

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	31/10/2022	30/9/2022	31/12/2007
Nifty	18012.2	17094.35	6138
Valuation			
Trailing PE	21.42	20.64	27.62
Trailing PB	4.23	4.02	6.39
Mcap/GDP	1.49	1.45	1.23
Nifty return			
1 year	1.93%	-2.97%	54.77%
2 year	24.38%	23.28%	47.11%
3 year	14.89%	14.21%	43.43%
EPS growth			
1 year	22.34%	26.83%	19.13%
2 year	51.79%	55.15%	15.95%
3 year	24.69%	24.04%	17.85%
Other data points			
Credit growth	17.90%	16.20%	25%
10-year bond yield	7.45	7.39	7.57
Brent Oil Futures	94.83	81.5	93.25
USD/INR	82.77	79.65	39.23
Gold (oz/USD)	1640.7	1672	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices recover!

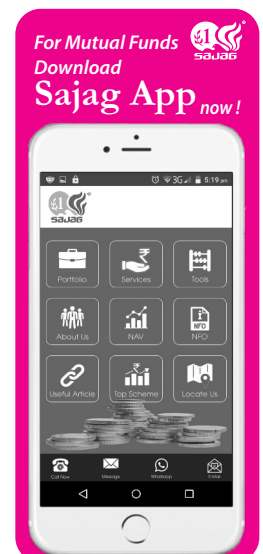
The month of October saw volatility as it fell in despair and rose as it recovered following global indices. The Dow Jones rallied 13.95% in October.

Key developments during the month were,

- ▶ India's industrial growth, as per the Index of Industrial Production (IIP), slid to an 18-month low of -0.8% in August from 2.2% in July. The manufacturing sector shrank by 0.7% in August 2022 compared to the 11.1% growth recorded in the year-ago period. The power sector showed a growth of 1.4% against a 16% rise a year ago. The mining sector witnessed a contraction of 3.9% in August 2022, whereas there was a growth of 23.3% in the year-ago period. During April-August this year, IIP rose 7.7% against 29% growth in the same period a year ago.
- ▶ Higher food prices drove retail inflation to a five-month high of 7.4%, the second consecutive month of rise in consumer price index (CPI)-based inflation. This is likely to add to the pressure on the Reserve Bank of India

(RBI) to again raise interest rates to tame high prices. The wholesale-based (WPI) inflation eased to 10.7% in September as against 12.41% in August, 2022. The number has remained in double digits for the 18th consecutive month, however, it is significant to note that it has moderated to an 18-month low as well.

- ▶ A decline in exports in sectors such as engineering, ready-made garments of all textiles and rice led to a contraction in the country's overall outbound shipments by 3.52% to \$32.62 billion in September, while the trade deficit widened to \$26.72 billion. The other export sectors that recorded a dip in the growth rate included chemicals, and cotton yarn, fabrics and made-ups during September. Imports during the month, however, grew by 5.44% to \$59.35 billion as against \$56.29 billion in September 2021. The exports during April-September 2022-23 rose by 15.54% to \$229.05 billion. The imports during the period increased by 37.89% to \$378.53 billion. The trade deficit during the first six months of the fiscal has widened to \$149.47 billion as against \$76.25 billion during April-September 2021-22.
 - ▶ The International Monetary Fund (IMF) has noted in a latest update that India's economy is likely to expand at 6.8% in 2022, revised down by 1.4% points since the April 2022 World Economic Outlook because of a weaker than- expected recovery in the second quarter and subdued external demand. A further slowdown of India's growth to 6.1% is expected in 2023 as external demand and a tightening in monetary and financial conditions weigh on growth
 - ▶ Collections from Goods and Services Tax (GST) have made new records, as the gross GST revenue collected in October 2022 has become the second highest ever. The figure stands at Rs 1,51,718 crore.
 - ▶ India's federal fiscal deficit in the first half of the financial year through September rose to 6.20 trillion rupees (\$74.91 billion) from 5.27 trillion a year earlier, though rising tax collections helped offset a higher subsidy bill. The deficit for the April to September period touched 37.3% of annual estimates, as the government spent more on fertiliser, food and fuel subsidies. Net tax collections during April-September rose to 10.12 trillion rupees, about 10% higher than a year before, helping the government despite growing fears of a shortfall in receipts from the sale of stakes in state-run firms this year.
- India's forex reserves dropped by \$4.9 billion, declining for a ninth consecutive week for the week ended September 30, 2022. They were \$537.52 billion at the end of the previous week.



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%		

The fall in the foreign exchange reserves can be attributed to a fall in the Foreign Currency Assets (FCA), which is a major component of the overall reserves. The domestic stock market remained comparatively stable amid global & domestic cues. Sliding crude oil prices and upside prospects to Q2 corporate earnings boosted investors sentiment. Positive global cues, encouraging domestic economic data and strong buying by the FIIs boosted sentiment as the month ended.

Investor sentiment in global markets sunk to low levels of bullishness initially as data showed high US inflation. The surging US inflation will likely lead to higher interest rates for longer, hastening a global recession. The Federal Reserve's policy committee raised its target interest rate by 0.75% point, and signaled that its tightening campaign isn't over yet. It is the central bank's sixth rate hike of 2022 and fourth straight 0.75 percentage-point bump, bringing the fed-funds rate target range to 3.75% to 4%.

Market Outlook

In its monthly bulletin, the Reserve Bank of India (RBI) stated that retail inflation is set to ease from September highs, whereas economic activity is expected to expand. However, RBI also opines that the fight against inflation will be dogged and prolonged.

- ▶ The European Central Bank (ECB) hiked its interest rate by 75 basis points, its third consecutive increase this year. The latest rate hike takes the ECB's main benchmark from 0.75% to 1.5%. The German consumer price index rose by 10% year-on-year in September and 1.9% month-on-month. EU-harmonized CPI inflation was 10.9% annually and 2.2% on the month. The German business sentiment remained bleak in October, as it slipped to 84.3 points in October from 84.4 points in September. The Bank of Korea raised its policy rate to 3%, an increase of 50 basis points in line with expectations. Inflation in South Korea stood at 5.6% in September, above the central bank's target. South Korea's Q3 GDP grew 0.3% from the previous quarter, the slowest growth since the Q3 of 2021. S&P Global's euro zone flash composite Purchasing Managers' Index (PMI), seen as a good guide to overall economic health, fell to 47.1 from 48.1 in September.
- ▶ The UK reported a rise in the consumer price index to 10.1% in September, matching the 40-year high posted by the Office for National Statistics in July. Food, energy and transport prices drove the increase.

- ▶ In the US, consumer prices increased more than expected in September, with CPI rising 0.4% from August, and 8.2% from September last year. Core inflation was up 6.6% from a year ago, the biggest 12-month gain since August 1982. Production at US factories spiked in September. Manufacturing output rose 0.4% last month, keeping pace with an upwardly revised 0.4% gain in August. Output increased 4.7% from a year earlier. The US economy grew at a 2.6% annualized pace for the period. The chain-weighted price index, a cost-of-living measure that is adjusted to reflect changing consumer behavior, rose 4.1% for Q3. The economy added 263,000 jobs last month, showing a steady slowdown from the blistering pace in 2020 and 2021. The unemployment rate slipped two-tenths of a percentage point to 3.5%. A closely-watched gauge of business activity also turned out a little stronger than expected. The Institute for Supply Management's manufacturing purchasing managers index fell to 50.2 from 50.9.
- ▶ China's gross domestic product grew 3.9% in the Q3 from a year ago. In Q2, GDP increased 0.4% compared with the same period in 2021. China's industrial profits for January to September fell 2.3% compared to a year ago. Factory activity unexpectedly fell in October, weighed by softening global demand and strict domestic COVID-19 curbs, which hit production, travel and shipping in the world's second-largest economy. China's factory activity shrank in October compared with September. The official manufacturing Purchasing Managers' Index print came in at 49.2, missing expectations for a reading of 50. The official non-manufacturing PMI came in at 48.7, compared with a print of 50.6 in September. Meanwhile, China's Caixin Services Purchasing Managers' Index came in at 48.4 for October, the lowest reading since May and the second consecutive contraction for the sector. In September, the print was 49.3 indicating a contraction.
- ▶ Japan's central bank left interest rates unchanged. The Bank of Japan also said it would purchase necessary amounts of Japanese government bonds at a fixed rate in order to keep 10-year JGB yields at 0%. Japan's services sector activity grew at the fastest clip in four months in October. The final au Jibun Bank Japan Services purchasing managers' index (PMI) rose to a seasonally adjusted 53.2 from the prior month's 52.2, growing at the quickest rate since June
- ▶ India's manufacturing sector activity gained some momentum in October, while price pressures remained contained. According to the S&P Global's Purchasing Managers' Index, India's manufacturing PMI rose to 55.3 from 55.1 in September.

FIIs are seen making a comeback to Indian markets as they have been buying in last few sessions during October, which gives a sense of comfort. Investors will be closely watching all central bank meetings across the globe, GDP growth and inflation rate figures which will further direct the sentiments.

TECHNICAL VIEW

In the month of October, indices began on a stable note and gradually stepped higher amidst volatility. Nifty managed to close the month above the psychologically important 18000 level.

Nifty is placed above all its key averages on daily, weekly as well as monthly chart and is also placed along in line with the monthly trendline. Weekly as well as monthly RSI is placed above respective average.

As we have been mentioning in our earlier reports, Nifty's pull-back faces stiff resistance near 18000-18100 zone. A move above this will take Nifty towards 18350. On the other hand, 17800 is an important support for Nifty below which support is placed near 17580. We maintain a cautiously optimistic outlook.



MUTUAL FUNDS PERFORMANCE

NAV as on 31 October 2022

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Franklin India Liquid Fund Super Ins (G)	3269.20	0.49	1.42	2.50	4.33
Axis Liquid Fund (G)	2416.21	0.49	1.41	2.52	4.35
UTI Liquid Cash Plan Reg (G)	3563.58	0.48	1.39	2.50	4.31
Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Aditya Birla SL Arbitrage Fund Reg (G)	22.07	0.35	1.20	1.79	3.55
Axis Arbitrage Fund (G)	15.57	0.29	1.13	1.69	3.86
DSP Arbitrage Fund Reg Plan (G)	12.43	0.35	1.21	1.82	3.41
Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	240.65	10.59	38.40	20.79	13.50
Kotak Equity Hybrid (G)	41.53	4.95	24.22	16.82	11.67
UTI Hybrid Equity Fund (G)	261.20	3.58	26.17	16.70	9.12
HDFC Hybrid Equity Fund (G)	84.37	5.89	25.66	15.88	10.45
Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	36.64	1.92	16.68	14.23	10.77
Tata Balanced Advantage Fund (G)	15.28	5.28	15.75	12.62	N/A
ICICI Pru Balanced Advantage Fund Reg (G)	52.58	7.07	16.98	11.94	9.82
Nippon India Balanced Advantage Fund (G)	127.18	4.36	16.29	11.19	8.32
Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
IDFC Sterling Value Fund Reg (G)	92.93	8.08	43.03	25.47	11.18
ICICI Pru Value Discovery Fund (G)	271.90	11.05	35.54	24.09	13.84
Nippon India Value Fund (G)	128.43	3.85	33.13	19.91	11.83
UTI Value Opportunities Fund (G)	104.48	3.38	28.00	18.90	12.66
Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Focused Equity Fund (G)	82.65	5.54	36.52	21.14	11.56
ICICI Pru Focused Equity Fund Reg (G)	52.22	4.17	31.25	21.00	12.68
IIFL Focused Equity Fund (G)	30.66	0.72	27.83	20.61	15.56
Franklin India Focused Equity Fund (G)	71.19	7.01	38.01	19.99	12.48
Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	248.64	15.98	46.52	36.58	21.89
Parag Parikh Tax Saver Fund (G)	20.24	10.15	28.25	23.43	0.00
IDFC Tax Advantage Reg (G)	101.65	4.67	37.27	23.29	12.80
Canara Robeco Equity Taxsaver Fund Reg (G)	118.70	1.17	26.82	20.75	15.58
Sundaram Tax Savings Fund (Formerly Principal Tax Savings) Reg (G)	345.91	4.35	29.66	19.28	9.99
Kotak Tax Saver Scheme (G)	76.12	7.43	28.39	18.81	12.69
Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Bluechip Fund Reg (G)	69.49	5.37	28.74	16.95	11.84
Canara Robeco Bluechip Equity Fund (G)	42.31	0.17	22.61	16.82	13.78
Nippon India Large Cap Fund (G)	55.13	9.21	34.85	16.29	11.56
Kotak Bluechip Fund (G)	383.73	0.73	24.18	15.97	11.87
Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Magnum MidCap Fund Reg (G)	148.35	9.42	39.64	28.29	13.25
Edelweiss Mid Cap Fund Reg (G)	53.52	6.00	36.80	25.97	14.29
Motilal Oswal Midcap Fund Reg (G)	52.36	21.15	44.13	25.67	15.47
Nippon India Growth Fund (G)	2167.82	5.24	36.49	25.14	13.70
Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	82.66	5.71	17.56	12.51	10.81

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
SBI Large & Midcap Fund Reg (G)	402.31	10.72	35.56	21.53	13.75
ICICI Pru Large & Mid Cap Fund Reg (G)	582.86	8.05	38.29	20.99	12.20
Canara Robeco Emerging equities Reg (G)	166.16	1.43	27.92	20.62	12.54
HDFC Large And Mid Cap Fund Reg (G)	199.08	5.18	36.62	20.14	12.46

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	136.50	5.15	49.45	49.75	21.67
Canara Robeco Small Cap Fund Reg (G)	24.77	11.98	46.75	37.74	N/A
Nippon India Small Cap Fund (G)	92.22	14.33	49.16	33.87	16.64
Kotak Smallcap Fund (G)	164.95	2.05	42.66	32.19	16.54

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	48.64	-3.25	24.92	22.74	16.51
Franklin India Flexi Cap Fund (G)	1018.32	4.26	34.52	20.58	12.11
HDFC Flexi Cap Fund Reg (G)	1135.98	14.02	41.05	19.43	12.55
UTI Flexi Cap Fund Reg (G)	241.00	-9.35	21.73	17.73	14.12
Canara Robeco Flexi Cap Fund (G)	226.89	-0.96	23.82	17.71	13.42

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Active Fund (G)	449.02	10.72	41.29	32.04	21.49
Nippon India Multi Cap Fund (G)	167.34	15.50	44.71	20.12	12.89
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	242.88	3.48	31.81	20.08	10.72
ICICI Pru Multicap Fund Reg (G)	465.53	2.92	31.77	16.46	11.33

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	135.01	-14.13	27.62	33.02	26.46
Aditya Birla SL Digital India Fund Reg (G)	117.48	-12.06	25.21	30.04	24.55
Mirae Asset Healthcare Fund (G)	22.15	-2.40	14.09	27.72	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	19.69	-3.10	12.19	25.31	N/A
Tata Resources & Energy Fund Reg Plan (G)	28.26	-2.74	30.62	23.54	11.79
Sundaram Services Fund (G)	21.87	3.04	35.77	21.57	N/A
IDFC Infrastructure Fund Reg (G)	24.66	1.63	42.68	20.26	5.53
Aditya Birla SL Infrastructure Fund Reg (G)	51.38	4.16	40.19	19.92	5.82
Aditya Birla SL India Gen Next Fund Reg (G)	147.67	6.22	30.30	17.95	13.89
SBI Banking & Financial Services Fund Reg (G)	26.25	0.28	25.09	11.38	12.20
Tata Banking and Financial Services Fund Reg (G)	27.51	1.72	24.23	10.81	9.83

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	60746.59	2.43	23.80	14.81	12.83
NSE - Nifty 50	18012.20	1.93	24.35	14.88	11.74

CORPORATE ACTIONS IN NOVEMBER 2022

COMPANY	RECORD DATE	PURPOSE
Asian Paints	01/11/2022	Rs.4.4 per share (440%) Interim Dividend
Colgate-Palmolive	01/11/2022	Rs.18 per share (1800%) First Interim Dividend
Nestle India	01/11/2022	Rs.120 per share (1200%) Second Interim Dividend
Hind. Unilever	02/11/2022	Rs.17 per share (1700%) Interim Dividend
Dabur India	04/11/2022	Rs.2.5 per share (250%) Interim Dividend
Tech Mahindra	10/11/2022	Interim Dividend
Power Grid Corporation	15/11/2022	Interim Dividend
Page Industries	18/11/2022	Second Interim Dividend

SAJAG STOCK HOTLINE 020 2530 24 00

COMPANY ANALYSIS

ELECTROSTEEL CASTING LIMITED

CMP (As on 31 October 2022) – **40**

INDUSTRY - CASTINGS

NOVEMBER 2022

SENSEX – 60746 NIFTY – 18012

Mkt. Cap.	:	2387.34 Cr
Equity	:	59.46
Trading Vol.	:	1595175
52 Week High/Low	:	48/26
Face Value	:	1

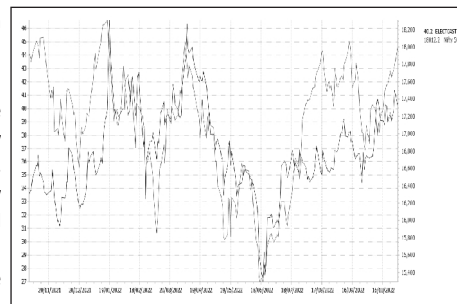
BSE Group	:	B
BSE Code	:	500128
NSE Symbol	:	ELECTCAST
Bloomberg	:	ELSCIN
Reuters	:	ELST.BO

Shareholding Pattern		
Promoters	:	44.08
Institutions	:	8.13
Public	:	18.80
Others	:	28.76

Electrosteel Castings has been a leading manufacturer of ductile iron pipes with nearly five decades of association with water infrastructure solutions for water supply and sewerage systems and supply of pipes.

Investment rationale

- ▶ Electrosteel Castings Ltd is largest manufacturer of ductile iron (DI) spun pipes in India. It is engaged in the business of manufacturing Ductile Iron Pipes and Fittings and Cast Iron Pipes. They also undertake turnkey solutions for water transportation and sewerage management, which include manufacturing DI Pipes, supplying and laying various types of pipes, operating the system and transferring to the owners. The company is headquartered at Kolkata and having their manufacturing facilities at Elavur in Tamilnadu, Khardah and Haldia in West Bengal.
- ▶ The Board of Directors of Electrosteel Castings Ltd (ECL) and Srikalahasti Pipes Ltd (SPL) has approved the proposed draft Scheme of Amalgamation of the two companies. Srikalahasti Pipes Ltd, acquired by Electrosteel group in 2001. After the acquisition, the new management of Srikalahasti has significantly expanded capacity for pig iron and metallurgical coke and also diversified into several new products.
- ▶ Following the merger, the combined entity has become a leading manufacturer of ductile iron pipes with one listed entity. The merged entity has total DI pipe manufacturing capacity of 8 lakh tonne in India with a market share of 30%.
- ▶ The Company as one of the major players in the world DI pipe market continues to maintain its dominant position in the export market against competitors. The world economy is on the revival phase and a large portion of our production is being exported to more than 50 countries across 5 continents. The Company, after entrenching itself in the discerning European and gulf markets as pipe maker of international quality, is also continuously expanding its business to new countries like Tanzania, Zambia, Congo, Nigeria, Senegal, Morocco in Africa, Vietnam, Cambodia, Myanmar in South East Asia.
- ▶ The company has grown its sales at a CAGR of 18%, PAT at 22% and networth at 10%. The D/E is 0.6 and CFO has been positive with few exceptions. Operating margin has been consistently near 15-16%



The Company is having comfortable order book for supply of Ductile Iron pipes and Fittings. Ductile Iron pipe is the safest and most suitable pipe for transportation of water not only in urban cities but also in rural India. The Company is hopeful that Central and State Governments will continue to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation projects in the country. With enhanced production capacity, Electrosteel should be able to serve more customers and will capture more market share. The Company shall be expanding its DI pipe export market to make its mark across the globe. However, with more focus on backward integration, cost reduction, exploring alternative markets, overcoming logistic constraints and long-term planning for raw materials, it is confident of maintaining sustained growth. The stock trades at a PE of 7. 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	59.46	43.3	43.3	40.55	35.7
Networth	4,103.08	3,709.87	2,880.15	2,635.68	2,478.72
Debt	2,966.97	2,137.53	1,736.03	1,761.14	1,697.25
Sales	5,280.95	3,474.20	2,711.04	2,699.44	2,263.13
Other Income	55.76	52.75	33.21	84.15	81.1
Operating profit	753.65	242.33	399.23	267.62	337.21
PAT	347.28	-91.2	161.07	38.17	124.03
Book Value (Rs)	69.01	85.69	66.52	65	69.44
EPS (Rs.)	5.84	-2.11	3.72	0.94	3.47
Dividend (%)	80	25	30	0	30
Payout (%)	7.84	-13.5	0	-142.04	27.21

Latest Results (Rs. Crore)

Quarter Ended	202206	202106	Var. (%)
Sales	1767.13	1096.89	61.10
Other Income	16.34	15.7	4.08
PBIDT	219.51	175.06	25.39
PBT	127.19	86.6	46.87
PAT	95.18	69.94	36.09

KOTAK MAHINDRA BANK LIMITED

CMP (As on 31 October 2022) – **1901**

INDUSTRY - BANKS

NOVEMBER 2022

Mkt. Cap.	:	377677.50 Cr
Equity	:	992.87
Trading Vol.	:	1906149
52 Week High/Low	:	2189/1630
Face Value	:	5

BSE Group	:	A
BSE Code	:	500247
NSE Symbol	:	KOTAKBANK
Bloomberg	:	KMBIN
Reuters	:	KTKM.BO

Shareholding Pattern		
Promoters	:	25.96
Institutions	:	21.43
Public	:	42.86
Others	:	9.75

Kotak Mahindra Bank has a promoter stake at 26% and strong parentage and management. It has a presence across the financial services value chain. It has 1,700 full-fledged branches and 2,705 ATMs

Investment rationale

- ▶ Kotak is one of India's leading diversified and integrated financial services conglomerates, providing a wide span of solutions covering banking (consumer, commercial, corporate), credit and financing, asset management, life and general insurance, stock broking, investment banking, private banking, microfinance and asset reconstruction, across customer and geographic segments within India.
- ▶ Key segments under banking include - consumer banking that provides a bouquet of products and services like deposits, lending solutions and transaction services for retail customers, small businesses, NRIs, retail institutions, government departments and entities, backed by convenient, innovative and digital-first solutions; wholesale banking - that caters to a wide range of corporate customer segments, including large Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, new-age companies, small and medium enterprises and realty businesses; commercial banking - Finances food and agro-processing segments, tractors, commercial vehicles, construction equipment, small and medium enterprises and microfinance; custodial services - one of India's largest local custodians and a leading provider of custody, clearing and fund accounting services.
- ▶ In Q2FY23, the bank has reported a robust business growth and operational performance. Advances up 25.1% y-o-y, deposits up 11.5% y-o-y, NII growth is 26.8% y-o-y, NIMs has reached to 5.17%. GNPA has declined to 2.08%. The bank has a strong RoA of 2% and RoE of 11-12%. CASA is nearly 56%. Total 70% of the book is on floating rate and out of balance 30%, 10% is fixed rate with one-year tenure.

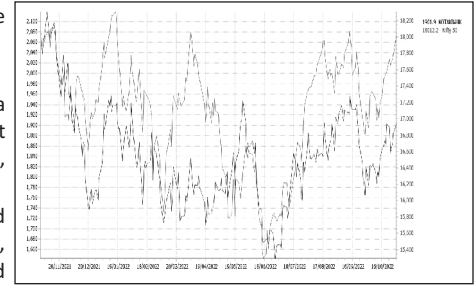
As of 31st March, 2022, the total assets under management (AuM) for Kotak Group was more than Rs 3,82,500 crore. In last 5 years, Kotak has grown its Net interest income at a CAGR of 15%, operating profit at 14%. The management believes there will be less MTM risk, going ahead. A high CASA ratio has significantly contributed in lowering cost of funds and enabled the engine to grow the asset book. The CAR has gradually improved from 18% to 22%. 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	992.33	990.92	956.52	954.38	952.82
Networth	96,665.34	84,338.60	66,636.98	57,781.81	50,488.23
Debt	365,235.16	326,610.31	325,976.92	291,263.20	249,839.77
Net Interest Income	22,187.11	19,853.28	17,573.48	14,644.61	12,664.23
Net Total Income	47,497.72	43,440.96	34,465.06	30,792.50	26,346.46
Operating Profit	27,981.94	26,595.94	27,787.37	26,220.75	22,008.51
PAT	12,089.39	9,990.20	8,593.36	7,204.13	6,200.97
Book Value (Rs)	486.9	425.55	348.32	302.71	264.93
EPS (Rs.)	60.71	50.2	44.92	37.74	32.54
Dividend (%)	22	18	0	16	14
Payout (%)	1.5	0	0	0	0

Latest Results (Rs. Crore)

Quarter Ended	202209	202109	Var. (%)
Sales	9993.83	8233.14	21.39
Other Income	7519.19	7109.58	5.76
PBIDT	8121.61	6811.1	19.24
PBT	4747.38	3930.88	20.77
PAT	3579.39	2940.71	21.72



COMPANY ANALYSIS REVIEW

GRANULES INDIA LIMITED

INDUSTRY - PHARMACEUTICALS

CMP (As on 31 October 2022) – 372

Mkt. Cap.	: 9019.72 Cr
Equity	: 24.83
Trading Vol.	: 1735485
52 Week High/Low	: 372/227
Face Value	: 1

BSE Group	: A
BSE Code	: 532482
NSE Symbol	: GRANULES
Bloomberg	: GRANIN
Reuters	: GRAN.BO

NOVEMBER 2022

Shareholding Pattern	
Promoters	: 41.93
Institutions	: 8.41
Public	: 24.76
Others	: 24.91

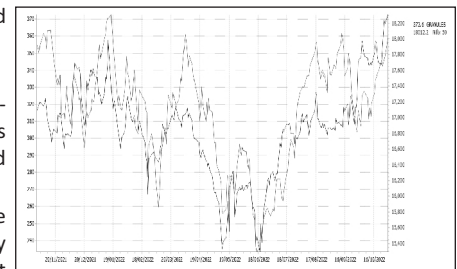
We have earlier reviewed the stock in our Sajag Online publication of June 2020.

We maintain our positive outlook owing to its leadership in key products and growth opportunity therein.

Granules is a large-scale vertically integrated company that manufactures API, intermediates and finished dosages.

Investment rationale

- ▶ With a strong presence across all three vertical, the company has created a leadership position in the off-patent drugs segment along with ensuring a strong presence in first line of defense' products such as Paracetamol, Ibuprofen, Metformin, Methocarbamol and Guaifenesin. These top 5 products contributed 81% to FY22 revenues. Revenue mix FY22: Formulations - 52%, API (API+PFI) - 48%.
- ▶ The company has a global presence across over 80 countries servicing over 250 customers. It is the preferred supplier for some of the world's leading pharma branded and generics companies. The company has one of largest PFI and single site FD facilities in the world. It is also home to one of the World's largest Paracetamol API facilities. Granules India has 7 manufacturing facilities, out of which six are located in India and one in the US.
- ▶ The company has doubled its book value in last 5 years. D/E ratio is 0.4, PBDITA margins have been in the range near 20%, average RONW in the range of 15-20%.



In Q2FY23, revenues grew 29.5% y-o-y driven by growth of 73.4% in API y-o-y and 22.9% growth in PFI. Formulations grew 15.6%. Growth was mainly driven by higher paracetamol sales in the US, increased market share and new launches. Contribution of revenue from paracetamol increased 46.8% compared to 33% in Q2FY22. 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	24.8	24.77	25.42	25.42	25.38
Networth	2,586.53	2,173.28	1,843.72	1,529.47	1,304.17
Debt	1,106.31	849.21	892.1	991.18	978.44
Sales	3,764.92	3,237.54	2,598.65	2,279.20	1,684.62
Other Income	17.61	26.88	89.79	75.43	26.83
Operating profit	739.84	882.11	615.1	459.46	305.25
PAT	416.3	549.74	315.57	236.67	132.63
Book Value (Rs)	104.29	87.75	72.52	60.16	51.38
EPS (Rs.)	16.64	22.18	13.19	9.3	5.22
Dividend (%)	150	150	100	100	100
Payout (%)	9.01	4.5	9.14	10.75	18.21

Latest Results (Rs. Crore)

Quarter Ended	202209	202109	Var. (%)
Sales	1150.73	888.33	29.54
Other Income	4.79	4.35	10.11
PBIDT	247.7	155.53	59.26
PBT	190.41	110.23	72.74
PAT	145.1	80.68	79.85

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)	504,581	23.2	949,690	18.4	1,872,419	16.2	2,940,035	17.1	7,494,373	17.2
Canara Robeco Emerging equities Reg (G)	499,006	22.4	935,300	17.8	1,862,822	16.1	3,278,120	19.1	9,220,142	19.6
Kotak Emerging Equity (G)	539,886	28.1	1,022,961	21.5	1,995,877	17.8	3,379,453	19.6	8,121,740	18.1
Kotak Equity Opportunities Fund (G)	499,971	22.5	937,343	17.9	1,798,968	15.3	2,760,505	15.9	6,067,641	14.8
SBI Small Cap Fund Reg (G)	573,340	32.6	1,094,755	24.3	2,309,982	21.3	4,279,839	24.0	N/A	N/A

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

HCL TECHNOLOGIES LIMITED

CMP (AS ON 31 OCTOBER 2022) - 1060 TARGET - 1320

HCL Technologies Ltd is a leading global IT services company that helps global enterprises re-imagine and transform their businesses through Digital technology transformation. The company is primarily engaged in providing a range of software services, business process outsourcing and infrastructure services. It leverages an extensive offshore infrastructure and its global network of offices in various countries and professionals to deliver solutions across select verticals including Financial Services, Manufacturing, Telecommunications, Media, Publishing, Entertainment, Retail & CPG, Life Sciences & Healthcare, Oil & Gas, Energy & Utilities, Travel, Transportation & Logistics and Government. Net sales increased 5.21% to Rs 24686 crore in Q2FY23. Operating profit margin has jumped from 21.20% to 21.98%, leading to 9.05% rise in operating profit to Rs 5,425.00 crore. The company expects services revenue to grow 16-17% YoY in constant currency in the current fiscal and revenue guidance to 13.5-14.5%YoY in constant currency for the full fiscal. EBIT margin guidance is revised to 18-19%

HDFC LIFE INSURANCE LIMITED

CMP (AS ON 31 OCTOBER 2022) - 540 TARGET - 610

HDFC Standard Life was the first private sector life insurer to obtain registration from the IRDAI. It recently acquired Exide life insurance Company. It is one of the most profitable life insurers, based on Value of New Business (VNB) margin. Besides consistently being among the top three private life insurers in terms of profitability based on VNB margin, the company has also consistently been among the top three private life insurers in terms of market share based on total new business premium. Currently, the Company has 413 branches across India. The Product portfolio comprises 35 individual and 11 group products, as well as eight optional rider benefits. HDFC Life Insurance Company, on consolidated basis, has posted 19% growth net profit to Rs 329.02 crore Q2FY23. The company has continued to maintain a steady growth trajectory, and is in line with the industry and also improved market share from to 15.0%. AUM of the company increased to Rs 224901 crore on merged entity basis.

GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Axis Bank Ltd.	731	906	23.94%
Coal India Ltd.	213	245.95	15.47%
H C L Technologies Ltd.	932.35	1041.15	11.67%
Larsen & Toubro Ltd.	1852	2023.1	9.24%
Infosys Ltd.	1412	1537.65	8.90%

LOSERS			
COMPANY	OPEN	CLOSE	%
Asian Paints Ltd.	3348	3107.7	-7.18%
Hindustan Unilever Ltd.	2723	2550.7	-6.33%
Tata Consumer Products Ltd.	802.85	770.15	-4.07%
Indusind Bank Ltd.	1178	1142.65	-3.00%
Adani Enterprises Ltd.	3440	3347.45	-2.69%

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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