

1. Fund Manager's Commentary

The Girik Multicap Growth Equity Strategy is inspired by the CANSLIM philosophy of stock picking developed by American investor William J. O'Neil. The goal of this strategy is to identify leading companies from leading industry groups that show sharp acceleration in earnings, newness in products or change in management and suggests buying them at the right price with enough margin of safety ahead of the company's major stock price advance.

Indian equity market continued its decline last month, making February the third consecutive month of negative returns. Nifty 50 index was down by 2%. Nifty Midcap 100 index and Nifty Smallcap 100 index dropped by 1.8% and 3.6% respectively. Most sectoral indices ended negative for the month, led by utilities (-18.4%), metals (-10.2%) and oil & gas (-8.7%). FMCG (+0.3%) and capital goods (+0.2%) ended marginally positive, outperforming the market.

Unlike most of CY22 when Indian market outperformed its global and emerging market peers; relative performance of India was mixed last month. MSCI India index was down 4.8% (in USD), worse than MSCI World index (-2.5% in USD) but better than MSCI Emerging Markets index (-6.5% in USD). In terms of flows (cash basis), FPIs sold USD 669mn and DIIs bought USD 2.3bn. February was the third consecutive month of selling by FPIs.

Market hopes of any potential pause by central bankers to their aggressive policy interest rate hike stance got dashed by recent higher than expected inflation numbers. The market again seems reconciled to more rate hikes and higher for longer interest rates regime. There were also renewed geopolitical tensions between Russia & Ukraine and between US and China. We believe both these factors will continue to drag the markets in the coming months.

In these uncertain times where macro factors dominate the narrative, markets will likely remain volatile. We continue to focus our effort on what is controllable, which is building a portfolio of quality companies in leading sectors. Please find in the adjacent table key performance metrics of our portfolio companies for the recently ended quarter ending December 2022. As you can see there is a strong underlying earnings growth for the portfolio as a whole. While stock prices might remain volatile in the short run in this period of high uncertainty, we firmly believe that in the medium to long term the strong fundamentals of portfolio companies will reflect in their stock price performance.

Q3FY23 KEY METRICS FOR PORTFOLIO COMPANIES

Company Name		Revenue / (Net Interest Income)	EBITDA/ PPOp	Profit after tax
		YoY(%)	YoY(%)	YoY(%)
Growth				
360 One WAM Ltd.	Consolidated	-1%	48%	16%
ABB India Ltd.	Parent	15%	77%	58%
Axis Bank Ltd.	Parent	32%	51%	62%
Bharti Airtel Ltd.	Consolidated	20%	26%	58%
Blue Dart Express Ltd.	Consolidated	7%	-18%	-28%
Borosil Ltd.	Consolidated	8%	-26%	-8%
Canara Bank Ltd.	Parent	24%	20%	92%
CreditAccess Grameen Ltd.	Consolidated	37%	39%	85%
Elecon Engineering Company Ltd.	Consolidated	43%	72%	99%
Five-Star Business Finance Ltd.	Parent	38%	29%	28%
Hitachi Energy India Ltd.	Parent	-8%	-39%	-82%
Kalyan Jewellers India Ltd.	Consolidated	13%	6%	10%
Landmark Cars Ltd.	Consolidated	5%	36%	35%
Mahindra & Mahindra Ltd.	Consolidated	30%	18%	20%
NTPC Ltd.	Parent	37%	32%	5%
Power Mech Projects Ltd.	Consolidated	41%	47%	55%
REC Ltd.	Parent	-12%	3%	4%
Reliance Industries Ltd.	Consolidated	15%	14%	-13%
RHI Magnesita India Ltd.	Consolidated	19%	-12%	-23%
Safari Industries India Ltd.	Consolidated	49%	271%	400%
State Bank Of India	Parent	24%	36%	68%
Sundram Fasteners Ltd.	Consolidated	16%	7%	7%
Syrma SGS Technology Ltd.	Consolidated	70%	53%	70%
Aggregate		20%	23%	25%

Source: Company Reports, BSE

Note: For Financials revenue is considered as Net Interest Income, except for 360 One WAM Ltd.