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Sensex slips 283 pts, Nifty loses 19K

ON DOWNWARD SPIRAL. FPI selling continues; investors await US Federal Reserve's decision on interest rate

Shravan Nune
Chennai

Markets continue to be under pressure, tracking uncertain global cues. The BSE Sensex and NSE Nifty fell for the second day in a row after a brief respite on Friday and Monday.

According to analysts, foreign investors are unrelenting in their selling. FPIs offloaded equities worth ₹1,816.91 crore on Wednesday, provisional data revealed. In September and October, they sold shares worth over ₹25,000 crore and ₹14,760 crore, respectively.

While Sensex lost 283.60 points to end at 63,591.33, Nifty declined by 90.45 points to 18,989.15. For Nifty, yesterday's close at 19,079 acted as a resistance and the 19,000 acted as a support for most of the session.

However, the selling pres-

sure intensified at the fag end of the session, dragging the index below the 19,000-level.

Shrey Jain, Founder and CEO SAS Online - India's Deep Discount Broker, said: "In anticipation of the Federal Open Market Committee (FOMC) meeting, the index encountered selling pressure from higher levels but managed to maintain support at 18,950. The markets expect the Federal Reserve to maintain its current policy, but the concern lies in the possibility of sustaining the high interest rates for an extended period."

According to Prashanth Tapse, Senior VP (Research), Mehta Equities Ltd, FII off-loading shares in the domestic market continues to hurt sentiment while strong US growth indicators indicate that interest rates may stay elevated going ahead. "Investors sentiment was also primarily



BUCKLING UNDER PRESSURE. Fag-end selling pushes Nifty50 index down below the 19,000-mark once again

clouded by lingering concerns about corporate India's Q2 earnings which as of now is uninspiring," he added.

STRONG MACROS

Neither the 13 per cent y-o-y growth in October's GST collections nor the robust automobile sales cheered the investors as they preferred to remain on the sidelines ahead of the US Fed's interest rate de-

cision, analysts said. While Sun Pharma (2.61 per cent), BPCL (2.22 per cent), HDFC Life (0.87 per cent), Hindalco (0.64 per cent) and Tata Consumer Products (0.47 per cent) were the top gainers among the Nifty50 constituents, Adani Enterprises (3.43 per cent), Coal India (2.32 per cent), Tata Steel (2.19 per cent), SBI Life (2.13 per cent), Adani Ports (2.01 per cent) were the major

laggards. On BSE, of the 3,783 stocks traded, 1,575 advanced, while 2,090 declined on Wednesday and 118 remained unchanged. The BSE Midcap index declined 0.35 per cent and the Smallcap index dipped 0.10 per cent.

Among the sectors, BSE Metal fell 1.45 per cent, Power declined 1.19 per cent, Commodities 1.18 per cent, Services 1.15 per cent, Utilities 1.13 per cent and IT 0.75 per cent. However, BSE Telecommunication, Oil & Gas and Realty indices ended in the green.

"Markets on Thursday would react to US Fed's interest rate decision and economic data to be released during the day. The comments from Chair Jerome Powell will take the spotlight as it will provide insights into Fed's next move," said Siddhartha Khemka, Head - Retail Research, Motilal Oswal Financial Services.

India leads in IPO market; 21 firms raise \$1.8 b in Q3: EY

Our Bureau
Mumbai

India has emerged as the global leader in the number of IPOs year-to-date, according to an EY India report, as companies strive to file for IPOs before the 2024 general elections.

The third quarter of CY23 saw 21 mainboard IPOs compared to just four in the year-ago period. The proceeds raised during Q3 amounted to \$1.8 billion, a surge of 376 per cent from the previous year. The Small and Medium Enterprises segment raised \$165.76 million through 48 IPOs in Q3.

The three largest IPOs in Q3, in terms of proceeds, were RR Kable, Concord Biotech and SAMHI Hotels. Key sectors contributing to this IPO surge included diversified industrial products, consumer products and re-

tail and technology. More than 25 companies have filed their draft documents in the third quarter of CY23, demonstrating a strong intent to raise funds in the coming quarters.

Adarsh Ranka, Partner and Financial Accounting Advisory Services Leader, member firm of EY Global, said, "The IPO landscape is witnessing a surge in activity driven by both an urge to tap the capital markets pre-or-post general elections and strong economic activity, positive domestic and foreign investor sentiment towards India. This momentum is expected to continue well into H2 2024."

The introduction of the T+3 mechanism for IPOs allows companies to list three days post-closing of the issue, as opposed to six days earlier. This voluntary measure will become mandatory from December 2023.

Cello World IPO subscribed 39 times

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Chennai

The ₹1,900-crore IPO of Cello World saw a strong response from all category of investors, especially QIBs, as the offer was subscribed 38.90 times. The IPO, which came out with a price band of ₹617-648, received bids for 85.83 shares against the total of 2.21 crore shares on offer.

Qualified institutional buyers' portion was subscribed by a whopping 108.6 times while the quota reserved for retail investors and non-institutions received bids for 3.06 times and 24.42 times. The employee portion received bids for 2.60 times. A discount of ₹61 a share was offered to employees.

The entire issue was an offer-for-sale. As a part of IPO, the company, has garnered ₹567 crore from anchor investors.

MFs draw flak on social media for investment in Mamaearth IPO

Ashley Coutinho
Mumbai

The mutual funds that have subscribed to Mamaearth's initial public offering are facing criticism on social media.

About a third of the total allocation reserved for anchor investors were allocated to seven domestic mutual funds through 19 schemes. A few more funds may have invested in the main book. The issue has been subscribed 70 per cent on day 2, with the QIB or institutional portion seeing full subscription.

There are concerns on rich valuations and wild swings post-listing. "Would love to see the investment thesis.

Trustees will never ask. Investors don't know," said R Balakrishnan, an independent consultant who has held senior positions at a couple of mutual funds, on X (formerly Twitter).

"Lessons are still learnt. Unit holders should ask tough questions on rationale for making such investments where IPO is extremely over valued," said a user on platform X, who goes by the handle @lalitinvestor.

He said that fund managers should not defend their investment decisions by saying that the investment is a minuscule portion of their assets under management. "To me, it's about process and principles followed. Every single rupee spent on such

MF anchor investors in Mamaearth IPO

	% of anchor investor portion	Amount allocated (₹ cr)
Nippon India Small Cap Fund	5.42	41.5
ICICI Prudential Bharat Consumption Fund	3.07	23.5
ABSL Equity Advantage Fund	1.76	13.5
Whiteoak Capital Flexi Cap Fund	1.55	11.84
Axis Retirement Savings Fund	1.05	7.99

ideas is like breaking the trust of unit holders," he said.

"When even a layman can see through the motives, what makes fund managers invest? What's the rationale? Unit holders in these schemes should ask fund managers. May be they see an angle we don't," said Rishabh Jain, a content creator on LinkedIn. Certain categories of MF

schemes were similarly criticised for their investment in Zomato's IPO in 2021. The stock did well on listing but fell below the issue price in the subsequent weeks.

Historically, fund managers have spoken about investing in companies with positive cash flows, robust profit margins, revenue growth, a decent return on equity or return on

capital employed and a favourable debt to equity ratio. The entry of new-age companies on the bourses, however, have called these metrics into question.

New age companies such as Paytm, Nykaa and PB Fintech have fared poorly on the bourses post listing. Paytm, for instance, is still trading at 57 per cent below its issue price.

"Every fund house is entitled to make its choice of investment based on its own evaluation of company fundamentals, valuations and investment mandate of the scheme. There might be funds investing for listing gains or from a long term perspective. Eventually, every investment decision will show up in the

performance of the scheme and the fund can be held accountable by investors," said Vicky Mehta, an independent MF research analyst.

On a price band of ₹308-324 per share, Mamaearth could command a market cap of ₹99-104 billion. According to Emkay Global Financial Services, the stock's valuation could be deemed to be attractive at the upper-end of the price band if the company doubles its revenues in three years and improves operating margins to -12 per cent; fair if company sees revenue CAGR of 20 per cent with OPM of 10 per cent; and expensive if the company registers revenue CAGR of about 10 per cent and maintains margin at about 6 per cent.

STRONG DEBUT



PINK OF HEALTH. Dr. Harish Ahuja of NSE joined Shiven Arora, MD, and Akshay Arora, Chairman, Blue Jet Healthcare, at the ceremony to mark the listing of the company's shares on the NSE. The scrip opened at ₹359.90 on the BSE and at ₹380 on the NSE, against the IPO price of ₹346. It closed at ₹395.85 on the BSE and at ₹413.25 on the NSE, providing arbitrage opportunity.

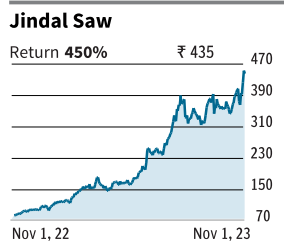
TODAY'S PICK.

Jindal Saw (₹435.2): BUY

Akhil Nallamuthu
bl. research bureau

Jindal Saw's stock price has been appreciating steadily since early 2023. It began the rally by taking support at ₹100. The uptrend is intact. Substantiating this, the stock broke out of a resistance at ₹405 early this week. It then extended the upside and made a record high of ₹453.8 on Wednesday.

But then, the price moderated where the stock ended at ₹435.2 on Wednesday. However, the price action hints at a rally and the stock price of Jindal Saw could hit ₹460 before the end of this week. Hence, we recommend buying shares of Jindal Saw now at ₹435



and accumulate if the price dips to ₹420. Place stop-loss at ₹412. When the stock price touches ₹445, modify the stop-loss to ₹435. Book profits at ₹460. Refrain from trading if the stock opens below ₹420.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

SEBI simplifies offer documents of MF schemes

Our Bureau
Mumbai

Capital market regulator SEBI has simplified the scheme information document (SID) of mutual funds by implementing changes in the existing format.

SEBI has directed mutual funds to disclose scheme's portfolio holdings including top 10 holdings by issuer and fund allocation towards various sectors through a functional web link and the aggregate investment in the scheme made by the concerned scheme's fund managers as part of the 'skin-in-the-game' regulations.

Mutual funds should also disclose the aggregate investment in the scheme under AMC's Board of Directors and other key personnel, it said on Wednesday. The

regulator has made it mandatory for all new schemes to have an enabling provision for the creation of segregated portfolio and clearly mentioned in the SID.

NEW NORMS
AMCs have to disclose risk-o-meter of the benchmark on the front page of initial offering application form, scheme information documents and key information memorandum besides the common application form along with the information about the scheme, it said. The new simplified format will come into force from April 1, 2024.

The new norms are based on the suggestions made by the Association of Mutual Funds in India and the recommendations made by the Mutual Fund Advisory Committee.

Why Jindal Steel stock lost 8% post Q2 results

Sai Prabhakar Yadavalli
bl. research bureau

Jindal Steel announced its results late on Tuesday with a miss on estimates and a slip in indicative timeline for its upcoming capex projects. Considering that volume growth as well as earnings growth assumptions baked in so far have moved further away due to the capex being pushed, the stock lost 7.8 per cent on Wednesday. This apart, the fact that costs could go up in the coming quarter too, could have played spoilsport.

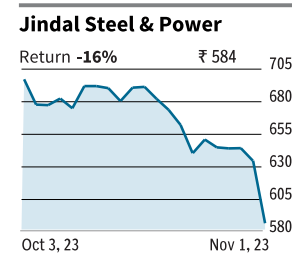
Average steel realisation declined by 10 per cent in the quarter for Jindal Steel after stabilising from the sharp fall in steel prices last year. This decline may have been more than what was anticipated, as the revenue missed the consensus estimates by 2.5 per cent. The EBITDA miss of 6

per cent may have been on account of higher coking coal costs, which were on a declining trend earlier.

The cost of coal is expected to be higher in the third quarter. However, while Jindal's contribution from its coal mines can ease this cost compared to competition, the decline in steel prices may not get any respite as the excess exports from China to countries across the globe will continue to impact the domestic steel prices.

CAPEX PLANS

Jindal Steel has a lot on its capex plate — a coal mine, a slurry pipeline and a couple of blast furnaces, for doubling its capacity. A large chunk of the projects was planned to be completed by Q2FY25. But now, at the time of announcing the Q2FY24 results, the company has pushed the capex by another half year to FY25 end. This



apart, the capex has been revised upwards yet again. From an initial ₹18,000 crore capex plan in July'22, it moved up to ₹24,000 crore in July'23, and now stands at ₹31,000 crore. The latest hike has been ascribed to increased scope of the project, project inflation and other changes.

Coal mines in Gare Palma and Utkal have been opened and are expected to ease energy costs and contribute to Jindal Steel becoming self-sufficient — coal supply wise. The pellet plant has com-

menced operations in October and is expected to add to topline till the additional steel-making capacity becomes operational. The Angul expansion with one blast furnace to be operationalised by Q2FY25 has been moved to Q4FY25 along with other furnaces, causing the primary delay. The company sales volume hovering around the 2 mt/quarter mark in the last two years and a further delay in expansion hasn't gone down well with investors.

VALUATION

The stock is trading at 5.2 times FY25 EV/EBITDA after having corrected by 17 per cent last month. We recommended accumulating the stock in *bl.portfolio* edition on October 7. We reiterate the same for long term investors, as the company progresses to double its steel-making capacity.

Day trading guide

19054 Nifty 50 Futures					
S1	S2	R1	R2	COMMENT	
18960	18900	19120	19180	Short now and on a rally to 19120; place stop-loss at 19180.	
₹1474 HDFC Bank					
S1	S2	R1	R2	COMMENT	
1465	1450	1500	1520	Go short if the stock falls below 1465; stop-loss at 1480.	
₹1353 Infosys					
S1	S2	R1	R2	COMMENT	
1325	1300	1360	1385	The stock breaches a support; go short with stop-loss at 1375.	
₹428 ITC					
S1	S2	R1	R2	COMMENT	
428	418	435	440	Initiate shorts if the stock falls below 428; stop-loss at 432.	
₹186 ONGC					
S1	S2	R1	R2	COMMENT	
185	182	188	190	Might stay flat for the day; do not initiate fresh positions.	
₹2296 Reliance Ind.					
S1	S2	R1	R2	COMMENT	
2285	2230	2310	2330	The trend remains bearish; sell the stock with stop-loss at 2320.	
₹566 SBI					
S1	S2	R1	R2	COMMENT	
560	550	568	575	Hovering around a resistance; short with stop-loss at 572.	
₹3332 TCS					
S1	S2	R1	R2	COMMENT	
3300	3250	3350	3380	Makes lower low and set to fall further; sell with stop-loss at 3360.	

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

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CIN - L24129OR1981PLC001020

Extract of Statement of Unaudited Financial Results for the Quarter and six months ended September 30, 2023

Sr. No.	Particulars	STANDALONE						CONSOLIDATED					
		3 Months ended 30-09-2023	3 Months ended 30-06-2023	3 Months ended 30-09-2022	6 Months ended 30-09-2023	6 Months ended 30-09-2022	Year ended 31-03-2023	3 Months ended 30-09-2023	3 Months ended 30-09-2022	6 Months ended 30-09-2023	6 Months ended 30-09-2022	Year ended 31-03-2023	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Total income from operations	3,694.01	3,073.51	2,869.81	6,767.52	5,314.20	13,431.79	3,694.01	3,073.51	2,869.81	6,767.52	5,314.20	13,431.79
2	Net Profit/ (Loss) for the period before Tax	120.37	(158.76)	68.00	(38.39)	152.75	425.67	120.37	(159.29)	68.36	(38.92)	153.23	426.17
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary Items)	120.37	(158.76)	68.00	(38.39)	152.75	425.67	120.37	(159.29)	68.36	(38.92)	153.23	426.17
4	Net Profit / (Loss) for the period after tax (after Exceptional Items)	89.43	(119.41)	50.74	(29.98)	113.39	303.68	89.43	(119.94)	51.10	(30.51)	113.87	304.18
5	Total Comprehensive Income / (Loss) for the period (comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income / (Loss) (after tax))	90.49	(120.39)	51.45	(29.90)	114.83	304.37	90.53	(120.40)	51.55	(29.87)	115.06	304.62
6	Paid up Equity Share Capital (Face Value of Rs. 10/- each)						814.50					814.50	
7	Other Equity						2,690.71					2,690.20	
8	Earnings Per Share (of Rs. 10/- each) (not annualised)												
	(a) Basic (Rs)	1.10	(1.47)	0.62	(0.37)	1.52	3.89	1.10	(1.47)	0.63	(0.37)	1.53	3.90
	(b) Diluted (Rs)	1.10	(1.47)	0.62	(0.37)	1.52	3.89	1.10	(1.47)	0.63	(0.37)	1.53	3.90

NOTES:

- The above is an extract of the detailed format of the financial results for the quarter and six months ended 30th September 2023, filed with the Stock Exchanges on 31st October 2023 under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Unaudited Financial Results for the quarter and six months ended 30th September 2023 are available on the Company's website www.paradeepphosphates.com and on the website of the Stock Exchanges www.nseindia.com and www.bseindia.com.
- The results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

For and on behalf of the Board of Directors
Paradeep Phosphates Limited
Sd/
N Suresh Krishnan
Managing Director
DIN: 00021965

Place : Bhubaneswar
Date : October 31, 2023