

**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	30/8/2022	31/7/2022	31/12/2007
Nifty	17759.3	17158.25	6138
<b>Valuation</b>			
Trailing PE	21.2	20.73	27.62
Trailing PB	4.12	4.12	6.39
Mcap/GDP	1.42	1.42	1.23
<b>Nifty return</b>			
1 year	3.66%	8.85%	54.77%
2 year	24.88%	24.48%	47.11%
3 year	17.23%	15.56%	43.43%
<b>EPS growth</b>			
1 year	28.35%	41.83%	19.13%
2 year	54.12%	50.24%	15.95%
3 year	27.49%	26.85%	17.85%
<b>Other data points</b>			
Credit growth	15.30%	14.00%	25%
10-year bond yield	7.10	7.32	7.57
Brent Oil Futures	97.84	110.01	93.25
USD/INR	79.65	79.19	39.23
Gold (oz/USD)	1735.65	1778.75	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices move north!

In the month of August, despite global markets remaining tepid, Indian indices remained positive.

Key developments during the month were,

- ▶ India's factory output, measured in terms of Index of Industrial Production (IIP), witnessed a growth of 12.3% in June 2022. Industrial production grew 19.6% in May 2022. IIP growth in June 2021 was 13.8%.
- ▶ India's inflation based on wholesale price index (WPI) stood at 13.93% in July 2022 compared with 11.57% in July 2021. The WPI grew 15.18% in June 2022, while the figure for May was 15.88%. India's retail inflation based on the Consumer Price Index (CPI) eased to 6.71% in July 2022 compared with 7.01% in preceding month. Inflation eased mainly due to easing prices in the food & beverages section.

- ▶ India's overall exports including merchandise and services exhibited growth last month. Exports registered growth of 11.51% over the same period of last year and estimated to be \$61.18 billion. Overall imports also exhibited a growth of 42.90% in comparison to the corresponding period of last year. The country's imports in the last month are estimated to be \$82.22 billion. India's trade deficit in July 2022 widened to \$31.02 billion from \$26.18 billion in June.
- ▶ India's fiscal deficit hit 20.5% of the FY23 target till the end of July. It is lower than the 21.3 % in the April-July 2021 period. In the absolute terms, the fiscal deficit stood at Rs 3.41 lakh crore during April-July 2022. The government's total expenditure during April-July 2022 stood at Rs 11.26 lakh crore, which is 28.6% of the corresponding BE 2022-23. India's total receipts during the April-July 2022 period stood at Rs 7.86 lakh crore, which is 34.4% of the total BE for FY23.
- ▶ The gross goods and service tax (GST) collection rose 28% to Rs 1.43 lakh crore in August. GST collection has remained over the Rs 1.4-lakh-crore mark for the sixth straight month in August.
- ▶ The Indian economy expanded at the quickest pace in a year, fueled by consumption, boosting the RBI's scope to focus on taming inflation. Gross Domestic Product (GDP) in the Q1 (April-June) of this fiscal year grew by 13.5%, as against a 20.1% growth seen during the same period last year.

Sustained buying by FPIs and sliding crude oil prices boosted sentiment. The market continued to be in a jubilant mood on backdrop of upbeat earnings reports from major companies and most importantly, FIIs were net buyers of Indian stocks in August to the tune of Rs 22,026 crores.

At the wall street, the benchmarks remained volatile while Treasury bond yields spiked and the dollar tested multi-decade highs against its global peers, as Federal Reserve Chairman Jerome Powell's inflation rhetoric rippled through global markets. Powell's speech at the Jackson Hole central banking symposium warned of the "pain" needed to tame the fastest inflation in more than forty years, and signaled further and possibly larger rate hikes to come between now and the end of December. Dow Jones, S&P 500, Nasdaq all remained under pressure.



### Performance of key sectoral indices

Nifty IT	-3.30%	Nifty Infrastructure	4.54%
Nifty Pharma	-1.06%	Nifty Bank	5.17%
Nifty MNC	2.45%	Nifty India Consumption	5.37%
Nifty Realty	2.58%	Nifty Metal	6.91%
Nifty FMCG	2.91%	Nifty Energy	7.67%
Nifty Auto	4.52%		

### Market Outlook

India's real GDP growth will slow from 8.3% in 2021 to 7.7% in 2022 and will decelerate further to 5.2% in 2023 as per Moody's Investor Service. Goldman Sachs cut the full-year 2022 GDP growth forecast to 7% from 7.6% and also lowered the current fiscal year estimates by 20 basis points from 7.2%.

- ▶ Defying anxiety about a possible recession and raging inflation, America's employers added a stunning 528,000 jobs last month, restoring all the jobs lost in the coronavirus recession. Unemployment fell to 3.5%, lowest since the pandemic struck in early 2020. The US consumer price index rose by 8.5% year on year in July, a slower annual increase compared with June, as inflationary pressures eased. US producer prices unexpectedly fell 0.5% in July amid a drop in the cost for energy products. Sales of new US homes fell for the sixth time this year to the slowest pace since early 2016, existing home sales fell 5.9% last month from June to a seasonally adjusted annual rate of 4.81 million. Production at US factories increased more than expected in July as output rose at motor vehicle plants and elsewhere. Manufacturing output rebounded 0.7% last month after declining 0.4% in June, increased by 3.2% compared to July 2021. The August Manufacturing PMI registered 52.8, the same reading as recorded in July.
- ▶ China's dollar-denominated exports grew 18% compared to a year ago. China's dollar-denominated imports increased 2.3% in July compared to the same period in 2021. China's consumer price (CPI) index rose by 2.7% in July from a year earlier, up from a rise of 2.5% in June. Producer

price index (PPI), which reflects the prices that factories charge wholesalers for products, rose by 4.2% in July, down from a rise of 6.1% in June. China's factory activity in August contracted following two months of expansion, the private Caixin manufacturing purchasing managers' index (PMI) showed with the index sliding to 49.5 from 50.4 in July.

- ▶ Japan's exports rose for the 17th month in a row in July, driven by strong demand for autos and mineral fuels. Exports rose 19% in July from a year earlier. Exports rose 19.4% in June. Japan's manufacturing activity growth slowed to a 19-month low, as new orders continue to decline. The au Jibun Bank Flash Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 51.0 in August, down from July's final of 52.1.
- ▶ German final July consumer price inflation came in at 7.5% year on year and 0.9% monthly, roughly in line with expectations. UK consumer price index rose 10.1% annually, up from 9.4% in June. The Eurozone manufacturing business conditions appear worsening for a second successive month in August, driven by slumping order books and falling output. The S&P Global Eurozone Manufacturing PMI fell to 49.6 in August, down from 49.8. Although only just below 50, this was the lowest reading since June 2020 and signalled a second successive deterioration in manufacturing operating conditions.
- ▶ India's manufacturing sector activity in August witnessed the second-strongest improvement in operating conditions in nine months, boosted by strengthening demand conditions and softening inflation concerns. Production volumes were also supported by a pick-up in exports and upbeat projections for the year-ahead outlook. Firms were at their most optimistic for six years. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) was little changed from July's reading of 56.4, posting 56.2 in August.

The Fed and other central banks across the globe trying to rein on inflation desperately. Amidst this backdrop, Indian markets will follow global liquidity scenario and macro-economic data. Domestic data indicators would also affect the market sentiments.

## TECHNICAL VIEW

With a strong beginning, indices swiftly moved north in August. Nifty attempted to cross the 18000 mark, however, it faced strong resistance at higher level. Nifty fell to a low near 17160 as it witnessed profit-booking. Nifty recovered to close the month at 17759, its highest monthly closing level.

On weekly chart, Nifty remains above all its key averages. Nifty is placed above its 200-day EMA. Nifty closed second consecutive month in green. Weekly RSI is placed above its average, while monthly RSI remains very close to its average. Nifty saw increased volumes in August, compared to earlier months.

As mentioned in our earlier report, Nifty's pull-back faced stiff resistance near 18000. If Nifty manages to cross this level, it would aim towards 18300. On the other hand, 17160-17000 is a very important support zone now. Breach of this level could take Nifty towards 16725 (200-day EMA).



# MUTUAL FUNDS PERFORMANCE

NAV as on 31 August 2022

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2393.84	0.45	1.25	2.19	3.90
Franklin India Liquid Fund Super Ins (G)	3238.66	0.45	1.24	2.16	3.87
Mirae Asset Cash Management Fund (G)	2257.60	0.44	1.23	2.18	3.87

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	27.72	0.44	0.82	1.67	3.84
Axis Arbitrage Fund (G)	15.46	0.38	0.67	1.51	3.65
Kotak Equity Arbitrage Fund (G)	30.70	0.44	0.81	1.70	3.63

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	233.59	15.50	33.12	22.25	14.12
Kotak Equity Hybrid (G)	41.26	7.96	26.57	19.57	12.19
UTI Hybrid Equity Fund (G)	257.47	6.58	25.34	17.31	9.77
Canara Robeco Equity Hybrid Fund Reg (G)	247.96	1.79	19.82	17.10	11.79

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	36.33	2.66	17.36	16.08	11.12
ICICI Pru Balanced Advantage Fund Reg (G)	51.72	8.27	16.64	13.62	10.17
Tata Balanced Advantage Fund (G)	15.07	5.45	15.85	13.57	N/A
Kotak Balanced Advantage Fund Reg (G)	14.83	4.26	13.11	12.14	N/A

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
IDFC Sterling Value Fund Reg (G)	91.09	12.73	43.82	27.21	11.80
Templeton India Value Fund (G)	433.66	16.37	40.64	24.73	11.08
ICICI Pru Value Discovery Fund (G)	262.87	13.71	33.60	24.41	14.13
Nippon India Value Fund (G)	125.48	6.78	32.19	22.51	13.42

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Focused Equity Fund (G)	81.32	10.01	34.00	24.23	12.99
IIFL Focused Equity Fund (G)	29.74	1.66	28.27	23.26	15.22
Sundaram Focused Fund Reg (G)	109.88	2.31	27.77	21.69	13.55
Franklin India Focused Equity Fund (G)	68.72	9.81	34.82	21.58	13.28

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	238.05	17.02	47.29	39.92	21.73
IDFC Tax Advantage Reg (G)	99.10	9.86	36.24	25.07	13.36
Parag Parikh Tax Saver Fund (G)	19.11	9.27	27.71	23.79	N/A
Canara Robeco Equity Taxsaver Fund Reg (G)	117.66	3.32	30.04	23.77	16.01
Kotak Tax Saver Scheme (G)	74.23	7.07	29.75	20.90	12.95

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	41.53	0.53	23.10	19.74	13.85
Nippon India Large Cap Fund (G)	53.65	11.16	30.75	19.20	12.17
Kotak Bluechip Fund (G)	379.31	2.51	25.48	19.02	12.44
ICICI Pru Bluechip Fund Reg (G)	67.46	7.08	27.08	18.65	12.33

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	149.80	16.77	43.54	31.42	14.43
Mirae Asset Mid Cap Fund Reg (G)	21.75	8.96	38.97	29.78	N/A
Edelweiss Mid Cap Fund Reg (G)	52.89	9.89	38.70	29.25	15.50
Kotak Emerging Equity (G)	76.54	11.23	38.38	28.70	15.67

Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	81.48	6.50	17.02	13.56	10.80

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Axis Growth Opportunities Fund Reg (G)	20.55	1.93	28.62	23.93	N/A
Canara Robeco Emerging equities Reg (G)	164.17	3.78	28.93	23.93	13.45
Mirae Asset Emerging Bluechip Fund Reg (G)	96.84	1.72	29.36	23.40	15.60
SBI Large & Midcap Fund Reg (G)	385.11	11.81	33.55	23.01	13.92

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	131.41	9.13	54.62	51.59	21.09
Canara Robeco Small Cap Fund Reg (G)	24.75	20.03	49.95	41.16	N/A
Kotak Smallcap Fund (G)	166.76	9.28	48.40	36.84	18.07
Nippon India Small Cap Fund (G)	89.59	15.15	48.66	36.72	18.17

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	48.13	0.70	24.65	25.06	17.60
UTI Flexi Cap Fund Reg (G)	245.14	-4.67	26.66	21.95	15.02
Franklin India Flexi Cap Fund (G)	979.66	8.55	32.58	21.91	12.12
Canara Robeco Flexi Cap Fund (G)	225.07	1.02	25.43	20.80	14.03
HDFC Flexi Cap Fund Reg (G)	1095.72	18.30	36.44	20.74	13.24

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	242.95	8.01	33.59	22.81	12.84
Nippon India Multi Cap Fund (G)	160.71	16.48	39.18	22.27	13.49
Invesco India Multicap Fund (G)	77.94	0.81	28.98	20.84	11.19
ICICI Pru Multicap Fund Reg (G)	456.41	5.87	29.92	18.57	12.13

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	132.46	-13.00	35.66	30.08	26.95
Aditya Birla SL Digital India Fund Reg (G)	114.94	-11.98	31.83	28.89	25.82
Tata Resources & Energy Fund Reg Plan (G)	28.08	-0.62	31.05	28.47	13.84
Mirae Asset Healthcare Fund (G)	21.54	-9.58	16.36	28.16	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	18.98	-11.88	13.23	25.57	N/A
Sundaram Services Fund (G)	21.43	7.49	35.51	25.42	N/A
IDFC Infrastructure Fund Reg (G)	24.61	5.01	42.14	22.89	7.91
Aditya Birla SL Infrastructure Fund Reg (G)	50.19	6.56	36.25	21.89	6.74
Aditya Birla SL India Gen Next Fund Reg (G)	144.35	8.40	29.45	21.05	13.95
SBI Banking & Financial Services Fund Reg (G)	25.64	3.02	25.31	14.17	11.63
Tata Banking and Financial Services Fund Reg (G)	26.25	-0.43	23.15	12.11	8.77

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	59537.07	3.45	24.19	16.82	13.41
NSE - Nifty 50	17759.30	3.66	24.92	17.21	12.36

### CORPORATE ACTIONS IN SEPTEMBER 2022

COMPANY	RECORD DATE	PURPOSE
Power Finance Corporation	03/09/2022	Rs.2.25 per share (22.5%) Interim Dividend
GAIL (India)	07/09/2022	1:2 Bonus Issue of Equity Shares
B H E L	16/09/2022	Rs.0.4 per share (20%) Final Dividend
I R F C	16/09/2022	Rs.0.63 per share (6.3%) Final Dividend
Zee Entertainment	16/09/2022	Rs.3 per share (300%) Final Dividend

**SAJAG STOCK HOTLINE 020 2530 24 00**

# COMPANY ANALYSIS REVIEW

## MAHINDRA HOLIDAYS & RESORTS LIMITED

CMP (As on 31 August 2022) – 264

INDUSTRY - HOTELS

SEPTEMBER 2022

SENSEX – 59537 NIFTY – 17759

Mkt. Cap.	:	5312.54 Cr
Equity	:	201.00
Trading Vol.	:	834562
52 Week High/Low	:	276/185
Face Value	:	10

BSE Group	:	A
BSE Code	:	533088
NSE Symbol	:	MHIRL
Bloomberg	:	MHRLIN
Reuters	:	MAHH.BO

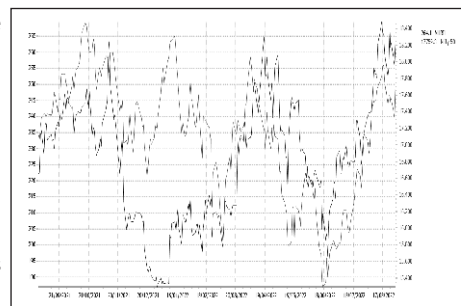
<b>Shareholding Pattern</b>	
Promoters	: 67.20
Institutions	: 12.24
Public	: 5.45
Others	: 15.10

*We had earlier recommended the stock in our Sajag Online publication of December 2012. We remain optimistic about the company owing to strong parentage, pickup in tourism and a unique business model.*

Mahindra Holidays & Resorts India Ltd (MHRIL) is a leading player in the leisure hospitality industry. The company is a part of Mahindra Group and is the market leader in the business. Together with its Finnish subsidiary, Holiday Club Resorts (HCR), Mahindra Holidays has a bouquet of resorts in Asia and Europe, making it the largest vacation ownership company outside the USA.

### Investment rationale

- ▶ MHRIL offers a range of solutions to their customers with the range of products and services, which includes Club Mahindra Holidays, Zest, Club Mahindra Fundays, Mahindra Homestays and clubmahindra.travel. Club Mahindra Holidays is engaged in the vacation ownership business. Zest, another product of the company in the vacations ownership space entitles their members short breaks for six nights each year in studio apartments. Club Mahindra Fundays is a corporate product-based on the point-based system.
- ▶ MHRIL's Club Mahindra has announced the launch of Club M Select, a privileges programme exclusive to Club Mahindra members that offer a curated range of experiences at unbeatable prices. Members of Club M Select are eligible for special benefits on specific airlines. The initiative aims to provide the members with exceptional discounts, advantages and experiences 365 days a year.
- ▶ MHRIL is looking at Eastern region for resorts and members where it plans to add one more resort in Gangtok and expand the existing resort. It is also looking at property additions near Darjeeling, Digha, Kaziranga, and Sundarbans. In the South, it continuously plans to look at properties in Tamil Nadu and Karnataka and Maharashtra, where MHRIL already has a good member base.
- ▶ The company is back in green after reporting losses for Covid lockdown years. It has improved its cash position to Rs. 380 crores in FY22. CFO has been consistently positive. Operating margins have improved to 24%.



Mahindra Holidays & Resorts has a unique business model and is different from traditional hoteliers. Leisure travel is picking up, and so there is a huge opportunity for Mahindra Resorts. MHRIL is now 80+ destinations, including 10-12 resorts abroad. To differentiate its offerings it has over 2,000+ experiences at resorts. Last year, MHRIL added 465 rooms and nine resorts. It has a 4300+ room inventory; and has had its highest ever addition in the recent past. MHRIL will have over 4,500 rooms by the end of this year. 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	199.85	132.92	132.92	132.9	132.76
Networth	249.81	84.68	46.3	281.57	711.45
Debt	2,566.67	2,486.77	2,434.47	830.37	809.9
Sales	2,013.30	1,729.96	2,371.87	2,238.99	2,316.92
Other Income	165.57	117.33	59.3	56.75	33.66
Operating profit	486	357.18	433.58	239.52	402.83
PAT	67.64	-14	-134.26	59.57	132.77
Book Value (Rs)	12.5	4.2	2.3	14.0	35.5
EPS (Rs.)	3.38	-0.65	-6.62	3.03	6.65
Dividend (%)	0	0	0	0	40
Payout (%)	0	0	0	89.14	0.27

### Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	604.85	370.88	63.09
Other Income	32.25	47.42	-31.99
PBIDT	131.93	75.24	75.35
PBT	39.64	-19.43	-304.01
PAT	29.82	-21.38	-239.48

## INTELLECT DESIGN ARENA LIMITED

CMP (As on 31 August 2022) – 592

INDUSTRY - INFORMATION TECHNOLOGY

SEPTEMBER 2022

Mkt. Cap.	:	7999.45 Cr
Equity	:	67.54
Trading Vol.	:	285613
52 Week High/Low	:	986/564
Face Value	:	5

BSE Group	:	A
BSE Code	:	538835
NSE Symbol	:	INTELLECT
Bloomberg	:	INDAIN
Reuters	:	INEEBO

<b>Shareholding Pattern</b>	
Promoters	: 30.76
Institutions	: 6.15
Public	: 28.15
Others	: 34.90

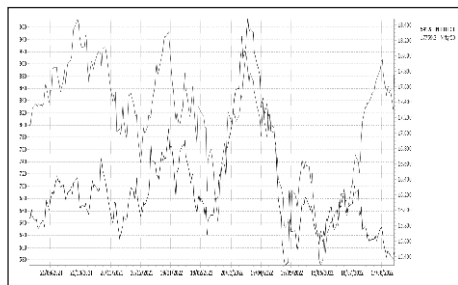
We had earlier recommended the stock in our Saja Online publication of August 2017.  
We remain optimistic about the company owing to sound financials and stable business.

Intellect Design Arena (Intellect) has a comprehensive portfolio of products across Global Consumer Banking, Central Banking, Risk & Treasury Management, Global Transaction Banking and Insurance and is engaged in the business of software development.

#### Investment rationale

- ▶ The company is a transition from a product company to a platform company. Intellect generates 55% of revenues from developed markets and rest from emerging markets. The strategy has been to focus on destiny deals, invest in additional geographies.
- ▶ License, AMC, subscription revenues make up for 56% of revenues. Licence-linked revenues contribute to higher margins. In addition, superiority of its products - both in terms of depth of functionality in terms of user journeys and packaged business components and Technology Edge - microservices based, API led cloud native architecture help command premium pricing in advanced Market deals.
- ▶ Recently it announced that Intellect Global Transaction Banking (iGTB) will integrate Microsoft Cloud for Financial Services to accelerate cloud adoption and digital transformation initiatives of corporate banks. iGTB is the world's first complete global transaction banking platform from Intellect Design Arena.

The management believes Intellect will continue to deliver above 20% growth every year. For FY22, revenues grew 25%, EBITDA and PAT grew by 33%, cash balance more than doubled over a year ago. A zero debt company, it has been consistently generating positive CFO. RONW has improved to 21%. 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	67.28	66.49	66.17	65.89	62.76
Networth	1808.75	1392.84	1045.01	1019.74	801.91
Debt	20.42	82.47	299.76	133.27	159.37
Sales	1878.19	1497.46	1346.88	1449.57	1087.29
Other Income	42.95	21.16	38.22	65.67	31.72
Operating Profit	518	379.78	113.69	197.8	106.83
PAT	350.44	264.64	17.65	131.26	56.71
Book Value (Rs)	134.43	104.75	78.97	77.38	63.88
EPS (Rs.)	25.94	19.76	1.21	9.97	3.72
Dividend (%)	50	0	0	0	0
Payout (%)	0	0	0	0	0

#### Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	541.3	408.35	32.56
Other Income	9.76	16.33	-40.23
PBIDT	122.43	111.8	9.51
PBT	93.08	87.95	5.83
PAT	68.87	73.94	-6.86

## HIL LIMITED

#### CMP (As on 31 August 2022) – 3706

Mkt. Cap.	: 2785.18 Cr
Equity	: 7.51
Trading Vol.	: 3949
52 Week High/Low	: 5769/3195
Face Value	: 10

#### INDUSTRY - CEMENT PRODUCTS

BSE Group	: A
BSE Code	: 509675
NSE Symbol	: HIL
Bloomberg	: HILIN
Reuters	: HLLT.BO

#### SEPTEMBER 2022

Shareholding Pattern	
Promoters	: 40.71
Institutions	: 9.57
Public	: 7.32
Others	: 38.33

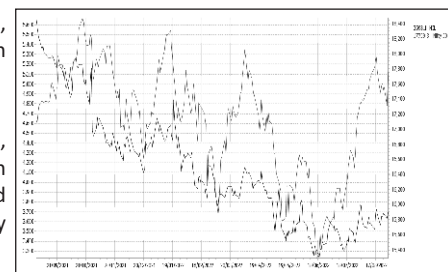
We had earlier reviewed the stock in our Saja Online publication of January 2018. We remain optimistic about the company owing to sound financials and recovery in demand.

Hyderabad Industrial Limited (HIL Ltd) is engaged in the production and distribution of Fibre Cement Sheets, Aerocon Panels, AAC Blocks, Material Handling and Processing Plant and Equipment and Thermal Insulation Products (Refractories). HIL Limited is a flagship Company of the C.K.Birla group of Companies.

#### Investment rationale

- ▶ The Company is located at Hyderabad, Faridabad, Jasidih, Dharuhera, Thimmapur, Vijayawada, Chennai, Thrissur, Wada, Sathariya and Balasore. Revenues of the company grew by 26% YoY in FY2022 on standalone basis and 15.6% YoY on consolidated basis. The company expects the top line to grow and profit to grow in absolute numbers in FY2023. The company expects the revenue to touch US \$ 1 billion by FY2026.
- ▶ HIL's product range include Fibre Cement roofing sheets in the name of Charminar, Autoclaved Aerated Concrete Blocks and Panels called Aerocon, Calcium Silicate insulation product called HYSIL, Jointing material for Gaskets and Plant and machinery for these products.
- ▶ Hil is engaged in the business of operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions and Others. Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Colored Steel Sheets and Cement based Non-Asbestos Corrugated Sheets. Building Solution broadly classifies into Wet-Walling Solutions, Dry-Walling Solutions and Thermal Insulation, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels, Tile Adhesive and Boards. Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty. Others includes Material Handling and Processing Plant and Equipment.
- ▶ HIL has been consistently growing its net-worth, RONW is nearly 20%. A near zero debt company, it has been generating positive CFO consistently.

As of now the company's business is cyclical with Q1 and Q4 to be good and Q2 and Q3 to be impacted by cyclicity. With the company increasing the share of non-asbestos business and increase in revenue contribution from polymer business will help company come out of cyclical nature of the business. 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	7.54	7.52	7.51	7.5	7.49
Networth	1166.43	995.27	742.73	637.19	566.12
Debt	312.7	430.87	741.04	668.68	66.77
Sales	3520.24	3043.57	2554.91	2168.79	1326.17
Other Income	32.63	64.77	32.25	33.03	22.51
Operating profit	424.03	473.95	269.47	255.55	170.67
PAT	210.44	259.75	105.95	101.4	80.75
Book Value (Rs)	1,546.76	1,323.55	989.57	849.75	755.86
EPS (Rs.)	279.06	345.43	141.17	135.22	107.82
Dividend (%)	650	200	200	250	225
Payout (%)	16.04	7.21	16.41	19.14	19.21

### Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	1084.65	983.51	10.28
Other Income	14.2	11.39	24.67
PBIDT	136.99	173.8	-21.18
PBT	106.2	139.08	-23.64
PAT	86.73	99.53	-12.86

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 Fund Reg (G)	504,567	23.2	941,743	18.1	1,870,504	16.2	2,949,419	17.1	7,436,785	17.1
Canara Robeco Emerging equities Reg (G)	506,356	23.5	934,632	17.8	1,881,438	16.4	3,339,093	19.4	9,230,864	19.6
Kotak Emerging Equity (G)	557,774	30.6	1,037,668	22.1	2,041,329	18.3	3,474,481	20.2	8,198,540	18.3
Kotak Equity Opportunities Fund (G)	501,423	22.8	928,887	17.5	1,793,509	15.2	2,763,363	15.9	6,022,068	14.7
SBI Small Cap Fund Reg (G)	585,957	34.4	1,096,889	24.4	2,340,054	21.6	4,364,413	24.4	N/A	N/A

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

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

### GODREJ INDUSTRIES LIMITED

CMP (AS ON 31 AUGUST 2022) - 479

TARGET - 535

Godrej Industries is one of the Godrej Group's holding companies. Godrej Industries (GIL) has significant interest in consumer goods, real estate, agriculture and gourmet retail through subsidiary and associate companies, across 18 countries. Its own businesses comprises of chemicals, estate management and Finance & Investments. Its chemical division manufactures and markets a wide range of oleochemical products derived from organic materials. It owns 23.8% stake in Godrej Consumer Products which is a FMCG company. GIL owns 56.7% stake in real estate development firm Godrej Properties. GIL owns 58% stake in Godrej Agrovet which is a diversified agri-business company. It holds 100% stake in Nature's Basket which operates fresh good and gourmet store under the Nature's Basket brand. Godrej Industries consolidated net sales increased 39.23% to Rs 4024.55 crore in Q1FY23 compared to Q1FY22. Sales of Chemicals segment has gone up 60.85% to Rs 999.59 crore (22.65% of total sales). Sales of Animal Feed segment has gone up 24.43% to Rs 1,245.89 crore (28.24% of total sales). Sales of Veg Oils segment rose 30.93% to Rs 614.55 crore (13.93% of total sales). Sales of Estate & Property Development segment has gone up 60.68% to Rs 448.23 crore (10.16% of total sales). Sales of Crop Protection segment has gone up 1,303.85% to Rs 368.09 crore (8.34% of total sales).

### BERGER PAINTS LIMITED

CMP (AS ON 31 AUGUST 2022) - 673

TARGET - 740

Berger Paints is the second largest paint player in India. The company has 13 manufacturing units in India with 50,000 dealer network across India. They have their manufacturing facilities in West Bengal, Uttar Pradesh, Pondicherry, Goa, and Jammu & Kashmir. The company also has an international presence in 4 countries viz. Nepal, Bangladesh, Poland and Russia. Berger has Technical License Agreements with DuPont Performance Coatings in the area of automotive coatings, Nippon Paint Co Ltd for new generation of automotive coatings, Orica Australia Pty Ltd in the area of protective coatings, TIGERWERK Lack-u.Farbenfabrik GmbH & C. KG, Austria for specialized powder coatings and Nippon Bee Chemical Co Ltd for coating on plastic auto parts and mobile phones. Berger derives 80-85% of its topline from decorative paints while the rest comes from the industrial segment. Riding on strong demand, the company expects to close FY23 with consolidated sales of Rs 10,000 crore. Fall in crude oil prices may also add to their margins.

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

GAINERS			
COMPANY	OPEN	CLOSE	%
Bajaj Finserv Ltd.	15199.95	16962.15	11.59%
Coal India Ltd.	212.5	234.8	10.49%
Titan Company Ltd.	2364.8	2604.65	10.14%
Mahindra & Mahindra Ltd.	1189.4	1308.7	10.03%
Adani Ports & SEZ Ltd.	770	842.15	9.37%

LOSERS			
COMPANY	OPEN	CLOSE	%
Divi'S Laboratories Ltd.	3835	3626.85	-5.43%
Sun Pharmaceutical Inds. Ltd.	939.95	893.05	-4.99%
Infosys Ltd.	1564	1492.95	-4.54%
Britannia Industries Ltd.	3900.4	3747.75	-3.91%
Tata Consultancy Services Ltd.	3327	3211.15	-3.48%

*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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