

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	31/7/2022	30/6/2022	31/12/2007
Nifty	17158.25	15780.25	6138
Valuation			
Trailing PE	20.73	19.5	27.62
Trailing PB	4.12	4.03	6.39
Mcap/GDP	1.42	1.30	1.23
Nifty return			
1 year	8.85%	0.37%	54.77%
2 year	24.48%	23.76%	47.11%
3 year	15.56%	10.21%	43.43%
EPS growth			
1 year	41.83%	45.82%	19.13%
2 year	50.24%	43.79%	15.95%
3 year	26.85%	25.77%	17.85%
Other data points			
Credit growth	14.00%	13.20%	25%
10-year bond yield	7.32	7.40	7.57
Brent Oil Futures	110.01	109.03	93.25
USD/INR	79.19	78.9	39.23
Gold (oz/USD)	1778.75	1807.3	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices stage a pull-back!

In the month of July, indices gained as global markets remained strong.

Key developments during the month were,

- ▶ India's factory output, measured in terms of Index of Industrial Production (IIP), witnessed a growth of 19.6% in May 2022. IIP grew 7.1% in April 2022. The manufacturing sector recorded a growth of 20.6% in May. The mining sector rose by 10.9% and the electricity sector climbed 23.5%.
- ▶ India's headline retail inflation rate, as measured by the Consumer Price Index (CPI), stood at 7.01% in June 2022 from 7.04% in May 2022. India's inflation based on wholesale price index (WPI) stood at 15.18% in June 2022 compared with 12.07% in June 2021. The high rate of inflation in June, 2022 is primarily due to rise in prices of mineral oils, food articles, crude petroleum & natural gas, basic metals, chemicals & chemical products, food products etc as compared to the previous year. The WPI

grew 15.88% in May 2022, while the figure for April was 15.38%.

- ▶ India's exports dipped marginally by 0.76% to \$35.24 billion in July, though the trade deficit tripled to \$31.02 billion during the month. The imports in July went up to \$66.26 billion from \$46.15 billion in the corresponding month last fiscal. The trade deficit was \$100.01 billion during April-July 2022-23.
- ▶ The gross goods and service tax (GST) revenue collected in the month of July stood at Rs 1,48,995 crore, which is the second highest ever since the introduction of GST and up 28% y-o-y. During the month, revenues from import of goods was 48% higher and the revenues from domestic transaction (including import of services) are 22% higher than the revenues from these sources during the same month last year.
- ▶ The Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, jumped to 56.4 in July from June's 53.9. The Services PMI Business Activity Index stood at 55.5 in July, from from 59.2 in June, which was the highest figure in over 11 years. The S&P Global India Composite PMI Output Index fell to 56.6 from 58.2 in June, highlighting the slowest increase since March.
- ▶ The fiscal deficit for the first quarter of April-June period came in at 21.2% of the full-year target of Rs 16.6 trillion. That's lower than expected due to higher tax collection and lower spending on subsidies.
- ▶ On the basis of an assessment of the current and evolving macroeconomic situation, the RBI's Monetary Policy Committee (MPC) increased the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 5.40% with immediate effect. Consequently, the standing deposit facility (SDF) rate stands adjusted to 5.15% and the marginal standing facility (MSF) rate and the Bank Rate to 5.65%. The MPC has retained the real GDP growth projection for the ongoing financial year 2022-23 at 7.2%.

Some cooling off in global crude prices boosted domestic investors sentiment as indices gained on strong global stocks. Strangely, despite the FED rate hike, markets were seen in a jubilant mood. With an inflow of around Rs 4,989 crore, FIIs turned buyers in the equity market in July after nine months of outflows.

Global indices rebounded amidst oversold conditions. The Dow Jones rose 6.7%, the S&P 500 was up 9.1% for July month. European



Performance of key sectoral indices

Nifty Metal	18.49%	Nifty Auto	7.67%
Nifty Realty	17.85%	Nifty Infrastructure	6.19%
Nifty FMCG	13.11%	Nifty Pharma	5.38%
Nifty Bank	12.71%	Nifty IT	5.17%
Nifty India Consumption	12.58%	Nifty Energy	4.03%
Nifty MNC	9.51%		

Central Bank President Christine Lagarde last month played down concerns about a recession in the euro zone, also saying her team is ready to raise rates at a faster pace, if needed, if inflation continues to shoot higher.

Market Outlook

In its World Economic Outlook update, the IMF has cut its forecast for global growth this year to 3.2%, bringing it down from its earlier expectation of 3.6%. All the major economies, especially those of developed countries, have been hit badly and are set to see more pain. India has fared relatively better with a growth rate of 7.4%. As per India's Finance Minister Nirmala Sitharaman India is still the fastest growing economy whose financial situation is much better than most other countries. But the IMF has lowered the growth expectation and pegged the rate for 2023 at 6.1%.

- ▶ New orders for US-manufactured goods increased more than expected in May. The US saw stronger than expected job growth in June, as the economy added 372,000 jobs. June's gains marked a slight deceleration from the downwardly revised 384,000 in May. April's count was revised down to 368,000. The unemployment rate was 3.6%, unchanged from May. US inflation accelerated in June as the consumer price index rose 9.1% from a year earlier. The business activity in the US manufacturing sector expanded at a slightly softer pace in July than in June with the ISM Manufacturing PMI declining to 52.8 from 53 in June.
- ▶ China's Q2 GDP grew 0.4% compared with 4.8% in the Q1. China's services activity grew at the fastest rate in 15 months in July as easing COVID curbs boosted consumer confidence, but foreign demand fell and companies cut staff for the seventh month in a row. China's factory activity actually contracted in July as fresh virus flare-ups weighed on demand. The official manufacturing purchasing managers' Index (PMI) fell to 49.0 in July. The official non-manufacturing PMI in July fell to 53.8 from 54.7 in June. The

official composite PMI, which includes manufacturing and services, fell to 52.5 from 54.1. China's services activity grew at the fastest rate in 15 months in July as easing COVID curbs boosted consumer confidence, a private-sector survey showed on Wednesday. China's Caixin Services Purchasing Managers' Index for July came in at 55.5, up from 54.5 in June. It's also the highest since April 2021. The Asian Development Bank has cut the growth forecast for China due to concerns over the country's zeroCovid approach and strict lockdowns, which have also impacted its troubled property market. GDP growth for the world's second largest economy is expected to be at 4% in 2022, down from an earlier estimate of 5%.

- ▶ Prices in Japan rose 2.2% in June compared to a year ago. It followed rises of 2.1% in May and April. Factory output surged a seasonally adjusted 8.9% in June from a month earlier. Retail sales were weaker than expected, rising 1.5% in June from a year earlier.
- ▶ The Bank of Canada surprised markets with a full percentage point rate hike, while central banks in South Korea, New Zealand, Singapore and the Philippines all took action to tighten monetary policy. The European Central Bank announced a 50 basis point hike to interest rates, its first for 11 years, as concerns about runaway inflation outweighed fears of slowing growth. Euro zone business activity unexpectedly shrank in July.
- ▶ UK's economy expanded unexpectedly in May with output growing by 0.5%. UK inflation hit yet another new 40-year high in June as food and energy prices continued to soar. The CPI hit an annual rate of 9.4% in June compared with 9.1% in May. The composite PMI, which encompasses both manufacturing and services, came in at 49.4, below the 50 mark that separates growth in activity from contraction.
- ▶ Euro zone business activity unexpectedly contracted this month due to an accelerating downturn in manufacturing and a near-stalling of service sector growth as burgeoning costs pushed consumers to cut back on expenditure. S&P Global's flash Composite Purchasing Managers' Index (PMI), seen as a good gauge of overall economic health, fell to 49.4 in July from 52.0 in June.

Amidst all the uncertainty, a normal monsoon, India INC quarterly results, inflation and interest rate scenario globally would direct the markets.

TECHNICAL VIEW

Indices began the month of July on a stable note, and gradually moved higher.

After facing initial resistance near 16200, Nifty moved higher to close above the psychologically important 17000 level.

On weekly chart, 13-week EMA has crossed above 55-week EMA. Nifty is placed above its 200-day EMA. After 3 consecutive months of losses, Nifty closed this month in green with a gain of 8.7%. Weekly RSI has moved above its average. Monthly RSI remains below its average, while Nifty has also moved above 13-month EMA.

Nifty has pulled-back quite strongly, which is likely to face resistance near 17500. A move above this would resistance near 17675. If Nifty manages to cross this level, it would aim towards 18000. On the other hand, 16550 (200-day EMA) is a very important support zone now. Breach of this level could take Nifty towards 16200.



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MUTUAL FUNDS PERFORMANCE

NAV as on 31 July 2022

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2382.67	0.37	1.10	2.00	3.72
Mirae Asset Cash Management Fund (G)	2247.24	0.37	1.11	1.99	3.69
UTI Liquid Cash Plan Reg (G)	3514.55	0.37	1.09	1.98	3.69
Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	27.58	0.09	0.67	1.65	3.71
Axis Arbitrage Fund (G)	15.39	0.06	0.56	1.53	3.57
Kotak Equity Arbitrage Fund (G)	30.55	0.08	0.68	1.65	3.49
Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	225.60	16.16	33.71	19.73	13.08
Kotak Equity Hybrid (G)	39.69	7.42	26.60	17.69	10.95
Canara Robeco Equity Hybrid Fund Reg (G)	240.50	3.94	19.38	15.82	11.15
Edelweiss Aggressive Hybrid Fund (G)	38.26	7.90	23.34	15.47	10.25
Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	35.40	4.06	16.87	15.52	10.32
ICICI Pru Balanced Advantage Fund Reg (G)	50.66	8.48	17.17	12.84	9.77
Tata Balanced Advantage Fund (G)	14.75	6.11	15.44	12.79	N/A
Kotak Balanced Advantage Fund Reg (G)	14.43	4.10	12.60	11.29	N/A
Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
IDFC Sterling Value Fund Reg (G)	87.31	8.22	48.67	24.30	11.45
ICICI Pru Value Discovery Fund (G)	254.63	15.05	32.78	22.15	13.10
Nippon India Value Fund (G)	120.37	6.11	32.82	19.84	12.14
UTI Value Opportunities Fund (G)	98.47	4.75	27.88	19.23	12.19
Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Focused Fund Reg (G)	18.34	2.14	27.25	21.27	N/A
IIFL Focused Equity Fund (G)	28.54	2.59	28.09	21.22	14.34
Nippon India Focused Equity Fund (G)	78.73	11.16	36.59	21.16	11.61
Sundaram Focused Fund Reg (G)	103.70	2.41	25.69	19.46	11.83
Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Tax Saver Fund (G)	18.57	10.22	27.91	23.14	N/A
IDFC Tax Advantage Reg (G)	95.03	7.56	37.93	22.31	12.77
Canara Robeco Equity Taxsaver Fund Reg (G)	113.02	5.57	28.74	21.87	15.01
Mirae Asset Tax Saver Fund Reg (G)	30.18	4.96	30.30	20.77	14.49
DSP Tax Saver Fund Reg Fund (G)	79.70	3.50	30.35	19.63	12.32
Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	40.05	4.08	22.57	18.16	12.99
Kotak Bluechip Fund (G)	364.33	5.37	24.65	17.55	11.17
ICICI Pru Bluechip Fund Reg (G)	65.08	10.27	27.02	16.85	11.46
SBI Blue Chip Fund Reg (G)	60.40	7.35	26.68	16.41	10.51
Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	141.50	12.70	43.18	28.53	12.67
Edelweiss Mid Cap Fund Reg (G)	50.12	5.33	39.94	27.29	14.43
UTI Mid Cap Fund (G)	182.77	4.52	35.84	26.45	12.43
Kotak Emerging Equity (G)	72.92	7.76	39.49	26.44	14.45
Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	80.25	6.77	17.39	12.91	10.31

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Mirae Asset Emerging Bluechip Fund Reg (G)	94.35	3.69	31.15	22.67	14.77
Axis Growth Opportunities Fund Reg (G)	19.81	3.23	30.55	21.98	N/A
Canara Robeco Emerging equities Reg (G)	157.76	5.13	29.93	21.78	12.48
ICICI Pru Large & Mid Cap Fund Reg (G)	543.90	14.66	36.71	20.65	11.90

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Small Cap Fund Reg (G)	23.80	16.10	54.07	38.12	N/A
Kotak Smallcap Fund (G)	158.46	6.06	52.70	34.76	16.46
Edelweiss Small Cap Fund (G)	24.08	8.59	48.71	34.24	0.00
Nippon India Small Cap Fund (G)	85.18	10.28	53.56	33.51	16.87

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	46.91	2.12	26.76	23.98	17.22
UTI Flexi Cap Fund Reg (G)	236.61	-1.72	26.82	20.90	13.79
Franklin India Flexi Cap Fund (G)	934.69	8.10	32.67	19.14	10.60
Canara Robeco Flexi Cap Fund (G)	217.67	4.71	25.30	19.08	13.29

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	231.51	8.76	32.36	20.16	11.41
Invesco India Multicap Fund (G)	74.62	-2.32	29.22	19.67	10.38
Nippon India Multi Cap Fund (G)	154.20	18.21	43.35	19.02	12.01
ICICI Pru Multicap Fund Reg (G)	441.58	4.80	31.02	16.16	11.09

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	133.92	-4.23	40.13	31.68	26.76
Aditya Birla SL Digital India Fund Reg (G)	116.04	-3.72	35.22	30.36	25.36
Mirae Asset Healthcare Fund (G)	21.45	-7.71	16.33	29.33	N/A
Tata Resources & Energy Fund Reg Plan (G)	26.82	-5.56	30.04	26.38	13.20
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	19.07	-9.10	13.78	25.60	N/A
Sundaram Services Fund (G)	20.48	9.65	35.53	24.19	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	138.19	10.98	29.37	20.11	13.07
IDFC Infrastructure Fund Reg (G)	23.01	-0.35	41.46	18.29	6.54
Aditya Birla SL Infrastructure Fund Reg (G)	46.76	-1.85	37.49	16.88	5.75
SBI Banking & Financial Services Fund Reg (G)	24.51	2.93	26.75	11.27	10.26
Tata Banking and Financial Services Fund Reg (G)	24.84	0.43	22.85	9.88	7.36

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	57570.25	9.48	23.80	15.39	12.11
NSE - Nifty 50	17158.25	8.85	24.55	15.58	11.24

CORPORATE ACTIONS IN AUGUST 2022

COMPANY	RECORD DATE	PURPOSE
Bharti Airtel	02/08/2022	Rs.3 per share (60%) Dividend
GAIL (India)	02/08/2022	Rs.1 per share (10%) Final Dividend
DLF	03/08/2022	Rs.3 per share (150%) Dividend
Cipla	10/08/2022	Rs.5 per share (250%) Dividend
ICICI Bank	10/08/2022	Rs.5 per share (250%) Final Dividend
NTPC	11/08/2022	Rs.3 per share (30%) Final Dividend
Coal India	12/08/2022	Rs.3 per share (30%) Final Dividend
Divi's Lab.	12/08/2022	Rs.30 per share (1500%) Dividend
I O C L	12/08/2022	Rs.2.4 per share (24%) Final Dividend
IndusInd Bank	12/08/2022	Rs.8.5 per share (85%) Dividend & A.G.M
Kotak Mahindra Bank	12/08/2022	Rs.1.1 per share (22%) Dividend
Info Edge(India)	19/08/2022	Rs.5 per share (50%) Dividend
H P C L	23/08/2022	Rs.14 per share (140%) Final Dividend

COMPANY ANALYSIS

GARDEN REACH SHIPBUILDERS LIMITED

CMP (As on 31 July 2022) – 257

INDUSTRY - SHIPBUILDING

AUGUST 2022

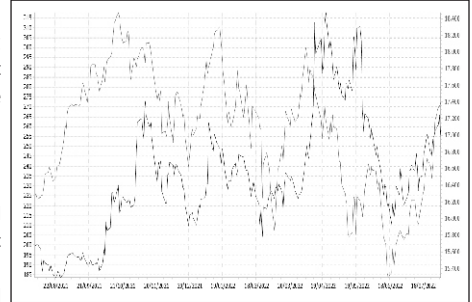
SENSEX – 57570 NIFTY – 17158

Mkt. Cap.	:	2946.28 Cr
Equity	:	114.55
Trading Vol.	:	207829
52 Week High/Low	:	332/180
Face Value	:	10

BSE Group	:	A
BSE Code	:	542011
NSE Symbol	:	GRSE
Bloomberg	:	GRSEIN
Reuters	:	GRSE.BO

Shareholding Pattern		
Promoters	:	74.50
Institutions	:	12.11
Public	:	2.83
Others	:	10.56

Garden Reach Shipbuilders & Engineers Limited is a shipbuilding company in India under the administrative control of the Ministry of Defence (MoD), Government of India (GoI) and primarily adheres to the shipbuilding requirements of the Indian Navy and the Indian Coast Guard. In addition to ship and warship building capabilities, it is engaged in engineering and engine production activities. The Engineering segment is engaged in the manufacturing and fabrication of portable steel bridges, deck machineries of ships and marine pumps.



Investment rationale

- ▶ The Shipbuilding product line spans from technologically sophisticated Frigates and Corvettes to Fast Patrol Vessels. In last 5 decades, the company has built and delivered ships ranging from small to large and advanced vessels including frigates, anti-submarine warfare corvettes, missile corvettes, landing ship tanks, landing craft utilities, survey vessels, fleet replenishment tankers, fast patrol vessels, offshore patrol vessels, inshore patrol vessels, WJ-FAC, hover crafts and fast interceptor boats to the Indian Navy, Indian Coast Guard, MHA and Governments of other countries. The Company has built and supplied more than 750 vessels to carry men and materials as well as for the surveillance of the coast line. Over the years, it has responded to the varied shipbuilding requirements of the Indian Defence Services and has evolved from building simpler vessels to building bigger and technically advanced warships. In pursuit of reducing the carbon footprint in West Bengal, GRSE has been contracted by the state government to design and construct an electric ferry that will help reduce carbon emissions in the state's water transport sector.
- ▶ Presently, the company has three separate facilities for shipbuilding, all of which are located in close vicinity of each other at Kolkata, India. The Company builds ships at the Main Works Unit and the Rajabagan Dockyard. Third facility, the FOJ Unit is primarily used for fitting out and repair of ships. The Diesel Engine Plant is engaged in the testing and overhauling of marine propulsion engines and assembly of semi-knocked down units of diesel engines.
- ▶ As a part of its engineering division, the company manufactures deck machinery items, pre-fabricated portable steel bridges and marine pumps. The shipbuilding division contributes a significant majority of its revenue from operations.
- ▶ In FY22, the company delivered a 54% year-on-year growth in revenues, helped by higher execution and orders in hand. Moreover, it continues to deliver strong growth in revenue and earnings on the back of these orders. It has a robust balance-sheet. A zero debt company, it has PBDITA margins near 20%, and RONW of 14-15%.

GRS has capabilities to execute critical defence equipment and war ships make it a high quality play in this space. Over the years, the Company has established capabilities for in-house design and shipbuilding and has made considerable contributions to the indigenous warship construction program of our country. It has the revenue visibility with close to Rs 24072 crore order book. 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	114.55	114.55	114.55	114.55	123.84
Networth	1137.12	1040.23	1038.31	1021.53	1083.14
Debt	0	0	0	0	25
Sales	1140.84	1433.3	1386.42	1349.66	929.32
Other Income	187.6	225.5	171.24	179.23	216.99
Operating profit	248.18	256.84	211.15	164.4	55.89
PAT	153.47	163.48	109.94	92.4	11.47
Book Value (Rs)	99.27	90.81	90.64	89.18	87.46
EPS (Rs.)	13.4	14.27	9.6	8.07	0.93
Dividend (%)	50	71.4	69.5	44.3	43.68
Payout (%)	39.19	82.8	68.19	59.13	463.99

Latest Results (Rs. Crore)

Quarter Ended	202203	202103	Var. (%)
Sales	544.61	398.83	36.55
Other Income	40.39	49.06	-17.67
PBIDT	73.03	86.57	-15.64
PBT	63.19	78.54	-19.54
PAT	47.2	58	-18.62

CHOLAMANDALAM INVESTMENT & FINANCE LIMITED

CMP (As on 31 July 2022) – 700

INDUSTRY - FINANCIAL SERVICES

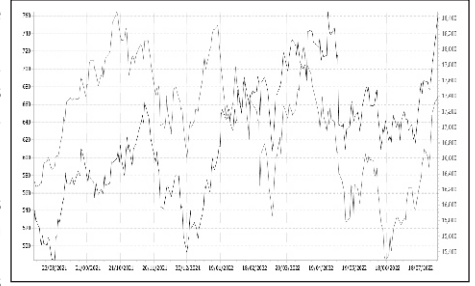
AUGUST 2022

Mkt. Cap.	:	57563.13 Cr
Equity	:	164.28
Trading Vol.	:	3014502
52 Week High/Low	:	770/469
Face Value	:	2

BSE Group	:	A
BSE Code	:	511243
NSE Symbol	:	CHOLAFIN
Bloomberg	:	CIFICIN
Reuters	:	CHLABO

Shareholding Pattern		
Promoters	:	51.52
Institutions	:	23.43
Public	:	18.41
Others	:	6.64

Cholamandalam Investment and Finance Company (CIFCL), incorporated in 1978 as the financial services arm of the Murugappa Group. CIFCL commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans, SME loans, investment advisory services, stock broking and a variety of other financial services to customers. Chola operates from 1148 branches across India. The subsidiaries of CIFCL are Cholamandalam Securities Limited (CSEC), Cholamandalam Home Finance Limited (CHFL) and White Data Systems India Private Limited (WDSI).



Investment rationale

- ▶ In vehicle finance, it has a well-diversified product portfolio spread across 1093 branches PAN India and is focused on financing of Commercial, Passenger, Two-wheelers, Tractors and Construction Equipment in both New and Used Vehicle. Under loan against property, it is focused on financing of Loans against Property to SME customers for their business needs and operates out of 408 branches PAN India. Over 80% of the book is financed against Self-Occupied residential property as collateral. In housing loans, it is focused on providing Home Loans under affordable segment with presence across 244 branches PAN India. 89% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities.
- ▶ The income from operation of Cholamandalam Investment & Finance Company increased 5.86% to Rs 10140.75 crore in FY2022. The revenue of Vehicle finance (76.02% of total revenues) segment was up 4.67% to Rs 7578.37 crore. The revenue of Loan against property (16.18% of total revenues) segment was up 9.52% to Rs 1613.49 crore. The revenue of Home Loans (6.02% of total revenues) segment was up 27.05% to Rs 600.43 crore.
- ▶ CIFCL saw highest quarterly disbursement in the history of Chola at Rs.13,329 crores which is a growth of 267% as compared to Q1FY22. AUM grew by 21% y-o-y at Rs.81,925 crores. Return on Equity was at 18.9% for Q1FY23 as compared to 13.5% in Q1FY22. Overall OPM increased to 71.15% in FY2022 from 69.58% in FY2021, leading to 8.24% rise in operating profit to Rs 7214.83 crore. GNPA as per RBI was at 6.31% in June 2022 as against 6.82% in March 2022 and NNPA at 4.43% in June 2022.

Management stated that there were strong signs of recovery in auto and mortgage segments and new businesses launched in December 2021 too witnessed significant disbursements. 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	164.28	164.07	163.98	156.42	156.4
Networth	11,769.00	9,599.80	8,199.86	6,208.71	5,125.46
Debt	69,173.50	63,729.99	55,005.43	50,566.74	38,330.34
Operating Income	10,147.55	9,583.31	8,712.38	7,108.14	5,558.86
Other Income	84.26	56.41	0.25	0.69	0.42
Gross Profit	3,008.23	2,150.20	1,699.47	1,888.52	1,451.67
PAT	2158.89	1521.39	1054.14	1196.94	917.69
Book Value (Rs)	143.28	117.02	100.01	79.39	65.54
EPS (Rs.)	26.22	18.54	12.85	15.32	11.76
Dividend (%)	35	100	85	65	65
Payout (%)	7.6	7	15.76	8.49	11.33

Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	2770.02	2481.74	11.62
Other Income	25.89	0.17	15129.41
PBIDT	1916.72	1571.78	21.95
PBT	758.76	443.24	71.18
PAT	562.01	328.55	71.06

COMPANY ANALYSIS REVIEW

TVS MOTORS LIMITED

CMP (As on 31 July 2022) – 908

INDUSTRY - AUTOMOBILE

AUGUST 2022

Mkt. Cap.	: 43140.29 Cr
Equity	: 47.51
Trading Vol.	: 9480378
52 Week High/Low	: 953/495
Face Value	: 1

BSE Group	: A
BSE Code	: 532343
NSE Symbol	: TVSMOTOR
Bloomberg	: TVSLIN
Reuters	: TVSM.BO

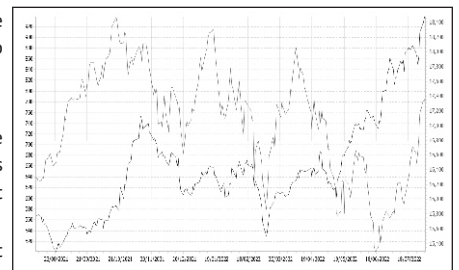
Shareholding Pattern	
Promoters	: 50.81
Institutions	: 31.26
Public	: 10.18
Others	: 7.76

We had earlier reviewed the stock in our Sajag Online publication of June 2016. We remain optimistic about the company owing to sound financials and recovery in demand.

TVS Motor Company, the flagship company of TVS Group, is the third largest two-wheeler manufacturer in India. The company manufactures a wide range of two-wheelers from mopeds to racing inspired motorcycles. The company also manufactures three-wheelers.

Investment rationale

- ▶ The company has an annual production capacity of 4 million 2 wheelers & 120,000 three wheelers. It is one of the leading two-wheeler and three-wheeler exporters from India, distributing to over 60 countries. The company has manufacturing plants located at Hosur in Tamil Nadu, Mysore in Karnataka and Nalagarh in Himachal Pradesh. It also has one manufacturing unit located at Karawang in Indonesia.
- ▶ Net Sales at Rs 7,315.70 crore in June 2022 up 56.01% from Rs. 4,689.34 crore in June 2021. Quarterly Net Profit at Rs. 305.37 crore in June 2022 up 2994.5% from Rs. 10.55 crore in June 2021. TVS managed to maintain its margins near 10%. It has improved its market-share In Q1, TVS has continued to outperform in scooters segment and has gained 330bps share to 24.9%. RONW is 17%.
- ▶ Supply side issues are getting resolved and TVS has recently launched its new variants. Even in EVs, it seems to be ahead of its listed peers with a strong product pipeline in place. The iQube Electric from TVS stable is getting a good traction, with the company selling 6,304 units in July against a monthly average sale of 2,908 units in Q1 2022 BMW Motorrad is considering developing high-performance electric bikes with TVS maker for global markets. Just like the existing partnership on petrol-driven bikes, TVS will continue to bring on board their expertise in low-cost manufacturing and supply chain capabilities, while the German motorcycle brand will tap their engineering and design capabilities.



TVS Motors is the third largest two-wheeler manufacturer in India with a domestic market share of 17.6% in FY22. In the domestic market, it aims a gradual recovery with the pick-up in economic activity & ramp up in the EV portfolio. TVS is planning to reach 10,000 units/month EV sales by H2FY23. TVS' sales in India contributed to 2.01 lakh units last month; a 15% growth over July 2021 wherein the manufacturer managed to sell 1.75 lakh two-wheelers. 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	47.51	47.51	47.51	47.51	47.51
Networth	4,399.45	3,826.61	3,282.10	3,170.17	2,677.20
Debt	15,827.21	12,179.16	11,591.45	9,298.05	6,927.54
Sales	24,355.31	19,420.82	18,849.31	20,159.99	16,340.25
Other Income	35.36	47.22	51.83	27.14	100.18
Operating profit	2,749.87	2,267.94	2,275.96	2,187.96	1,642.63
PAT	781.45	602.11	649.7	705.47	671.05
Book Value (Rs)	92.6	80.54	69.08	66.73	56.35
EPS (Rs.)	15.93	12.51	13.15	14.83	13.73
Dividend (%)	375	350	350	350	330
Payout (%)	24.38	27.37	27.14	24.06	24.77

Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	7315.7	4689.34	56.01
Other Income	32.13	3.15	920.00
PBIDT	926.76	381.49	142.93
PBT	435.96	-3.37	-13036.50
PAT	296.75	-14.72	-2115.96

Source: Company, Prowess, Capital line, Saja 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)	497,271	22.1	920,976	17.2	1,833,147	15.7	2,894,806	16.8	7,258,162	16.9
Canara Robeco Emerging equities Reg (G)	502,914	23.0	919,984	17.1	1,856,895	16.0	3,307,362	19.2	9,042,845	19.4
Kotak Emerging Equity (G)	549,331	29.5	1,010,975	21.0	1,994,579	17.8	3,400,686	19.8	7,944,548	17.9
Kotak Equity Opportunities Fund (G)	495,855	21.9	910,872	16.7	1,760,259	14.8	2,716,537	15.6	5,887,478	14.5
SBI Small Cap Fund Reg (G)	568,581	32.0	1,054,667	22.7	2,260,401	20.8	4,226,505	23.8	N/A	N/A

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

ASHOK LEYLAND LIMITED

CMP (AS ON 31 JULY 2022) - 149

TARGET - 180

Ashok Leyland Ltd is the 2nd largest manufacturer of commercial vehicles in India, the 4th largest manufacturer of buses in the world and the 12th largest manufacturer of trucks globally. The company is the flagship of the Hinduja Group. It had a FY22 market share pegged at 16.4%. The company is present in M&HCV trucks and buses as well as LCV goods segments, where FY22 product mix was - LCV goods 42%, trucks 52%, buses 6%. In Q1 FY23, Ashok Leylands domestic MHCV volume grew at 189% and market share grew from 27% to 30%. Truck market share was at 31.1% for Q1 FY23 as against 26.2% last year. Domestic LCV volume in Q1 FY23 was 14384 units which is 66% higher than Q1 of last year (8,690 units) and Export volume (MHCV & LCV) for Q1 FY23 was 2527 units which is higher than same period last year by 76% (1437 units). For Q1FY23, consolidated net sales of Ashok Leyland has increased 107.20% to Rs 8470.23 crore compared to Q1FY22. The industry has seen strong volume growth in Q1 FY23, and management expects this trend to continue going forward.

M&M FINANCIAL SERVICES LIMITED

CMP (AS ON 31 JULY 2022) - 186

TARGET - 240

Mahindra & Mahindra Financial Services Limited (MMFSL) is one of the leading non-banking finance companies (NBFCs) with customers primarily in the rural and semi-urban markets of India. It is part of the Mahindra group, which is one of the largest business conglomerates in India. MMFSL is primarily engaged in providing financing for new and pre-owned auto and utility vehicles, tractors, cars and commercial vehicles. The company also provides housing finance, personal loans, financing to small and medium enterprises, insurance broking and mutual fund distribution services. MMFSL on a consolidated basis, has reported sharp rebound in the net profit to Rs 239.26 crore in Q1FY23 compared with the net loss of Rs 1573.72 crore in Q1FY22. Loan Book increased sequentially by 4.2% to Rs 67693 crore with improvement in disbursements. Disbursements at Rs 9472 crore was higher by 145% yo-y. Net Interest Margins were healthy at 8.2% and Net Interest Income at Rs 1567 crore increased by 34% y-o-y. Book value of the company stood at Rs 110 per share end June 2022.

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Bajaj Finserv Ltd.	10920	15047.6	37.80%
Bajaj Finance Ltd.	5364	7209.1	34.40%
Indusind Bank Ltd.	793	1043.5	31.59%
Titan Company Ltd.	1895	2352.05	24.12%
Tata Steel Ltd.	86.7	107.6	24.11%

LOSERS			
COMPANY	OPEN	CLOSE	%
Oil & Natural Gas Corpn. Ltd.	148.95	134.15	-9.94%
Dr. Reddy'S Laboratories Ltd.	4385	4090.35	-6.72%
Reliance Industries Ltd.	2574.9	2509.45	-2.54%
H C L Technologies Ltd.	964.5	948.4	-1.67%
Bharti Airtel Ltd.	684.85	677.95	-1.01%

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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