

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	31/3/2022	28/2/2022	31/12/2007
Nifty	17464.75	16793.9	6138
Valuation			
Trailing PE	22.92	21.59	27.62
Trailing PB	4.46	4.23	6.39
Mcap/GDP	1.50	1.43	1.23
Nifty return			
1 year	18.88%	15.59%	54.77%
2 year	42.52%	22.44%	47.11%
3 year	14.53%	15.88%	43.43%
EPS growth			
1 year	72.20%	112.28%	19.13%
2 year	31.06%	33.04%	15.95%
3 year	23.89%	23.79%	17.85%
Other data points			
Credit growth	8.50%	7.90%	25%
10-year bond yield	6.80	6.70	7.57
Brent Oil Futures	107.91	100.99	93.25
USD/INR	75.90	75.49	39.23
Gold (oz/USD)	1949.2	1900.7	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices reverse course as buying support emerges!

In the month ending FY22, volatility was high due to the ongoing Russia-Ukraine conflict. Amidst this, indices reversed losses and gained as they saw support buying.

Key developments during the month were,

- ▶ India's industrial production growth rose slightly in January from the month before and output stayed above the pre-pandemic level of the same month in 2020. The index of industrial production (IIP) rose marginally to 1.3% in January 2022 year-on-year compared with 0.7% in the month before. India's core sector growth grew by 5.8% in February.
- ▶ The wholesale price-based inflation (WPI) in February 2022 rose to 13.11% on hardening of prices of crude oil and non-food items, despite softening of food articles. The WPI inflation has remained in double digits for the 11th consecutive month beginning April 2021. Inflation last month stood at 12.96%, while in February last year, it was 4.83%. India's consumer price index based

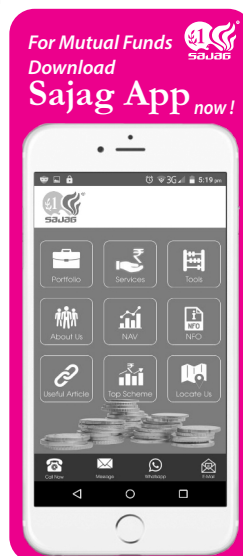
inflation rose slightly to 6.07% in February 2022 from 6.01% in the previous month.

- ▶ India's overall exports stood at \$57.03 billion in February 2022 - making a sharp recovery with a growth of 25.41% compared to the same month last year. However, overall imports also shoot up to \$69.35 billion in the month under review, increasing a massive 35.64% from February last year. Furthermore, in the latest month, the trade deficit widened to \$20.88 billion. On a cumulative basis (April-February 2021-22), India's overall export stands at \$601.77 billion logging a growth of 36.19% yoy. Moreover, overall imports were at \$683.01 billion climbing by 51.5% yoy.
- ▶ India's current account deficit (CAD) increased to \$23 billion (2.7% of GDP) in Q3FY22 from \$9.9 billion (1.3% of GDP) in Q2FY22 and \$2.2 billion (0.3% of GDP) a year ago. The widening of CAD in Q3FY22 was mainly on account of higher trade deficit.
- ▶ India's fiscal deficit for February-end stood at 82.7% of revised estimates in Budget. The fiscal gap stood at Rs 13.17 lakh crore. In April-February, net tax receipts were Rs 14.81 lakh crore while total expenditure was Rs 31.44 lakh crore. The revenue gap came in at Rs 8.7 lakh crore, while spending was at Rs 31.4 lakh crore.
- ▶ Goods and Services Tax (GST) collections for March hit a record high of Rs 1.42 lakh crore, up 6.8% from the previous month. The revenues for the month of March 2022 are 15% higher than the GST revenues in the same month last year and 46% higher than the GST revenues in March 2020.

On the political front, ruling BJP and allied partners dominated Uttar Pradesh, Uttarakhand, Manipur and Goa. The Aam Aadmi Party swept Punjab, which gave a

push in market. A foreign brokerage downgraded India to 'underweight' from 'neutral', saying GDP growth may disappoint, adding to the downside risks to EPS estimates. High inflation is hurting both households and businesses, the brokerage said as it noted that the MSCI India is trading at a 98% premium to the broader emerging market index. The brokerage retains its positive view on India's defensive pocket as a shelter for volatile times. Domestic monetary tightening cycle is key to watch, it said. Domestic ratings agency ICRA, slashed India's FY23 real GDP growth estimate by 0.8% to 7.2%, primarily driven by the fallout of Russian invasion of Ukraine. FIIs' too were seen on a selling spree as they net sold shares worth Rs. 43,281 crores worth of shares in March month on top of more than Rs. 45720 crores and Rs. 41,346 crores of offloading in February and January.

Investors continued watching developments on the Russia-Ukraine war, which is disrupting global sentiments. Elsewhere, markets also monitored a



Performance of key sectoral indices

Nifty Metal	8.83%	Nifty FMCG	3.13%
Nifty IT	7.61%	Nifty Bank	2.80%
Nifty Realty	7.35%	Nifty India Consumption	1.59%
Nifty Energy	7.32%	Nifty MNC	-0.75%
Nifty Pharma	5.78%	Nifty Auto	-1.60%
Nifty Infrastructure	5.24%		

recent wave of COVID-19 infections in China - including the major city of Shenzhen. Brent, the international benchmark, briefly hit more than \$139 a barrel, its highest level since 2008. The Fed announced at the conclusion of its two-day meeting that it will increase short-term interest rates by a quarter of a percentage point, a well-telegraphed move by the central bank as it seeks to control surging inflation. The Fed forecast a consensus funds rate of 1.9% by year's end, which would mean a hike at each of the remaining central bank meetings this year. The Dow, Nasdaq and S&P500 all finished the Q1CY22 solidly in the red, marking their worst quarter since Q1 2020.

Market Outlook

The IMF said the War in Ukraine will have 'severe impact' on global economy. "While the situation remains highly fluid and the outlook is subject to extraordinary uncertainty, the economic consequences are already very serious," the IMF said.

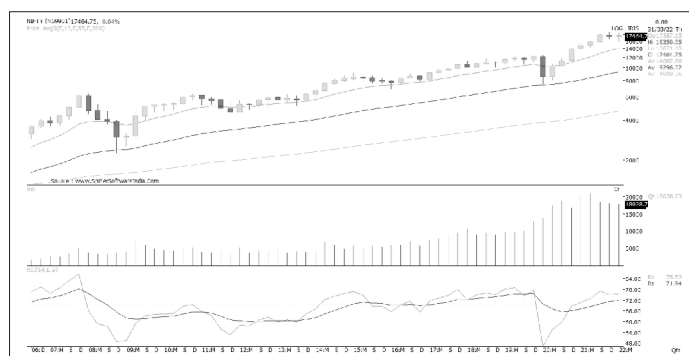
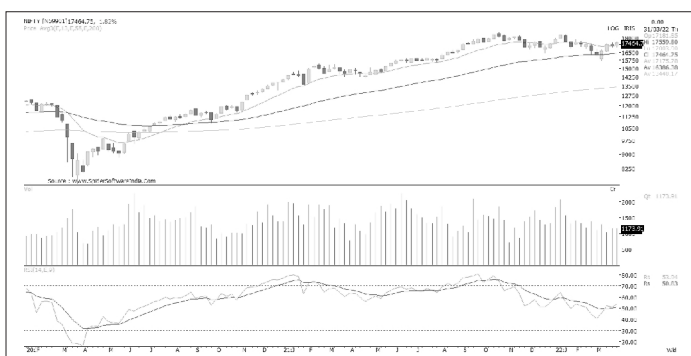
- ▶ The UN Conference on Trade and Development (UNCTAD) report downgraded its global economic growth projection for 2022 to 2.6% from 3.6% due to shocks from the Ukraine war and changes in macroeconomic policies that put developing countries particularly at risk. The report said while Russia will experience a deep recession this year, significant slowdowns in growth are expected in parts of Western Europe and Central, South and South-East Asia. India's projected economic growth for 2022 has been downgraded by over 2% to 4.6% by the United Nations, a decrease attributed to the ongoing war in Ukraine, with New Delhi expected to face restraints on energy access and prices, reflexes from trade sanctions, food inflation, tightening policies and financial instability.
- ▶ US consumer prices surged in February, culminating in the largest annual increase in 40 years. The CPI increased 0.8% last month after gaining 0.6% in January. In the 12 months through February, the CPI shot up 7.9%, the biggest year-on-year increase since January 1982. That followed a 7.5% jump in January and was the fifth straight month of annual CPI readings north of 6%. The headline ISM Manufacturing Purchasing Manager's Index (PMI) figure fell to 57.1 in March from 58.6 in February. The Employment index rose to 56.3

from 52.9 in February, while the New Orders index fell sharply to 53.8 from 61.7 in February.

- ▶ In Asia, China lowered its GDP target to 5.5% for this year from last year's 6.1%. China's Caixin/Markit manufacturing Purchasing Managers' Index came in at 48.1, below the 50- level that separates growth from contraction. That compared against the previous month's reading of 50.4. Friday's reading was also the lowest since February 2020. China reported better-than-expected growth in retail sales and industrial production to start the year. Retail sales grew by 6.7% year-on-year. Industrial production also was up by 7.5%.
- ▶ The European Central Bank announced that it will end its bond-buying program in the Q3 2022 if economic data justifies it, sooner than previously planned. President Christine Lagarde said the war will have a "material impact on economic activity and inflation. Euro zone manufacturing growth slowed sharply last month as Russia's invasion of Ukraine tightened supply chain bottlenecks, dampened demand and whacked confidence, a survey showed as soaring energy costs drove a broader surge in prices. S&P Global's final manufacturing Purchasing Managers' Index (PMI) fell to a 14-month low of 56.5 in March from February's 58.2.
- ▶ In Japan, the au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) rose to a seasonally adjusted 53.2 in March from a final 52.7 in the previous month. Japanese retail sales fell in February for the first time in five months. Retail sales fell 0.8% in February from a year earlier. Sentiment at Japan's large manufacturers soured in the three months to March, according to the Bank of Japan's quarterly tankan business sentiment survey. The headline index for large manufacturers' sentiment came in at 14, a decline from the previous quarter's reading of 17.
- ▶ The S&P Global India Manufacturing Purchasing Managers' Index (PMI) declined to 54.0 in March from 54.9 in February, because of smaller increases in new orders and production.

FY22 was a remarkable year for the market not only because of the rally in the first half of the year but also because of the robustness of the market despite FII selling and the precariousness of the global markets in the second half of the year. The markets expanded a lot with rising domestic demand and retail participation, which was a big win for the Indian market. Indian economy remained robust even with all the nervousness. Everyone is looking at the easing of tensions in Ukraine to bring recovery for the Indian market from these levels. While it is difficult to time the market or the end of a geopolitical conflict, these events transitory, when it comes to long term investing. Another factor driving Indian investors is the growing depth of the domestic market and the growing number of investors who see up to Indian equities markets now.

TECHNICAL VIEW



Nifty began the month of March on a somber note and faced selling pressure affected by global circumstances. Nifty breached critical supports and fell below its 200-day EMA as it fell to a low of 15670. Gradually as the month progressed, Nifty saw support buying and recovered to close the month at 17464.

Nifty recovered and moved above all the key averages on daily as well as weekly chart. It has formed positive green candle on weekly as well as monthly chart. RSI has moved above respective averages on weekly as well as monthly chart. On quarterly chart, Nifty has formed a 'Doji' on quarterly chart, however has closed higher than the earlier quarter.

Going ahead, 18350 would be the resistance zone for Nifty if it crosses above 18250. A move above this could take Nifty to test earlier high near 18500-18600. On the other hand, 17200 is an important support below which support is placed at 16750.

SAJAG STOCK HOTLINE 020 2530 24 00

MUTUAL FUNDS PERFORMANCE

NAV as on 31 March 2022

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2349.93	0.31	0.88	1.75	3.40
Franklin India Liquid Fund Super Ins (G)	3180.11	0.30	0.88	1.75	3.39
UTI Liquid Cash Plan Reg (G)	3466.74	0.30	0.88	1.74	3.39

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	27.28	0.05	0.93	2.07	4.12
Axis Arbitrage Fund (G)	15.24	0.08	1.01	2.07	4.04
Kotak Equity Arbitrage Fund (G)	30.21	0.08	0.95	1.88	3.98

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	225.96	33.15	46.03	18.88	14.60
Kotak Equity Hybrid (G)	39.86	17.50	40.23	17.43	12.21
Canara Robeco Equity Hybrid Fund Reg (G)	243.17	15.39	30.28	15.23	13.15
Axis Equity Hybrid Fund (G)	15.36	17.97	30.86	15.06	N/A

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	35.56	12.92	26.59	14.69	12.07
Tata Balanced Advantage Fund (G)	14.65	11.92	24.99	13.09	N/A
ICICI Pru Balanced Advantage Fund Reg (G)	49.55	12.00	27.31	11.91	10.37
Kotak Balanced Advantage Fund Reg (G)	14.41	9.33	24.72	11.49	N/A

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Value Discovery Fund (G)	253.53	31.61	54.86	20.10	14.06
IDFC Sterling Value Fund Reg (G)	88.32	36.57	71.72	19.23	14.82
Nippon India Value Fund (G)	123.11	27.63	52.56	18.25	14.84
UTI Value Opportunities Fund (G)	98.83	19.22	44.96	16.89	13.89

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
IIFL Focused Equity Fund (G)	29.25	22.50	46.85	22.73	17.17
Sundaram Focused Fund Reg (G)	109.54	23.19	41.36	20.04	15.54
SBI Focused Equity Fund Reg (G)	233.49	24.81	39.60	18.42	16.82
Nippon India Focused Equity Fund (G)	77.49	21.85	55.42	17.80	13.41

Tax Saving Schemes	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Tax Saver Fund Reg (G)	30.58	20.26	49.57	20.21	17.85
Canara Robeco Equity Tax saver Fund Reg (G)	113.54	20.29	44.51	19.97	17.32
IDFC Tax Advantage Reg (G)	98.00	31.19	61.79	19.88	16.31
DSP Tax Saver Fund Reg Fund (G)	80.07	22.39	47.40	18.25	14.33
Kotak Tax Saver Scheme (G)	72.32	22.40	44.83	18.07	14.04

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	40.70	15.76	37.62	18.00	15.48
Axis Bluechip Fund (G)	44.78	15.68	31.24	16.53	16.44
Kotak Bluechip Fund (G)	368.63	17.33	41.67	16.25	13.39
ICICI Pru Bluechip Fund Reg (G)	65.58	22.28	43.63	15.82	13.81

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Mid Cap Fund Reg (G)	49.55	25.66	56.97	22.88	16.48
Axis Midcap Fund (G)	67.39	23.38	43.87	22.75	19.35
Kotak Emerging Equity (G)	71.40	24.43	55.48	22.37	15.23
SBI Magnum MidCap Fund Reg (G)	136.28	26.51	61.38	22.10	12.99

Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	79.09	13.97	28.93	12.80	11.59

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Growth Opportunities Fund Reg (G)	20.61	29.38	47.84	24.63	N/A
Mirae Asset Emerging Bluechip Fund Reg (G)	95.10	21.07	50.01	21.23	17.44
Canara Robeco Emerging equities Reg (G)	158.32	22.52	45.30	18.73	15.09
Edelweiss Large & Mid Cap Fund Reg (G)	51.99	20.87	44.44	18.38	15.44

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Small Cap Fund Reg (G)	24.32	57.21	80.92	32.25	N/A
Kotak Smallcap Fund (G)	163.30	36.44	76.29	31.25	18.58
Axis Small Cap Fund Reg (G)	61.41	40.21	59.27	30.46	20.60
Nippon India Small Cap Fund (G)	85.25	44.12	77.01	28.34	19.75

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	49.48	30.19	53.47	25.60	20.40
UTI Flexi Cap Fund Reg (G)	244.97	15.31	45.24	19.30	16.40
Canara Robeco Flexi Cap Fund (G)	221.85	20.82	40.46	17.96	16.20
Axis Flexi cap Fund (G)	18.52	19.56	33.64	17.78	N/A
DSP Flexi Cap Fund Reg (G)	63.21	15.00	39.62	17.29	14.20

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	236.57	31.49	49.36	18.15	14.67
Invesco India Multicap Fund (G)	76.39	22.62	45.25	17.23	12.46
Nippon India Multi Cap Fund (G)	151.34	34.37	52.93	14.93	13.64
ICICI Pru Multicap Fund Reg (G)	440.34	23.15	46.20	14.20	11.56

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	162.59	49.00	85.89	39.66	32.16
Aditya Birla SL Digital India Fund Reg (G)	138.29	42.22	76.68	37.20	31.26
Mirae Asset Healthcare Fund (G)	22.38	19.24	45.36	28.03	N/A
Tata Resources & Energy Fund Reg Plan (G)	29.52	29.96	59.89	27.12	16.39
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	19.69	13.49	43.66	24.73	N/A
Sundaram Services Fund (G)	20.92	35.04	51.42	23.55	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	132.48	19.86	39.07	17.16	14.30
IDFC Infrastructure Fund Reg (G)	22.81	23.30	57.63	14.32	9.08
Aditya Birla SL Infrastructure Fund Reg (G)	47.41	19.78	52.48	13.61	8.51
SBI Banking & Financial Services Fund Reg (G)	23.66	5.68	34.76	9.56	13.25
Tata Banking and Financial Services Fund Reg (G)	24.38	5.63	30.68	9.39	10.89

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	58568.51	18.30	40.98	14.79	14.60
NSE - Nifty 50	17464.75	18.88	42.52	14.49	13.73

CORPORATE ACTIONS IN APRIL 2022

COMPANY	RECORD DATE	PURPOSE
Ambuja Cements	01/04/2022	Rs.6.3 per share (315%) Final Dividend
ACC	05/04/2022	Rs.58 per share (580%) Final Dividend
Wipro	06/04/2022	Rs.5 per share (250%) Interim Dividend
GAIL (India)	22/04/2022	Buy Back of Shares
Nestle India	22/04/2022	Interim Dividend
Nestle India	22/04/2022	Rs.65 per share (650%) Final Dividend

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COMPANY ANALYSIS

HDFC LIMITED

CMP (As on 31 March 2022) – 2390

INDUSTRY - HOUSING FINANCE

APRIL 2022

SENSEX – 58568 NIFTY – 17464

Mkt. Cap.	:	433386.28 Cr
Equity	:	362.61
Trading Vol.	:	4167353
52 Week High/Low	:	3021/2046
Face Value	:	2

BSE Group	:	A
BSE Code	:	500010
NSE Symbol	:	HDFC
Bloomberg	:	HDFCIN
Reuters	:	HDFC.BO

Shareholding Pattern		
Promoters	:	NA
Institutions	:	18
Public	:	72
Others	:	10

Housing Development Finance Corporation Limited (HDFC) was incorporated as the first specialized Mortgage Company in India. A pioneer of Housing Finance in India, the principal business is to provide finance to individuals, corporate and developers for the purchase, construction, development and repair of houses, apartments and commercial property in India.

Investment rationale

- HDFC's distribution network spans 651 outlets which include 206 offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL). HDFC covers additional locations through its outreach programmes. Distribution channels form an integral part of the distribution network with home loans being distributed through HSPL, HDFC Bank Limited and third party direct selling associates. The Company also has online digital platforms for loans and deposits. To cater to non-resident Indians, HDFC has offices in London, Dubai and Singapore and service associates in the Middle East.
- 79% of home loan portfolio of HDFC is individual loans. Loan spread has been consistently near 2.3%. The Company's capital adequacy ratio stood at 22.4%, of which Tier I capital was 21.7% and Tier II capital was 0.7%. As per regulatory norms, the minimum requirement for the capital adequacy ratio and Tier I capital is 15% and 10% respectively.
- In Q3 FY21, HDFC posted 11% increase in the net profit to Rs 3260.69 crore. The net interest income of the company rose 4%, while the net interest margin was stable at 3.6% in Q3FY2022. The cost to income ratio eased to 9.7% in Q3FY2022 from 11.4% in Q3FY2021, while rose marginally from 9.4% in Q2FY2022. The loan growth of the company accelerated to 11%. HDFC approved Rs. 2 lakh crore retail home loans in FY22.

HDFC is the holding company for investments in its associates and subsidiary companies. Other than being a parent company to HDFC Bank, HDFC Life, HDFCAMC, HDFC has a stake in Yes Bank, CAMS, RBL Bank, Bandhan Bank and few others. As per the MD, housing sector is placed in an opportunistic spot due to lower interest rates, stable property prices, Government's thrust on affordable housing, improved affordability, favorable demographics, increasing urbanization and rising aspirations. The demand for affordable homes in India is extremely deep and resilient. The stock trades at a moderate PB of 2.5. 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	360.79	346.41	344.29	335.18	317.73
Networth	156,712.63	126,479.16	111,733.14	91,873.26	60,059.31
Debt	447,013.27	425,367.54	386,755.10	336,416.45	293,794.62
Operating Income	139,033.99	101,725.71	95,693.52	79,473.86	61,034.35
Other Income	6,958.72	5,816.29	7,891.17	6,282.10	53.28
Gross profit	24,592.65	26,449.36	22,240.43	16,323.73	12,757.53
PAT	20,487.55	22,826.47	17,580.51	13,111.21	8,628.76
Book Value (Rs)	867.02	730.23	649.06	547.9	377.73
EPS (Rs.)	103.88	123.75	94.29	71.48	69.56
Dividend (%)	1,150.00	1,050.00	1,050.00	1,000.00	900
Payout (%)	30.29	20.26	41.16	31.52	6.45

Latest Results (Rs. Crore)

Quarter Ended (Standalone)	Dec-21	Dec-20	Var [%]
Sales	11,783.66	11,707.00	0.65
Other Income	8.55	9.34	-8.46
PBIDT	10,961.30	10,636.81	3.05
PBT	4,048.18	3,752.54	7.88
PAT	3,260.69	2,925.83	11.44

DATA PATTERNS INDIA LIMITED

CMP (As on 31 March 2022) – 702

INDUSTRY - ELECTRONICS

APRIL 2022

Mkt. Cap.	:	3647.11 Cr
Equity	:	10.38*
Trading Vol.	:	186195
52 Week High/Low	:	864/575
Face Value	:	2

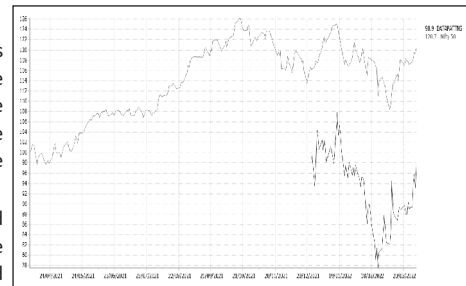
BSE Group	:	B
BSE Code	:	543428
NSE Symbol	:	DATAPATTNS
Bloomberg	:	DATAPATTIN
Reuters	:	NA

Shareholding Pattern		
Promoters	:	46
Institutions	:	22
Public	:	2
Others	:	31

Data Patterns (India), promoted by Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan, is a vertically integrated defence and aerospace electronics solutions provider catering to the indigenously developed defence products industry. It offers products catering to the entire spectrum of defence and aerospace platforms such as space, air, land and sea. Major products or product groups of the company comprises (i) Radars, (ii) Underwater electronics / communications / other systems, (iii) Electronic warfare suite, (iv) BrahMos programme, (v) Avionics, (vi) small satellites, (vii) ATE for defence and aerospace systems, (viii) Commercial off the shelf (COTS).

Investment rationale

- ▶ Data Patterns is among the few vertically integrated defence and aerospace electronics solutions providers with design capabilities across the entire spectrum (air, land and sea). Its capabilities span avionics, missile systems, radars, electronic warfare, satellites and communications. Client profile of the company comprise several marquee customers in the Indian defence ecosystem including the Indian government defence ministry, BrahMos, DRDO, the Indian government space organisation, HAL, BEL and a DPSU involved in the missile space.
- ▶ Core competencies of the company include electronic hardware design and development, software design and development, firmware design and development, mechanical design and development, product prototype design and development, manufacturing, functional testing and validation, environment testing and verification, and after sales support engineering services. It has design capabilities across the entire spectrum of strategic aerospace and defence electronics solutions including processors, power, radio frequency and microwave equipment, embedded software and firmware and mechanical engineering.
- ▶ The company participates in all three production, development and service contracts. In FY21 & H1FY22, the production contracts contributed 76% & 83.6% of the revenue and development contracts about 16.3% & 6.7% and service contracts about 7.7% & 9.7% of the revenue.
- ▶ Over FY18-21, its order book has grown at a CAGR of 41%, reaching Rs 490 crore and it is poised for robust growth led by the scale-up of business to subsystems integration, expansion in its manufacturing base, an experienced management team and skilled employee base of 500+ engineers.



Building complete systems from the building blocks and sub-systems already developed, provides a higher value addition while distributing development costs. The company has more than 1000 building blocks that can be used on multiple end systems in defence and space. Given over three decades of presence (including through its erstwhile subsidiary) in defence and aerospace electronics space and strong proven in-house design, development and manufacturing capacity across the entire spectrum of aerospace and defence electronics, the company is well positioned to take part in land, airborne and naval defence programmes as well as space programmes of the country. We recommend investing with a long term perspective.

Financial Performance (Rs. Crore)

Year End	Mar-21	Mar-20	Mar-19
Equity	1.7	1.7	1.7
Networth	207.77	153.5	132.89
Debt	33.23	60.57	60.14
Sales	223.95	156.1	131.06
Other Income	2.6	4.09	1.45
Operating profit	94.59	47.25	27
PAT	55.57	21.05	7.7
Book Value (Rs)	40.04	29.58	25.61
EPS (Rs.)	10.71	4.06	1.48
Dividend (%)	0	0	0
Payout (%)	0	0	0

Latest Results (Rs. Crore)

Quarter Ended (Standalone)	Dec-21	Dec-20	Var [%]
Sales	472.29	364.73	29.49
Other Income	2.42	2.11	14.69
PBIDT	109.34	98.77	10.7
PBT	99.66	91.52	8.89
PAT	74.85	70.16	6.68

*Company listed in FY22 after IPO

COMPANY ANALYSIS REVIEW

L G BALAKRISHNAN BROS LIMITED

CMP (As on 31 March 2022) – 536

INDUSTRY - AUTO ANCILLARY

APRIL 2022

Mkt. Cap.	: 1686.40 Cr
Equity	: 31.39
Trading Vol.	: 56469
52 Week High/Low	: 735/282
Face Value	: 10

BSE Group	: A
BSE Code	: 500250
NSE Symbol	: LGBROSLTD
Bloomberg	: LGGBIN
Reuters	: LGB.BO

Shareholding Pattern		
Promoters	: 34	
Institutions	: 16	
Public	: 8	
Others	: 41	

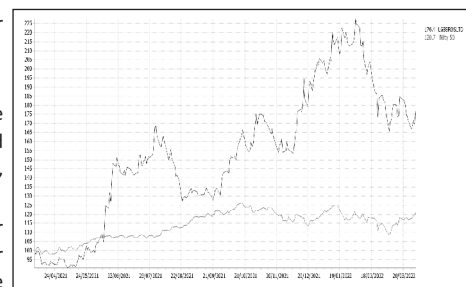
We had earlier recommended the stock in our Sajag Online publication of April 2018.

We remain optimistic about the company owing to sound financials and stable business.

LG Balakrishnan & Bros. (LGB) is a leading supplier of transmission chains, sprockets and metal formed parts for automotive applications..

Investment rationale

- ▶ LGB is a premier manufacturer of both automotive and industrial chains under the popular brand name 'ROLON'. LGB is also surging ahead to become a metal forming company concentrating on Hot, Warm & Cold forging, Blanking, Fine blanking & Precision machined parts. Facilities are located at Coimbatore, Dindugal, Bangalore, Mysore and Karur.
- ▶ The share of drive chains in the domestic OEM market is 70%. There is strong relationship with two-wheeler makers Bajaj Auto, TVS Motor Company, India Yamaha Motor, Royal Enfield and Honda Motorcycle and Scooter India. The focus is on expanding applications of existing products and creating new ones to meet the requirement of global customers.
- ▶ The first Indian company to supply timing chains to four-wheeler OEMs in India, it is the largest exporter to the US. Products also go to Europe and Australia. Vertical integration of all product lines, from procurement of raw materials to finished product, is an advantage.
- ▶ A zero-debt company with consistent positive CFO. Operating profit margins (OPM) was 15.8% in FY2021 from 12.2% in FY2020 due to increase in revenue share from the margin-accretive replacement segment and cost saving initiatives undertaken.



The company has plans to diversify its products by reentering into industrial chains with ending of a non-compete clause with an erstwhile JV partner. Further, LGB has been declared as a successful applicant of the corporate insolvency process of RSAL Steel and Private Limited and acquisition of this company would widen the company's product portfolio. It has been allotted Leasehold Land admeasuring 60,000 sq. m. in Nagpur for setting up of manufacturing facility. The stock trades at a modest PE of 7. 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	19.45	19.45	19.45	19.45	19.45
Networth	1,590.80	1,409.46	1,285.93	1,190.58	1,111.17
Debt	75.61	93.61	72.84	24.64	39
Sales	2,429.44	2,251.82	1,983.96	1,808.46	1,768.20
Other Income	49.9	45.76	30.65	13.18	171.18
Operating profit	374.34	308.77	274.4	279.94	436.69
PAT	212.8	174.16	155.33	167.65	176.92
Book Value (Rs)	81.8	72.48	66.12	61.22	57.14
EPS (Rs.)	11.75	9.5	7.99	8.62	15.3
Dividend (%)	300	250	250	250	375
Payout (%)	21.26	26.21	31.53	51.54	18.28

Latest Results (Rs. Crore)

Quarter Ended (Standalone)	Dec-21	Dec-20	Var [%]
Sales	628.08	570.47	10.1
Other Income	5.49	13.75	-60.07
PBIDT	72.88	73.87	-1.34
PBT	53.06	62.04	-14.47
PAT	39.55	45.63	-13.32

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)	498,787	22.4	915,948	16.9	1,856,751	16.0	2,940,089	17.1	7,222,768	16.8
Canara Robeco Emerging equities Reg (G)	526,986	26.4	952,619	18.5	1,988,462	17.7	3,534,558	20.5	9,366,927	19.8
Kotak Equity Opportunities Fund (G)	516,211	24.9	938,265	17.9	1,841,315	15.8	2,845,043	16.5	6,075,444	14.8
Mirae Asset Emerging Bluechip Fd Reg (G)	539,992	28.2	1,013,915	21.1	2,218,078	20.3	4,008,410	22.8	N/A	N/A
SBI Focused Equity Fund Reg (G)	510,837	24.1	957,877	18.8	1,920,012	16.8	2,997,172	17.4	7,671,220	17.5

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

AVENUE SUPERMARTS LIMITED

CMP (AS ON 31 MARCH 2022) - 4003 TARGET - 4700

The supermarket chain of DMart stores is owned and operated by Avenue Supermarts Ltd, owned by Mr. Radhakishan Damani. The company has its headquarters in Mumbai. The brands D Mart, D Mart Minimax, D Mart Premia, D Homes, Dutch Harbour, etc are brands owned by ASL. DMart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products under one roof. Each DMart store stocks home utility products - including food, toiletries, beauty products, garments, kitchenware, bed and bath linen, home appliances and more - available at competitive prices. The company's core objective is to offer customers good products at great value. From the launch of its first store in Powai in 2002, DMart today has a well-established presence in 154 locations across Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Karnataka, Telangana, Chhattisgarh, NCR, Tamil Nadu, Punjab and Rajasthan. The hypermarket chain operator reported double-digit growth in earnings for the quarter ended December 2021.

TCS LIMITED

CMP (AS ON 31 MARCH 2022) - 3739 TARGET - 4045

Tata Consultancy Services (TCS) Ltd is a leading global IT services, consulting and business solutions organization offering transformational as well as outsourcing services to global enterprises. It has a global presence, deep domain expertise in multiple industry verticals and a rich portfolio of services - consisting of consulting and service integration, digital transformation services, and cognitive business operations - targeting every C-suite stakeholder. The Company uses all these, and its industry leading suite of products and platforms to deliver high quality, high impact solutions leveraging the latest technologies to customers across the world. TCS's geographic footprint consists of North America, Latin America, the United Kingdom, Continental Europe, Asia-Pacific, India and Middle-East & Africa. TCS is ready to put in place 5G network for any telecom operator across the globe. The stock trades at a PE of 37.

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
J S W Steel Ltd.	622	732.6	17.78%
I T C Ltd.	215.5	250.8	16.38%
U P L Ltd.	665	769.7	15.74%
Reliance Industries Ltd.	2349.1	2633.95	12.13%
Infosys Ltd.	1710	1907.2	11.53%

LOSERS			
COMPANY	OPEN	CLOSE	%
Maruti Suzuki India Ltd.	8235	7559.9	-8.20%
Hero Motocorp Ltd.	2492	2296.8	-7.83%
Apollo Hospitals Enterprise Ltd.	4802	4516.25	-5.95%
Britannia Industries Ltd.	3406	3204.3	-5.92%
Eicher Motors Ltd.	2590.5	2460.45	-5.02%

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

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

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If undelivered please return to :

Sajag Securities Pvt. Ltd.

'Regent Chambers', Opp. Garware College,

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

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