

**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, FY23 GDP growth forecast at 7.2%

Time period	31/5/2022	30/4/2022	31/12/2007
Nifty	16584.55	17102.55	6138
<b>Valuation</b>			
Trailing PE	20.44	22.01	27.62
Trailing PB	4.24	4.37	6.39
Mcap/GDP	1.37	1.42	1.23
<b>Nifty return</b>			
1 year	6.43%	16.89%	54.77%
2 year	31.57%	31.70%	47.11%
3 year	11.63%	13.33%	43.43%
<b>EPS growth</b>			
1 year	52.14%	71.06%	19.13%
2 year	37.67%	32.72%	15.95%
3 year	26.14%	24.72%	17.85%
<b>Other data points</b>			
Credit growth	11.90%	11.20%	25%
10-year bond yield	7.40	7.13	7.57
Brent Oil Futures	122.84	109.34	93.25
USD/INR	77.59	76.52	39.23
Gold (oz/USD)	1848.4	1911.7	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

Indices consolidate!

In the month of May, sentiment was weak following the rate hike concerns, as well as the Ukraine war and the latest coronavirus lockdowns in China.

Key developments during the month were,

- ▶ India's factory output, measured in terms of Index of Industrial Production (IIP), witnessed a growth of 1.9% in March 2022. Industrial production grew 1.7% in February 2022. The IIP soared 24.2% in March 2021. The manufacturing sector's output grew 0.9% in March 2022. Mining output rose 4% and power generation increased 6.1%.
- ▶ India's retail inflation, which is measured by the Consumer Price Index (CPI), rose to 7.79% in the month of April 2022. The retail inflation for the month of March was 6.95%. This is the fourth consecutive month that the CPI data has breached the RBI's upper margin of 6%. Inflation based on wholesale price index (WPI) stood at 15.08% in April 2022 compared with

10.74% in April 2021. The WPI came in at 14.55% in March 2021, while the figure for February was 13.11%.

- ▶ Merchandise exports hit \$40.2 billion in April, which is a record for the first month of any fiscal, having jumped 30.7% from a year before. However, imports jumped at a faster pace of 31% in April to \$60.3 billion, driven by high commodity prices, especially of energy products. This widened trade deficit in April to \$20.1 billion from \$18.5 billion in the previous month.
- ▶ Net foreign direct investment remained robust, with the country witnessing an accretion of \$63.5 billion to foreign exchange reserves. Key factors affecting FDI flows were easing policy norms in select sectors including pension fund management companies, oil and gas PSUs and telecom services. Gross inward FDI in 2021-22 stood at \$83.6 billion, comparable to the level seen a year ago, while net FDI - net inward minus net outward - clocked in at \$39.3 billion, easing from \$44 billion a year ago.
- ▶ India's gross Goods and Services Tax (GST) revenues in May were 44% higher than a year ago at Rs 1,40,885 crore, with receipts from domestic transactions and services imports rising at the same pace and goods imports yielding 43% higher taxes.
- ▶ India's economy grew 4.1% y-o-y in the Q4 FY22, even as the rate of growth slowed sequentially for a third straight quarter. The National Statistics Office pared down the overall growth estimate for FY22 to 8.7% from the 8.8% projected in February.
- ▶ India's fiscal deficit for the financial year 2021-22 stood at Rs 15,86,537 crore (provisional), or 6.71% of the GDP. The revenue deficit at the end of 2021-22 was 4.37%.

Weakness in global stocks weighed on investors' sentiment as the month began. Small-cap and mid-cap shares witnessed major sell off. Continuous selling by foreign investors coupled with mounting fears of an economic slowdown dented investors sentiment. Indian equity markets witnessing outflows of more than Rs 1.5 trillion since the beginning of this calendar year creating significant volatility in Indian equity market. Add to this the volatility in debt markets on account of high inflation/ rising yields and correction in Gold over the past few weeks. As the month progressed, sentiments improved following global cues.



### Performance of key sectoral indices

Nifty Auto	5.18%	Nifty Infrastructure	-4.04%
Nifty FMCG	1.85%	Nifty IT	-5.41%
Nifty MNC	-0.04%	Nifty Pharma	-5.92%
Nifty Bank	-0.39%	Nifty Energy	-9.53%
Nifty India Consumption	-1.71%	Nifty Metal	-14.98%
Nifty Media	-3.47%		

On the global front, oil is up 16% in the month of May, its sixth straight month of gains. Meanwhile, the US Treasury yields moved higher, with the yield on the benchmark 10-year note rising to reach 2.855%. US Fed minutes showed officials are prepared to move ahead with several 50 basis point interest rate hikes. The Federal Open Market Committee also said policy may have to move away from "neutral" and into "restrictive" territory. Key global indices posted a decent pullback at end of the month.

### Market Outlook

Global concerns about inflation and growth are prevalent and continue to weigh on sentiment.

- ▶ US consumer inflation slowed, with the annual pace at 8.3% versus the March reading of 8.5%. The nonfarm payrolls increased by 428,000 jobs in April. Unemployment rate remained unchanged at 3.6% in the month. Consumer spending on retail rose 0.9% in April. Retail sales excluding autos rose 0.6% in April. The economy contracted at an annualised rate of 1.5% in the Q1, slightly worse than the previous estimate of 1.4%.
- ▶ China's producer prices rose at the slowest pace in a year in April, despite the surge in global commodity prices. The producer price index (PPI) rose 8% y-o-y, following a 8.3% rise in March. The consumer price index (CPI) gained 2.1% from a year earlier, the fastest pace in five months, speeding up from March's 1.5% growth and beating expectations for a 1.8% rise. China cut its benchmark reference rate for mortgages by an unexpectedly wide margin. This is its second reduction this year as Beijing seeks to revive the ailing housing sector to prop up the economy. China, in a monthly fixing, lowered the five-year loan prime rate (LPR) by 15 basis points to 4.45%. The one year LPR was unchanged at 3.7%.

- ▶ In Europe, German inflation in April rose to an annual 7.4%, its highest print since 1981. The UK economy shrank by 0.1% in March but expanded by 0.8% for the Q1 of 2022 as a whole. In the UK, inflation soared to a 40-year high of 9% in April as food and energy prices spiralled. The flash purchasing managers' index (PMI) reading for the Euro Zone in May stood at 55.8, as business growth across the continent slowed but remained resilient. Still, global concerns about inflation and growth are prevalent and continue to weigh on sentiment. German GDP grew 0.2% in the Q1 of 2022, as Europe's largest economy narrowly avoided a recession on the back of strong construction and machinery investments.
- ▶ Japan's economy shrank 1% on an annualized basis in January-March as compared with the previous quarter. Japan's factories posted a sharp fall in output in April as China's COVID-19 lockdowns and wider supply disruptions took a heavy toll on manufacturers, clouding the outlook for the trade-reliant economy. Factory output dropped 1.3% in April from the previous month. Retail sales grew 2.9% in April from a year earlier, marking their sharpest gain since May 2021. A consumer confidence index rose in May for the second straight month, while the jobless rate edged down to a more than two-year low of 2.5% in April from the previous month's 2.6%.
- ▶ India's manufacturing sector expanded in the month of May and 'sustained strong growth' despite historically high inflation. At 54.6 in May, little-changed from 54.7 in April and higher than experts expectation of 54.2, the seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index pointed to a sustained recovery across the sector. The Services PMI rose to 58.9 in May from 57.9 a month back, the quickest increase since April 2011. The composite PMI for May rose to 58.3 from 57.6 in April. A foreign brokerage has lowered its forecasts for India's economic growth in the next two fiscal years, saying a global slowdown, surging oil prices and weak domestic demand would take a toll on Asia's third-largest economy. Gross domestic product growth will be 7.6% for fiscal 2023 and 6.7% for fiscal 2024, 30 basis points lower than the previous estimates.

In all likelihood Indian equities will follow global markets alongside global economic cues which would be driven by geo-political factors, oil price movements, inflation and US-FED actions.

## TECHNICAL VIEW

In the month of May, indices began on a lower note and remained under pressure as Nifty breached important support near its 200 day EMA. Nifty fell to a low near 15735 till mid of the month. At this level, however, buying support emerged and Nifty recovered to close the month at 16584.

On weekly chart, Nifty appears to have formed a double bottom near 15735, which indicates at some positive move to sustain for sometime. It has moved above its 55-week EMA, but still is below 13-week EMA. Weekly RSI has just crossed above its average while monthly RSI remains below its average.

Going ahead, the pull-back is likely to face strong resistance near 16750-16800. Nifty would turn positive if it manages to cross this resistance. Above this resistance is placed near 17100. On the other hand, 15735-15670 is a very important support zone now.



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## MUTUAL FUNDS PERFORMANCE

**NAV as on 31 May 2022**

**Return %**

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2364.34	0.31	0.93	1.80	3.49
Mirae Asset Cash Management Fund (G)	2230.18	0.33	0.94	1.79	3.48
Franklin India Liquid Fund Super Ins (G)	3199.13	0.29	0.91	1.78	3.47

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	27.49	0.34	0.84	1.88	4.13
Axis Arbitrage Fund (G)	15.36	0.33	0.84	2.02	4.03
Kotak Equity Arbitrage Fund (G)	30.45	0.36	0.88	1.91	3.96

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	221.86	20.41	36.92	17.51	13.47
Kotak Equity Hybrid (G)	38.61	7.87	32.14	14.64	10.81
Edelweiss Aggressive Hybrid Fund (G)	37.23	9.69	27.28	13.08	10.73
Canara Robeco Equity Hybrid Fund Reg (G)	232.30	5.06	22.74	12.73	11.23

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	34.52	4.99	21.01	12.73	10.66
ICICI Pru Balanced Advantage Fund Reg (G)	49.45	7.80	21.49	11.02	9.93
Tata Balanced Advantage Fund (G)	14.41	6.75	18.81	11.01	N/A
Kotak Balanced Advantage Fund Reg (G)	14.17	4.55	18.27	9.98	N/A

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Value Discovery Fund (G)	248.94	17.84	40.08	19.30	13.25
IDFC Sterling Value Fund Reg (G)	84.70	16.17	58.95	17.68	12.26
UTI Value Opportunities Fund (G)	94.30	6.75	33.12	14.95	12.00
Nippon India Value Fund (G)	115.27	9.94	40.03	14.79	12.27

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Focused Fund Reg (G)	17.97	8.29	37.99	18.57	N/A
IIFL Focused Equity Fund (G)	27.20	7.86	34.49	17.61	15.23
Sundaram Focused Fund Reg (G)	101.01	4.80	30.93	15.41	12.43
Nippon India Focused Equity Fund (G)	74.66	9.65	42.32	15.41	11.60

Tax Saving Schemes	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Tax Saver Fund Reg (G)	29.23	6.83	38.48	17.44	15.14
IDFC Tax Advantage Reg (G)	92.65	11.00	47.61	17.12	13.36
Canara Robeco Equity Taxsaver Fund Reg (G)	107.34	6.06	33.86	16.53	14.59
DSP Tax Saver Fund Reg Fund (G)	76.52	6.98	35.62	15.69	12.39
UTI Long Term Equity Fund (G)	132.13	5.98	31.99	14.32	10.93

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	38.76	4.59	27.91	14.92	13.24
Kotak Bluechip Fund (G)	352.93	6.14	31.78	13.68	11.33
ICICI Pru Bluechip Fund Reg (G)	63.04	10.44	32.38	13.37	11.92
SBI Blue Chip Fund Reg (G)	57.91	6.58	31.71	12.37	10.56

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	134.16	18.04	51.18	22.18	12.17
Edelweiss Mid Cap Fund Reg (G)	47.36	11.53	44.47	20.61	14.17
Kotak Emerging Equity (G)	68.66	11.73	44.90	20.52	13.75
Axis Midcap Fund (G)	62.91	8.39	33.15	19.51	17.25

Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	79.02	8.07	21.77	12.16	10.96

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Growth Opportunities Fund Reg (G)	18.71	8.65	33.64	19.82	N/A
Mirae Asset Emerging Bluechip Fund Reg (G)	90.75	7.03	38.49	18.55	14.90
ICICI Pru Large & Mid Cap Fund Reg (G)	522.97	18.45	41.14	16.34	11.84
Canara Robeco Emerging equities Reg (G)	150.81	9.56	35.44	16.27	12.52
Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Small Cap Fund Reg (G)	22.82	27.13	63.63	30.04	N/A
Kotak Smallcap Fund (G)	153.89	15.04	64.37	28.50	16.27
Edelweiss Small Cap Fund (G)	22.78	15.20	54.91	25.63	N/A
Axis Small Cap Fund Reg (G)	57.61	17.26	48.66	25.25	18.68
Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	46.60	11.72	36.12	22.97	18.04
UTI Flexi Cap Fund Reg (G)	225.13	0.82	32.81	16.25	13.99
Franklin India Flexi Cap Fund (G)	908.62	10.56	38.60	15.00	11.16
Canara Robeco Flexi Cap Fund (G)	208.95	6.46	30.16	14.76	13.40
DSP Flexi Cap Fund Reg (G)	59.29	0.61	29.62	13.69	11.46
Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Baroda BNP Paribas Multi Cap Fund (G)	157.17	11.92	37.48	15.99	11.07
Invesco India Multicap Fund (G)	71.95	3.53	33.12	15.02	10.30
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	220.66	13.64	38.06	14.85	11.63
Nippon India Multi Cap Fund (G)	143.50	18.80	46.69	12.09	11.55
Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	137.00	15.94	62.26	32.50	27.67
Aditya Birla SL Digital India Fund Reg (G)	116.95	10.42	52.97	30.06	26.74
Mirae Asset Healthcare Fund (G)	20.81	-2.54	23.20	26.96	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	18.50	-7.04	22.42	23.40	N/A
Tata Resources & Energy Fund Reg Plan (G)	26.97	5.29	40.56	22.84	13.51
Sundaram Services Fund (G)	19.79	14.45	41.16	20.24	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	129.72	10.51	31.18	15.67	12.96
IDFC Infrastructure Fund Reg (G)	22.15	7.26	46.35	11.49	7.16
Aditya Birla SL Infrastructure Fund Reg (G)	45.10	6.62	42.30	10.35	6.42
SBI Banking & Financial Services Fund Reg (G)	23.23	-2.62	30.92	6.75	11.11
Tata Banking and Financial Services Fund Reg (G)	23.49	-5.28	25.36	5.64	8.74
Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	55566.41	6.99	30.81	11.84	12.27
NSE - Nifty 50	16584.55	6.43	31.47	11.62	11.50

### CORPORATE ACTIONS IN JUNE 2022

COMPANY	RECORD DATE	PURPOSE
H D F C	01/06/2022	Rs.30 per share (1500%) Dividend
HDFC Life Insur.	01/06/2022	Rs.1.7 per share (17%) Final Dividend
Infosys	01/06/2022	Rs.16 per share (320%) Final Dividend & A.G.M
Page Industries	03/06/2022	Rs.70 per share (700%) Interim Dividend
Aurobindo Pharma	07/06/2022	Rs.4.5 per share (450%) Interim Dividend
Varun Beverages	07/06/2022	1:2 Bonus Issue of Equity Shares
General Insuranc	08/06/2022	Rs.2.25 per share (45%) Interim Dividend
Asian Paints	10/06/2022	Rs.15.5 per share (1550%) Final Dividend
Power Fin.Corp.n.	10/06/2022	Rs.1.25 per share (12.5%) Final Dividend
Canara Bank	16/06/2022	Rs.6.5 per share (65%) Dividend
Supreme Inds.	22/06/2022	900% Final Dividend
Dr Lal Pathlabs	23/06/2022	Rs.6 per share (60%) Final Dividend & A.G.M
Sona BLW Precis.	30/06/2022	Rs.0.77 per share (7.7%) Final Dividend

# COMPANY ANALYSIS REVIEW

## ENDURANCE TECHNOLOGIES LIMITED

CMP (As on 31 May 2022) – 1307

INDUSTRY - AUTO ANCILLARY

JUNE 2022

SENSEX – 55566 NIFTY – 16584

Mkt. Cap.	:	183958.87 Cr
Equity	:	140.66
Trading Vol.	:	100209
52 Week High/Low	:	1980/1047
Face Value	:	10

BSE Group	:	A
BSE Code	:	540153
NSE Symbol	:	ENDURANCE
Bloomberg	:	ENDUIN
Reuters	:	ENDU.BO

Shareholding Pattern		
Promoters	:	75.00
Institutions	:	15.87
Public	:	7.22
Others	:	1.92

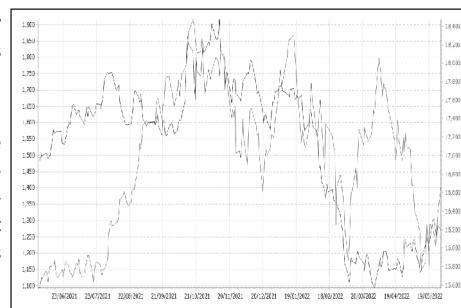
*The stock was earlier recommended in our Sajag Online publication of December 2018. We remain optimistic about the company owing to sound fundamentals and presence in the electric vehicle space along with sustained auto parts business.*

Endurance Technologies is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India. The Company sells its products in India as well as exports to foreign countries.

### Investment rationale

- ▶ In India, the company predominantly caters to two and three wheeler OEMs and the products include aluminium die-castings, suspensions, transmissions and braking systems for products with operations for two-wheelers. In Europe, the company predominantly caters to four-wheeler OEMs and mainly supplies aluminum-casting products. In India, Endurance has a total order book of Rs 7.45mn. The European automotive market has been deeply impacted by semi-conductor shortages, soaring energy prices and other supply chain issues linked to the geo-political situation.
- ▶ While Endurance Technologies has been winning new orders both in the domestic and export markets, its recent acquisition of Maxwell has opened up new opportunities in the electronic business (BMS, telematics, etc.) for EVs. The bulk of its existing products are EV-agnostic, Maxwell's BMS is its first EV specific product. With fairly-rapid vehicle electrification, OEMs have accelerated their EV plans, and are focusing on battery parameters including safety, range and power, and BMS would be a key differentiator.
- ▶ Endurance has been maintaining a RONW of nearly 20% in the past. PBDITA margin has been above 15%. D/E ratio is 0.2, with consistent positive CFO.

As per CMIE, automobile ancillaries industry's sales revenues are projected to grow by 7.5% in FY23. The production linked incentives (PLI) scheme for the automobile and the auto component sector is aimed at boosting domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. The stock has corrected from its high and trades at a PE of 40. 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	140.66	140.66	140.66	140.66	140.66
Networth	3,562.11	3,006.04	2,564.68	2,172.85	1,729.33
Debt	641.1	749.55	730.5	814.08	693.98
Sales	6,547.02	6,917.71	7,510.50	6,351.38	5,590.87
Other Income	30.71	47.6	27.05	23.47	29.07
Operating profit	1,059.70	1,178.36	1,135.02	924.45	787.41
PAT	521.3	552.93	502.72	404.64	327.2
Book Value (Rs)	253.24	213.71	182.33	154.47	122.94
EPS (Rs.)	36.95	40.2	35.19	27.78	23.48
Dividend (%)	60	55	55	40	25
Payout (%)	0	27.36	11.37	9	1.6

### Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	2078.8	2132.9	-2.54
Other Income	12.68	6.87	84.57
PBIDT	269.81	339.05	-20.42
PBT	170	225.37	-24.57
PAT	136.19	187.29	-27.28

## COROMANDEL INTERNATIONAL LIMITED

CMP (As on 31 May 2022) – 944

INDUSTRY - AGROCHEMICALS

JUNE 2022

Mkt. Cap.	:	277324.76 Cr
Equity	:	29.39
Trading Vol.	:	202406
52 Week High/Low	:	1002/709
Face Value	:	1

BSE Group	:	A
BSE Code	:	506395
NSE Symbol	:	COROMANDEL
Bloomberg	:	CRININ
Reuters	:	CORFBO

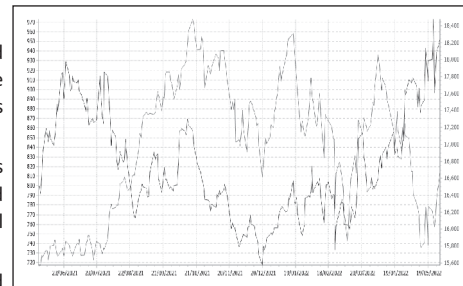
Shareholding Pattern		
Promoters	:	57.53
Institutions	:	21.96
Public	:	9.91
Others	:	10.61

*The stock was earlier recommended in our Sajag Online publication of August 2012. We remain optimistic about the company owing to sound fundamentals and near leadership position in its key products.*

Coromandel International is engaged in the business of farm inputs comprising fertiliser, crop protection, specialty nutrients and organic compost. It mainly manufactures inorganic fertilisers based on nitrogen and phosphate. It is a part of the Murugappa Group of companies. It belongs to the Murugappa Business house.

## Investment rationale

- ▶ Coromandel is India's second largest Phosphatic fertilizer player. It manufactures a wide range of fertilizers and markets around 3.2 million tons making it a leader in its addressable markets. In its endeavor to be a complete plant nutrition solutions company, Coromandel has also introduced a range of Specialty Nutrient products including Organic Fertilizers.
- ▶ The Crop Protection business of the company produces insecticides, fungicides and herbicides and markets these products in India and across the globe. Coromandel is the second largest manufacturer of Malathion and also of Phenthoate. Coromandel has also ventured into the retail business setting up close to 800 rural retail centers in the States of Andhra Pradesh, Telangana and Karnataka.
- ▶ The company's fertilizer plants are located at Visakhapatnam and Kakinada in Andhra Pradesh, Ennore and Ranipet in Tamil Nadu with a combined production capacity of 23.10 lakh tonnes of complex fertilizers, 8.15 lakh tonnes of DAP and 1.32 lakh tonnes of SSP.
- ▶ Rock phosphate is a key raw material in the manufacturing of phosphoric acid, an intermediate used in phosphatic fertiliser production. Coromandel, has strategic tie-ups with leading integrated players like Tifert (Tunisia) and Foskor (South Africa) for meeting its phosphoric acid requirements. It has been augmenting its captive phosphoric acid production at its Vizag plant and is sourcing rock from various countries. As part of its strategy to strengthen the value chain, Coromandel recently announced acquisition of 45% stake in the Senegal-based Baobab Mining and Chemicals Corporation.
- ▶ Net sales of Coromandel International increased 34.75% to Rs 19110.85 crore. Sales of Nutrient and Other Allied Business segment has gone up 37.00% to Rs 16,714.23 crore (87% of total sales). Sales of Crop Protection segment has gone up 20.47% to Rs 2,510.54 crore (13% of total sales). The company has a low-debt equity ratio of 0.25, RONW of 28% and has been reporting consistent positive CFO.



Management expects crop protection business to deliver high double digit growth going forward. The company is also looking at opportunities in the CRAMS segment. We recommend investing with a long term perspective.

## Financial Performance (Rs. Crore)

Year End	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Equity	29.34	29.3	29.25	29.24	29.17
Networth	5,150.59	4,317.70	3,358.39	2,896.27	2,890.77
Debt	384.95	2,019.09	2,954.47	2,728.44	2,228.38
Sales	14,213.48	13,136.69	13,224.56	11,082.92	10,030.75
Other Income	48.93	40.82	37.92	59.69	54.11
Operating Profit	2,064.70	1,771.80	1,457.12	1,315.53	1,036.79
PAT	1,332.75	1,069.00	740.05	693.87	475.27
Book Value (Rs)	175.55	147.36	114.82	99.05	99.1
EPS (Rs.)	45.3	36.35	24.63	23.64	16.35
Dividend (%)	1,200.00	1,200.00	650	650	500
Payout (%)	39.7	11.59	26.38	33.81	24.44

## Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	4226.81	2824.69	49.64
Other Income	76.79	47.03	63.28
PBIDT	455.76	276.47	64.85
PBT	388.96	213.32	82.34
PAT	289.79	155.85	85.94

## NAVIN FLUORINE INTERNATIONAL LIMITED

CMP (As on 31 May 2022) – 3924

INDUSTRY - CHEMICALS

JUNE 2022

Mkt. Cap.	: 194468.86 Cr
Equity	: 9.91
Trading Vol.	: 256680
52 Week High/Low	: 4339/3146
Face Value	: 2

BSE Group	: A
BSE Code	: 532504
NSE Symbol	: NAVINFLUO
Bloomberg	: NFILIN
Reuters	: NAFL.BO

Shareholding Pattern	
Promoters	: 29.70
Institutions	: 21.04
Public	: 24.68
Others	: 24.58

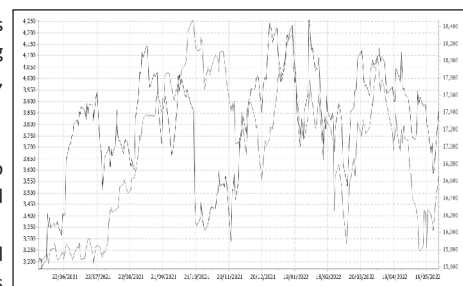
*We had earlier recommended the stock in our Sajag Online publication of July 2018.  
We remain optimistic about the company owing to sound financials and stable business.*

Navin Fluorine International belongs to a reputed industrial house of Padmanabh Mafatlal Group in India. It has largest integrated fluorochemicals complex in India. It primarily focuses on fluorine chemistry - producing refrigeration gases, chemicals, inorganic bulk fluorides, specialty organofluorines and offers CRAMS at Surat, Gujarat and Dewas, Madhya Pradesh.

## Investment rationale

- ▶ The company has ability to produce some of the niche organofluorine molecules. It offers a diversified portfolio of advanced fluorine derivatives to the world with wide ranging applications in pharma, agro and petrochemicals. Navin Fluorine has an impressive clientele consisting of top global chemical companies.
- ▶ In last quarter, it announced a capex investment worth Rs 540 crore to supply a key fluoro specialty chemical under a multi-year contract. This is the third multi-year contract, which is in the investment phase. This capacity is expected to get commissioned by CY23.
- ▶ A net zero debt company, its PBDITA margins have increased to 35% and RONW has been above 15% consistently. CFO has been consistently positive.

Navin Fluorine has a strong order book providing revenue visibility. It has posted a sequential improvement in sales, where its high-value businesses CRAMS and specialty chemicals have grown. It continues to focus on new high margin applications and exploring opportunities in new areas of fluorine chemistry. 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	9.9	9.9	9.89	9.87	9.79
Networth	1,633.91	1,412.18	1,072.45	983.48	835.18
Debt	2.52	1.4	4.14	12.66	18.52
Sales	1,179.39	1,061.55	995.94	912.69	741.5
Other Income	94.55	33.33	34.4	92.51	55.84
Operating profit	403.85	296.81	252.76	307.46	214.63
PAT	245.76	405.84	147.08	183.2	130.67
Book Value (Rs)	330.11	285.42	216.88	199.31	34.12
EPS (Rs.)	52.03	82.58	30.15	36.43	5.58
Dividend (%)	550	550	390	500	315
Payout (%)	16.02	17.83	34.83	16.17	25.37

### Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	408.94	336.43	21.55
Other Income	12.4	38.81	-68.05
PBIDT	106.66	123.06	-13.33
PBT	94.14	110.71	-14.97
PAT	75.16	73.22	2.65

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)	%
<b>Total Investment :</b>	<b>360000</b>	<b>%</b>	<b>600000</b>	<b>%</b>	<b>960000</b>	<b>%</b>	<b>1200000</b>	<b>%</b>	<b>1800000</b>	<b>%</b>
Aditya Birla SL India Gen Next Fd Reg (G)	471,319	18.3	869,654	14.8	1,744,975	14.5	2,767,706	15.9	6,854,726	16.2
Canara Robeco Emerging equities Reg (G)	484,377	20.3	881,106	15.4	1,800,000	15.3	3,225,308	18.8	8,656,611	18.9
Kotak Equity Opportunities Fund (G)	475,097	18.9	868,587	14.8	1,688,990	13.8	2,617,308	14.9	5,619,111	13.9
Mirae Asset Emerging Bluechip Fd Reg (G)	494,224	21.7	933,723	17.7	2,006,429	17.9	3,642,051	21.0	N/A	N/A
SBI Focused Equity Fund Reg (G)	456,854	16.1	857,459	14.3	1,707,758	14.0	2,674,293	15.3	6,901,043	16.3

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

## INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

### LARSEN & TOUBRO LIMITED

CMP (AS ON 31 MAY 2022) - 1654

TARGET - 1800

Larsen & Toubro is a major technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. The Company addresses critical needs in key sectors - Hydrocarbon, Infrastructure, Power, Process Industries and Defence - for customers in over 50 countries around the world. It is engaged in core, high impact sectors of the economy and its integrated capabilities span the entire spectrum of 'design to deliver' and maintains a leadership in all its major lines of business. Consolidated net sales (including other operating income) of Larsen & Toubro for Q4 March 2022 increased 10% to Rs 52850.67 crore. Early double digit growth in revenue was largely due to growth in revenue of both project & manufacturing and services business segments. The Company secured orders worth Rs 192,997 crore at the group level during FY22, registering a growth of 10% over previous year. Major traction was seen in the international region, especially from the Middle East, where L&T bagged large value orders during the year, taking the share of international orders to 44% of the total order inflow, as compared to 27% in the previous year. The consolidated order book of the group was at record levels, at Rs 357,595 crore as on March 31, 2022, with international orders having a share of 27%.

### AARTI INDUSTRIES LIMITED

CMP (AS ON 31 MAY 2022) - 760

TARGET - 850

Aarti Industries is engaged in manufacturing and dealing in Speciality Chemicals and Pharmaceuticals. It operates primarily in three segments, namely, speciality chemicals, pharmaceuticals and home and personal care. Speciality Chemicals is the major revenue-generating segment, contributing approximately 78% of the sales. The other segments i.e. pharmaceuticals and home & personal care, contribute approximately 15% and approximately 7% of sales respectively. In speciality chemicals segment, Aarti Industries is the largest producer of benzene derivatives in India and one of the leading manufacturers globally. It has integrated itself across the benzene chain and manufactures a variety of products from benzene. The company globally ranks between 1st and 4th position for 75% of its speciality chemical portfolio and is considered as 'Partner of Choice' for various major global and domestic customers. Aarti Industries is a strong exporter having relationships with over 300 export customers spread across the globe in 60 countries with major presence in US, Europe, China and Japan. It serves leading consumers across the globe of Speciality Chemicals and Intermediate for Agro Chemicals, Aromatics, Dyes, Fuel Additives, Pharmaceuticals, Pigments, Polymer Additives, Printing Inks, Surfactants and various other speciality chemicals. Net sales of Aarti Industries has increased 55.34% to Rs 6999.96 crore. Sales of Speciality Chemicals segment has gone up 62.60% to Rs 6,619.38 crore (83.59% of total sales). Sales of Pharmaceuticals segment has gone up 36.50% to Rs 1,299.93 crore (16.41% of total sales).

### GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Mahindra & Mahindra Ltd.	915	1034.35	13.04%
Hero Motocorp Ltd.	2460.20	2773.90	12.75%
Britannia Industries Ltd.	3242	3647.8	12.52%
S B I Life Insurance Co. Ltd.	1088.95	1174.15	7.82%
Dr. Reddy'S Laboratories Ltd.	4122.15	4369.65	6.00%

LOSERS			
COMPANY	OPEN	CLOSE	%
J S W Steel Ltd.	720	551.25	-23.44%
Divi'S Laboratories Ltd.	4488.8	3591.3	-19.99%
Tata Steel Ltd.	1257	1055.65	-16.02%
Grasim Industries Ltd.	1676	1428.6	-14.76%
Shree Cement Ltd.	25812.9	22116.3	-14.32%

*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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