

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 Ontime 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, FY22 GDP growth forecast at 9.5%

Time period	31/12/2021	30/11/2021	31/12/2007
Nifty	17354.05	16983.2	6138
Valuation			
Trailing PE	24.11	23.43	27.62
Trailing PB	4.37	4.25	6.39
Mcap/GDP	1.51	1.46	1.23
Nifty return			
1 year	24.12%	30.95%	54.77%
2 year	19.42%	18.69%	47.11%
3 year	16.90%	16.01%	43.43%
EPS growth			
1 year	97.94%	99.31%	19.13%
2 year	29.38%	29.98%	15.95%
3 year	20.14%	20.58%	17.85%
Other data points			
Credit growth	7.30%	6.90%	25%
10-year bond yield	6.45	6.30	7.57
Brent Oil Futures	77.78	70.57	93.25
USD/INR	74.46	75	39.23
Gold (oz/USD)	1828.60	1776.5	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices recover amid volatility!

In the month of December, Nifty see-sawed between profit-booking and support-buying and managed to stage a decent recovery as we approached the last day of year 2021.

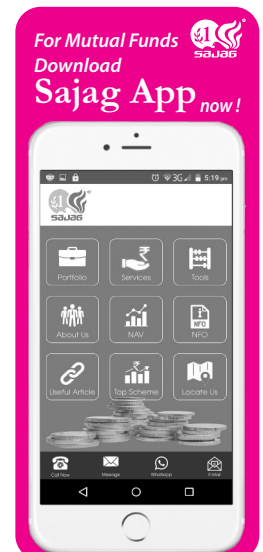
Key developments during the month were,

- ▶ India's index of industrial production (IIP) grew by 3.2% in October 2021. Industrial output, as measured by IIP, leapt 4.5% in October 2020 and surged 3.1% in September. Meanwhile, the mining output rose by 11.4%, whereas, manufacturing sector output jumped 2%. Electricity generation grew 3.1%.
- ▶ India's inflation based on wholesale price index (WPI) surged to 14.2% on the back of higher food prices. It had jumped to a five-month high of 12.54% in October. India's retail inflation based on Consumer Price Index (CPI) rose to a three-month high of 4.91% in November this year. The retail

inflation had risen to 4.48% in October from 4.35% in September.

- ▶ India's exports in December 2021 surged 37% on an annual basis to USD 37.29 billion, the highest-ever monthly figure, on the back of healthy performance by sectors like engineering, textiles and chemicals, even as the trade deficit widened to USD 21.99 billion. Imports in December too rose by 38% to USD 59.27 billion on account of an increase in oil imports, which soared 65.17% to USD 15.9 billion. Cumulatively, during April-December 2021-22 exports rose by 48.85% to USD 299.74 billion. Imports during the period increased by 69.27% to USD 443.71 billion, leaving a trade deficit of USD 143.97 billion.
- ▶ India is becoming a preferred investment destination amongst global investors. India has attracted highest ever annual Foreign Direct Investment, FDI inflow of 81.97 billion US dollars in the current fiscal year despite the challenges posed by COVID-19 pandemic. India has received FDI inflow worth 440.27 billion US dollars in the last seven years.
- ▶ GST collected in December 2021 was over Rs 1.29 lakh crore, 13% higher than the same month last year. The average monthly gross GST collection for the third quarter of the current year has been Rs 1.30 lakh crore against the average monthly collection of Rs. 1.10 lakh crore and Rs. 1.15 lakh crore in first and second quarters respectively.

As per the BRICS Economic Bulletin 2021 released by the Reserve Bank of India India's recovery from the slowdown inflicted by the COVID-19 pandemic is projected to be higher than other member nations. In the United States, the US Congress approved raising the federal government's debt limit by \$2.5 trillion, to about \$31.4 trillion. The Fed announced that it would wind down its asset purchases, at a faster pace amid a continued rise in inflation. The Fed will be buying \$60 billion per month of bonds starting in January, down from December's rate of \$90 million, and said that it will likely continue that trajectory in the months ahead. This sets the stage for a dramatic policy shift that will clear the way for a first interest rate hike next year. The decision to aggressively ease bond purchases follows recent inflation data showing a 6.8% surge in November. This disturbed the market sentiments, amid technically overbought conditions, which led to some profit-booking only to be followed by a bounce back. Indian equity markets saw a FII outflow of Rs. 35,493.59 crores worth of shares in December month on top of more than Rs 39,900 crore of offloading in November.



Performance of key sectoral indices

Nifty Bank	-1.17%	Nifty Auto	1.97%
Nifty Realty	-1.14%	Nifty MNC	3.01%
Nifty Infrastructure	-0.94%	Nifty Pharma	3.66%
Nifty Energy	-0.82%	Nifty Metal	4.69%
Nifty India Consumption	-0.12%	Nifty IT	10.12%
Nifty FMCG	-0.09%		

Market Outlook

In Asia, the Asian Development Bank trimmed its growth forecasts for developing Asia for this year and next to reflect risks and uncertainty brought on by the new omicron coronavirus variant. The lender now sees 2021 GDP growth of 7% for developing Asia, down from 7.1%, and 2022 growth of 5.3%, down from 5.4% in September.

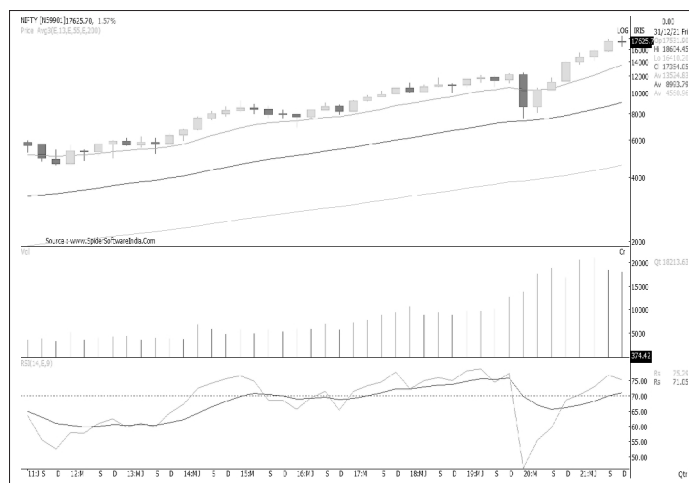
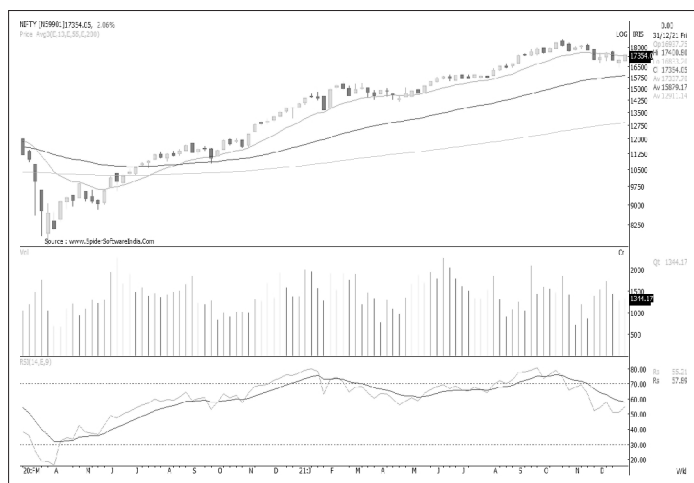
- ▶ India's manufacturing sector activities moderated in December but output remained in the growth territory, amid slower rise in sales and new orders. The seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index (PMI) eased to 55.5 in December, from November's ten-month high of 57.6.
- ▶ In the US, trade deficit narrowed sharply in October as exports soared to a record high, potentially setting up trade to contribute to economic growth this quarter for the first time in more than a year. The trade gap plunged 17.6% to \$67.1 billion. US employers added 210,000 jobs last month, the unemployment rate dropped to 4.2%. According to IHS Markit, final December Manufacturing PMI for the US was 57.7. That marked a slight downwards revision from the flash estimate of 57.8 and was below October's 57.8 reading.
- ▶ China's central bank said that it would lower the amount of funds banks have to set aside, replenishing liquidity into the financial system in a bid to support the economy and cut financing costs for businesses, would

release a combined 1.2 trillion yuan (\$188.19 billion) worth of liquidity into the financial system. China's industrial output for November was up 3.8% y-o-y, more than the 3.5% increase in October. China's retail sales in November rose 3.9% y-o-y, less than October's 4.9% increase. Japan's exports growth sped up in November. Exports rose 20.5% in November from a year earlier, the ninth straight month of increase. It followed a 9.4% gain in the previous month. China's industrial profits in November jumped 9% from last year. Factory activity saw an acceleration in growth during December, with the official manufacturing PMI coming in at 50.3 for that month from November's reading of 50.1. The Caixin/Markit Manufacturing PMI rose to 50.9 in December - its highest level since June.

- ▶ Japan's November consumer inflation marked the biggest year-on-year rise in nearly two years on surging fuel costs. Japan's core consumer price index (CPI), which excludes volatile fresh food but includes oil costs, rose 0.5% in November from a year earlier. Meanwhile, the Bank of Japan maintained its short-term interest rate target at (-) 0.1%.
- ▶ IHS Markit's eurozone composite PMI dropped to 53.4 in December from 55.4 in November, according to the flash reading. This indicates an easing in the rate of output growth to the lowest level since March. The decline in the composite reading was driven by the service sector, where business activity grew at the weakest rate since April. The UK Consumer Price Index rose by 5.1% in the 12 months to November, up from 4.2% in October. The Bank of England hiked its interest rates for the first time since the pandemic started. It raised its main interest rate from a historic low of 0.1% to 0.25% amid mounting inflation pressure. The Bank of England is the first major central bank to tighten monetary policy post the onset of the coronavirus pandemic.

Going ahead, volatility is likely to rule the roost. In such backdrop, pockets of sound fundamental with high quality businesses are likely to attract buying attention.

TECHNICAL VIEW



Nifty began the last month of calendar year 2021 on a positive note and attempted to cross 17000. It however faced strong resistance and moved lower till 16410 during the month. As month progressed, Nifty did manage to recover and closed the month at 17354.

As we have been mentioning in last few days, Nifty did see volatility and profit-booking at higher levels, as it saw in earlier months. It fell to a low near the 200-day EMA, which acted as a strong support and Nifty bounced back. Nifty is placed above all its key EMAs. RSI is placed below its average on weekly and very close to average on monthly chart. Quarterly RSI is placed above average, however, Nifty has formed a 'Doji' on quarterly chart and after 6 continuous positive quarters, Nifty has closed the last quarter in red.

Going ahead, 16300 (near 200 day-EMA) is likely to be an important support for Nifty. On the other hand, 17800 is a resistance zone for Nifty. If Nifty crosses this resistance, it would move towards 18300 and 18600.

MUTUAL FUNDS PERFORMANCE

NAV as on 31 December 2021

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Mirae Asset Cash Management Fund (G)	2197.22	0.28	0.85	1.67	3.30
Axis Liquid Fund (G)	2329.38	0.28	0.86	1.68	3.28
UTI Liquid Cash Plan Reg (G)	3436.67	0.29	0.86	1.68	3.28
Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	29.93	0.21	0.92	1.74	3.96
SBI Arbitrage Opp Fund Reg (G)	27.03	0.21	1.14	1.94	3.96
UTI Arbitrage Fund (G)	28.19	0.19	0.83	1.67	3.86
Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
Kotak Equity Hybrid (G)	39.76	28.88	21.91	19.27	14.40
ICICI Pru Equity & Debt Fund (G)	216.14	41.70	24.21	19.05	15.60
DSP Equity & Bond Fund Reg (G)	238.04	24.22	20.54	18.38	14.97
Canara Robeco Equity Hybrid Fund Reg (G)	246.91	22.76	21.18	17.93	15.76
Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	35.90	18.76	20.65	16.20	14.64
Kotak Balanced Advantage Fund Reg (G)	14.43	12.96	13.28	12.90	N/A
ICICI Pru Balanced Advantage Fund Reg (G)	48.99	15.13	13.39	12.52	11.67
IDFC Balanced Advantage Fund Reg (G)	18.37	15.53	14.20	12.32	10.96
Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
IDFC Sterling Value Fund Reg (G)	90.17	64.45	37.57	21.10	20.05
Nippon India Value Fund (G)	121.91	39.40	27.29	19.65	17.96
UTI Value Opportunities Fund (G)	100.09	30.42	24.55	19.65	16.61
ICICI Pru Value Discovery Fund (G)	241.84	38.52	30.41	19.61	15.20
Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
IIFL Focused Equity Fund (G)	30.74	36.45	29.94	29.06	21.08
SBI Focused Equity Fund Reg (G)	251.34	42.98	27.93	23.85	21.46
Axis Focused 25 Fund Reg (G)	46.14	24.00	22.46	19.80	20.21
Franklin India Focused Equity Fund (G)	65.22	39.41	24.28	19.65	16.52
Tax Saving Schemes	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Equity Tax saver Fund Reg (G)	117.63	35.13	31.14	23.96	20.87
Mirae Asset Tax Saver Fund Reg (G)	31.28	35.29	28.19	23.30	22.05
IDFC Tax Advantage Reg (G)	97.44	49.20	33.03	21.74	20.17
DSP Tax Saver Fund Reg Fund (G)	80.24	35.12	24.64	21.29	17.57
Kotak Tax Saver Scheme (G)	71.64	33.24	23.72	19.92	17.27
Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	41.61	24.54	23.76	21.01	19.19
Axis Bluechip Fund (G)	46.29	20.64	20.15	19.62	20.27
Kotak Bluechip Fund (G)	375.52	27.74	21.89	19.27	16.49
IDFC Large Cap Fund Reg (G)	50.51	26.75	21.96	18.05	16.14
Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	141.04	52.25	40.86	25.70	16.80
Axis Midcap Fund (G)	70.02	39.93	32.74	25.18	23.57
Kotak Emerging Equity (G)	72.64	47.31	33.94	25.00	19.77
Nippon India Growth Fund (G)	2043.57	46.46	33.65	24.02	19.63
Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	77.80	16.59	14.95	13.17	12.66

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Growth Opportunities Fund Reg (G)	21.38	44.56	34.21	27.99	N/A
Mirae Asset Emerging Bluechip Fund Reg (G)	98.19	39.13	30.45	24.98	22.43
Canara Robeco Emerging equities Reg (G)	165.09	36.99	30.57	22.83	20.64
Aditya Birla SL Equity Advantage Fund Reg (G)	692.22	38.27	27.85	21.21	16.85

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Kotak Smallcap Fund (G)	167.52	70.94	51.38	34.03	23.45
Axis Small Cap Fund Reg (G)	62.15	58.22	39.08	32.18	23.80
Nippon India Small Cap Fund (G)	87.30	74.34	50.02	29.96	24.39
ICICI Pru Smallcap Fund Reg (G)	51.15	61.00	40.52	29.53	19.22

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	51.43	45.51	38.68	30.09	23.17
UTI Flexi Cap Fund Reg (G)	267.96	33.98	32.70	25.31	21.51
DSP Flexi Cap Fund Reg (G)	67.25	32.43	25.36	22.52	18.97
Canara Robeco Flexi Cap Fund (G)	229.26	32.61	27.27	22.07	20.37
Axis Flexi cap Fund (G)	19.52	28.34	23.70	21.49	N/A

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	173.79	75.74	73.02	45.26	34.32
Aditya Birla SL Digital India Fund Reg (G)	148.34	70.47	64.54	43.70	33.22
Mirae Asset Healthcare Fund (G)	24.04	26.58	48.29	32.77	N/A
Sundaram Services Fund (G)	21.00	44.74	29.20	26.66	N/A
Tata Resources & Energy Fund Reg Plan (G)	28.59	46.64	38.33	28.05	18.59
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	20.95	18.23	42.27	28.44	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	136.14	29.73	21.89	19.40	18.48
IDFC Infrastructure Fund Reg (G)	24.33	64.84	32.30	18.38	14.29
Aditya Birla SL Infrastructure Fund Reg (G)	48.28	44.77	27.43	16.04	13.19
Tata Banking and Financial Services Fund Reg (G)	24.78	11.86	7.16	13.00	15.89
SBI Banking & Financial Services Fund Reg (G)	23.64	12.08	8.39	12.35	16.91

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	58253.82	21.99	18.8	17.31	16.93
NSE - Nifty 50	17354.05	24.12	19.39	16.89	16.20

CORPORATE ACTIONS IN JANUARY 2022

COMPANY	RECORD DATE	PURPOSE
IPCA Labs.	11/01/2022	Stock Split from Rs.2/- to Rs.1/-
Ajanta Pharma	14/01/2022	Buy Back of Shares
TCS	20/01/2022	Third Interim Dividend
HCL Technologies	22/01/2022	Interim Dividend
L&T Technology	27/01/2022	Interim Dividend

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Tech Mahindra Ltd.	1550	1790.55	15.52%
H C L Technologies Ltd.	1146	1319.1	15.10%
Hindalco Industries Ltd.	419.5	475.55	13.36%
Sun Pharmaceutical Inds. Ltd.	756.75	845.7	11.75%
Wipro Ltd.	642.6	715.35	11.32%

LOSERS			
COMPANY	OPEN	CLOSE	%
Kotak Mahindra Bank Ltd.	1979	1796.1	-9.24%
Indian Oil Corpn. Ltd.	119.65	111.5	-6.81%
Bharti Airtel Ltd.	733	683.8	-6.71%
Bajaj Finserv Ltd.	17444	16406.2	-5.95%
Tata Consumer Products Ltd.	789.9	743.45	-5.88%

Visit us at www.sajagonline.com

COMPANY ANALYSIS REVIEW

ASHOK LEYLAND LIMITED

CMP (As on 31 December 2021) – 127

INDUSTRY - COMMERCIAL VEHICLES

JANUARY 2022

SENSEX – 58253 NIFTY – 17354

Mkt. Cap.	:	37486.70 Cr
Equity	:	293.55
Trading Vol.	:	19018355
52 Week High/Low	:	153/99
Face Value	:	1

BSE Group	:	A
BSE Code	:	500477
NSE Symbol	:	ASHOKLEY
Bloomberg	:	ALIN
Reuters	:	ASOK.BO

Shareholding Pattern		
Promoters	:	51
Institutions	:	19
Public	:	17
Others	:	3

We had earlier recommended the stock in our Sajag Online publication of January 2019.

We remain optimistic about the company with improving demand scenario of commercial vehicles industry.

Ashok Leyland, flagship of the Hinduja group, is the 2nd largest manufacturer of commercial vehicles in India, the 4th largest manufacturer of buses in the world, and 19th largest manufacturers of trucks. Headquartered in Chennai, 9 manufacturing plants gives an international footprint - 7 in India, a bus manufacturing facility in Ras Al Khaimah (UAE), one at Leeds, United Kingdom and a joint venture with the Alteams Group for the manufacture of high-pressure die-casting extruded aluminum components for the automotive and telecommunications sectors.



Investment rationale

- ▶ Ashok Leyland has a well-diversified portfolio across the automobile industry and is one of the most integrated manufacturers. It has a product range from 1T GVW (Gross Vehicle Weight) to 55T GTW (Gross Trailer Weight) in trucks, 9 to 80 seater buses, vehicles for defence and special applications, and diesel engines for industrial, genset and marine applications.
- ▶ Till FY19 the company grew its sales at a CAGR of 17% from FY13-FY19. In FY20, FY21 the sales declined and thus profits. It is profitable on operating level, however, in FY21 it reported a loss. The company has volatile cashflow from operations in past years. Till FY19, RONW was above 20%.
- ▶ As the economic activity recovers, fleet utilisation will improve resulting in better profitability for freight operators. Demand scenario is hence likely to improve. Fleet utilisation level has improved to 75-77%.

Increasing diesel prices led Ashok Leyland to lose market share as demand for CNG products increased. Market share declined to 24% in H1FY22 from 33.8% in FY2019. However, the company will launch products in the CNG truck segment from Q4FY22 onwards to address gaps in its portfolio. 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	293.55	293.55	293.55	292.71	284.59
Networth	7,862.02	7,788.81	8,745.57	7,420.59	6,392.95
Debt	24,077.17	22,417.19	19,167.91	15,791.04	13,167.93
Sales	19,754.45	22,411.96	33,620.65	30,334.77	24,584.25
Other Income	293.23	110.73	175.12	205.71	338.26
Operating profit	2,669.18	3,290.80	5,049.46	4,438.20	3,450.62
PAT	-69.6	459.8	2,194.60	1,813.82	1,632.91
Book Value (Rs)	26.78	26.53	29.79	25.35	22.44
EPS (Rs.)	-0.24	1.57	7.48	6.2	5.74
Dividend (%)	60	50	310	243	156
Payout (%)	0	530.33	43.36	31.99	22.10

Latest Results (Rs. Crore)

Quarter Ended (Standalone)	Sep-21	Sep-20	Var [%]
Sales	4,426.19	2,822.16	56.84
Other Income	21.16	21.87	-3.25
PBIDT	155.83	100.6	54.9
PBT	-115.5	-157.8	-26.81
PAT	-83.01	-146.67	-43.4

BHARAT ELECTRONICS LIMITED

CMP (As on 31 December 2021) – 211

INDUSTRY - ELECTRONICS

JANUARY 2022

Mkt. Cap.	:	54460.80 Cr
Equity	:	243.66
Trading Vol.	:	2991447
52 Week High/Low	:	227/115
Face Value	:	1

BSE Group	:	A
BSE Code	:	500049
NSE Symbol	:	BEL
Bloomberg	:	BHEIN
Reuters	:	BAJE.BO

Shareholding Pattern		
Promoters	:	51
Institutions	:	28
Public	:	16
Others	:	05

We had earlier recommended the stock in our Sajag Online publication of April 2020.

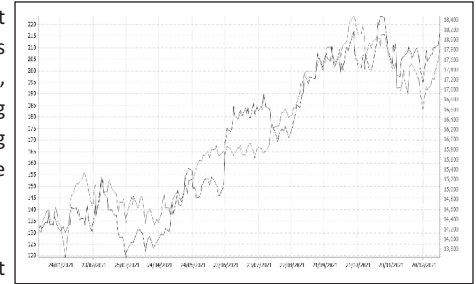
We remain optimistic about the company owing to presence in a critical sector with strong financials.

Bharat Electronics Limited (BEL) is a Navratna PSU under the Ministry of Defence, Government of India. It manufactures state-of-the-art electronic products and systems for the Army, Navy and the Air Force. BEL has also diversified into various areas like homeland security solutions, smart cities, e-governance solutions, space electronics including satellite integration, energy storage products including e-vehicle charging stations, solar, network & cyber security, railways & metro solutions, airport solutions, Electronic Voting Machines, telecom products, passive night vision devices, medical electronics, composites and software solutions.

Investment rationale

- ▶ The company is one of leading defence PSUs. Though it is pre-dominantly a defence product supplier, it has diverse capabilities and is growing contribution from non-defence products. In the ongoing FY22, project execution has improved leading to higher revenues and profitability.
- ▶ BEL has an order book of about Rs 54,500 crore almost 4 times its annual revenue. Further, it has guided to receiving orders to the tune of Rs 15,000 crore in the current fiscal and indicated a strong pipeline of projects of about Rs 60,000 crore to be awarded over the next 4-5 years.
- ▶ With higher scale, margins, too, have expanded. In Q2FY22, the company reported a 3.8% improvement in EBITDA margins. In FY21 margin was 23%, in past it has been above 20%. RONW has been around 17-18%. It is a cash rich company with positive cash from operations.

Recently, Saudi Arabia's Power for Defense Technologies Co (PDTC) has entered into an agreement with state-owned Bharat Electronics Ltd (BEL) to promote defence and aerospace technologies in both countries. BEL has manufactured a radar that can be used for surveillance at the border areas. A zero debt company, it has been improving CFO in past 2 years. The stock trades at a PE of 20. 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	243.66	243.66	243.66	243.66	223.36
Networth	11,059.58	10,071.53	9,211.50	8,015.68	7,735.77
Debt	0	8.33	33.63	80.36	63.58
Sales	14,108.69	12,967.67	12,164.17	10,476.29	9,220.70
Other Income	124.96	99.4	72.99	195.73	420.11
Operating profit	3,338.71	2,857.92	2,982.40	2,235.11	2,212.07
PAT	2,069.34	1,792.63	1,848.03	1,407.25	1,497.03
Book Value (Rs)	45.39	41.33	37.8	32.9	31.48
EPS (Rs.)	8.61	7.49	7.74	5.88	6.2
Dividend (%)	400	280	340	200	225
Payout (%)	49.55	42.11	26.55	44.85	39.81

Latest Results (Rs. Crore)

Quarter Ended (Standalone)	Sep-21	Sep-20	Var [%]
Sales	3,622.42	3,164.99	14.45
Other Income	65.88	27.42	140.26
PBIDT	922.33	650.91	41.7
PBT	827.74	559.22	48.02
PAT	612.6	397.05	54.29

COMPANY ANALYSIS

FIEM INDUSTRIES LIMITED

CMP (As on 31 December 2021) – **1139**

INDUSTRY - AUTO ANCILLARY

JANUARY 2022

Mkt. Cap.	:	1498.58 Cr
Equity	:	13.16
Trading Vol.	:	24337
52 Week High/Low	:	1342/524
Face Value	:	10

BSE Group	:	B
BSE Code	:	523768
NSE Symbol	:	FIEMIND
Bloomberg	:	FIEMIN
Reuters	:	FIIN.BO

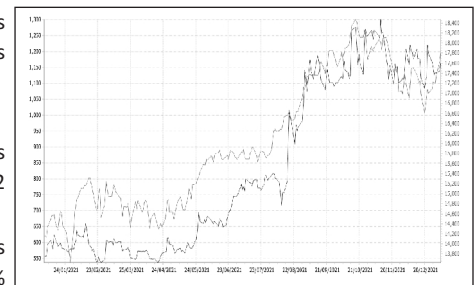
Shareholding Pattern		
Promoters	:	67
Institutions	:	01
Public	:	13
Others	:	19

FIEM is a well reputed name in the automotive lighting industry with 9 state of the art manufacturing facilities spread across India, R&D/ Design Centers in India, Japan and Italy and is a preferred supplier to leading OEMs in India and abroad. The company has 9 manufacturing facilities.

Investment rationale

- ▶ LED lights consume less energy apart from the fact that they are appealing aesthetically. So all EV models function with LED lights. FIEM industries is a leading automotive LED lights manufacturers for 2 wheelers. Fiem generates more than 96% of its revenues from the 2W segment.
- ▶ In past, 40% has been LED and 60% has been from non-LED. With new products in the pipeline, the LED's share in Fiem's overall revenue is expected to increase. The management expects that going ahead, 60% revenues will come from LED segment, which has higher realisations.
- ▶ In last 2 years, operating margins have improved to 11.8%. It has a low debt and D/E of 0.1. CFO has been consistently positive.

In a bid to move towards cleaner energy and environment-friendly transportation, the world has been moving away from internal combustion engine (ICE)-driven vehicles to battery-driven electric vehicles (EVs). EVs constitute only 3-4% of the global passenger car sales. However, with technological advancement and reduction in costs, the penetration of EVs is expected to grow exponentially. FIEM is a sole supplier to Ola Electric for its electric 2-wheelers. It is already a supplier to Okinaowa, Electrotherm, Ampere, Revolt, Hero Electric. The management expects EV business to grow at a CAGR of 20-25%. The stock trades at a PE of 17. 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	13.16	13.16	13.16	13.16	13.16
Networth	569.35	525.32	477.15	449.34	410.12
Debt	79.77	126.54	171.44	158.67	225.23
Sales	1,221.16	1,379.44	1,449.02	1,239.72	1,014.63
Other Income	3.19	1.72	0.86	9.92	4.71
Operating profit	133.82	157.73	158.03	148.68	108.13
PAT	46.91	78.69	56.64	52.6	33.05
Book Value (Rs)	432.64	399.19	362.58	341.45	311.64
EPS (Rs.)	35.48	56.66	42.29	39.94	25.12
Dividend (%)	160	130	120	90	80
Payout (%)	8.38	24.51	43.96	20.89	11.19

Latest Results (Rs. Crore)

Quarter Ended (Standalone)	Sep-21	Sep-20	Var [%]
Sales	416.26	370.95	12.21
Other Income	0.93	0.26	257.69
PBIDT	52.87	50.07	5.59
PBT	36.84	33.24	10.83
PAT	27.45	24.86	10.42

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)	528,371	26.5	968,415	19.2	1,987,935	17.7	3,144,739	18.3	7,597,882	17.4
Canara Robeco Emerging equities Reg (G)	569,154	32.1	1,025,283	21.5	2,207,468	20.2	3,873,859	22.2	10,003,853	20.5
Kotak Equity Opportunities Fund (G)	527,227	26.4	952,490	18.5	1,892,548	16.5	2,905,583	16.8	6,149,646	15.0
Mirae Asset Emerging Bluechip Fd Reg (G)	579,656	33.4	1,083,282	23.8	2,433,830	22.5	4,356,760	24.3	N/A	N/A
SBI Focused Equity Fund Reg (G)	572,669	32.5	1,069,664	23.3	2,162,242	19.7	3,361,252	19.5	8,469,907	18.6

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

CAMS LIMITED**CMP (AS ON 31 DECEMBER 2021) - 2665 TARGET - 3250**

Computer Age Management Services is India's largest registrar and transfer agent of mutual funds with a market share of 70% based on mutual fund AAUM managed by its clients and serviced by it. CAMS operates in seven business verticals: Mutual Funds Services Business, Electronic Payment Collection Services Business, Insurance Services Business, Alternative Investment Fund Services Business, Banking and Non-Banking Services Business, KYC Registration Agency Business and Software Solutions Business. The share of revenue from mutual funds has been steady at 87%. It has been generating strong RONW at 30.9% in FY21. CFO has been consistently positive. CAMS reported 32.99% higher total revenues for the Q2FY22 on consolidated basis at Rs 227.60 crore. The revenues were up by 13.13% on sequential basis compared to Rs 201.18 crore in Q1FY22.

SBI CARDS & PAYMENTS LIMITED**CMP (AS ON 31 DECEMBER 2021) - 928 TARGET - 1050**

SBI Cards and Payment Services Limited is a subsidiary of SBI, India's largest commercial bank in terms of deposits, advances and number of branches. SBI Cards is the second-largest credit card issuer in India, with a 18% market share of the Indian credit card market in terms of the number of credit cards outstanding, and a 17% market share of the Indian credit card market in terms of total credit card spends. The Company offers an extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel and fuel, shopping, banking partnership cards and corporate cards covering all major cardholder segments in terms of income profiles and lifestyles. SBI Card's spend-based fee constitutes 45-54% of total fees and corresponds to 18-23% of total revenue. RBI has proposed to issue a discussion paper to cover aspects related to charges involved in various digital payment modes covering Credit Cards, Debit Cards, PPIs, UPIs, etc. This is with the intent to make digital transactions affordable to users and economically viable to providers.

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: INH000001923
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 Analyst 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 to be 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