



RUDRA

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RUDRA WEEKLY INSIGHT

SIMPLIFYING INVESTMENT DECISIONS

08th March 2025

CORPORATE AND ECONOMY NEWS

- 'Inox Wind secures 153 MW order from Tamil Nadu
- Bharat Electronics bags orders worth Rs 577 crore
- Vikas Kaushal appointed as HPCL's new chairman and managing director
- Jana Small Finance Bank: RBI grants AD-I license for forex operations
- Ola Electric receives Rs 73.7 crore incentives under PLI-Auto scheme, becoming the first 2W auto maker in India to qualify
- Brigade Enterprises launches premium high-rise project in Chennai's IT corridor
- RVNL wins order worth Rs 156.35 crore from South Western Railway
- Nazara Technologies to sell 94.85% stake in OpenPlay to PokerBaazi parent firm
- Tata Power Renewables signs MOU worth \$5.6 Bn with Andhra Pradesh govt
- Railtel secures Rs 262 crore project in Odisha
- Mukka Proteins gains domestic, international orders worth Rs 44 crore
- RPP Infra Projects bags orders worth Rs 80.98 crore
- Zydus Lifesciences gets USFDA nod for Dasatinib, launches affordable CMV drug in India
- Avanti Feeds subsidiary enters pet food market
- LIC increases stake to 7% in Patanjali Foods
- Adani Wilmar: firm buys 80% stake in GD Foods, to buy 'Tops' maker in next 3 years
- HPCL, Tata Motors launch co-branded diesel exhaust fluid 'Genuine DEF'
- CCI approves acquisition of up to 72.8% stake in Orient Cement by Ambuja Cements
- Jupiter Wagons mobility arm launches new factory for LCVs
- Radico Khaitan eyes Rs 500 crore sales from luxe labels like 'Rampur' and Jaisalmer Gin
- India's cement consumption has potential to grow 3-fold: Dalmia Bharat
- Mahindra & Mahindra to have multiple large businesses in 5-10 years

MARKET SCAN

(Closing price as on 7th March.2025)

INDIAN INDICES		
INDEX BSE	CLSG	CHG
BSE SENSEX	74332.58	(0.01)%
NIFTY	22552.50	0.03%
BANK NIFTY	48497.50	(0.27)%
INDIA VIX	13.47	(1.89)%
SECTOR INDEX NSE		
IT	37820.45	(0.85)%
INFRA	8000.85	0.27%
ENERGY	31788.45	0.18%
FMCG	51891.80	-
PHARMA	20378.30	(0.22)%
AUTO	21009.70	0.24%
METALS	8926.90	0.43%
MIDCAP	49190.60	(0.32)%
NIFTY 500	20443.40	(0.02)%
DII / FII INVESTMENT IN CR		
DII	+2320.36	-
FII/FPI	-2035.10	-
COMMODITY MARKET		
Gold (Rs /10g)	85820.00	(0.07)%
Silver(Rs /kg)	97280	0.08%

TECHNICAL CHART

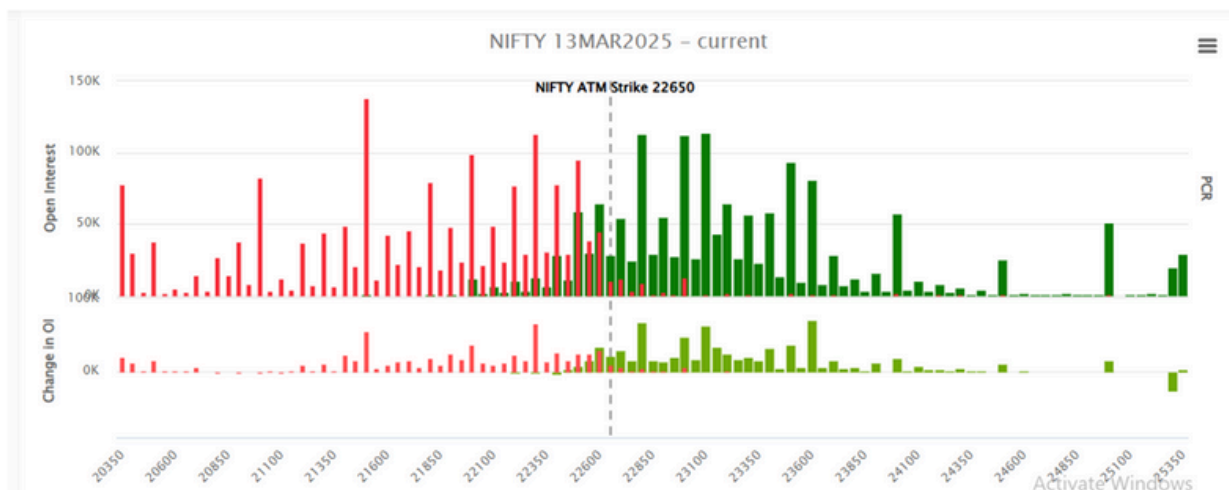


TECHNICAL OUTLOOK

NIFTY: The enthusiasm of bulls looks hard to beat during the phase of volatility. Smart recovery has been witnessed in second half of the week and Nifty50 bounced back sharply after hitting the low of 21,964.60. Moving ahead, the recent recovery looks like typical short covering and selling pressure at higher levels might not be ruled out. In the upcoming week, the 22,750 to 22,800 range is likely to act as stiff resistance range and traders should remain vigilant around these levels. The key support levels to look out for will be 22,398 and 22,256. The break of support level will be pivotal in determining the next significant move.

BANKNIFTY: Bulls reclaimed the lost ground and decent recovery has been witnessed from lower levels. As highlighted last week, we saw minor pull back from support level but the formation of “hanging man” pattern on the chart is putting the question mark on the strength of bulls. For the week ahead, the breakdown below 48260 could accelerate the selling pressure towards 47,800 and 47,560. Conversely, break above 48,860 is likely to trigger the fresh leg of short covering towards 48,856 and 49,300. With the slightly medium term perspective, sell on rise would likely to continue until 49,820 does not trade on higher side on closing basis.

WEEKLY OPTIONS OPEN INTEREST



Key points to understand

- 1) As per open interest, 22,800 likely to act as stiff immediate resistance as the call option of same strike has significant OI of 113175 contracts
- 2) Significant open interest in multiple strike price in call side suggesting multiple hurdle on higher side
- 3) Overall OI concentration is higher on call side indicates bears are still having an upper hand
- 4) Put call ratio (PCR) is 1.09 suggest, immediate short term trend is sideways.

OPEN INTEREST (SOURCE – OPSTRA)

STOCK RECOMENDATION

RACL GEARTECH LTD

CMP: 756 BUYING RANGE: 750-680


RACL Geartech Ltd. is a precision engineering company specializing in high-quality automotive and industrial gears. It supplies major global OEMs in the two-wheeler, off-road, and passenger vehicle segments, focusing on advanced manufacturing and technological innovations.

Market Cap	₹ 815 Cr.	Current Price	₹ 756	High / Low	₹ 1,350 / 680
Stock P/E	29.8	Book Value	₹ 199	Dividend Yield	0.20 %
ROCE	18.2 %	ROE	22.0 %	Face Value	₹ 10.0
ROCE 10Yr	17.2 %	OPM	20.5 %	PEG Ratio	0.94
Sales growth	7.84 %	ROIC	11.6 %	Net profit	₹ 27.3 Cr.
Asset Turnover	0.81	Promoter holding	53.3 %	5Yrs PE	25.3
Price to book value	3.80	Profit growth	-33.2 %	Debt to equity	1.45
Int Coverage	2.27	Enterprise Value	₹ 1,126 Cr.	Industry PE	26.6
Market Cap to Sales	1.90	No. Eq. Shares	1.08		

Financial Performance

- Q3 FY25 Revenue: ₹525 crore projected for FY26 (+/-5%).
- Challenges: Temporary revenue impact due to KTM AG's inventory build-up.
- Investment Plans: ₹150-175 crore planned over the next three years for technology upgrades and backward integration.
- Fund-Raising: Exploring ₹100 crore in funding options for future expansion.

Business Developments & Growth Plans

- Customer Diversification: Expanding partnerships with global OEMs to mitigate dependency on a single customer.
- Technology Advancement: Focus on automation and R&D to strengthen manufacturing capabilities.
- Strategic Expansion: Investing in new product lines and upgrading existing facilities to enhance production efficiency.

Market Outlook & Strategic Focus

- **Sector Growth:** Rising global demand for high-precision gears, particularly in EV and off-road applications.
- **Challenges:** Market volatility, currency fluctuations, and supply chain disruptions.
- **Competitive Edge:** Strong engineering expertise and long-term relationships with key customers.

Conclusion & Recommendation

RACL Geartech Ltd. remains well-positioned for growth, leveraging its technical expertise, customer base, and expansion plans. While short-term challenges persist, long-term fundamentals remain strong.

Recommendation: Accumulate for long-term growth, with close monitoring of KTM AG's recovery and execution of investment plans.

Disclaimer: The writer Shashank Bansal is a SEBI registered Research Analyst. The views and investment tips expressed by investment expert on this report are his own. We advise users to check with certified experts before taking any investment decisions.

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Financial Interest					
Analyst	NO	Analyst's Relative	NO	Analyst Firm	NO

"Never spend money before you have it."

EDUCATION CORNER/ RATIO ANALYSIS

RECEIVABLE TURNOVER RATIO

Receivable Turnover Ratio is a financial metric that measures how efficiently a company collects payments from its customers over a given period. It indicates how many times, on average, a company converts its receivables into cash during a financial year.

$$\text{RTR} = \text{NET CREDIT SALES} / \text{AVERAGE ACCOUNT RECEIVABLE}$$

Key Points:

- A **higher RTR** indicates efficient collection and strong liquidity.
- A **lower RTR** suggests inefficiency in collections, potential bad debts, or lenient credit policies.

Days in Receivable (also called Days Sales Outstanding - DSO) measures the average number of days a company takes to collect payments from credit sales.

$$\text{DAYS IN RECEIVABLE} = 365 / \text{Receivable Turnover Ratio (RTR)}$$

A **lower DSO** indicates faster collections and better liquidity.

A **higher DSO** suggests slower collections, potential cash flow issues, or lenient credit policies.

Example: Company XYZ has net credit sales of ₹50 cr. and average account receivable of ₹6 cr. then:

$$\text{Receivable Turnover Ratio} = 50 / 6 = 8.33$$

$$\text{Days in Receivable} = 365 / 8.33 = 44 \text{ days}$$

Industry	Typical RTR	Interpretation	Days in Receivable (DSO)
Retail (FMCG, Supermarkets)	10 - 15	High RTR due to cash sales and short credit cycles.	30 days
Technology & Software	4 - 7	Moderate RTR, as SaaS businesses may have monthly billing cycles.	73 days
Manufacturing	6 - 10	Mid-range RTR as bulk sales involve credit but within controlled cycles.	46 days
Automobile	3 - 6	Lower RTR due to large invoice values and extended credit terms.	91 days
Real Estate & Infrastructure	1 - 4	Very low RTR as projects involve long credit periods.	182 days
Pharmaceuticals	8 - 12	Higher RTR due to regular sales cycles and quick inventory turnover.	37 days

Interpretation:

Company collects its receivables **8.33 times per year**, meaning it has a **fairly efficient collection process**.

Days in Receivable is **44 days**, meaning customers take around 44 days on average to pay their dues.

If company is in the manufacturing sector (**typical RTR ~ 6-10**), its RTR and DSO are within a reasonable range.

If it were in retail (**RTR ~ 12-15**), its DSO is too high, indicating potential inefficiencies

If it were in real estate (**RTR ~ 1-4**), it would have an excellent collection cycle compared to industry norms.

CORPORATE ACTION

EX DATE	COMPANY NAME	PURPOSE
10-Mar-25	A B INFRABUILD LTD	Right Issue of Equity Shares
10-Mar-25	KESORAM INDUSTRIES LTD.	Spin Off
10-Mar-25	SBC EXPORTS LTD	Bonus issue 1:2
10-Mar-25	VIPUL ORGANICS LTD	Right Issue of Equity Shares
11-Mar-25	IOL CHEMICALS & PHARMACEUTICALS LTD.	Stock Split From Rs.10/- to Rs.2/-
12-Mar-25	ALTIUS TELECOM INFRASTRUCTURE TRUST	Income Distribution (InvIT)
13-Mar-25	MEHAI TECHNOLOGY LTD	Stock Split From Rs.10/- to Rs.1/-
13-Mar-25	SHALIMAR AGENCIES LTD	Stock Split From Rs.10/- to Rs.1/-
13-Mar-25	SHANGAR DECOR LTD	Stock Split From Rs.5/- to Rs.1/-

Note: Dividend detail of only such companies is mentioned where the dividend yield is greater than or equal to 2%.

FORTHCOMING EVENTS

DATE	DATA	COUNTRY
10th March 2025	NY Fed 1-Year Consumer Inflation Expectations	US
11th March 2025	JOLTS Job Openings (Jan) EIA Short-Term Energy Outlook WASDE Report API Weekly Crude Oil Stock	US US US US
12th March 2025	CPI (YoY) (Feb) Cumulative Industrial Production (Jan) Industrial Production (YoY) (Jan) Manufacturing Output (MoM) (Jan) OPEC Monthly Report Core CPI (MoM) (Feb) CPI (YoY) (Feb) Crude Oil Inventories Crude Oil Imports Cushing Crude Oil Inventories Federal Budget Balance (Feb)	INDIA INDIA INDIA INDIA US US US US US US US US
13th March 2025	IEA Monthly Report Continuing Jobless Claims Core PPI (MoM) (Feb) Initial Jobless Claims PPI (MoM) (Feb)	US US US US US
14th March 2025	Holi- HOLIDAY GDP (MoM) (Jan) Industrial Production (MoM) (Jan) Monthly GDP 3M/3M Change (Jan) Trade Balance (Jan) Manufacturing Production (YoY) (Jan) Trade Balance Non-EU (Jan) Exports (USD) (Feb) Imports (USD) (Feb) Trade Balance (Feb) Bank Loan Growth Deposit Growth FX Reserves, USD	INDIA UK UK UK UK UK UK INDIA INDIA INDIA INDIA INDIA INDIA

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