

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	30/9/2022	31/8/2022	31/12/2007
Nifty	17094.35	17759.3	6138
Valuation			
Trailing PE	20.64	21.2	27.62
Trailing PB	4.02	4.12	6.39
Mcap/GDP	1.45	1.42	1.23
Nifty return			
1 year	-2.97%	3.66%	54.77%
2 year	23.28%	24.88%	47.11%
3 year	14.21%	17.23%	43.43%
EPS growth			
1 year	26.83%	28.35%	19.13%
2 year	55.15%	54.12%	15.95%
3 year	24.04%	27.49%	17.85%
Other data points			
Credit growth	16.20%	15.30%	25%
10-year bond yield	7.39	7.10	7.57
Brent Oil Futures	87.96	97.84	93.25
USD/INR	81.5	79.65	39.23
Gold (oz/USD)	1672	1735.65	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices consolidate after an attempt of recovery!

In the month of September, indices moved down south following global indices.

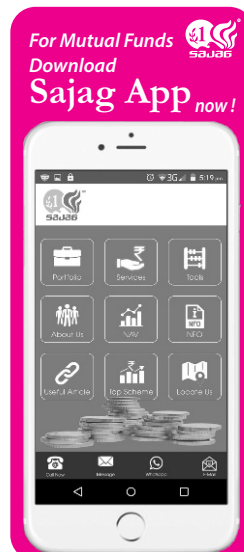
Key developments during the month were,

- ▶ India's industrial production logged an annual growth of 2.4% in July, much weaker than June's 12.7% expansion. In the same month of 2021, industrial output had advanced 11%. Among three main sectors, manufacturing output grew 3.2% and electricity output climbed 2.3%. On the other hand, mining shrank 3.3% from the last year. In the April to July period, industrial production posted an expansion of 10% annually.
- ▶ India's consumer price inflation rose to 7% in August from 6.71% in July. In the same period last year, inflation was 5.30%. Food price inflation advanced to 7.62% in August from 6.69% in the previous month. Meanwhile, India's inflation based on wholesale price index (WPI) stood

at 12.41% in August 2022 compared with 11.64% in August 2021. The WPI grew 13.93% in July 2022, while the figure for June was 16.23%.

- ▶ India's current account deficit (CAD), widened to \$23.9 billion, which is 2.8% of the GDP, in the Q1 FY23, up from \$13.4 billion (1.5% of the GDP in Q4 FY22) and a surplus of \$6.6 billion (0.9% of the GDP) of Q1FY22. The country's exports shrink by 3.52% to \$32.62 billion in September as against \$33.81 billion in the same month in 2021, while the trade deficit widened to \$26.72 billion. India's imports during September grew by 5.44% to \$59.35 billion as against \$56.29 billion in September last year.
- ▶ The central government's fiscal deficit stood at Rs 5.42 lakh crore in April-August, accounting for 32.6% of the full-year target. The fiscal deficit for April-August 2021 had accounted for 31.1% of the FY22 target. Net tax receipts rose to about Rs 7 lakh crore while total expenditure was Rs 13.90 lakh crore.
- ▶ India's gross Goods and Services Tax (GST) collections in September rose 26% y-o-y to Rs 1,47,686 crore, with revenue from goods imports jumping 39% and that from domestic transactions and services imports yielding 22% more than in September 2021.
- ▶ In the current financial year so far, banks have extended Rs 5.66 lakh crore by way of loans, representing a growth of 4.8% as compared to -0.5% during the same period last year. Deposit growth was 9.5% y-o-y.
- ▶ Fitch Global Ratings has cut India's GDP growth forecast expecting a global slowdown and tighter monetary policy. The ratings agency now expects the Indian economy to grow at 7% in FY23 compared with its previous estimates of 7.8%. The estimates for FY24 have also been cut to 6.7% against 7.4% earlier.

As the month began, positive global cues, cooling oil prices and consistent FII inflows supported buying in domestic equities. However, barometers saw deep cuts as inflation in US continues to soar. The domestic equity benchmarks nudged lower marked with volatility as Nifty fell 3.75% in September. In the month of September, FIIs pulled out over Rs 18,308 crore. India's auto sector, barometer of the country's economy, demonstrated healthy growth rising to record levels in August year-on-year as shortage of semiconductors eased further helping companies to step up production ahead of the crucial festive season. The US Federal Reserve's hawkish undertone on interest rate fuelled pessimism amongst the



Performance of key sectoral indices

Nifty Pharma	2.79%	Nifty Infrastructure	-2.32%
Nifty FMCG	1.97%	Nifty Auto	-2.50%
Nifty MNC	0.22%	Nifty IT	-3.60%
Nifty India Consumption	-0.04%	Nifty Realty	-7.82%
Nifty Bank	-0.45%	Nifty Energy	-7.85%
Nifty Metal	-1.50%		

investors as major US indices like S&P, Nasdaq and Dow Jones corrected heavily. The US Federal Reserve hiked its key interest rate by 75 basis points for the third consecutive time. The central bank's officials forecast the target range for the benchmark policy rate to rise to 4.4% by the end of 2022 and reach 4.6% in 2023, as per the updated quarterly estimates. With the 75-bps rate hike the benchmark policy rate now lies in the 3-3.25% range.

Market Outlook

The World Bank last month has said the world may be edging toward a recession in 2023. Amidst the global pessimism, RBI Governor Shaktikanta Das' stated positively that he underscored the resilience of the Indian economy and assurance to take necessary steps to shield the Indian economy from the global shocks.

- ▶ The Asian Development Bank (ADB) cut its growth forecasts for developing Asia for 2022 and 2023 amid mounting risks from increased central bank monetary tightening, the fallout from the war in Ukraine and Covid-19 lockdowns in China. The ADB now expects the area's combined economy, which includes China and India, to grow 4.3% this year. For 2023, the ADB expects the region's economy to expand 4.9%. The ADB has slashed its GDP growth forecast for India by 50 basis points to 7% for FY23 citing higher than expected inflation and monetary tightening. For FY24 the ADB has cut its GDP growth estimate for India by an even larger 80 basis points to 7.2%.
- ▶ India's manufacturing activity lost some momentum in September, but cost pressures continued to recede, according to the S&P Global's Purchasing Managers' Index. The Manufacturing PMI edged down to 55.1 from 56.2 in August. Growth in India's services industry slumped in September to a six-month low, led by a substantial easing in demand amid high inflation. The S&P Global India services Purchasing Managers' Index fell to 54.3 in September from August's 57.2.
- ▶ The US current account deficit narrowed sharply in the Q2 amid a surge in goods exports, as CAD contracted 11.1% to \$251.1 billion last quarter. The current account gap represented 4% of gross domestic product, down

from 4.6% in the January-March quarter. The US consumer price index edged up 0.1% last month after being unchanged in July. In the 12 months through August, the CPI increased 8.3%. That was a deceleration from July's 8.5% rise and a 9.1% jump in June. The business activity in the US service sector expanded at a slightly softer pace in September than it did in August with the ISM Services PMI declining to 56.7 from 56.9.

- ▶ China's exports rose 7.1% in August compared with the same period a year ago. Imports ticked up 0.3%, less than 2.3% increase in July. The country saw a trade surplus of \$79.39 billion in August driven by weaker import numbers, after it saw a record \$101.26 billion in trade surplus in July. Following this, a foreign brokerage has reportedly cut its forecast for China's full-year GDP to 2.7%. Retail sales increased 5.4% in August from the same period last year, much higher than July's 2.7%. Industrial production grew 4.2% last month compared with a year ago. China's official factory activity unexpectedly expanded in August as the manufacturing Purchasing Managers' Index surprisingly grew in September to 50.1. The official nonmanufacturing PMI came in at 50.6 in September, down from 52.6 in August.
- ▶ Japan's economy grew more than initially reported in the Q2, as the GDP expanded an annualised 3.5% in the Q2, stronger than the preliminary estimate of annualised 2.2% growth. Japan's factory activity growth hit a 20-month low in September. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) slipped to a seasonally adjusted 51 in September from the prior month's final of 51.5. Core consumer prices in Japan rose 2.8% in August from a year ago. That's the fastest growth in nearly eight years, and the fifth consecutive month where inflation has exceeded the central bank's target of 2%.
- ▶ S&P Global's Eurozone composite PMI fell to 48.1 in September, down 0.8 pts from the prior month, with both the services and manufacturing PMIs also posting monthly drops. New car registrations in the European Union rose in August after thirteen months of declines. Sales increased by 4.4% overall. In the year to date, total sales volumes are down by 11.9%, largely due to an ongoing semiconductor shortage. UK retail sales fell by 1.6% month-on-month in August. It was the first month since July 2021 that all main sectors, spanning food and non-food stores, online retail and fuel, saw declines. Euro zone inflation hit a new record high of 10% in September, up from 9.1% in August.

Global sentiments will continue to direct Indian markets which take cues from inflation and interest rate scenario, liquidity flow and growth.

TECHNICAL VIEW



In the month of September, indices began positively as Nifty marched towards 18100. However, Nifty witnessed profit-booking at this level, which dragged it lower below 16800, as mentioned in our earlier report. Nifty recovered and closed the month above 17000.

On weekly chart, Nifty has moved below its 13-week average while remains above other key averages. Nifty is placed above its 200-day EMA and is also moving in line with the monthly trendline. Weekly as well as monthly RSI is placed below respective average. Nifty has closed this quarter in green.

As mentioned in our earlier report, Nifty's pull-back faced stiff resistance near 18000-18100 zone. Below this level, Nifty faces strong resistance near 17500-17600 level now. On the other hand, 16800 is an important support for Nifty. Breach of this level could take Nifty towards 16250. Indices are likely to remain volatile.

MUTUAL FUNDS PERFORMANCE

NAV as on 30 September 2022

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2404.05	0.43	1.29	2.33	4.09
Franklin India Liquid Fund Super Ins (G)	3252.72	0.43	1.29	2.31	4.07
UTI Liquid Cash Plan Reg (G)	3545.86	0.43	1.28	2.31	4.07

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	27.85	0.46	0.92	2.05	4.21
Kotak Equity Arbitrage Fund (G)	30.83	0.44	0.90	2.03	3.98
Axis Arbitrage Fund (G)	15.52	0.39	0.75	1.78	3.93

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	229.75	7.04	35.32	20.45	13.73
Kotak Equity Hybrid (G)	40.48	3.39	24.84	17.13	11.90
UTI Hybrid Equity Fund (G)	251.77	1.07	24.90	15.80	9.17
Canara Robeco Equity Hybrid Fund Reg (G)	242.78	-1.57	18.25	14.80	11.52

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Balanced Advantage Fund (G)	303.39	8.75	31.97	16.21	11.31
Tata Balanced Advantage Fund (G)	14.92	3.00	14.91	12.40	N/A
ICICI Pru Balanced Advantage Fund Reg (G)	51.43	6.00	16.63	12.13	9.98
Nippon India Balanced Advantage Fund (G)	124.64	2.45	15.91	10.91	8.72

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
IDFC Sterling Value Fund Reg (G)	90.14	7.40	42.15	25.19	11.74
ICICI Pru Value Discovery Fund (G)	257.24	5.04	32.85	22.69	13.78
Nippon India Value Fund (G)	122.92	0.75	31.45	19.22	12.37
UTI Value Opportunities Fund (G)	100.38	0.03	27.15	18.61	12.82

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Focused Equity Fund (G)	79.08	2.62	34.16	20.91	12.40
ICICI Pru Focused Equity Fund Reg (G)	49.46	0.65	28.12	19.64	12.86
Franklin India Focused Equity Fund (G)	67.90	4.23	38.97	19.53	13.33
HDFC Focused 30 Fund (G)	126.24	17.86	38.73	18.33	10.70

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	240.17	12.37	45.09	38.30	22.21
IDFC Tax Advantage Reg (G)	97.61	3.37	34.84	22.41	12.99
Parag Parikh Tax Saver Fund (G)	19.09	3.09	23.99	22.34	N/A
Canara Robeco Equity Tax saver Fund Reg (G)	114.58	-0.62	25.80	20.48	15.63
Mirae Asset Tax Saver Fund Reg (G)	30.10	-3.27	26.07	19.33	14.54

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Bluechip Equity Fund (G)	40.35	-3.65	21.64	16.41	13.48
Nippon India Large Cap Fund (G)	52.61	4.75	33.32	16.08	11.90
Kotak Bluechip Fund (G)	366.90	-3.32	23.14	15.83	11.91
ICICI Pru Bluechip Fund Reg (G)	65.48	0.97	26.64	15.65	11.79

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	148.59	12.05	41.16	29.07	14.21
Edelweiss Mid Cap Fund Reg (G)	52.31	5.10	35.80	26.27	15.29
Motilal Oswal Midcap Fund Reg (G)	51.71	23.02	43.63	26.11	15.48
Kotak Emerging Equity (G)	75.60	6.94	35.85	25.64	15.29

Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	81.27	4.49	17.58	12.61	10.94

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Large & Midcap Fund Reg (G)	387.41	9.21	34.36	21.04	14.37
Axis Growth Opportunities Fund Reg (G)	19.87	-3.87	27.05	21.04	N/A
Canara Robeco Emerging equities Reg (G)	160.80	-0.89	26.95	20.96	13.03
Mirae Asset Emerging Bluechip Fund Reg (G)	93.77	-3.91	27.23	20.65	14.74

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Canara Robeco Small Cap Fund Reg (G)	24.45	11.54	45.06	37.93	N/A
Nippon India Small Cap Fund (G)	90.59	11.69	46.59	34.11	18.32
Kotak Smallcap Fund (G)	165.48	3.51	44.12	33.22	17.81
Tata Smallcap Fund Reg (G)	22.79	9.43	43.64	30.78	N/A

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	46.75	-5.68	21.83	22.52	16.26
Franklin India Flexi Cap Fund (G)	963.21	1.53	33.73	19.36	11.96
Canara Robeco Flexi Cap Fund (G)	218.67	-3.57	22.99	17.50	13.57
UTI Flexi Cap Fund Reg (G)	238.88	-9.47	23.59	18.90	14.40
HDFC Flexi Cap Fund Reg (G)	1066.17	8.57	38.22	18.36	13.02

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	237.83	2.83	31.97	20.48	12.20
Nippon India Multi Cap Fund (G)	162.90	12.07	43.39	20.31	13.71
Invesco India Multicap Fund (G)	77.54	-2.49	27.50	18.57	10.98
ICICI Pru Multicap Fund Reg (G)	450.52	1.89	31.23	16.70	11.89

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	127.7	-18.8	25.6	29.0	25.7
Aditya Birla SL Digital India Fund Reg (G)	110.8	-17.7	24.4	26.6	24.6
Tata Resources & Energy Fund Reg Plan (G)	27.2	-5.7	29.4	24.1	13.1
Mirae Asset Healthcare Fund (G)	21.9	-7.6	12.3	29.5	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	19.2	-9.9	9.4	26.7	N/A
Sundaram Services Fund (G)	21.0	1.5	34.5	22.0	N/A
IDFC Infrastructure Fund Reg (G)	24.2	2.5	43.5	19.4	7.6
Aditya Birla SL Infrastructure Fund Reg (G)	49.7	-1.1	38.3	19.3	6.6
Aditya Birla SL India Gen Next Fund Reg (G)	144.1	5.0	30.1	18.5	14.2
SBI Banking & Financial Services Fund Reg (G)	25.1	-0.7	27.2	10.9	11.6
Tata Banking and Financial Services Fund Reg (G)	25.7	-2.5	24.9	9.1	8.5

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	57426.92	-2.87	22.82	14.08	12.90
NSE - Nifty 50	17094.35	-2.97	23.28	14.20	11.78

CORPORATE ACTIONS IN OCTOBER 2022

COMPANY	RECORD DATE	PURPOSE
Suzlon Energy	04/10/2022	5:21 Right Issue of Equity Shares
TCS	18/10/2022	Second Interim Dividend
HCL Technologies	20/10/2022	Third Interim Dividend
Angel One	21/10/2022	Second Interim Dividend
ICICI Lombard	28/10/2022	Interim Dividend
L&T Technology	28/10/2022	Interim Dividend

SAJAG STOCK HOTLINE 020 2530 24 00

COMPANY ANALYSIS

SRF LIMITED

CMP (As on 30 September 2022) – **2503**

INDUSTRY - CHEMICAL

OCTOBER 2022

SENSEX – 57426 NIFTY – 17094

Mkt. Cap.	: 74221.81 Cr
Equity	: 297.44
Trading Vol.	: 1724728
52 Week High/Low	: 2864/1975
Face Value	: 10

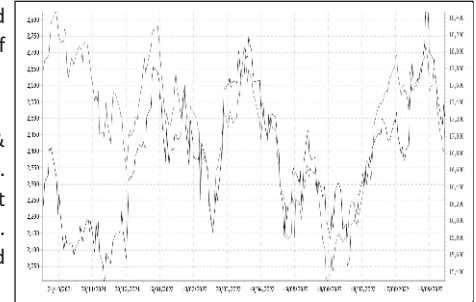
BSE Group	: A
BSE Code	: 503806
NSE Symbol	: SRF
Bloomberg	: SRFIN
Reuters	: SRFL.BO

Shareholding Pattern	
Promoters	: 50.73
Institutions	: 10.54
Public	: 20.67
Others	: 18.11

SRF Limited is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

Investment rationale

- ▶ SRF's diversified business portfolio covers Technical Textiles (15% of revenues), Fluorochemicals & Specialty Chemicals (44% of revenues), Packaging Films (38% of revenues) and Engineering Plastics. These are used in varied applications and segments: from tyres to air conditioners, mines to cricket grounds, automotive to household appliances, food packaging to raw materials for pharmaceuticals. With its diverse portfolio, SRF strives to provide the highest quality of sustainable, industrial and specialty intermediates.
- ▶ SRF consolidated net sales increased 44.28% to Rs 3894.72 crore in Q1FY23 compared to Q1FY22. Sales of Technical Textile Business segment has gone up 15.84% to Rs 571.02 crore. Sales of Chemicals and Polymers Business segment has gone up 54.66% to Rs 1,722.43 crore. Sales of Packing Film Business segment rose 43.67% to Rs 1,496.00 crore.
- ▶ The company has twelve manufacturing plants in India, two in Thailand and one in South Africa. It has commissioned a project to produce 300 MTPA of P38 at Dahej. It exports products to more than 90 countries.
- ▶ SRF is among the global leaders in Difluoro & Trifluoro Alkyl Intermediates, Nylon 6 Tyre cord fabric and conveyer belting fabrics. It has forayed into PTFE (polytetrafluoroethylene) which will unleash growth in fluoropolymers where SRF can leverage its fluorination capability. Its undisputed leadership in refrigerant gases and strong demand environment in HFCs will keep the revenue and margins strong.
- ▶ SRF has grown its sales and PAT at a CAGR of 17% and 32% respectively. CFO has been positive in the past and has been increasing. PBDITA margins have improved to 25% and RONW as well to 25%. Long term debt/equity ratio is 0.25.



The management has a strong outlook for Chemicals Business and believes the investment intensity will increase in this segment. It is optimistic about solid growth opportunities in the chemicals business driven by a fast changing geopolitical environment. 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	297.44	60.26	58.5	58.5	58.44
Networth	8565.36	6856.42	4933.32	4129.27	3564.53
Debt	3,655.19	3,468.59	4,134.51	3,730.19	3,141.84
Sales	12,433.66	8,400.04	7,209.41	7,099.59	5,589.04
Other Income	115.51	66.35	152.24	78.02	115.12
Operating profit	3,218.71	2,199.37	1,607.18	1,375.02	1,021.36
PAT	1,886.83	1,197.65	1,007.56	641.63	461.29
Book Value (Rs)	287.86	227.48	168.61	141.15	121.99
EPS (Rs.)	63.51	39.76	34.84	21.94	15.8
Dividend (%)	167.5	240	140	120	120
Payout (%)	11.22	11.8	7.9	10.75	15.39

Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	3852.22	2678.8	43.80
Other Income	9.85	13.78	-28.52
PBIDT	1004.82	685.33	46.62
PBT	841.59	534.91	57.33
PAT	608	395.28	53.82

COMPANY ANALYSIS REVIEW

RELIANCE INDUSTRIES LIMITED

CMP (As on 30 September 2022) – **2377**

INDUSTRY - REFINERY

OCTOBER 2022

Mkt. Cap.	: 1608601.05 Cr
Equity	: 6765.37
Trading Vol.	: 8582908
52 Week High/Low	: 2855/2181
Face Value	: 10

BSE Group	: A
BSE Code	: 500325
NSE Symbol	: RELIANCE
Bloomberg	: RILIN
Reuters	: RELI.BO

Shareholding Pattern	
Promoters	: 49.11
Institutions	: 14.87
Public	: 26.67
Others	: 9.19

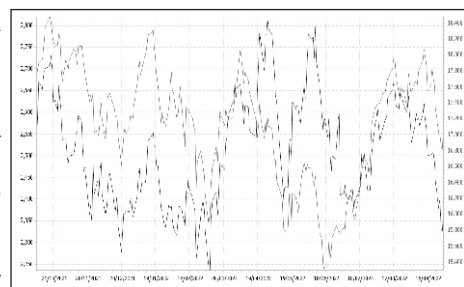
We had earlier recommended the stock in our Sajag Online publication of September 2013. We remain optimistic about the company owing to sound financials and stable business and expansion in next generation segments.

Reliance is the largest business conglomerate in India. It operates following businesses - Exploration & Production; Petroleum Refining & Marketing; New Energy; Textiles; Petrochemicals; Retail and Jio.

Investment rationale

- Under conventional businesses (60% of revenues), Reliance' operations span from the exploration and production of oil and gas to the manufacture of petroleum products, polyester products, polyester intermediates, plastics, polymer intermediates, chemicals, synthetic textiles and fabrics. Petroleum refining and marketing is the second link in Reliance's drive for growth and global leadership in the core energy and materials value chain.
- The New Energy business based on the principle of Carbon Recycle and Circular Economy is a multi-trillion opportunity for India and the world. It is also an opportunity to make clean and green energy abundantly available at an affordable price to every Indian, every Indian enterprise, and every Indian utility.
- Jio Platforms Limited (Jio, 11% revenues) is creating a massive digital ecosystem for a billion Indians with domain expertise across business verticals in the platform company. The company holds 60% share of data traffic market and is the first-ranked telecom player in terms of subscriber's base.
- At the 45th AGM, Chairman Mukesh Ambani announced that under Reliance Retail Ltd (22% revenues), the group is planning an entry into the FMCG market. RRL is likely to acquire small and mid-sized brands or will forge joint ventures with brand owners. RRL has already identified various targets and will be announcing them in the short- to medium-term. RRL has identified almost two dozen potential brands which can be acquired to strengthen the FMCG business.
- Expected strong growth in the sales from the Retail segment on the back of aggressive expansion plans for stores, improved revenue mix towards lifestyle and fashion and consumer electronics, and strong growth in merchant partnerships and digital commerce. Digital (Jio) segment is expected to see steady margins on the back of increased customer engagement for data traffic, FTTH connections and allied services. Conventional business segments likely to keep growing.

In last 5 years, Reliance has grown its sales with a CAGR of 12% and PAT at 10%. It has more than doubled its book-value in 5 years. CFO has been consistently positive and incremental. Long term debt/equity ratio is 0.2. PBDITA margin has been above 15% and RONW in the range of 9-10%. In Q1, Oil to Chemical, Oil and Gas, Organized Retail, Digital Services segments drove the revenue and EBITDA performance. 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	6,765.00	6,445.00	6,339.00	5,926.00	5,922.00
Networth	779,485.00	700,172.00	449,166.00	387,112.00	293,506.00
Debt	319,158.00	278,962.00	355,133.00	307,714.00	239,843.00
Sales	699,962.00	466,924.00	597,535.00	569,209.00	391,677.00
Other Income	18,099.00	38,229.00	13,271.00	8,489.00	10,008.00
Operating Profit	128,523.00	103,222.00	97,836.00	92,656.00	74,184.00
PAT	58,527.14	43,761.21	42,851.29	39,647.87	36,176.47
Book Value (Rs)	1,152.23	1,024.56	701.89	647.08	490.92
EPS (Rs.)	89.73	76.23	61.49	66.17	60.35
Dividend (%)	80	70	65	65	60
Payout (%)	6.33	7.3	9.66	8.92	9.02

Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	219304	139949	56.70
Other Income	2247	4219	-46.74
PBIDT	40179	27550	45.84
PBT	27236	17270	57.71
PAT	19443	13806	40.83

DIXON TECHNOLOGIES LIMITED

CMP (As on 30 September 2022) – 4376

INDUSTRY - CONSUMER ELECTRONICS

OCTOBER 2022

Mkt. Cap.	: 25969.81 Cr
Equity	: 11.87
Trading Vol.	: 294422
52 Week High/Low	: 6240/3185
Face Value	: 2

BSE Group	: A
BSE Code	: 540699
NSE Symbol	: DIXON
Bloomberg	: DIXONIN
Reuters	: DIXO.BO

Shareholding Pattern	
Promoters	: 34.30
Institutions	: 9.23
Public	: 25.22
Others	: 31.25

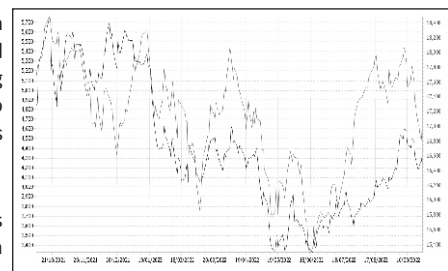
We have earlier recommended the stock in our SAJAG- Company Analysis report in June 2019.

We maintain our positive outlook owing to demographic advantage and growth opportunity therein.

Dixon Technologies (India) Limited is the largest home-grown design-focused and solutions company engaged in manufacturing products in the consumer durables, lighting and mobile phones markets in India. Its diversified product portfolio includes consumer electronics like LED TVs; home appliances like washing machines; lighting products like LED bulbs and tubelights, downlighters and CFL bulbs; mobile phones and CCTV & Digital Video Recorders (DVRs). The Company also provides solutions in reverse logistics i.e. repair and refurbishment services of set top boxes, mobile phones and LED TV panels.

Investment rationale

- Dixon is a fully integrated end-to-end product and solution suite to original equipment manufacturers ('OEMs') ranging from global sourcing, manufacturing, quality testing and packaging to logistics. It is also a leading Original Design Manufacturer ('ODM') of lighting products, LED TVs and semi-automatic washing machines in India. As an ODM, the company develops and designs products in-house at its R&D centre. The Company manufactures and supplies these products to well-known companies in India who in turn distribute these products under their own brands.
- It is a leading player in most verticals it operates in in manufacturing of FPD TVs, washing machines, Led and CFL lights in India in FY 2016. Its market share of the total production by electronic manufacturing services (EMS) /ODM players in India: FPD TVs is 50.4%, washing machines is 42.6% and Led and CFL lights is 38.9%.



- ▶ The company has strong relationships with a diverse top-tier customer base. It has established and will continue to focus on strengthening long-standing relationships with well-known customers across product verticals.
- ▶ Dixon has maintained PBDITA Margin above 4%, in FY22 it was 3.6%. RONW has been above 20%. D/E is low at 0.5, while CFO has been positive with FY2019 as an exception.

Dixon is present in the electronics manufacturing sector. India is increasingly becoming a favourable destination for electronics manufacturing owing to rising aspirational demand, increasing affordability, availability of easy financing schemes and improving power supply owing to better electrification infrastructure. With a low penetration level across most consumer electronics categories, the demand will continue to be healthy. Along with this, the 'Make in India' policy and labour advantages benefit brands to manufacture in India. 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	11.87	11.71	11.57	11.33	11.33
Networth	996.78	737.3	541.33	378.22	314.98
Debt	666.9	294.53	86.67	141.24	44.63
Sales	10,697.08	6,448.17	4,400.12	2,984.45	2,841.63
Other Income	3.81	1.58	5.2	5.63	4.17
Operating profit	388.06	293.45	232.74	141.78	116.86
PAT	189.77	159.76	120.7	63.05	60.95
Book Value (Rs)	167.95	125.93	93.57	66.79	55.62
EPS (Rs.)	32.04	27.29	20.83	11.19	10.76
Dividend (%)	100	50	40	20	20
Payout (%)	3.08	0	5.79	3.61	0

Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	2855.07	1867.29	52.90
Other Income	0.42	0.38	10.53
PBIDT	100.46	48.27	108.12
PBT	61.97	24.1	157.14
PAT	45.43	18.16	150.17

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)	496,736	22.1	931,571	17.6	1,841,264	15.8	2,895,509	16.8	7,341,625	17.0
Canara Robeco Emerging equities Reg (G)	487,992	20.8	908,377	16.6	1,815,719	15.5	3,208,139	18.7	8,942,596	19.2
Kotak Emerging Equity (G)	540,266	28.3	1,014,912	21.2	1,985,666	17.7	3,369,306	19.6	8,025,342	18.0
Kotak Equity Opportunities Fund (G)	483,533	20.2	901,476	16.3	1,733,112	14.4	2,663,542	15.2	5,826,281	14.3
SBI Small Cap Fund Reg (G)	580,854	33.7	1,098,990	24.5	2,329,395	21.5	4,330,346	24.2	N/A	N/A

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

KOTAK MAHINDRA BANK LIMITED

CMP (AS ON 30 SEPTEMBER 2022) - 1819 TARGET - 2010

Kotak Mahindra Bank is one of the leading banking and financial groups in India. It has 1,700 full-fledged branches and 2,705 ATMs. Net interest income (NII) in Q1FY23 was up 18.6% y-o-y. Rs. 6,160 crore, driven by the strong growth across corporate/ wholesale banking and retail banking segments. Net interest margin improved to 4.92%. PAT grew at 52.6% y-o-y to Rs. 2,755 crore due to a drastic reduction in operating expenses. Advances grew strongly in Q1, up 29% y-o-y. Total deposits grew by 10% y-o-y and CASA grew by 6.6% y-o-y. CASA ratio stood at 58% versus 61% in Q4FY2022. Kotak Mahindra Bank enjoys a strong parentage. A well-established business infrastructure, strong asset quality, robust growth in advances, and reduction in NPA auger well for the bank. The stock trades at a P/B of 3.75.

CEAT LIMITED

CMP (AS ON 30 SEPTEMBER 2022) - 1573 TARGET - 1800

Ceat ranks 3rd in the Tyres & tubes industry in terms of sales revenues. A steep fall in crude prices and easing of the semi-conductor issue at the OEM level auger well for the industry. CEAT has recently introduced the Winenergy X3-R tyres, specifically designed for electric buses. According to the company, the new range delivers 30% higher mileage, 30% better rolling resistance and 50% reduction in the tyre noise compared to regular tyres. It plans to expand its tyre sales network in places with population of 5,000-10,000 via its FMCG style of distribution, aiming to double outlets to 1 lakh in two to three years. Ceat is a low leveraged company with a D/E ratio of 0.7 times.

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Eicher Motors Ltd.	3241	3671.6	13.29%
Bharti Airtel Ltd.	726.5	799.9	10.10%
Cipla Ltd.	1026	1114.95	8.67%
Adani Enterprises Ltd.	3200	3455.75	7.99%
Indusind Bank Ltd.	1097.65	1185.2	7.98%

LOSERS			
COMPANY	OPEN	CLOSE	%
Tata Motors Ltd.	462.5	404.6	-12.52%
U P L Ltd.	764.05	672.05	-12.04%
Bajaj Auto Ltd.	4010	3527.75	-12.03%
Hero Motocorp Ltd.	2820	2549.2	-9.60%
Coal India Ltd.	234.35	212.25	-9.43%

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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