

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	30/6/2022	31/5/2022	31/12/2007
Nifty	15780.25	16584.55	6138
Valuation			
Trailing PE	19.5	20.44	27.62
Trailing PB	4.03	4.24	6.39
Mcap/GDP	1.30	1.37	1.23
Nifty return			
1 year	0.37%	6.43%	54.77%
2 year	23.76%	31.57%	47.11%
3 year	10.21%	11.63%	43.43%
EPS growth			
1 year	45.82%	52.14%	19.13%
2 year	43.79%	37.67%	15.95%
3 year	25.77%	26.14%	17.85%
Other data points			
Credit growth	13.20%	11.90%	25%
10-year bond yield	7.40	7.40	7.57
Brent Oil Futures	109.03	122.84	93.25
USD/INR	78.9	77.59	39.23
Gold (oz/USD)	1807.3	1848.4	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices correct further!

Global markets remained in a sombre mood in the month of June.

Key developments during the month were,

- ▶ Industrial activity in April jumped 7.1% year on year, according to the index of industrial production (IIP). In comparison, industrial growth had expanded 1.9% in March. Growth in the mining sector was 7.8% in April 2022. The manufacturing sector expanded by 6.3%. Power sector showed a growth of 11.8% year on year in April 2022.
- ▶ India's inflation based on the Wholesale Price Index (WPI) rose further in May, hitting 15.8%. WPI inflation was 15.08% in April 2022 and 13.11% in May 2021. India retail inflation (CPI) eased to 7.04% in May, mainly on account of softening food prices, though it remained above the RBI's upper tolerance level for the fifth consecutive month. The Consumer Price Index (CPI) based inflation was 7.79% in April. In May 2021, the retail inflation stood at 6.3%.

- ▶ India's May trade deficit widened to \$24.29 billion from \$6.53 billion a year ago. May's trade deficit was pushed up by a surge in imports, which rose 62.83% y-o-y to \$63.22 billion, while exports rose 20.55% to \$38.94 billion.
- ▶ India's current account deficit (CAD) decreased to \$13.4 billion (1.5% of GDP) in Q4 FY22 from \$22.2 billion (2.6% of GDP) in Q3FY22. The sequential decline in CAD in Q4 2021-22 was mainly on account of a moderation in trade deficit and lower net outflow of primary income.
- ▶ Net foreign direct investment at \$13.8 billion was higher than \$2.7 billion in Q4FY21. Net foreign portfolio investment recorded an outflow of \$15.2 billion, mainly from the equity market. There was a drawdown of \$16.0 billion in the foreign exchange reserves as against an accretion of \$3.4 billion in Q4 FY21.
- ▶ India's direct tax collections for the FY23, showed net collections at Rs 3,39,225 crore compared with Rs 2,33,651 crore in the corresponding period of the preceding year, representing an increase of 45%. The advance tax collections for the Q1FY23 stand at Rs 1,01,017 crore against Rs 75,783 crore for the corresponding period, showing a growth of more than 33%.
- ▶ The Goods and Services Tax (GST) revenue in June rose to Rs 1.44 lakh crore, registering a 56% increase over the same month last year.
- ▶ The World Bank has trimmed its growth forecast for India for FY23 to 7.5%, marking a 1.2% cut down from its previous forecast of 8.7%. World Bank said it cut India's GDP growth forecast due to rising inflation, supply chain disruptions, and geopolitical tensions. The bank now sees India's growth slowing further to 7.1% in FY24. For FY25, GDP growth has been kept at 6.5%. Fitch Ratings has revised the Outlook on India's long-term foreign-currency issuer default rating to 'stable', from 'negative', and has affirmed the IDR at 'BBB-'. The outlook revision reflects Fitch Ratings' view that downside risks to medium-term growth have diminished due to India's rapid economic recovery and easing financial sector weaknesses, despite near-term headwinds from the global commodity price shock.

As the month began, RBI raised interest rates by 50 basis points. The minutes of the MPC's meeting expectedly showed an increased degree of concern among members regarding upside risks to India inflation amidst surging commodity prices. Indian indices fell nearly



Performance of key sectoral indices

Nifty Auto	0.80%	Nifty Infrastructure	-5.34%
Nifty Energy	-1.62%	Nifty Bank	-5.47%
Nifty FMCG	-2.91%	Nifty IT	-6.64%
Nifty India Consumption	-3.37%	Nifty Realty	-6.83%
Nifty Pharma	-4.00%	Nifty Metal	-12.90%
Nifty MNC	-4.25%		

4.5% in the month of June. FIIs have been relentless sellers who in the month of June, net sold shares worth 58,112 crores worth of shares. The rupee has lost over 6% against the dollar since the beginning of 2022.

On the global front, fears loomed across markets that aggressive interest rate hikes enacted by global central banks to rein in surging inflation could possibly lead to a recession. The US Federal Reserve announced a 75 basis point hike in interest rates, its biggest jump in 28 years, to tame the soaring inflation. The Fed said in a statement it was committed to bringing down inflation to 2%. It also said it would continue to reduce holdings of Treasury securities and agency debt and agency mortgage-backed securities.

Market Outlook

The World Bank cut its global growth forecast to 2.9% for 2022 and warned of the world economy slipping into a period of stagflation.

- ▶ US consumer spending rose less than expected in May as motor vehicles remained scarce while higher prices forced cutbacks on purchases of other goods. Consumer spending gained 0.2% in May, the smallest rise in five months. Data for April was revised down to 0.6% instead of 0.9% as previously reported. American employers added 390,000 jobs in May. The jobless rate held steady at 3.6% for the third consecutive month. Production at US factories unexpectedly fell in May. Manufacturing output dipped 0.1% last month, the first decline since January, after increasing 0.8% in April.
- ▶ China's Caixin/Markit manufacturing Purchasing Managers' Index for June came in at 51.7, above the 50-level that separates growth from contraction. That compared to last month's reading of 48.1. Profits at China's industrial firms shrank at a slower pace in May following a sharp fall in April. Profits fell 6.5% from a year earlier, less than the 8.5% decline in April. China stood pat on its benchmark lending rates for corporate and household loans, as expected. The one-year loan prime rate was kept at 3.70%, and the five-year was unchanged at 4.45%.

▶ The European Central Bank (ECB) confirmed its intention to hike interest rates by 25 basis points at its July meeting, with a further hike expected in September, the scale of which will be determined by the medium-term inflation outlook. The ECB also raised its inflation expectations for the euro zone significantly and downgraded its growth forecasts. The ECB now sees inflation over its 2% target throughout its projection horizon, accepting that rapid price growth is not nearly as temporary as it had forecast for the past year. UK inflation hit a new 40-year high of 9.1% y-o-y in May as soaring food and energy prices continue to deepen the country's cost-of-living crisis. UK retail sales fell 0.5% month-on-month in May, while April's monthly rise in sales was revised down sharply from 1.4% to 0.4%. German producer prices soared by 33.6% y-o-y in May, their largest increase on record.

▶ The Bank of Japan maintained its massive stimulus and its guidance to keep borrowing costs at "present or lower" levels. As widely expected, the central bank kept unchanged its short-term interest rate target at -0.1% and a pledge to guide the 10-year government bond yield around 0%. Core consumer prices in Japan rose 2.1% for the month of May compared to a year earlier. That's above the Bank of Japan's target of 2% inflation. Sentiment at Japan's large manufacturers worsened in the April-to-June period. The headline index for large manufacturers' sentiment came in at 9, a decline from the previous quarter's reading of 14. Japan's factory activity growth slowed in June as supply disruptions in part due to China's strict COVID-19 curbs hurt manufacturers. The final au Jibun Bank Japan Manufacturing purchasing managers' index (PMI) slipped to a seasonally adjusted 52.7 in June from a final 53.3 in the previous month. Retail sales in Japan rose 3.6% in May compared to a year ago, a third consecutive month of growth.

▶ The progress of the south-west monsoon into India has been disappointing so far. The slow progress in many agriculture-heavy regions of the country could further shake investor confidence in the economy as well as fan concerns over inflation remaining higher for a longer period of time. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) stood at 53.9 in June, lower than 54.6 in May.

While the uncertainty looms over global markets, Indian indices are likely to follow the global markets which would be pre-dominantly directed by inflation movement, economic growth and global flow of liquidity.

TECHNICAL VIEW



Indices began the month of June on a stable note, however, it saw profit-booking near 16800. Nifty fell to a low near 15183, which dragged it below all its key daily EMAs. Nifty recovered to close the month near 15780.

On weekly chart, 13-week EMA has moved below 55-week EMA. Weekly RSI is below its average. Monthly RSI remains below its average, where Nifty has also moved below 13-month EMA. On quarterly chart, Nifty has formed a red candle after a couple of 'Dojis' and RSI also remains below its average.

Nifty has formed a gap-down window near 16200, which remains a strong resistance going ahead. Any pull-back is likely to face strong resistance near this level. If Nifty manages to cross this level, 16500 would be the resistance at higher level. On the other hand, 15180 is a very important support zone now. We maintain a cautious outlook.

SAJAG STOCK HOTLINE 020 2530 24 00

MUTUAL FUNDS PERFORMANCE

NAV as on 30 June 2022

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2373.49	0.39	1.03	1.91	3.61
Franklin India Liquid Fund Super Ins (G)	3211.35	0.38	1.01	1.89	3.58
Mirae Asset Cash Management Fund (G)	2238.65	0.38	1.03	1.90	3.58

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	27.59	0.36	1.12	2.01	4.07
Axis Arbitrage Fund (G)	15.40	0.31	1.03	2.06	4.02
Kotak Equity Arbitrage Fund (G)	30.56	0.35	1.12	2.05	3.89

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	214.65	15.21	31.97	16.09	12.74
Kotak Equity Hybrid (G)	37.40	2.45	25.88	13.60	10.16
Edelweiss Aggressive Hybrid Fund (G)	35.98	3.42	22.29	11.73	10.10
Canara Robeco Equity Hybrid Fund Reg (G)	224.41	-0.98	17.88	11.48	10.39

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	33.61	0.69	17.01	12.13	9.93
ICICI Pru Balanced Advantage Fund Reg (G)	48.93	5.79	17.73	10.63	9.54
Tata Balanced Advantage Fund (G)	14.06	2.74	14.99	10.01	N/A
Kotak Balanced Advantage Fund Reg (G)	13.82	0.57	12.99	9.15	N/A

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Value Discovery Fund (G)	239.24	11.53	34.03	17.77	12.45
IDFC Sterling Value Fund Reg (G)	79.95	5.56	45.43	16.45	10.68
Nippon India Value Fund (G)	110.27	1.55	31.60	13.63	11.35
UTI Value Opportunities Fund (G)	89.49	-1.90	25.48	13.41	11.14

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Focused Fund Reg (G)	17.22	-0.54	28.19	17.20	N/A
IIFL Focused Equity Fund (G)	26.06	-1.03	26.50	15.85	13.77
Nippon India Focused Equity Fund (G)	71.75	4.05	33.84	14.27	10.43
ICICI Pru Focused Equity Fund Reg (G)	45.15	3.51	26.09	14.08	11.12

Tax Saving Schemes	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Tax Saver Fund Reg (G)	27.90	-0.67	29.23	15.65	13.87
IDFC Tax Advantage Reg (G)	87.58	2.05	36.77	15.37	11.97
Canara Robeco Equity Taxsaver Fund Reg (G)	102.45	-1.50	27.52	14.97	13.66
DSP Tax Saver Fund Reg Fund (G)	72.85	-1.20	27.66	14.14	11.64
UTI Long Term Equity Fund (G)	125.90	-2.86	24.60	12.99	9.90

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	36.97	-2.61	21.22	13.13	12.37
Kotak Bluechip Fund (G)	336.64	-1.38	24.04	12.29	10.38
ICICI Pru Bluechip Fund Reg (G)	60.46	4.46	26.02	11.82	11.09
SBI Blue Chip Fund Reg (G)	55.51	0.89	25.12	11.04	9.70

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	129.32	7.87	40.30	21.19	11.00
Edelweiss Mid Cap Fund Reg (G)	44.87	-0.64	36.49	19.02	12.72
Kotak Emerging Equity (G)	65.63	0.94	36.11	18.83	12.60
UTI Mid Cap Fund (G)	165.10	0.17	33.54	18.55	11.09

Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	78.01	5.64	18.47	11.46	10.35

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Growth Opportunities Fund Reg (G)	17.78	-4.25	26.45	17.27	N/A
Mirae Asset Emerging Bluechip Fund Reg (G)	86.613	-1.27	29.52	16.89	13.75
Canara Robeco Emerging equities Reg (G)	144.09	-0.33	28.21	15.03	11.37
ICICI Pru Large & Mid Cap Fund Reg (G)	504.17	10.78	34.73	14.9	11.13
Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	114.56	-0.65	67.27	36.07	18.00
Canara Robeco Small Cap Fund Reg (G)	21.68	15.01	53.76	29.42	N/A
Kotak Smallcap Fund (G)	147.46	5.08	51.88	27.27	15.30
Nippon India Small Cap Fund (G)	78.02	8.60	50.48	25.31	16.07
Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	43.99	2.25	28.53	20.33	16.37
UTI Flexi Cap Fund Reg (G)	212.90	-8.08	24.86	14.41	12.48
Franklin India Flexi Cap Fund (G)	861.08	2.03	30.02	13.52	10.05
Canara Robeco Flexi Cap Fund (G)	198.74	-1.73	23.43	13.07	12.34
DSP Flexi Cap Fund Reg (G)	55.71	-8.92	20.83	11.55	10.48
Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	211.85	4.01	30.45	14.06	10.61
Invesco India Multicap Fund (G)	68.41	-5.35	26.22	13.44	9.29
Nippon India Multi Cap Fund (G)	138.11	10.61	37.90	11.10	10.58
ICICI Pru Multicap Fund Reg (G)	404.13	0.92	28.33	10.45	9.69
Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	128.83	-0.62	52.49	30.02	26.52
Aditya Birla SL Digital India Fund Reg (G)	110.12	-3.62	42.72	27.95	25.38
Mirae Asset Healthcare Fund (G)	20.05	-10.53	19.69	26.04	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	17.96	-12.13	17.18	22.98	N/A
Tata Resources & Energy Fund Reg Plan (G)	24.46	-6.30	29.00	19.64	11.93
Sundaram Services Fund (G)	18.72	5.99	32.32	18.37	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	124.69	3.28	24.74	14.25	11.86
IDFC Infrastructure Fund Reg (G)	20.76	-4.33	33.89	9.85	5.43
Aditya Birla SL Infrastructure Fund Reg (G)	42.45	-4.91	29.64	8.96	5.18
SBI Banking & Financial Services Fund Reg (G)	21.97	-7.50	21.50	5.20	9.73
Tata Banking and Financial Services Fund Reg (G)	22.17	-9.34	16.93	3.44	6.59
Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	53018.94	1.02	23.23	10.38	11.38
NSE - Nifty 50	15780.25	0.37	23.76	10.18	10.63

CORPORATE ACTIONS IN JULY 2022

COMPANY	RECORD DATE	PURPOSE
Bajaj Auto	01/07/2022	Rs.140 per share(1400%)Dividend
Bajaj Finance	01/07/2022	Rs.20 per share(1000%)Dividend
Bajaj Finserv	01/07/2022	Rs.4 per share(80%)Dividend
Bajaj Holdings	01/07/2022	Rs.25 per share(250%)Final Dividend
I O C L	01/07/2022	1:2 Bonus Issue of Equity Shares
L & T Infotech	01/07/2022	Rs.30 per share(3000%)Dividend
Axis Bank	08/07/2022	Rs.1 per share(50%)Final Dividend
Crompton Gr. Con	08/07/2022	Rs 2.50 per Share (125%) Final Dividend
Jubilant Food.	11/07/2022	Rs.1.2 per share(60%)Final Dividend
Shree Cement	14/07/2022	Rs.45 per share(450%)Final Dividend
Bharat Forge	15/07/2022	Rs.5.5 per share(275%)Final Dividend
Piramal Enterp.	15/07/2022	Rs.33 per share(1650%)Final Dividend
TCS	16/07/2022	Interim Dividend
Larsen & Toubro	22/07/2022	Rs.22 per share(1100%)Final Dividend

COMPANY ANALYSIS REVIEW

TATA CONSUMER PRODUCTS LIMITED

CMP (As on 30 June 2022) – 706

INDUSTRY - FMCG

JULY 2022

SENSEX – 53019 NIFTY – 15780

Mkt. Cap.	:	65093.81 Cr
Equity	:	92.16
Trading Vol.	:	2030048
52 Week High/Low	:	889/650
Face Value	:	1

BSE Group	:	A
BSE Code	:	500800
NSE Symbol	:	TATACONSUM
Bloomberg	:	TATACONSIN
Reuters	:	TAGL.BO

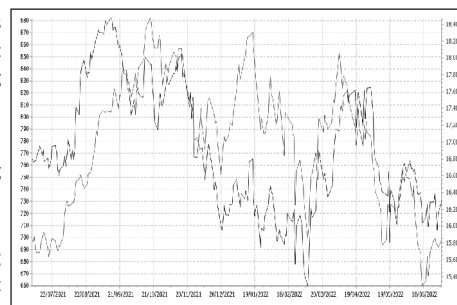
Shareholding Pattern		
Promoters	:	34.68
Institutions	:	15.25
Public	:	26.51
Others	:	23.56

The stock was earlier recommended in our Sajag Online publication of October 2020. We remain optimistic about the company owing to sound fundamentals and revamp in the business structure and product range.

Tata Consumer Products is one of India's fastest growing FMCG companies. The Company's portfolio of products includes tea, coffee, water, ready-to-drink, salt, pulses, spices, ready-to-cook and ready-to-eat offerings, breakfast cereals, snacks and mini meals. In India, Tata Consumer Products has a reach of over 201 million+ households, giving it an unparalleled ability to leverage the Tata brand in the consumer products space.

Investment rationale

- ▶ Despite all the macro & operating challenges during the year, TCPL delivered reasonable revenue growth along with improved profitability for the company. In the core businesses, it delivered competitive growth with market share gains. The revenue share of India business has increased to ~70% in FY22 from 62% in FY20.
- ▶ TCPL's transformation agenda is on track and it has made substantial progress against strategic priorities during the year. It has entered the value added, high margin Ready-to-Eat category with the acquisition of Tata Smart Foodz. It integrated three acquisitions (Soulfull, Nourishco, Tata Q) quickly. Consumer products are likely to benefit from increased in-home consumption across countries.
- ▶ Most recently, TCPL announced a reorganisation plan that entails a) Combining Tata Coffee's business into Tata Consumer and its wholly-owned subsidiary through a composite scheme of demerger and merger and b) Purchase of minority interests in Tata Consumer Products UK through a preferential issue of equity shares. TCPL is looking at both organic and inorganic growth opportunities, and has aspirations to enter new categories. The company is focused on expanding distribution networks and product portfolio, although high inflation is likely to impact demand across categories.
- ▶ TCPL has grown sales at a CAGR of 13% and PAT at 14% in last 5 years. A near zero debt company, D/E is 0.1, PBDITA margins are close to 15% and RONW in the range of 7-8%.



On the back of normal monsoon, rural economy is likely to pick up. Higher MSP (minimum support prices) will also help rural income levels to grow. With educational and commercial institutions reopening, almost after a gap of two years, demand for certain categories have improved. Also some correction in raw material prices would aid margins, which have been stressed in last quarters. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
Equity	92.16	92.16	92.16	63.11	63.11
Networth	15,120.08	14,512.65	13,793.00	7,309.83	7,009.74
Debt	1,412.01	1,633.55	1,586.32	1,141.10	1,067.58
Sales	12,425.37	11,602.03	9,637.42	7,251.50	6,815.35
Other Income	140.06	205.68	121.97	157.13	138.15
Operating profit	1,806.78	1,634.49	1,128.95	909.75	911.93
PAT	967.73	870.07	624.6	408.14	495.07
Book Value (Rs)	164.06	157.47	149.66	115.83	111.07
EPS (Rs.)	10.15	9.3	4.99	6.47	7.85
Dividend (%)	605	405	270	250	235
Payout (%)	34.59	25.04	29.48	31.3	25.03

Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	3175.41	3037.22	4.55
Other Income	47.39	42.96	10.31
PBIDT	473.07	279.23	69.42
PBT	384.55	197.91	94.31
PAT	289.23	133.34	116.91

IPCA LABORATORIES LIMITED

CMP (As on 30 June 2022) – 897

INDUSTRY - PHARMACEUTICALS

JULY 2022

Mkt. Cap.	:	22769.95 Cr
Equity	:	25.37
Trading Vol.	:	434295
52 Week High/Low	:	1383/831
Face Value	:	1

BSE Group	:	A
BSE Code	:	524494
NSE Symbol	:	IPCALAB
Bloomberg	:	IPCAIN
Reuters	:	IPCABO

Shareholding Pattern		
Promoters	:	46.29
Institutions	:	33.44
Public	:	11.63
Others	:	8.64

The stock was earlier recommended in our Sajag Online publication of March 2012. We remain optimistic about the company owing to sound fundamentals.

Ipca Laboratories Ltd is a fully-integrated Indian pharmaceutical company manufacturing over 350 formulations and 80 APIs for various therapeutic segments. It is one of the world's largest manufacturers and suppliers of over a dozen APIs. These are produced right from the basic stage at manufacturing facilities endorsed by the world's most discerning drug regulatory authorities like US-FDA, UK-MHRA, EDQM-Europe, WHO-Geneva and many more.



Investment rationale

- ▶ IPCA is one of the biggest manufacturers in the world of APIs Atenolol (Antihypertensive), Chloroquine Phosphate (Antimalarial), Furosemide (Diuretic) and Pyrantel Salts (Anthelmintic) right from the basic stage. IPCA is also one of the largest suppliers of these APIs and their intermediates world over.
- ▶ Domestic business (45% of total sales) remains strong and continues to outperform. The domestic formulation (DF) segment continues on its robust growth path, led by market share gain, favorable price hikes, addition of medical representatives (MRs), and its increased presence particularly in the cardiology segment. Strong API capabilities and diversified model have benefited IPCA in the current environment.
- ▶ The exports opportunity is expected to improve with increased product launches in the UK, new launches and market share gain in Russia, and industry outperformance in Africa branded generics market.
- ▶ A zero debt company, it has grown its sales at a CAGR of 11% and PAT at 42%. PBDITA margins have improved to 30% and RONW to 26%.

IPCA's core strategic focus has been on backward integration, resulting in superior supply chain reliability and cost competitiveness in a dynamic market. Ipca has also emerged as one of India's top exporters of APIs, serving over 70 countries around the globe. The stock trades at a moderate PE of 25. 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	25.37	25.27	25.27	25.24	25.24
Networth	4,701.65	3,627.48	3,122.39	2,688.57	2,455.26
Debt	265.39	500.72	464.95	627.56	715.75
Sales	5,394.94	4,619.03	3,745.69	3,257.76	3,156.19
Other Income	62.84	67	57.68	41.8	12.75
Operating Profit	1,602.72	969.16	751.12	495.83	461.92
PAT	1,134.04	596.85	438.99	234.38	191.73
Book Value (Rs)	370.65	286.15	247.12	213.04	97.28
EPS (Rs.)	89.87	47.99	35.21	18.97	7.71
Dividend (%)	400	250	150	50	50
Payout (%)	8.89	16.75	2.83	5.27	0

Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	1289.1	1114.66	15.65
Other Income	14.54	19.92	-27.01
PBIDT	233.87	248.83	-6.01
PBT	169.55	194.63	-12.89
PAT	140.79	163.7	-14.00

VINATI ORGANICS LIMITED

CMP (As on 30 June 2022) – 1982

INDUSTRY - CHEMICALS

JULY 2022

Mkt. Cap.	: 20380.65 Cr
Equity	: 10.28
Trading Vol.	: 66625
52 Week High/Low	: 2289/1675
Face Value	: 1

BSE Group	: A
BSE Code	: 524200
NSE Symbol	: VINATIORGA
Bloomberg	: VOIN
Reuters	: VNTI.BO

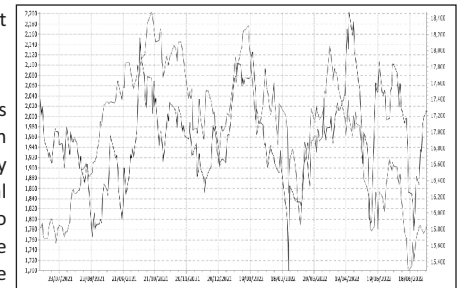
Shareholding Pattern	
Promoters	: 74.06
Institutions	: 8.48
Public	: 43.95
Others	: 12.51

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

Vinati Organics Ltd is engaged in manufacturing of speciality organic intermediates and monomers and polymers. It has a market presence spanning over 35 countries in the world.

Investment rationale

- ▶ It manufactures iso butyl benzene, the prime raw material for the manufacture of ibuprofen, a vital bulk drug. It is also a leading manufacturer of Acrylamido -2 Methylpropane Sulfonic Acid (ATBS) and Isobutylene (IB) and High Purity Methyl Tertiary Butyl Ether (HPMTBE) products. Its HPMTBE is a clear colorless liquid with a 99.90% purity level. It has competitive advantage of being strong solvating power and has applications in pharmaceutical industry and in organic metallic compounds. ATBS, or 2-Acrylamido 2 Methylpropane Sulfonic Acid, is used to manufacture dispersants in water chemicals and polymers for Enhanced Oil Recovery (EOR), and also to give dye receptibility for acrylic fibre. In terms of revenue contribution, ATBS constitutes 40-50% of overall revenue followed by IBB of 20-30% while the rest is from other segments such as IB, Butyl phenols and derivatives.
- ▶ The company's manufacturing facilities are located at Mahad and Lote Parashuram, Maharashtra. The company is undertaking ATBS expansion, which will entail a capital expenditure (capex) of Rs 300 crore which will be funded by internal accruals and is expected to get commissioned by December 2023. The capital expenditure in Veeral Organics (fully owned subsidiary of Vinati Organics) is under progress. The total capex is approximately Rs 280 crore and the products include 2000 MT of MEHQ & Guaiacol and 30000 MT of ISO Amylene. These products are used in polymerization inhibitors, flavours, fragrances, pharmaceuticals and pesticides. The commissioning is expected by September 2023
- ▶ The sales have grown at a CAGR of 7% and PAT at 14% in last 5 years. A zero debt company, it has consistently generated positive CFO. PBDITA margins have been near 40% and RONW has been above 20%



Vinati expects revenue and operating profit growth of 20-25% over the next three fiscals, despite volatility in the end-user industry. As per CRISIL, Indian specialty chemicals industry is expected to outpace its Chinese counterpart and almost double its global market share to ~6% by 2026. 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	10.28	10.28	10.28	10.28	10.32
Networth	1543.42	1279.41	1051.28	796.67	680.01
Debt	2.02	0.35	3.68	15.2	2.32
Sales	954.26	1028.87	1127.92	742.2	681.33
Other Income	25.86	44.99	30.17	30.7	12.48
Operating profit	379.12	459.88	454.81	228.9	230.33
PAT	269.34	333.83	282.49	143.88	140.28
Book Value (Rs)	150.16	124.48	102.28	77.51	65.91
EPS (Rs.)	26.2	32.48	27.49	14	13.6
Dividend (%)	600	550	350	225	25
Payout (%)	1.91	26.17	8.19	1.79	1.84

Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	486.09	279.77	73.75
Other Income	15.13	6.57	130.29
PBIDT	153.91	105.69	45.62
PBT	141.99	94.85	49.70
PAT	101.1	70.86	42.68

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)	452,668	15.5	836,631	13.3	1,671,357	13.5	2,645,758	15.1	6,595,393	15.8
Canara Robeco Emerging equities Reg (G)	458,740	16.4	836,667	13.3	1,697,524	13.9	3,034,246	17.7	8,221,157	18.3
Kotak Emerging Equity (G)	496,243	22.0	908,710	16.6	1,802,470	15.3	3,079,038	17.9	7,123,790	16.7
Kotak Equity Opportunities Fund (G)	450,380	15.1	825,155	12.7	1,599,123	12.4	2,472,501	13.8	5,336,236	13.3
SBI Small Cap Fund Reg (G)	524,167	26.0	967,570	19.2	2,087,259	18.9	3,909,368	22.3	N/A	N/A

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

ICICI BANK LIMITED

CMP (AS ON 30 JUNE 2022) – 707

TARGET – 770

ICICI Bank is India's largest private sector bank by consolidated assets. Business of the bank increased 15% yoy to Rs 1923592 crore at end March 2022, supported by loans growth improving to 17% at Rs 859020 crore. Meanwhile, the deposits growth eased to 14% at Rs 1064572 crore at end March 2022. Credit to deposit ratio improved to 80.7%. Domestic advance book grew at improved pace of 17% yoy to Rs 817736 crore, while the overseas advance book rebounded 10% at Rs 41284 crore. With the healthy growth, the share of retail book in the overall advance book increased to 53% at end March 2022 from 52.7% end December 2021, while improved from 51.75% at end March 2021. CASA ratio of the bank improved to 48.70% supporting the NIM which rose to 4%. Bank has accelerated network expansion and has the network of 5418 branches and 13626 ATMs at end March 2022.

TATA MOTORS LIMITED

CMP (AS ON 30 JUNE 2022) – 411

TARGET – 465

Tata Motors Limited is a leading global automobile manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. Tata Motors has operations in the UK, South Korea, Thailand, South Africa, and Indonesia through a strong global network of 76 subsidiary and associate companies, including Jaguar Land Rover in the UK and Tata Daewoo in South Korea. In India, Tata Motors is a market leader in commercial vehicles and among the top passenger vehicles manufacturers with 9 million vehicles on Indian roads. With design and R&D centres located in India, the UK, Italy and Korea, Tata Motors strives to pioneer new products that fire the imagination of GenNext customers. The company's segments include automotive, and others, which include information technology (IT) services, construction equipment manufacturing, machine tools and factory automation solutions, high-precision tooling and plastic and electronic components for certain applications, and investment business. Its manufacturing plants are situated at Jamshedpur, Pune, Lucknow, Pantnagar, Dharwad and Sanand. It is seeing strong demand for its vehicles across businesses - Jaguar Land Rover, commercial vehicles and passenger vehicles despite ongoing geopolitical, supply and inflation concerns. In FY22, global wholesales increased by 20% to 10,86,734 vehicles and revenue stood at Rs 278,454 crore, 11.5% higher than FY21. On a consolidated basis Tata Motors derives 78% of its revenues from JLR and 22% from Indian operations. The government's export duty hike on steel and plastic bodes well for the auto sector and Tata Motors is leading in the electrification space.

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Maruti Suzuki India Ltd.	7975.05	8470.75	6.22%
Mahindra & Mahindra Ltd.	1035	1093.15	5.62%
J S W Steel Ltd.	554.05	564.5	1.89%
I T C Ltd.	270.65	273.5	1.05%
Dr. Reddy'S Laboratories Ltd.	4350	4393.8	1.01%

LOSERS			
COMPANY	OPEN	CLOSE	%
Hindalco Industries Ltd.	421	338.65	-19.56%
Tata Steel Ltd.	1065.5	867.05	-18.63%
U P L Ltd.	772.6	632.4	-18.15%
Tech Mahindra Ltd.	1186.15	1000	-15.69%
Bajaj Finserv Ltd.	12959	10931.75	-15.64%

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.

Tel. : 020 - 6601 47 37