

Core Purpose : To continuously delight our customers by offering trustworthy services for Wealth creation

Core Values : We meet Statutory and Non-statutory Obligations on Due date.

We do not encourage speculation. Right attitude towards Clients.

Client is always Right. Client deserves Trustworthy Advice. We are Trustee of Client's Assets when in our Custody.

Our Mission : To pursue Quality Advice and Otime Services in Healthy Atmosphere leading to benefit of all Stakeholders

Index and data indicators

*Global indices corrected sharply in 2008 January, so the data prior to the month is taken for reference, FY21 GDP at -7.3%

Time period	31/7/2021	30/6/2021	31/12/2007
Nifty	15763.05	15721.5	6138
Valuation			
Trailing PE	27.01	28.33	27.62
Trailing PB	4.12	4.24	6.39
Mcap/GDP	1.46	1.43	1.23
Nifty return			
1 year	42.35%	52.60%	54.77%
2 year	19.07%	15.48%	47.11%
3 year	11.55%	13.63%	43.43%
EPS growth			
1 year	59.16%	41.78%	19.13%
2 year	19.97%	16.80%	15.95%
3 year	13.19%	10.29%	17.85%
Other data points			
Credit growth	6.50%	5.90%	25%
10-year bond yield	6.20	6.04	7.57
Brent Oil Futures	76.33	75.13	93.25
USD/INR	74.33	74.36	39.23
Gold (oz/USD)	1817.20	1771.60	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Nifty hits a new high amid volatility!

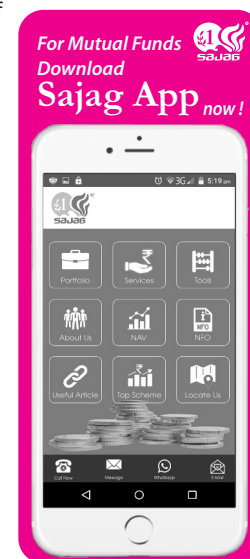
Volatility was high in the month of July as the quarterly earnings began amid worries that Delta variant of coronavirus may hamper global economic recovery weighed on investor sentiment.

Key developments during the month were,

- ▶ Industrial production in India surged 134.4%y-o-y in April of 2021 due to a low base effect from last year. Manufacturing production in India increased 197.10% in April of 2021 y-o-y. It is the biggest increase ever, following a record 66.6% drop in April 2020 due to the corona virus pandemic. The quick estimates of IIP data for the month of May 2021, revealed that the index for base 2011-12 stands at 116.6. This marked a 29.3% jump compared with the lockdown infected May 2020.
- ▶ The Consumer Price Index-based inflation (CPI) for the month of June 2021 recorded a rise of 6.26%, moderating a little after a six-month high

reading of 6.30% in May 2021. Food prices stayed elevated though as food inflation (CFPI) rose to 5.15% in June 2021, as compared with 5.01% in May 2021. Wholesale Price Index (WPI) stood at 12.07% in June 2021 (over June 2020) as compared with -1.81% in June 2020 and 12.94% in May 2021.

- ▶ India's trade deficit continued to widen in July as imports jumped to the highest level of this fiscal, while exports rose to a record. Trade deficit widened to \$11.23 billion in July from \$9.37 billion in June. That's the highest in three months. Merchandise exports rose 8.2% month-on-month to \$35.17 billion. Merchandise imports increased rose 8.2% month-on-month to \$35.17 billion. Merchandise imports increased 10.8% to \$46.4 billion. On an annual basis, exports rose 47.9% and imports increased 59.4% on a low base.
- ▶ The central government's fiscal deficit stood at Rs 2.74 trillion or 18.2% of the full year's Budget estimate at the end of June.
- ▶ GST revenue for the month of July stood at Rs 1,16,393 crore a 33% increase over the same month a year ago. The gross GST revenue collected in the month of July 2021 is Rs 1,16,393 crore of which CGST is Rs 22,197 crore, SGST is Rs 28,541 crore, IGST is Rs 57,864 crore (including Rs 27,900 crore collected on import of goods) and Cess is Rs 7,790 crore (including Rs 815 crore collected on import of goods).
- ▶ Retail sales in India declined by 50% in June due to the continued restrictions in the wake of the second wave of the coronavirus pandemic, as compared to the same month in 2019 before the health crisis hit, according to the Retailers Association of India (RAI). The industry body said the highest decline was witnessed in the sports goods category at 66%, while foods and grocery had the least with a dip of just 7% as compared to June 2019.
- ▶ The S&P Global Ratings affirmed India's sovereign rating at the lowest investment grade of 'BBB-' for the 14th year in a row with a stable outlook, and said that the country's strong external settings will act as a buffer against financial strains despite elevated government funding needs over the next 24 months.
- ▶ Fitch Ratings, cut India's growth forecast to 10% for the current fiscal, from 12.8% estimated earlier, due to slowing recovery post second wave of COVID-19, and said rapid vaccination could support a



Performance of key sectoral indices

Nifty Realty	15.43%	Nifty India Consumption	0.40%
Nifty Metal	10.24%	Nifty FMCG	-0.40%
Nifty IT	4.41%	Nifty Bank	-0.81%
Nifty Infrastructure	1.92%	Nifty Energy	-4.71%
Nifty MNC	1.39%	Nifty Auto	-5.38%
Nifty Pharma	0.68%		

sustainable revival in business and consumer confidence. The Asian Development Bank (ADB) has downgraded India's economic growth forecast for the current financial year to 10%, from 11% projected earlier this year, mainly on account of the adverse impact of the coronavirus pandemic.

On the political front, Union Council of Ministers cabinet saw a rejig as Prime Minister Narendra Modi inducted many new faces. In the month, despite FII selling Rs. 23,193.39 crores, indices managed to hit new high. The positivity was brought in by positive global markets, good performance of India INC as seen from Q1 results, and supportive central bank policies globally. CPI inflation, which is the central bank's monetary policy base, has been above the upper band of RBI's comfort zone of 2-6% for two straight months and growth rate returning to higher levels is still not in sight.

As the FED concluded its meeting, despite the optimism about the economy, Chairman Jerome Powell said the Fed is nowhere near considering a rate hike. As a result, S&P 500, Dow Jones and Nasdaq all ended higher. The gains came despite US-China tensions took the center stage. The G20 Finance Ministers approved a global corporate tax of at least 15% to be imposed on multinational companies with an aim to end tax havens. In a two-day virtual meet headquartered from Venice, the Group also endorsed a broad agreement plan introducing new rules for taxation of cross-border businesses.

Market Outlook

The IMF intimated that the second wave of the pandemic has setback economic recovery in India, as it cut the country's growth forecast for the ongoing financial year to 9.5% in FY22 as compared to the 12.5% forecast in April 2021. For FY23, GDP is estimated to grow by 8.5% compared to 6.9% estimated in April. While the forecast for the global economy remains unchanged from April 2021, prospects for emerging market and developing economies have been marked down for 2021, especially for emerging Asia, as per IMF. By contrast, the forecast for advanced economies is revised up.

- ▶ China's central bank announced a 50 basis points cut in its reserve requirement ratio for all banks, effective from July. The RRR represents the amount of money that banks must hold in their coffers as a proportion of their total deposits. China's exports in dollar terms rose 32.2% in June 2021 from a year earlier, compared with 27.9% growth in May 2021. Imports increased 36.7% y-o-y last month, slowing from a 51.1% gain in May 2021, which was the highest growth rate in a decade. China's GDP rose 7.9% y-o-y in the second quarter. Meanwhile, the country's retail

sales in June jumped 12.1% from a year earlier. Chinese industrial output rose 8.3% y-o-y in June. The Caixin China purchasing managers index dropped to 50.3 in July from 51.3 in June.

- ▶ Japan's industrial output jumped 6.2% in June, sharply rising from a 6.5% drop in May. June retail sales rose 0.1% from a year earlier. The Bank of Japan held steady on monetary policy. Japan's central bank downgraded its real GDP forecast for 2021 to 3.8% growth, as compared with the 4% growth forecast made in April 2021. The Bank of Japan also kept its yield curve control target at -0.1% for short-term interest rates and 0% for 10-year Japanese government bond yields.
- ▶ US inflation rose at its fastest pace in nearly 13 years, the Labor Department reported. The consumer price index increased 5.4% in June from a year ago. Core CPI, excluding food and energy, jumped 4.5%, the sharpest move for that measure since September 1991. A preliminary reading of the University of Michigan's index of consumer sentiment fell to 80.8 in July from a final reading of 85.5 in June, notching the measure's lowest level since February. Separately, the US Commerce Department released a report showing retail sales climbed by 0.6% in June after plunging by a revised 1.7% in May. Excluding a steep drop in sales by motor vehicle and parts dealers, retail sales jumped by an even stronger 1.3% in June following a revised 0.9% decrease in May. The US economy expanded 6.5% annualized in the second quarter. The economic activity in the US manufacturing sector continued to expand in July albeit at a softer pace than it did in June with the ISM's Manufacturing PMI declining to 59.5 from 60.6.
- ▶ The Euro Zone economy expanded in the second quarter of this year as various governments tiptoed around their economic reopening, preliminary data has shown. The 19-member economy grew by 2% in the three months through to the end of June. The region contracted 0.3% in the first quarter and 0.6% in the final quarter of 2020, two consecutive quarters of economic contraction are defined as a technical recession. Compared with the same quarter a year ago, the latest GDP reading represents a 13.7% increase.
- ▶ Organization of the Petroleum Exporting Countries (OPEC) stuck to its forecast for a strong recovery in world oil demand in the rest of 2021 and predicted oil use would rise further in 2022 similar to pre-pandemic rates, led by growth in China and India.
- ▶ The IHS Markit India Manufacturing Purchasing Managers' Index stood at 55.3 in July compared with 48.1 in June. That's the fastest pace of growth in three months. Output, new orders, exports, quantity of purchases and input stocks expanded in July, while a marginal increase in employment ended a 15-month sequence of job shedding.

India INC has been faring well, though glitches remain here and there. Indices are supported by global cues and liquidity. In this scenario any profit-booking at higher levels, would be seen as a chance to accumulate further.

TECHNICAL VIEW

Nifty began the month with underlying positive momentum and gradually attempted to move above the resistance level near 15900. However, Nifty could not cross the same in month of July and closed the month at 15763.

Nifty is placed above its key averages on weekly as well as monthly charts. Monthly RSI is above its average, however, as we have been mentioning, is now moving in an over-bought zone. Weekly RSI is above its average.

Going ahead, if Nifty sustains and move above 16000 mark, it would likely face resistance near 16500. However, it is likely that some profit-booking could happen and indices could take a breather. At the downsides, support is placed at 15560 below which support would be sought near 15300.



MUTUAL FUNDS PERFORMANCE

NAV as on 31 July 2021

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Aditya Birla SL Liquid Fund Reg (G)	332.88	0.27	0.82	1.61	3.19
Nippon India Liquid Fund (G)	5050.79	0.27	0.80	1.60	3.16
Arbitrage Funds	NAV	1 YR	2 YR	3 YR	5 YR
UTI Arbitrage Fund (G)	27.83	4.06	4.54	5.25	5.54
L&T Arbitrage Opportunities Fund (G)	15.21	4.10	4.74	5.25	5.59
Kotak Equity Arbitrage Fund (G)	29.52	4.14	4.53	5.21	5.59
Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP Equity & Bond Fund Reg (G)	226.70	43.78	23.88	14.85	13.40
Kotak Equity Hybrid (G)	36.95	49.01	23.88	14.70	12.62
BNP Paribas Substantial Equity Hybrid Fund Reg (G)	17.74	38.34	23.35	16.29	0.00
Canara Robeco Equity Hybrid Fund Reg (G)	231.38	36.97	22.76	14.56	13.95
ICICI Pru Equity & Debt Fund (G)	194.22	53.68	22.48	14.92	13.89
Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	34.02	31.15	22.08	12.72	12.20
Union Balanced Advantage Fund (G)	14.42	21.79	16.60	12.21	0.00
Aditya Birla SL Balanced Advantage Fund (G)	70.98	29.86	16.95	11.63	10.35
Kotak Balanced Advantage Fund Reg (G)	13.86	21.71	15.34	11.31	0.00
ICICI Pru Balanced Advantage Fund Reg (G)	46.70	26.46	15.45	11.22	10.43
Tax Saver Funds	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Tax Saver Fund Reg (G)	28.75	61.52	30.17	19.49	20.09
Canara Robeco Equity Tax saver Fund Reg (G)	107.06	56.77	31.80	19.04	17.52
DSP Tax Saver Fund Reg Fund (G)	77.01	63.94	29.35	17.83	15.82
Kotak Tax Saver Scheme (G)	66.59	54.69	25.88	15.98	14.93
Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	38.48	44.17	26.69	16.05	15.76
Axis Bluechip Fund (G)	42.40	40.26	21.79	13.93	16.04
Mirae Asset Large Cap Fund Reg (G)	72.33	45.36	21.55	13.87	14.99
Kotak Bluechip Fund (G)	345.75	47.26	24.92	13.85	13.21
Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	45.94	57.14	37.36	22.82	20.56
UTI Flexi Cap Fund Reg (G)	240.77	63.45	34.70	18.16	16.92
DSP Flexi Cap Fund Reg (G)	63.61	60.46	30.06	17.90	16.43
Canara Robeco Flexi Cap Fund (G)	207.88	49.76	27.74	16.40	16.53
Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
IIFL Focused Equity Fund (G)	27.82	59.71	32.63	23.13	17.21
Principal Focused Multicap Fund (G)	101.26	54.05	29.64	16.72	15.25
SBI Focused Equity Fund Reg (G)	216.02	52.74	25.32	16.56	16.27
Franklin India Focused Equity Fund (G)	60.27	67.19	24.52	15.40	14.26
ICICI Pru Focused Equity Fund Reg (G)	45.21	48.91	25.70	14.08	12.60
Axis Focused 25 Fund Reg (G)	42.06	48.10	24.71	12.88	16.54
Large & Midcap Fund	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Emerging Bluechip Fund Reg (G)	90.99	65.64	33.87	22.01	20.70
SBI Large & Midcap Fund Reg (G)	339.75	65.15	27.55	16.76	14.65
DSP Equity Opp Fund Reg (G)	347.91	62.42	29.50	16.64	15.37
Tata Large & Mid Cap Fund (G)	305.44	49.74	23.76	16.28	13.48
Kotak Equity Opportunities Fund (G)	184.11	52.66	27.58	15.99	15.19
Canara Robeco Emerging equities Reg (G)	150.06	60.35	31.81	15.85	17.58

Midcap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Midcap Fund (G)	63.69	62.72	35.77	20.91	19.37
Nippon India Growth Fund (G)	1902.53	78.53	35.52	19.93	17.07
Kotak Emerging Equity (G)	67.67	80.23	37.44	19.81	17.35
Tata Mid Cap Growth Fund Reg (G)	228.26	71.92	33.67	19.70	16.31

Smallcap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Small Cap Fund Reg (G)	55.52	89.04	42.42	26.88	20.77
Kotak Smallcap Fund (G)	149.41	119.36	52.81	25.96	19.80
ICICI Pru Smallcap Fund Reg (G)	47.98	113.24	43.11	23.16	17.44
Nippon India Small Cap Fund (G)	77.24	113.33	47.86	22.21	22.43
Union Small Cap Fund Reg (G)	27.38	100.29	50.08	21.70	15.70
SBI Small Cap Fund Reg (G)	95.74	88.56	41.72	21.30	22.23

Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Value Fund (G)	113.44	66.01	28.24	15.74	14.92
UTI Value Opportunities Fund (G)	94.00	55.91	27.97	14.82	13.77
ICICI Pru Value Discovery Fund (G)	221.33	53.01	26.76	14.35	12.36
IDFC Sterling Value Fund Reg (G)	80.68	103.79	33.94	13.89	16.03

Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	139.83	104.64	56.11	34.65	28.27
Aditya Birla SL Digital India Fund Reg (G)	120.52	89.59	53.14	32.49	27.34
Mirae Asset Healthcare Fund (G)	23.24	46.51	53.59	31.64	0.00
IDFC Infrastructure Fund Reg (G)	23.09	100.43	29.68	12.34	14.41
Aditya Birla SL Infrastructure Fund Reg (G)	47.64	92.25	28.46	12.35	11.49
Tata Resources & Energy Fund Reg Plan (G)	28.40	78.81	47.02	24.96	18.56

NAME	NAV	1 YEAR	2 YEAR	3 YEAR	5 YEAR
S&P BSE Sensex	52586.84	39.83	19.22	11.92	13.44

CORPORATE ACTIONS IN AUGUST 2021

COMPANY	RECORD DATE	PURPOSE
L & T Infotech	02/08/2021	Rs.10 per share (1000%) Special Dividend
Cummins India	05/08/2021	Rs.8 per share (400%) Final Dividend & A.G.M
I O C L	06/08/2021	Rs.1.5 per share (15%) Final Dividend
SRF	06/08/2021	Rs.12 per share (120%) First Interim Dividend
Jubilant Food.	09/08/2021	Rs.6 per share (60%) Final Dividend
Alkem Lab	10/08/2021	Rs.5 per share(250%)Final Dividend
Honeywell Auto	11/08/2021	Rs.85 per share (850%) Final Dividend
City Union Bank	12/08/2021	Rs.0.2 per share (20%) Final Dividend
Kotak Mah. Bank	12/08/2021	Rs.0.9 per share (18%) Dividend
Balkrishna Inds	14/08/2021	First Interim Dividend
Dr Lal Pathlabs	22/08/2021	Rs.6 per share (60%) Interim Dividend

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Tata Steel Ltd.	1171.9	1434.3	22.39%
Hindalco Industries Ltd.	372.3	444.8	19.47%
Bajaj Finserv Ltd.	12198	14222.2	16.59%
Sun Pharmaceutical Inds. Ltd.	675	773.95	14.66%
Ultratech Cement Ltd.	6777.3	7619.2	12.42%

LOSERS			
COMPANY	OPEN	CLOSE	%
Tata Motors Ltd.	341.5	293.95	-13.92%
Dr. Reddy'S Laboratories Ltd.	5426	4711.2	-13.17%
Bajaj Auto Ltd.	4141	3829.6	-7.52%
Maruti Suzuki India Ltd.	7500	6977.7	-6.96%
Hindustan Unilever Ltd.	2484	2333.3	-6.07%

COMPANY ANALYSIS REVIEW

SHAKTI PUMPS LIMITED

CMP (As on 31 July 2021) – 769

INDUSTRY - GENERAL PURPOSE MACHINERY

AUGUST 2021

SENSEX – 52586 NIFTY – 15763

Mkt. Cap.	:	1417.20 Cr
Equity	:	18.38
Trading Vol.	:	254196
52 Week High/Low	:	910/162
Face Value	:	10

BSE Group	:	B
BSE Code	:	531431
NSE Symbol	:	SHAKTIPUMP
Bloomberg	:	SKPIIN
Reuters	:	SHPU.BO

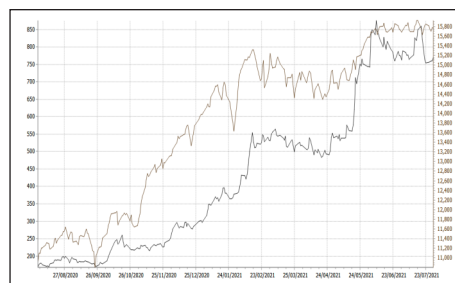
Shareholding Pattern		
Promoters	:	55
Institutions	:	1
Public	:	3
Others	:	41

We had earlier reviewed this company in our Sajag Online publication of November 2018. We remain positive about the company in the anticipation of improvement in order book, stable financials and increasing demand for solar pumps.

Situated in central India - Pithampur, at the heart of Madhya Pradesh - Shakti Pumps is a specialist in the manufacture of a broad range of submersible pumps and motors for a variety of applications.

Investment rationale

- ▶ The company has broadly 4 business segments viz, Government Solar, OEM, Exports, Domestic and Industrials. Solar business is subsidized which is 60% while non-subsidized is 40%. Due to decrease in solar panel prices, pump prices have reduced which would support demand.
- ▶ The company is looking forward to the implementation of KUSUM scheme. The government is looking to install four lakh pumps in the country under the KUSUM scheme. The Scheme aims to double farmers' income by 2022 and further burnish India's green energy credentials. This scheme has eliminated farmers' dependence on diesel and kerosene and linked them to solar energy.
- ▶ Besides Government schemes, Shakti Pumps also supplies to OEMs, export markets, industrial and others in the country. It is one of the leading pump exporters in India. Exports contribute to 40-50% revenues and this year the company is looking at 20-25% export growth. The firm exports to Africa, Middle East and the US.
- ▶ Q1 is the planning quarter, Q2 and Q3 are best when the company caters to orders. Low utilization level and higher fixed cost led to lower operating margins in Q1 FY22. Except for FY20, the company reported profit in last years and positive CFO. With a low D/E of 0.6, RONW was 15%.



Rapid depletion of groundwater, increased use of solar pumps coupled with government-initiated projects, and rapid urbanization contribute to the exponential growth of the water pumps market in India. The solar water pumping systems market in India has recorded a substantial growth in the last few years and is estimated to grow at a CAGR of more than 27% during 2018-2024. Shakti Pumps has been a leader and first-mover, first in the manufacture of stainless steel pumps, then in the manufacture of all components for these pumps, in the extension of these pumps to the solar segment and thereafter to the manufacture of all supporting digital sub-products to complete the solution. This year the company is expecting around 50000-60000 pumps business. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Equity	18.38	18.38	18.38	18.38	18.38
Networth	340.61	246.77	272.01	235.25	205.04
Total debt	89.63	192.92	178.28	110.32	89.16
Sales	929.66	382.82	543.69	436.61	429.04
Other Income	3.77	4.09	3.7	3.49	2.11
Operating profit	145.82	16.34	92.97	81.96	62.56
PAT	75.59	-14.08	45.09	34.85	21.65
Book Value (Rs)	185.31	144.26	157.99	137.99	121.56
EPS (Rs.)	41.12	0	24.53	18.96	11.78
Dividend (%)	24.04	0	50	37	20
Payout (%)	5.85	-54.26	26.09	15.87	15.35

Latest Results (Rs. Crore)

Quarter Ended	Jun-21	Jun-20	Var [%]
Sales	147.73	86.59	70.61
Other Income	1.1	1.05	4.76
PBIDT	9.31	8.65	7.63
PBT	2.64	0.45	486.67
PAT	4.36	0.83	425.3

PENNAR INDUSTRIES LIMITED

CMP (As on 31 July 2021) – 40

INDUSTRY - STEEL

AUGUST 2021

Mkt. Cap.	:	581.44 Cr
Equity	:	71.08
Trading Vol.	:	4404262
52 Week High/Low	:	42/14
Face Value	:	5

BSE Group	:	B
BSE Code	:	513228
NSE Symbol	:	PENIND
Bloomberg	:	PSLIN
Reuters	:	PENN.BO

Shareholding Pattern		
Promoters	:	38
Institutions	:	0
Public	:	0
Others	:	62

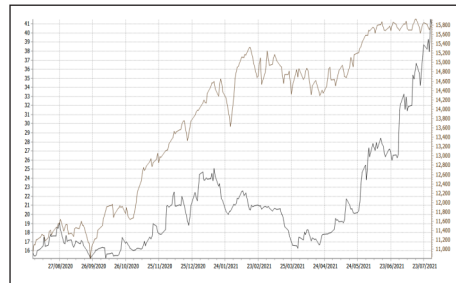
We had earlier reviewed this company in our Sajag Online publication of June 2018. We remain positive about the company owing to improving business scenario and a healthy order book.

Pennar Industries Limited is one of the top leading engineering company. The company has a wide spectrum of engineered products & customised turnkey engineering solutions across diverse industries. It has 8 manufacturing plants.

Investment rationale

- ▶ It manufactures precision engineering products like cold-rolled steel strips, special steel, precision tubes, railway wagons /coaches, pre-engineered building systems, sheet metal components, auto components, road safety systems, hydraulics parts, warehousing solutions, water treatment chemical & project solution and oil additives.
- ▶ It has business units of Engineered products and Engineered Solutions. Steel, railways, industrial components and precision tubes fall under products while pre-engineered buildings (PEBS) and enviro fall under solutions.
- ▶ In addition to making significant progress in PEB & Structural steel segments, PEBS has added Engineering Services, Solar Module Mounting Structures and Solar Photo Voltaic Panels into the product portfolio. The company is trying to penetrate widely in US market in Engineering services segment by increasing the number of customers. It aims to have a manufacturing footprint for PEBs and Structural Steel in the USA and is in the process of setting up a manufacturing facility in the USA, and the commercial operations will commence soon.
- ▶ The company has bagged orders worth Rs 571 crore across its various business verticals till the month of July 2021. The company has never reported a loss in last 10 years and generally has generated positive CFO. PBDITA has been consistently increasing. In FY20, in spite of decline in revenues, it reported increased PBDITA indicating at improved margins. D/E has been maintained at 0.6. In Q4FY21, it has more than doubled the PBDITA at Rs. 74 crore.

Pennar has a blue-chip client roster, which includes TATA Motors, L&T, Ashok Leyland, ABB, Moser Baer, Schneider Electric, Tata BP Solar, among others. The five leading clients accounted for 25% of the Company's revenues. It is focussed on increasing the proportion of value-added products in its revenue mix resulting in a higher margin-accretive product mix and improved realisations. The stock trades below its book value at a P/B of 0.8. We recommend investing with a long term perspective.



Consolidated Financial Performance (Rs. Crore)

Year End	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Equity	71.08	72.62	76.18	76.18	60.17
Networth	695.83	700.33	667.49	604.05	476.1
Total Debt	565.24	487.22	444.28	351.1	135.82
Sales	1525.35	2,097.66	2,116.12	1,749.82	987.7
Other Income	38.62	20.29	26.03	38.54	4.91
Operating profit	131.49	188.03	196.49	223.94	92.24
PAT	2.84	52.51	64.04	93.05	28.55
Book Value (Rs)	48.6	47.96	43.65	39.65	29.23
EPS (Rs.)	0	3.62	4.2	6.11	2.37
Dividend (%)	0	0	0	0	0
Payout (%)	0	0	0	0	0

Latest Results (Rs. Crore)

Quarter Ended	Mar-21	Mar-20	Var [%]
Sales	549.86	451.54	21.77
Other Income	28.63	4.58	525.11
PBIDT	72.91	30.75	137.11
PBT	43.13	1.06	3,968.87
PAT	32.36	0.92	3,417.39

MOLD-TEK PACKAGING LIMITED

CMP (As on 31 July 2021) – 527

Mkt. Cap.	: 1480.96 Cr
Equity	: 14.03
Trading Vol.	: 157771
52 Week High/Low	: 571/215
Face Value	: 5

INDUSTRY - PACKAGING

BSE Group	: A
BSE Code	: 533080
NSE Symbol	: MOLDTKPAC
Bloomberg	: MTEPIN
Reuters	: MOLT.BO

AUGUST 2021

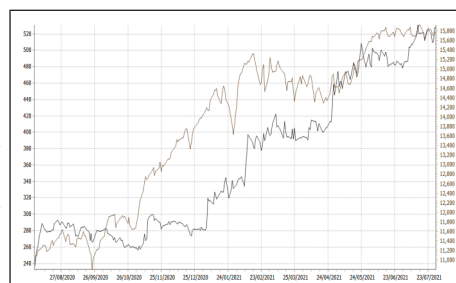
Shareholding Pattern	
Promoters	: 35
Institutions	: 17
Public	: 11
Others	: 37

We had reviewed this stock earlier in our Sajag Online publication of September 2017. We maintain our positive outlook based increasing demand from user industries, a leadership position and a stable balance-sheet.

Mold-Tek Packaging established in 1986, is the leader in rigid plastic packaging in India. It is involved in the manufacturing of injection-molded containers for lubes, paints, food, and other products. MTPL has seven processing plants spread across India with a total capacity of around 41,000 MTPA.

Investment rationale

- ▶ Mold-tek is likely to witness increased volume growth due to continued momentum in the paint sector and sequential recover in FMCG and better realizations due to pick up in sales of pump and increase in contribution of IML products. The company has increased capacity in paints - at Vizag, Mysuru and Uttar Pradesh and food and FMCG at Hyderabad. It has also added new segments (detergents, dates, nutrition powder, agro-nutrients). It had introduced QR coded IML products which will help increase in market share from new and existing clients.



- ▶ It is the pioneer in the field of In-Mold label (IML) decoration in India and is the only completely backward-integrated company with its state-of-the-art integrated facility for IML. Its position as market leaders in Indian plastic packaging industry is a result of various competitive advantages.
- ▶ Despite huge rise in RM prices, the company could pass on the price rise back to all clients in FY21. The company has been maintaining PBDITA margin of around 17-18% and a RONW of around 18-19%. It is a low D/E of 0.5. It has consistently generated positive CFO.

As the trend is to follow new, hygienic and world class decorated containers to build brand image for the products, IML decorated thin wall containers are going to rule the rigid packaging in coming years especially in Food and FMCG. For FY22, the company has guided for a 15-18% volume growth. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Equity	13.96	13.86	13.85	13.85	13.85
Networth	255.96	197.45	191.67	173.8	152.68
Total debt	98.00	117.7	112.28	98.42	53.92
Sales	478.93	438.2	405.72	357.67	338.47
Other Income	0.78	1.16	1.13	0.96	0.84
Operating Profit	95.38	78	71.52	62.73	51.23
PAT	47.96	37.53	31.93	27.89	24.23
Book Value (Rs)	93.06	70.74	68.76	62.34	54.76
EPS (Rs.)	16.82	13.41	11.45	9.98	8.67
Dividend (%)	140	100	80	80	72
Payout (%)	41.66	78.74	55.39	13.98	40.28

Latest Results (Rs. Crore)

Quarter Ended	Jun-21	Jun-20	Var [%]
Sales	133.73	65.3	104.79
Other Income	0.12	0.14	-14.29
PBIDT	25.36	9.24	174.46
PBT	16.56	2.15	670.23
PAT	12.08	1.57	669.43

Source: Company, Prowess, Capital line, Sajag Research

Systematic investment in different equity oriented Mutual funds at the rate of Rs. 10000/- p.m. and its values at different time intervals.

Scheme	Value & Return (3 Yr)	%	Value & Return (5 Yr)	%	Value & Return (8 Yr)	%	Value & Return (10 Yr)	%	Value & Return (15 Yr)	%
Total Investment :	360000	%	600000	%	960000	%	1200000	%	1800000	%
Aditya Birla SL India Gen Next Fund Reg (G)	519,753	25.4	945,870	18.3	1,983,159	17.6	3,104,044	18.1	7,388,048	17.1
Canara Robeco Emerging equities Reg (G)	558,896	30.7	1,005,283	20.8	2,296,398	21.2	3,857,801	22.1	9,620,969	20.1
Kotak Equity Opportunities Fund (G)	537,085	27.8	961,333	18.9	1,945,538	17.2	2,940,451	17.1	6,160,818	15.0
Mirae Asset Emerging Bluechip Fd Reg (G)	585,681	34.3	1,086,364	24.0	2,572,760	23.9	4,424,702	24.6		
SBI Focused Equity Fund Reg (G)	530,026	26.8	980,849	19.7	2,028,328	18.2	3,094,060	18.0	7,628,209	17.4

*Past performance of Mutual Funds is not an indicator for future performance.

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

ASHOK LEYLAND LIMITED

CMP (AS ON 30 JULY 2021) - 132

TARGET - 160

Ashok Leyland, flagship of the Hinduja group, is the 2nd largest manufacturer of commercial vehicles in India, the 3rd largest manufacturer of buses in the world, and the 10th largest manufacturers of trucks. Headquartered in Chennai, 9 manufacturing plants gives an international footprint with a strong brand. Switch Mobility, the next-generation electric bus and light commercial vehicle company, and subsidiary of Ashok Leyland Ltd, recently announced strategic steps to further solidify its progress towards developing net zero carbon mobility showing its future-readiness. Ashok Leyland achieved total sales of 8650 units in month of July 2021 compared to 4776 units in July 2020, recording a growth of 81%. Total sales include domestic sales of 8129 units, higher by 90% over July 2020. It has maintained PBDITA margins near 15%.

HDFC BANK LIMITED

CMP (AS ON 30 JULY 2021) - 1426

TARGET - 1650

HDFC Bank is a leading private sector bank of India. Net profit of HDFC Bank rose 14.36% to Rs 7922.09 crore in the Q1FY22 as against Rs 6927.24 crore during Q1FY21. Total Operating Income declined 0.30% to Rs 32253.76 crore in the Q1FY22 as against Rs 32351.61 crore during Q1FY21. The management commentary of private banks for Q2FY22 is optimistic and the road ahead looks better than the first half of the year. With the recovering economy and caution about impending third-wave, private banks are expected to strengthen their positions by optimising their operations and sustaining their profitability. In this scenario, HDFC Bank remains well positioned for continued growth given its strong market position, stable asset quality, healthy capital position, a mix of wholesale and retail loan portfolio and growing deposit base.

Visit us at www.sajagonline.com

We have the authorised persons at following locations

Area	Contact Person	Tel. No.	Area	Contact Person	Tel. No.
Aundh	Mr. Jaydeep Doshi	25890824	Paud Road	Mr. Sadanand Damle	9850845567
Boat Club Road	Mr. Naresh Karpe	41204584	Phadke Haud	Mr. Jayant Mundada	9850990766
Camp	Mr. Naresh Karpe	26346310	Sadashiv Peth	Mr. C. V. Sane	24475457 (Res.)
Dahanukar Colony	Mr. Abhay Oak	25444744	Sahakar Nagar	Mr. Tejas Jaykar	9765173434
ITI Road, Aundh	Mr. Ravi Jadhav	25888511	Aurangabad	Mr. Amit Vaidya	0240-2347584
Kalyani Nagar	Ms. Bernadette Dias	9422449266	Aurangabad	Mr. Abhijit Bhaiwal	0240-2361421
Karve Nagar	Ms. Prajakta Bedekar	8600993930	Sangli	Mr. Dattaji Gaikwad	0233-6600566
Kondhwa	Mr. Santosh Gupte	26836366	Satara	Mr. Vinod Jhamvar	02162-233906
Koregaon Park	Mr. Ajit Godbole/Mr. Ninad Parundekar	26158889	Shrirampur	Mr. Amit Somani	02422-228111

Visit us at

WWW.sajagonline.com

*For opening your account with us and Net Trading
please contact Kiran - 020 6601 47 37*

FOR PRIVATE CIRCULATION TO THE REGISTERED CLIENTS OF SAJAG SECURITIES PVT LTD ONLY

CERTIFICATION:

This report is issued by Sajag Securities Pvt. Ltd. (SSPL) which is regulated by SEBI and its research activities are as per SEBI Guidelines for Research Analysts December 2014. Registration Number: INH000003923. The research analyst(s) who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the research analyst's personal views about all of the subject issuers and / or securities, that the analyst have no known conflict of interest and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific views or recommendations contained in this research report. It is confirmed that the Research Analysts do not serve as an officer, director or employee of the companies mentioned in the report.

DISCLAIMER:

This Document is for private circulation & for information purposes only. It does not have regard to specific investment objectives, financial situation & the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report & should understand that statements regarding future prospects may not be realised. In no circumstances the used or considered as an offer to sell or solicitation of any offer to buy or sell the securities mentioned in it. The information in this document has been obtained from sources believed reliable, but we do not represent that it is accurate or complete. We hereby certify that the views expressed in this research report accurately reflect our personal views about the subject companies & their securities. We certify that we have not been, have not, & will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation in this report. We may or may not hold shares in the recommended companies.

Contact : RASHMI, Tel.No. : 020 6601 47 37 or send e-mail at 'rashmi@sajag.co.in' for further clarification.

BOOK - POST

If undelivered please return to :

Sajag Securities Pvt. Ltd.

'Regent Chambers', Opp. Garware College,

33/15-B, Karve Road, Pune 411004.

Tel. : 020 - 6601 47 37