane, Frank Elderson and Isabel Schnabel have expressed concerns over inflation, favouring keeping rates restrictive for longer than initially expected. Lane and Elderson support the case for more rate hikes.
- On the data front, Q2 GDP growth fell below expectations, rising 0.1% q-o-q against market bets of a 0.3% rise. CPI rose 4.3% y-o-y in September (vs 5.1% expected), even as core inflation moderated to 4.5% (from 5.3% prior). Meanwhile, the labour market continued to exhibit signs of resilience, as the unemployment rate dropped to 6.4% in August from 6.5% in the previous month, and Q2 wage growth remained healthy at 4.6%. Amongst other high-frequency indicators, the contractionary trend in industrial production and retail sales persisted in August, signalling that pockets of economic slack have begun emerging. More importantly,



# Research Report

IBMDJ

## Monthly Debt Market Update

the major European economies- Germany, France, Spain and Italy saw shrinking activity in August, especially that of the services sector.

- Going ahead, we believe that the ECB would choose to keep rates on hold in the upcoming policy meeting in October while remaining watchful of inflation given that services inflation is a big contributor to price pressures and that low gas prices are unlikely to sustain. As a result, the sell-off seen in European bonds could take a breather from its multi-year highs. While the market probability of another 25-bps rate hike is low at 23%, it is worth noting that rate-cut bets have now shifted to the second half of 2024.

### UK

- The 10-year gilt yield eased from multi-year highs of 4.75% seen in August after the Bank of England decided to leave interest rates unchanged at its September MPC meeting, marking a pause in its tightening cycle that began in December 2021. However, markets remain divided on whether this is a pause, or the end of rate hikes given that economic activity has avoided a contraction and inflation has been falling faster than estimated. The MPC was split 4-3 in favour of keeping rates on hold.

- Inflation data was influential in BOE's September decision as price pressures that were expected to firm on the back of higher energy costs instead moderated. CPI rose 6.7% y-o-y in August, falling below consensus estimates of 7%, while core inflation softened to 6.2% y-o-y, 40 bps below expectations. Meanwhile, Q2 GDP rose 0.2%, in line with market forecasts, putting its growth ahead of economies like Germany and France. Further, wage growth improved to 8.5%, beating estimates of 8.2%, with a higher-than-expected rise in employed persons in August (1K as against expectations of 17K).

- We believe UK gilt yields could move lower from current levels in the near term as BOE could prefer to keep rates on hold in the upcoming meeting. Nevertheless, the possibility of one more rate hike in December cannot be ruled out if strength in the labour market and services inflation make it difficult for BOE to achieve its 2023 inflation target of 5%.

### Japan

- The 10-year Japanese bond yield hit its highest level in a decade and nearing Bank of Japan's hard cap of 1%. The rally in yields was driven by the hawkish minutes of the September meeting, which reignited expectations that the central bank is slowly laying the groundwork for the end to negative interest rates. The sharp rise in yields, however, prompted BOJ to announce additional bond buying. BOJ surprised markets with the unscheduled announcement that it will buy USD 2.01 billion (300 billion yen) of five to 10-year bonds.

- While some in the nine-member board stressed the need to maintain monetary easing, few policymakers opined that an end to its bond yield control and negative interest rate policy "must be tied to the success" of hitting the bank's price goal, the summary showed. The central bank sees the second half of the current fiscal year, ending in March 2024, to be an "important period" in determining whether the BOJ's price target will be achieved. Apart from the clear change in tone, the summary also reveals heightened wage rise expectations amongst board members.

- On the data front, Japan's economy grew 4.8% in Q2, down from a preliminary estimate of 6.0% growth and below market forecasts for a revised 5.5% expansion. Growth prints raised doubts over the central bank's expectations that domestic demand would spur economic recovery, lowering chances of an early exit from its ultra-loose monetary policy. Meanwhile, retail inflation eased 10bps to 3.2% y-o-y in August, while core inflation remained sticky at 3.1% y-o-y. The labour market, however, showed signs of slack as wage growth slowed to 1.3% in July, missing estimates of 2.4%. Other data points such as industrial production, retail sales and export growth however beat expectations.

# Research Report

## Monthly Debt Market Update

IBMDJ

- Looking ahead, we believe Japanese bond yields would continue to test the 1% cap, especially if incoming macro data supports the narrative of policy tightening. That said, a worsening of the growth outlook could postpone the timing of an exit. Currently, markets expect BOJ to hike its policy rate by 10 bps to 0% at the January 2024 meeting. However, the review of the yield curve control (YCC) policy is expected to conclude only by April 2024, before which, a rate hike seems unlikely.

### India Overview

The 10-year benchmark bond yield remained elevated at multi-month highs following a hawkish RBI MPC meeting amidst a sharp rise in US yields and crude oil prices. Although RBI left the repo rate and policy stance unchanged at the October MPC meeting, bond markets witnessed a sell-off in reaction to the central bank's hints of open market operation (OMO) sales auction of government securities to mop up any buildup of excess liquidity.

- Outflows due to advance tax and GST, amidst healthy credit demand led to deficit liquidity in the banking system. Average monthly banking system liquidity slipped to a deficit of Rs 13,000 crore in September compared to a surplus of around Rs 12,000 crore in the previous month. As a result, overnight call rates rose as high as 6.82% during the month and remained well above the repo rate for most of September. With call money rates firming, banks also resorted to borrowing from the MSF window instead to fulfil their liquidity requirements. Banks borrowed around Rs 40,000 crore via the MSF window in September. Due to tightening liquidity conditions, the 2-10-year yield curve witnessed mild inversion. Given the pressure on the rupee and underlying inflationary risks, it is likely that RBI would prefer to keep liquidity tight and intervene via variable rate auctions mainly to ensure credit offtake does not get hampered.

- On the inflation front, headline inflation rose 6.8% y-o-y in August, compared to a high of 7.4% in the previous month, moderating below market expectations of 7%. The softening was largely on account of waning food inflation, particularly vegetables. Nevertheless, other items in the food basket i.e. cereals, milk and spices continued to remain elevated. We expect inflation to miss RBI's Q2 FY24 forecast of 6.2% and average around 7% while remaining wary about risks emanating from higher crude oil prices and lower agricultural output. Moderation in core inflation has nonetheless been comforting.

- Meanwhile, the announcement of the market borrowing calendar for H2FY24 was on expected lines and was a non-event for bond yields. The government left its H2FY24 borrowing plan unchanged, aiming to issue bonds worth Rs 6.55 lakh crore or 42% of its total borrowing in the October-March period. The tweak however was the introduction of bonds with ultra-long tenors of 50 years considering increased demand from investors such as insurance and pension funds. While the borrowing plan has not altered our outlook on fiscal balances as yet, it is worth noting that there have been signs of GST collections dwindling, which along with higher crude oil prices and moderating exports could pose a threat to tax collections.

- On a positive note, India's inclusion in JP Morgan's emerging market index effective June 2024 could bode well for bond yields and the local currency in the medium to long term. Markets expect the staggered 10% weightage for India over 10 months to attract overseas inflows of around USD 20-30 billion. While this would be favourable for Indian bond yields in the long term, we expect US yields, inflation and crude oil prices to dictate bond yield trends in the near term. We expect the 10-year benchmark bond yield to trade within the 7-7.2% range by the end of FY24.

# Research Report

## Monthly Debt Market Update

IBMDJ

### Financial Market Performance

	Close	MOM	YOY
<b>Global indices</b>			
S&P 500	4,309	-4%	15%
Nasdaq	14,973	-3%	30%
Dow Jones	33,408	-3%	12%
FTSE 100	7,495	1%	7%
Euro Stoxx	436	-3%	16%
DAX	15,230	-3%	22%
CAC40	7,060	-2%	19%
Nikkei 225	30,995	-7%	13%
Hang Seng	17,486	-5%	-3%
Sensex	65,996	0%	13%
NIFTY	19,654	0%	13%

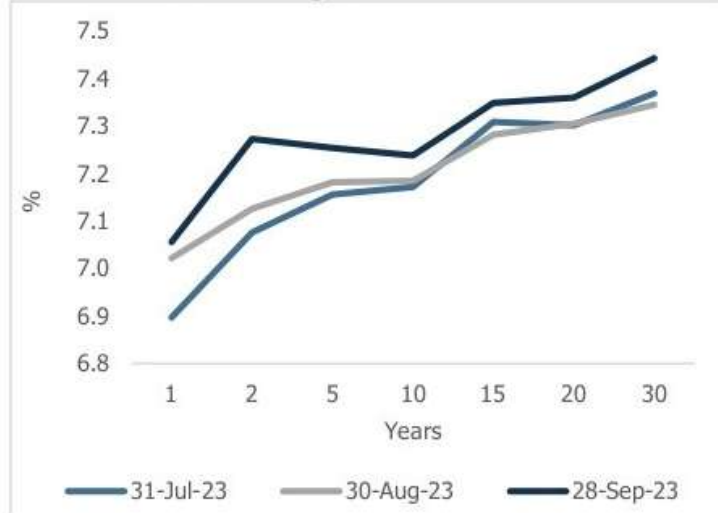
	Close	MOM	YOY
<b>Treasuries</b>			
		(bps)	(bps)
10-yr UST	4.72%	45	89
10-yr Bund	2.95%	37	93
UK 10-yr Gilt	4.61%	15	59
10-yr JGB	0.81%	15	56
India 10-yr G-sec	7.21%	1	-24
<b>Currencies</b>			
DXV	106.0	3%	0%
EUR/USD	1.1	-2%	6%
GBP/USD	1.2	-5%	1%
USD/JPY*	149.3	4%	9%
USD/CNY*	7.3	1%	8%
USD/INR*	83.1	1%	4%
*(+) indicates weakening and (-) denotes strengthening			
<b>Commodities</b>			
Gold (\$/Oz)	1,832	0%	-4%
Silver (\$/Oz)	22	1%	-7%
Brent (\$/bbl)	85	4%	-6%
WTI (\$/bbl)	83	5%	-5%
Aluminium(\$/mt)	2,205	0%	3%
Copper(\$/mt)	7,971	0%	-5%

Source: Refinitiv (Closing values are as on October 06)

## Monthly Debt Market Update

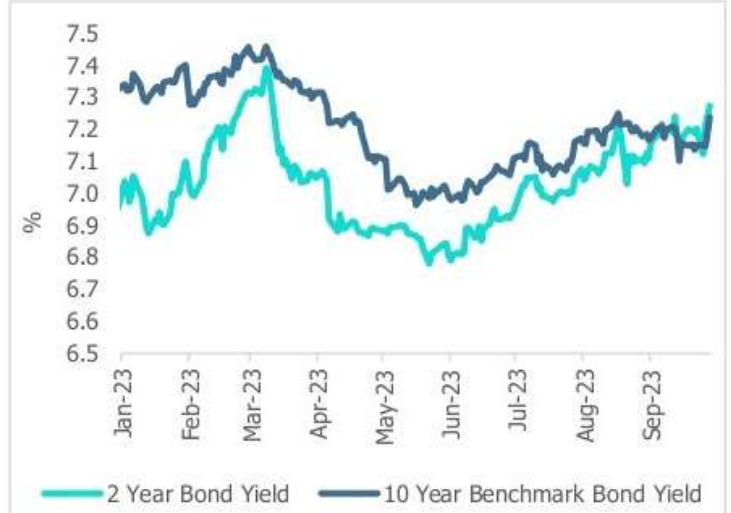
### Indian Debt Market Chartbook

#### Bond Yields Move Higher



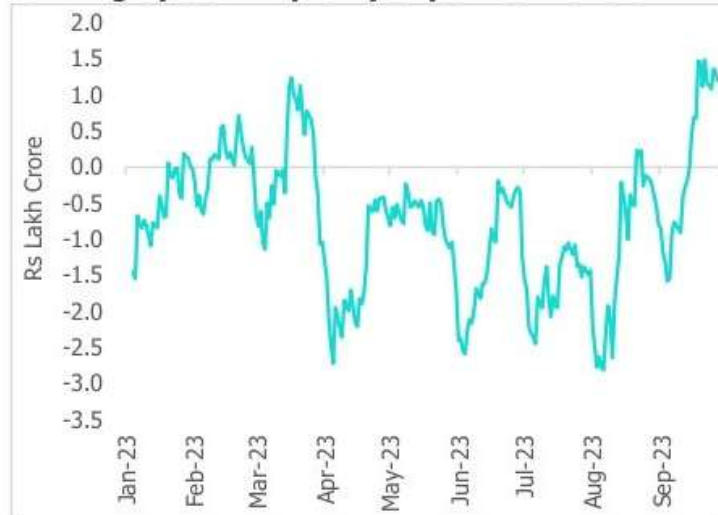
The 10-year benchmark bond yield traded within the 7.10-7.34% range over the last month, with the upside led by prospects of OMO sales, higher US yields and crude oil prices.

#### 10-2 Year Yield Curve Sees Mild Inversion



The 10-2 year bond spread inverted as much as 7 bps in the last month, from a positive premium of around 20 bps a month ago, after tightening liquidity saw short-term yields rise at a faster pace.

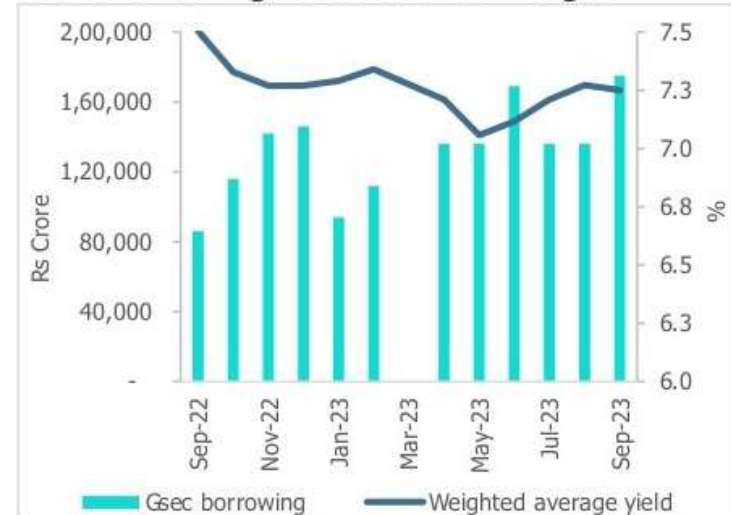
#### Banking System Liquidity Slips Into Deficit



(+ indicates deficit/- denotes surplus)

Average banking system liquidity stood at a deficit of Rs 13,000 crore in September, compared to an average monthly surplus of ~Rs 12,000 crore. GST and advance tax outflows, healthy credit offtake and RBI's FX intervention led to a tightening of liquidity conditions.

#### G-Sec Borrowing Meets Calendar Target

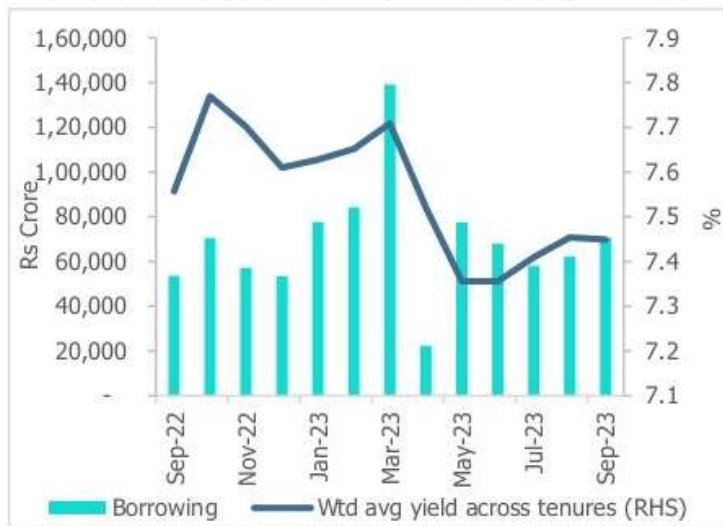


The government raised Rs 1.75 lakh crore in September through its market borrowing programme, in line with the amount set out in the indicative calendar.

# Research Report

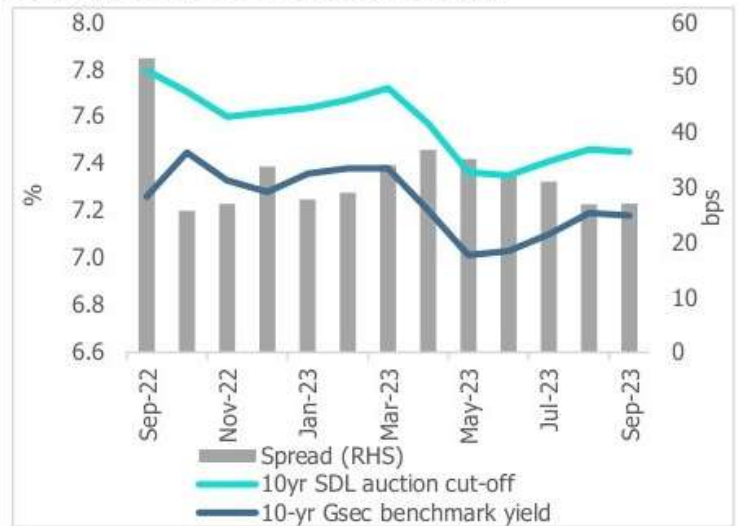
## Monthly Debt Market Update

**SDL Borrowing and Weighted Average Yields**



SDL issuances rose 13% from a month ago to Rs 70,523 crore in September, while borrowing costs remained unchanged at an average of 7.45%. The issuance is however 9% lower than that initially scheduled. For the October-December quarter states are expected to borrow ~ Rs 2.37 lakh crore via SDLs.

**10-year SDL-G-sec Spread Steady**



The yield spread between the 10-year SDL and comparable G-sec remained unchanged at 27 bps in September.

**91-day T-bill Borrowing and Yields**



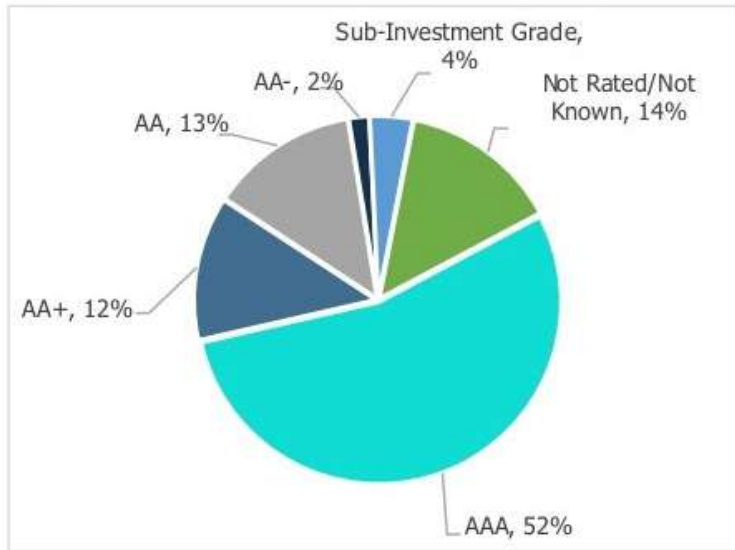
**T-bill Yields at Auction in September**



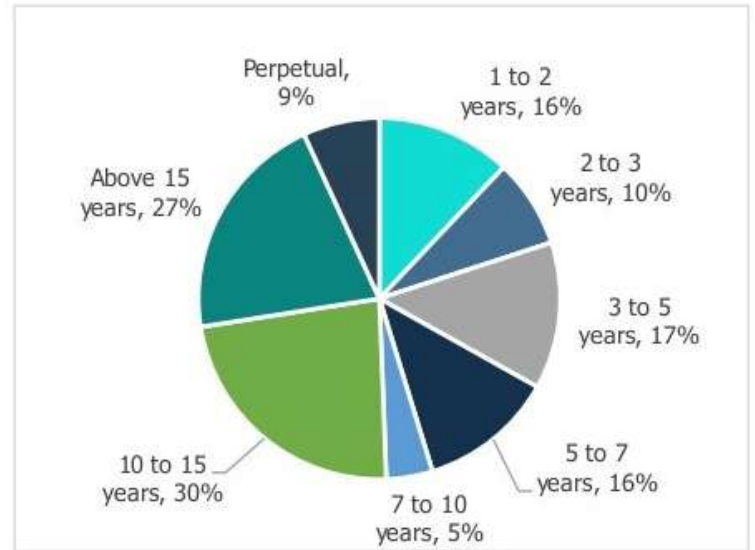
# Research Report

## Monthly Debt Market Update

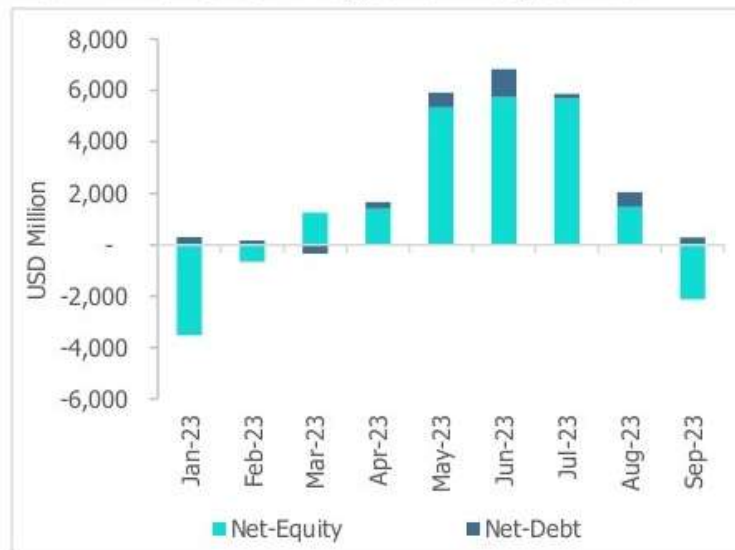
**Corporate Bond Issuance by Rating-September**



**Corporate Bond Issuance by Tenor-September**



**Net FPI Flows Turn Negative in September**



**INR Falls to Record Low**



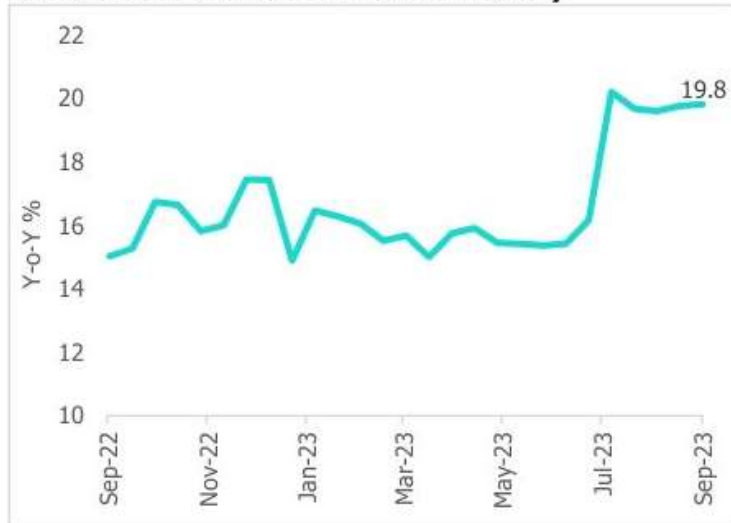
Net FPI flows turned negative last month, registering the largest outflows since the start of the year. FPI's sold a total of USD 1.8 billion in September, with sharp outflows from equity markets. Debt markets however attracted inflows worth USD 289 million. In the year so far however, FPI flows stood at USD 18 billion, as against an outflow of USD 23 billion in the same period a year ago.

The rupee depreciated to a fresh record low of 83.31 in September, amidst a sharp rise in the dollar index, moderation in FPI inflows, and a rise in crude oil prices. RBI intervention via dollar selling is however likely to have curtailed the depreciation.

# Research Report

## Monthly Debt Market Update

### Bank Credit Growth Remains Healthy

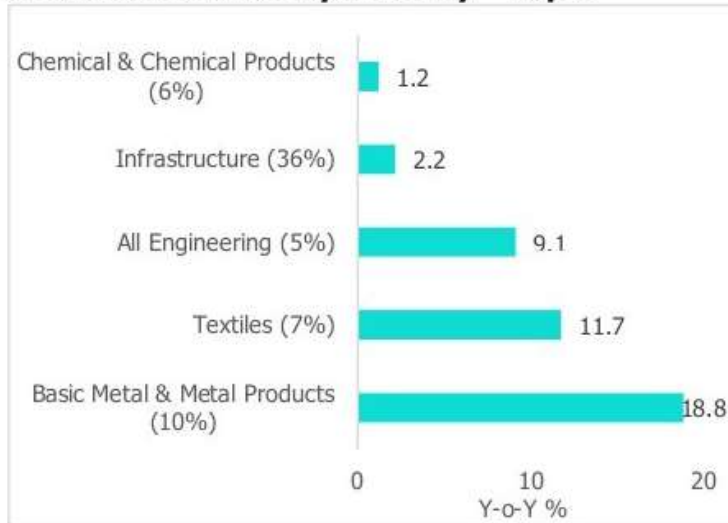


(Data for September 2023 as of the fortnight ending Sep 08)

Non-food bank credit rose 15% y-o-y in August. Credit to industry registered a growth of 6% y-o-y in August 2023 as compared with 12% a year ago. Meanwhile, the credit to services sector grew 21% in August, from 17% a year ago.

Source: Data for this report is sourced from RBI, CCIL, CEIC, CMIE, Refinitiv and Prime Database.

### Bank Credit Growth by Industry – Top 5



(Data as on Aug 25, 2023; Top 5 in terms of share in total industry credit; Figures in bracket represent % share in total industry credit)

Among major industries, credit growth accelerated for basic metal and metal products (19%), engineering textiles (12%) and engineering (9%) as compared to the corresponding month of the

## Life insurance: Non - Single Premiums Lead the Growth charts, but fall in overall Single Premiums Drag

IBMDJ

In FY23, life insurance companies exhibited significant top-line growth, attributable to factors such as it being the first full year unencumbered by Covid-related constraints, an increase in the non-participating (non-par) segment during the last quarter of FY23, along with a rise in term policies (protection plans). Furthermore, the demand for annuity products in the immediate term, coupled with diligent cost management practices, has bolstered the sector's financial outlook. A pivotal development impacting the industry has been the imposition of the new tax regime. This regulatory change, effective from April 01, 2023, has had visible implications on the sector's activities during this period, consequently leading to a subdued performance in the first half of FY24. Consequently, in H1FY24, the New Business Premium for Life Insurers has witnessed a contraction. This downturn can be attributed to the deceleration in group business.

The life insurance enterprises will undertake strategic adjustments in their policy portfolio to promote growth, albeit at a more measured pace in FY24. As the sector responds to regulatory alterations, the potential growth throughout FY24 would need to be monitored. Further, the companies would have to increase the operating tempo as they would have to sell more policies to generate similar premiums as high value policies become unattractive due to the new tax regime. Despite the transient fluctuations, the overarching growth potential of the life insurance segment remains resilient. This is substantiated by several factors, including the existing protection gap within the market, a regulatory framework that fosters industry development, and the sustained necessity for insurance provisions. Considering these factors, we believe the long-term trajectory for growth in the life insurance sector remains positive.

### Annexure

Figure 5: Company-wise Share in First-year Premium - Rs crore

Insurer	YTD FY22	YTD FY23	YTD FY24	Chge FY23 vs FY22	Chge FY24 vs FY23	Mkt Sh. YTD FY22 (%)	Mkt Sh. YTD FY23 (%)	Mkt Sh. YTD FY24 (%)
Acko Life		-	1.6	na	nm	0.0	0.0	0.0
Aditya Birla Sun Life	2,323.8	3,420.5	3,300.8	47.2	-3.5	1.8	1.9	2.1
Aegon Life	12.5	1.8	34.4	-85.7	nm	0.01	0.001	0.02
Aegas Federal Life	305.2	354.5	471.1	16.1	32.9	0.2	0.2	0.3
Aviva Life	118.1	120.8	175.3	2.3	45.2	0.1	0.1	0.1
Bajaj Allianz Life	3,522.4	5,152.1	4,975.3	46.3	-3.4	2.7	2.8	3.1
Bharti Axa Life	379.0	430.9	377.5	13.7	-12.4	0.3	0.2	0.2
Canara HSBC OBC Life	1,333.5	1,219.7	1,387.1	-8.5	13.7	1.0	0.7	0.9
CreditAccess Life		-	20.1	Na	Nm	0.0	0.0	0.01
Edelweiss Tokio Life	179.1	192.8	214.3	7.7	11.2	0.1	0.1	0.1
Future Generali	185.2	326.3	181.3	76.2	-44.5	0.1	0.2	0.1
Godigit Life		-	90.4	Na	Nm	0.0	0.0	0.1
HDFC Life	10,877.0	11,452.4	13,153.7	5.3	14.9	8.2	6.3	8.3
ICICI Prudential Life	6,460.6	7,359.1	7,410.3	13.9	0.7	4.9	4.0	4.7
India First Life	1,094.0	1,257.6	1,859.0	15.0	47.8	0.8	0.7	1.2
Kotak Mahindra Life	2,164.2	2,878.3	3,208.5	33.0	11.5	1.6	1.6	2.0
Max Life	3,108.7	3,378.0	4,275.3	8.7	26.6	2.4	1.9	2.7
PNB Met Life	866.7	1,292.5	1,381.2	49.1	6.9	0.7	0.7	0.9
Pramerica Life	127.7	250.4	478.6	96.2	91.1	0.1	0.1	0.3
Reliance Nippon Life	476.6	490.4	532.7	2.9	8.6	0.4	0.3	0.3
Sahara Life	-	-	-	na	Na	0.0	0.0	0.0
SBI Life	10,287.4	13,087.1	16,258.1	27.2	24.2	7.8	7.2	10.3
Shriram Life	377.0	463.0	859.0	22.8	85.5	0.3	0.3	0.5
Star Union Dai-ichi Life	793.0	1,635.2	1,464.9	106.2	-10.4	0.6	0.9	0.9
Tata AIA Life	1,877.8	3,022.7	3,623.7	61.0	19.9	1.4	1.7	2.3
<b>Private Total</b>	<b>46,869.3</b>	<b>57,785.9</b>	<b>65,734.2</b>	<b>23.3</b>	<b>13.8</b>	<b>35.5</b>	<b>31.8</b>	<b>41.5</b>
<b>LIC of India</b>	<b>85,112.6</b>	<b>1,24,191.1</b>	<b>92,642.6</b>	<b>45.9</b>	<b>-25.4</b>	<b>64.5</b>	<b>68.2</b>	<b>58.5</b>
<b>Grand Total</b>	<b>1,31,982</b>	<b>1,81,977</b>	<b>1,58,377</b>	<b>37.9</b>	<b>-13.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: IRDAI, Life Insurance Council; Note: Exide Life Insurance Co.'s business has been merged into HDFC Life



## FOCUS

# Government to give a big push to the MSME sector



The declaration of G20 nations under India's presidency should spur the government to give a big push to the MSME sector by simplifying the regulatory process and enhancing their access to affordable capital, say experts.

The commitments made in the G20's New Delhi declaration with regard to the MSMEs ought to be followed by the member nations as the sector has the potential to generate employment and promote sustained growth.

The New Delhi Declaration adopted early this month said the G20 recognise that startups and Micro, Small and Medium Enterprises (MSMEs) are natural engines of growth. They are key to socio-economic transformation by driving innovation and creating employment.

The experts said that to further promote startups/MSMEs, the government should simplify regulatory processes, enhance access to affordable capital, foster industry-academia collaborations for innovation, and provide targeted skill development programmes. Creating robust incubation and mentorship ecosystems will also nurture entrepreneurship and innovation in India.

Startup/MSMEs are at the forefront of promoting digital technology and sustainable growth. They drive innovation in AI adoption, enhancing efficiency and reducing environmental footprints. By creating tech-driven solutions, they enable businesses to operate sustainably, fostering a future where technology and environmental stewardship go hand in hand, advancing India's socio-economic transformation.

# ON GROWTH MODE



[To view interview](#)

## **INTERVIEW OF YASH BAHETI, JOINT MANAGING DIRECTOR, BAHETI RECYCLING INDUSTRIES**

**YASH BAHETI, JOINT MANAGING DIRECTOR, BAHETI RECYCLING INDUSTRIES**

### **Introduction**

Incorporated in 1994, BRIL is an aluminum recycling company. The company is primarily engaged in processing aluminum-based metal scrap to manufacture (i) aluminum alloys in the form of ingots and (ii) aluminum de-ox alloys in the form of cubes, ingots, shots and notch bar. The company is also engaged in trading of scrap materials such as aluminum scrap, brass scrap, copper scrap, zinc scrap etc. BRIL's manufacturing unit is situated at Dehgam (Gandhinagar, Gujarat) and has a 12,000 MT installed capacity for processing aluminum scrap.

## GROWTH STORY CONTD...



Manufacturing facility

BRIL IPO was a Fixed Price Issue at Rs. 45 per share, was subscribed 435.65 times in the retail category and listed on NSE SME on 8th Dec 2022. The IPO total issue size was Rs 12.42 Cr.

### What are the unique strengths of the company?

Our great grandfather started this business in 1956 so uniqueness of the company is that we are the third generation and this is in our blood. We know ups and downs of the business like when to hedge, buy, sell, which product you need to use in which type of alloy, which type of finished products can be obtained. Basically, we have the latest machineries and technology so we can get an upper hand over our competitors.

### How strong is your brand?

Baheti has a very strong brand name in the market; we always have a long-term relationship with our buyers. We are associated with major steel plants of India like Arcelor Mittal Nippon Steel India, Tata Steel, JSW, SAIL, we have been associated with all plants since the inception of them that is since 30 to 35 years. Our other esteemed clients are Minda Corporation, Vedanta Limited, Aurangabad electrical Limited, Sigma Electric, Sunflag Iron & Steel Co. Ltd. etc. The company markets its products in around 12 states & Union Territories in India. We also sell our products to foreign buyers located in Japan, Canada, USA, China, Hong Kong, UAE, Taiwan etc.

### What is the industry growth year on year basis?

Aluminum is getting into everything it has replaced iron in car manufacturing also because it's a light metal, cheap metal, durable, it can be recycled N number of times and it does not lose its properties and shape. Since, it's a light metal many car manufacturers also have shifted from Iron to aluminum. The future of aluminum is very bright because of automobile industry EV concept.

### What are your financial strengths?

Currently we are running on 95% to 98% capacity so there is hardly any capacity left. We are booked till March that is why we are expanding and it will get completed by Diwali in November itself. We are rapidly doing expansion because of the increase in demand from our existing buyers. 25% growth we have already achieved from previous financial year. Our business basically is very tough in terms of finance, as we are heavily dependent on imports, we have to make payment upfront to get the scrap to our plant and then recycle it. We are selling our finished product to the clients on credit basis. Our financial strength is dealing with blue chip clients so we easily get discount from the banks at a very cheaper rate which is lower rate than CC rates. We are getting funds so we are rotating our funds quite fast with less interest rate plus our promoters are very strong and have a good network so whenever the company needs funds they infuse it immediately.

### What would you say about quality standards R & D and innovation?

Our manufacturing facility has accreditations such as ISO 9001:2015 for quality management systems, ISO14001:2015 for environmental management systems and ISO 45001:

## GROWTH STORY CONTD...



**Key Management**

2018 for occupational health and safety management system. We are doing R & D on continuous basis which gives us and our client a huge benefit. That is how we have increased our volume from one of our clients from 200 tons to 400 tons as they are very happy with our quality.

Our product quality is superior compared to our competitors; if there is any deviation in even one element everything gets rejected. We have recently got awarded from Minda Corporation limited as one of the best vendor manufacturing in terms of quality, pricing and delivery. We have been development partners since last eight years with Tata steel Limited, AMNS India limited. We are preferred over our competitors to become vendor development partner with many.

### **How do you foresee the future?**

The future is very bright for aluminum. Aluminum is replacing iron and plastic because of the durability as it does not get rusted and oxidized and does not change its properties for approx. three years. Plastic has been banned in the foreign market so it is being replaced by aluminum for example; aluminum water bottles,

cold drinks, beer cans, pharmaceuticals, even in bicycles plastic is being replaced by aluminum. Iron is being replaced by aluminum in the car and Airplane manufacturing also.

### **How do you look company in three years?**

Definitely you will see a good growth of 20% to 25% year on year basis because commit less and deliver more is better than commit more and deliver less. We are the young and third generation into the business and the company has great future, you see that is for sure.

### **What would you like to highlight about your team?**

Everyone has been delegated and allotted with a specific job, we don't treat them as employees but as our partners as they try to save for the company on their own and that is the uniqueness of the team. They never think that they are employees as we have bought down the workload too. Our team is very dedicated and many of our employees are with us before I have joined the company. Our motto is always do business with human touch so we work like that.

### **What message you would like to give to investors?**

I would like to give investors the message that invest now and wait, in future you will get good amount of return and you will never regret that you have invested with us.

### **Any other important point you would like to add?**

We are importing scrap from the US and exporting our finished product. We have now sent a trial lot to US and if we achieve that then we will be the only one company in India that will be exporting to USA in our aluminum segment.

## RIGHT ISSUE



### ABOUT COMPANY:

Syschem (India) Ltd. (SIL) is a listed company engaged in the manufacture of Bulk Drugs/ Intermediates /Specialty Chemicals and contract manufacturing. The company is owned and operated by a group of highly committed techno commercial professionals having vast experience in the bulk drug business. Their comprehensive capabilities, creative approaches to problem-solving, and track record of reliability and compliance make it an ideal business house.

Its strategy is to globalize the intellectual property assets and enhance value to shareholders and customers. SIL adheres to the principles of corporate governance by consistently endeavoring towards improved operational performance through compliance with various laws, listing agreement and the CODE OF CONDUCT & POLICIES of the company. The company is committed to the CODE OF CONDUCT as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 and the POLICIES as required under Clause 49 of the Listing Agreement and as adopted by the Board of Directors of the Company.

SIL is a leading Active pharmaceutical ingredients manufacturer in India producing the best and reliable products. It is among the very few research-driven API manufacturing companies in India

who provide best in class and customized solutions at commercial scale. It serves national as well as international markets by providing bulk drugs/active pharmaceutical ingredients and advanced intermediates. Through API in pharma industry, it strives to deliver value for partners with a world-class manufacturing unit, strict quality control testing and a team of robust professionals and workers. As of July 31, 2023, it had 85 employees on its payroll.

### ISSUE DETAILS:

The company is offering Rights Issue (RI) of 7972600 shares of Rs. 10 each at a fixed price of Rs. 40 per share to mobilize Rs. 31.89 cr. The issue opens for subscription on October 16, 2023, and will close on October 27, 2023. It is issuing RI in the ratio of 1 for 4 to eligible stakeholders as of the record date of September 29, 2023. The full amount to be paid with application for the number of shares applied. Post allotment, shares will be listed on BSE. SIL is spending Rs. 0.35 cr. for this RI process and from the net proceeds, it will utilize Rs. 10.08 cr. for expansion of Amoxicillin and Cephalexin manufacturing capacities, Rs. 15.00 cr. for working capital, and Rs. 6.46 cr. for general corporate purposes.

The RI is self-managed by the company and Beetal Financial & Computer Services Pvt. Ltd. is the registrar of the issue.

Post-RI, SIL's current paid-up equity capital of Rs. 31.89 cr. will stand enhanced to Rs. 39.86 cr. Based on the RI pricing, the company is looking for a market cap of Rs. 159.45 cr.

## RIGHT ISSUE

### SCRIP PERFORMANCE: BASED ON BSE WEBSITE DATA: SCRIP CODE: 531173 (FV Rs. 10).

The scrip last closed on cum-right basis at Rs. 67.57 on September 27, 2023, and opened on an ex-right basis at Rs. 64.20 on September 28, 2023. Since then, it has marked a high/low of Rs. 65.95 / Rs. 50.00. The scrip last closed at Rs. 51.33 as of October 10, 2023. For the last 52 weeks' it has posted a high/low of Rs. 65.95 / Rs. 33.34.

The promoters' holding has been constant at 53.82% for the last three quarters ended with June 30, 2023. The counter is well managed above the RI price to lure investors.

### DIVIDEND POLICY:

The company has not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy post listings of RI shares based on its financial performance and future prospects.

### FINANCIAL PERFORMANCE:

On the financial performance front, for the last three fiscals, SIL has posted a total income/net profit/ - (loss) of Rs. 74.67 cr. / Rs. - (5.57) cr. (FY21), Rs. 65.76 cr. / Rs. - (1.71) cr. (FY22), and Rs. 130.63 cr. / Rs. 4.51 cr. (FY23). For the first four months of FY24 ended on July 31, 2023, it earned a net profit of Rs. 1.39 cr. on a total income of Rs. 59.36 cr. After posting losses for FY21 and FY22, it turned the corner and poised for bright prospects as indicated by its performances.

- SIL is engaged in the manufacturing and marketing of bulk drugs/intermediates and Specialty Chemicals.
- It also does contract manufacturing for its domestic and international customers.
- It posted losses for FY21 and FY22, and turned the corner from FY23 onwards.
- Well-informed/cash surplus investors may park funds for long-term rewards.

### Company Financials

#### Syschem (India) Limited Financial Information (Restated)

Syschem (India) Limited's revenue decreased by -54.56% and profit after tax (PAT) dropped by -69.23% between the financial year ending with July 31, 2023 and March 31, 2023.

Period Ended	31 Jul 2023	31 Mar 2023	31 Mar 2022	31 Mar 2021
Assets	93.04	92.71	59.81	77.17
Revenue	59.36	130.63	65.76	74.67
Profit After Tax	1.39	4.51	-1.71	-5.57
Net Worth	23.69	22.30	6.94	7.12
Reserves and Surplus				
Total Borrowing	1.52	1.61	1.75	12.56

Amount in ₹ Crore



### Conclusion / Investment Strategy

SIL has turned the corner in FY23 and is embarking upon expansion plans. The RI appears to have been priced greedily. Based on its recent financial performance, it is poised for bright prospects ahead.

## NEWS

- Bajaj Healthcare just completed the construction of India's first Alkaloid extraction plant to process 2500 TPA of Poppy Straw and 300 TPA of Poppy Gum and is the leader in opium processing.
- Solar Industries bags fresh orders worth Rs.1853 cr. from Coal India. A big positive.
- Indiabulls Housing prepays NCDs worth Rs.1800 cr., which shows its financial strength. The current beaten-down share price merits buying.
- TCS Q2 NP rose 9% and it has announced a buyback of shares worth Rs.17,000 cr.
- Laurus Labs to fund gene therapy research at IIT Kanpur and acquire rights to the gene therapy product develop.
- Maruti plans to invest over Rs. 1.25 lakh cr. towards expansion and new launches, over the next few years, as revealed by the company in a presentation to the shareholders and analysts.
- BOB to raise Rs.10,000 cr. infra bonds to garner long-term capital.
- GMR Infra gets a Rs.4000 cr. loan to build Vizag International Airport.
- Sterling & Wilson misses a payment deadline to lenders amid a liquidity crisis. It is trying to raise Rs.1500 cr. in the form of fresh debt.
- Ausom Enterprise trades in financial and commodity markets, dealing generation and distribution of electricity and construction is a undervalued stock trading at 1.118x of its BV and is likely to move forward.
- MOIL is on the run. Institutions are acquiring large quantities and its passing through biggest rally in the last one decade.
- NMDC is in the race to acquire rights to mine lithium.
- HDFC Life Q2 profits rose 15% to Rs.385 cr. It is a safe investment bet.
- Ashok Leyland bags orders for 1666 new buses from Tamil Nadu Govt. to be executed between November 2023 and March 2024.
- Tata Power Renewable Energy, a subsidiary of Tata Power, gets \$425 mn. from the US IDFC for its greenfield project in Tamil Nadu.
- Hindustan Zinc is set to deploy Green Line's LNG-powered fleet in its supply chain and transportation operations.
- Coal India's H1FY24 production of coal grew 34 MMTs or 11.3% YoY to 333 MMTs. All its production subsidiaries clocked growth.
- Cigniti Technologies achieves higher levels of Trusted Information Security Assessment and Quality Engineering Services. It notched FY23 EPS of Rs.60, which may lead to FY24 EPS of Rs.72+



## NEWS

- Asirvad Micro Finance's IPO of Rs.1500 cr., to boost parent Manappuram Finance that notched 77% higher Q1 EPS of Rs.5.9, which may lead to FY24 EPS of Rs.22+.
- NLC India bids for 810 MW Grid Connected Solar photovoltaic power projects set up in 2000 MW Pugal Solar Park in Tehsil, Rajasthan.
- Maruti Suzuki India will invest upto Rs.50,000+ cr. by FY31 to double its capacity to 4 million vehicles p.a. It notched Q1 TTM EPS of Rs.321 and FY23 EPS of Rs.222.
- G R Infraprojects and Patel Engineering consortium JV Dibang executed a contract agreement with NHPC for the construction of civil works worth Rs.3637 cr.
- Satia Industries to supply 34000 MT paper worth Rs.340 cr. for printing textbooks by the Rajasthan and the Maharashtra Textbook Corporations.
- Shreyans Industries notched 281% higher Q1 EPS of Rs.23.1, which may lead to FY24 EPS of Rs.70+ as against FY23 EPS of Rs.53.
- Canara Bank notched 72% higher Q1 EPS of Rs.20.6, which may lead to FY24 EPS of Rs.85 as against FY23 EPS of Rs.61. It is available at a P/E of just 4.4x
- IIFL Securities notched 70% higher Q1 EPS of Rs.2.5, which may lead to FY24 EPS of Rs.11+ as against FY23 EPS of Rs.8.2.
- Quant MF has acquired 2.48% stake in Karnataka Bank, which is expected to notch FY24 EPS of Rs.47.
- With a Rs.4,500 cr. size of the domestic waste management industry, the prospects of Antony Waste Management Cell appear bright. It notched FY24 EPS of Rs.24.4.
- Hindustan Tin Works manufacturer of 2 crore tin cans/month plans to set up another plant to meet the robust demand. Stock available at a P/E of 9x and P/Bv of just 7.
- TGV Sraac is available at PE of just 5x. With negligible debt and ROE of 40%, its share price can bounce back as price of caustic soda is at a yearly high and it has huge expansion plans.
- Colab Cloud is a new age platform focused on Artificial Intelligence (AI), Data Analytics, Cyber Security, Augmented Realty (AR), Virtual Realty (VR), Web 3.0 and Metaverse
- NSE listed QMS Medical Allied Services is into medical and healthcare devices and organizes diagnostics & healthcare camps which can be a game changer. Watch out for exclusive interview @IBMTVLIVE & IBMDJ



## Current SME issue

<u>Issuer Company</u>	<u>Open Date</u>	<u>Close Date</u>	<u>Lead Manager</u>	<u>Market Maker</u>	<u>Issue Price (Rs)</u>	<u>Issue Size (Rs Cr.)</u>	<u>Lot Size</u>	<u>Exchange</u>
<u>On Door Concepts Limited IPO</u>	Oct 23, 2023	Oct 27, 2023	<u>First Overseas Capital</u>	<u>Bhh Securities</u>	208.00	31.18	600	NSE SME
<u>Rajgor Castor Derivatives Limited IPO</u>	Oct 17, 2023	Oct 20, 2023	<u>Beeline Capital</u>	<u>Spread X Securities</u>	47.00 to 50.00	47.81	3,000	NSE SME
<u>WomanCart Limited IPO</u>	Oct 16, 2023	Oct 18, 2023	<u>Narnolia Financial</u>	<u>Nikunj Stock Brokers</u>	86.00	9.56	1,600	NSE SME
<u>Arvind and Company Shipping Agencies Limited IPO</u>	Oct 12, 2023	Oct 16, 2023	<u>Beeline Capital</u>	<u>Spread X Securities</u>	45.00	14.74	3,000	NSE SME

## Current Mainboard issue

<u>Issuer Company</u>	<u>Open Date</u>	<u>Close Date</u>	<u>Issue Price (Rs)</u>	<u>Issue Size (Rs Cr.)</u>	<u>Lot Size</u>	<u>Exchange</u>
<u>Protean eGov Technologies Limited IPO</u>						BSE
<u>Tata Technologies Limited IPO</u>						BSE, NSE
<u>IRM Energy Limited IPO</u>	Oct 18, 2023	Oct 20, 2023	480.00 to 505.00	545.40	29	BSE, NSE

## Current Rights issue

### Rights Issues 2023

<u>Company Name</u>	<u>Issue Open</u>	<u>Issue Close</u>	<u>Record Date</u>	<u>Issue price (Per Share)</u>	<u>Issue Size (Rs Cr)</u>	<u>CMP of Share</u>	<u>CMP of Rights Entitlement</u>	<u>Renunciation of Rights Entitlements</u>	<u>Rights Issue Ratio</u>
<u>Gala Global Products Limited</u>				8.60	46.95	5.16			1:1
<u>Jaykay Enterprises Limited</u>				25.00	146.14	82.90			1:1
<u>Syschem (India) Limited</u>	Oct 16, 2023	Oct 27, 2023	Sep 29, 2023	40.00	31.89	51.96		Oct 23, 2023	1:4
<u>Marshall Machines Limited</u>	Oct 11, 2023	Oct 19, 2023	Sep 29, 2023	44.80	45.63			Oct 16, 2023	7:10
<u>Dudigital Global Limited</u>	Sep 29, 2023	Oct 16, 2023	Sep 22, 2023	26.50	30.80			Oct 10, 2023	1:5

## STOCKS TO WATCH

## RECYCLING INDUSTRY



The Ministry of Environment, Forest and Climate Change (MoEFCC), has issued the E-Waste (Management) Amendment Rules, 2023.

These Amendment Rules were issued on 30th January, 2023. These Amendment Rules seek to amend the E-Waste (Management) Rules, 2022. Every producer shall provide the detailed information on the constituents of the equipment and their components or consumables or parts or spares along with a declaration of conformance to the reduction of hazardous substances provisions as and when required by the Central Pollution Control Board (CPCB). Prior to the present amendment, this detailed information had to be included in the product user documentation. This requirement is now dispensed with and the producer will have to provide this information as and when the CPCB requests for it.

Additionally, the amendment also adds two substances to the exemptions listed in Schedule II of the E-Waste (Management) Rules, 2022 as follows: Cadmium and lead in Solar panels/cells, solar Photovoltaic panels/cells/modules; Lead in Medical Devices (with the exception of all implanted and infected products).

Investing in recycling stocks in India offers a gateway to a crucial sector in sustainable development and environmental responsibility. Recycling companies assume a critical role in waste reduction, resource preservation, and the advancement of circular economies by converting discarded materials into valuable assets. As India grapples with mounting ecological concerns and a drive toward conscientious consumption, the recycling industry is poised for expansion. Encompassing a diverse spectrum of activities, from paper and plastics recycling to e-waste management and renewable energy generation, this sector aligns with the growing global trend toward eco-conscious practices.

However, not many recycling stocks are listed on Indian exchanges. But most of them offer chances of good long-term growth if one stays invested. However, one has to keep a watch on fundamentals all the time for any downside and on various sops the government may introduce for

## STOCKS TO WATCH



such companies for upsides . Here are some of the best recycling stocks to buy now:

- **Gravita India:** The company's business is organized across four specialized verticals of lead, aluminum, plastic recycling and Turnkey projects. The stock price is at a near 52-week high and also above long-term averages. It has shown high EPS growth and seen a positive recovery breakout from the third resistance level.
- **Eco Recycling:** Eco Recycling is in the business of providing an end-to-end seamlessly integrated solution for e-waste management and recycling. It has low debt and zero-promoter pledge. The revenues have been increasing for the past three quarters and margins have been improving. You can watch the interview by clicking here.
- **A2Z Infra Engineering:** A2Z Group is an infrastructure engineering and services business group providing services in various fields such as engineering, procurement and construction, municipal solid waste management, facility management services, renewable energy generation and waste-to-energy generation. The stock's price is above short-, medium- and long-term moving averages. The stock has gained more than 20% in the past one month and has seen highest recovery from 52 week low.
- **Baheti Recycling Industries:** Baheti Recycling Industries is primarily engaged in processing aluminium-based metal scrap to manufacture aluminium alloys in the form of ingots and aluminium de-ox alloys in the form of cubes, ingots, shots and notch bar. The stock has gained more than 20% in the past one month and its RoA has improving since last two years. Annual net profits have been improving for last 2 years and it has zero promoter pledge. You can watch the interview by clicking here.
- **Felix Industries:** Felix Industries offers total water and environment solutions with e-waste recycling.

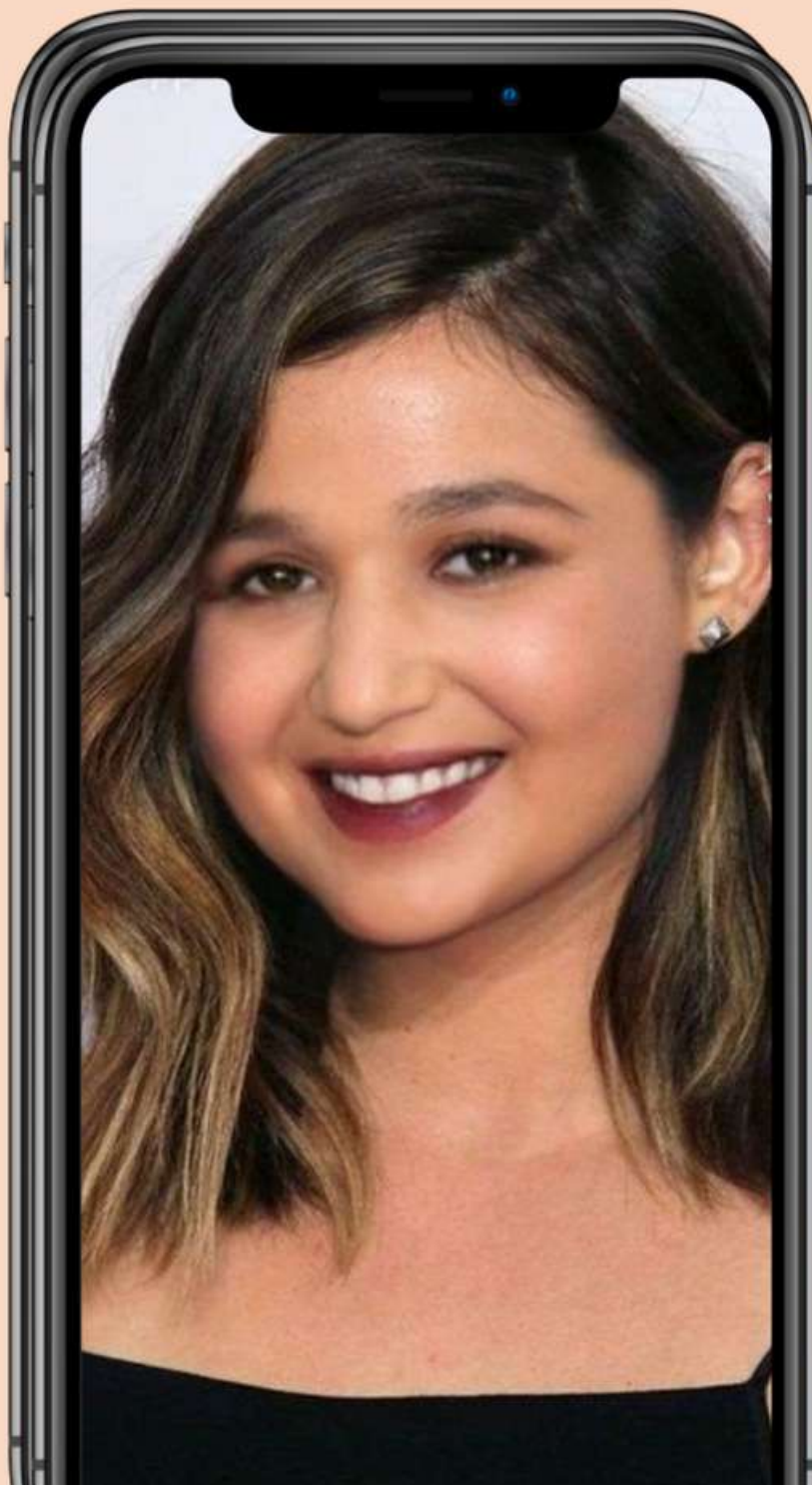
Please note that investing involves risk of loss.

# India Business Market

## Digital Journal

[www.indiabusinessmarket.in](http://www.indiabusinessmarket.in)

FOLLOW US  
NOW ON KOO  
@IBMTVLIVE



Go to Direct Resource

