

**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 6.8%

Time period	31/1/2023	31/12/2022	31/12/2007
Nifty	17662.15	18105.3	6138
<b>Valuation</b>			
Trailing PE	20.73	21.79	27.62
Trailing PB	4.14	4.25	6.39
Mcap/GDP	1.44	1.51	1.23
<b>Nifty return</b>			
1 year	1.86%	4.33%	54.77%
2 year	13.82%	13.79%	47.11%
3 year	13.87%	14.16%	43.43%
<b>EPS growth</b>			
1 year	15.08%	15.44%	19.13%
2 year	51.17%	51.16%	15.95%
3 year	23.44%	24.56%	17.85%
<b>Other data points</b>			
Credit growth	16.50%	17.40%	25%
10-year bond yield	7.34	7.30	7.57
Brent Oil Futures	85.46	85.91	93.25
USD/INR	81.73	82.74	39.23
Gold (oz/USD)	1945.3	1826.2	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices consolidate!

Indices begin the new calendar year with consolidation.

Key developments during the month were,

- ▶ India's factory output based on the Index of Industrial Production (IIP) rose 7.1% year on year in the month of November, MOSPI data showed. For the April-November period, the index grew by 5.5%. IIP had contracted by 4% y-o-y in October. While petroleum and textiles segment pulled the IIP down, metals, pharma, machinery, cement, and railways pulled it up.
- ▶ The index of mineral production of mining and quarrying sector for the month of November, 2022 (Base: 2011- 12=100) at 105.8, is 9.7% higher as compared to the level in the month of November, 2021. As per the provisional statistics of Indian Bureau of Mines (IBM), the cumulative growth for the period April-November, 2022-23 over the corresponding

period of previous year is 4.7%.

- ▶ India's consumer price inflation eased further to a one-year low of 5.72% in December from 5.88% the previous month. This is the third month in a row that CPI inflation has fallen. The Food inflation eased sharply to 4.19% in December compared to 4.67% in previous month. India's annual wholesale price index (WPI) inflation for the month of December 2022 eased to 4.95%, at a 22-month low, mainly due to fall in prices of food articles and crude petroleum. The WPI inflation was 5.85% in November 2022 and 14.27% in December 2021.
- ▶ India's merchandise exports declined by 12.2% to \$34.48 billion in December 2022, as against \$39.27 billion recorded in the same month of the preceding year. The imports in December declined to \$58.24 billion as against \$60.33 billion in the year-ago period. The merchandise trade deficit fell further to \$23.76 billion in December, after declining to a seven-month low of \$23.89 billion in November. In December 2021, exports stood at \$39.27 billion and the trade deficit was at \$21.06 billion.
- ▶ The provisional figures of direct tax collections up to 10 January 2023 stood at Rs 14.71 lakh crore which is 24.58% higher than the gross collections for the corresponding period of last year. Direct Tax collection, net of refunds, stood at Rs 12.31 lakh crore which is 19.55% higher than the net collections for the corresponding period of last year. This collection is 86.68% of the total Budget Estimates of Direct Taxes for FY23.
- ▶ At Rs 1.56 lakh crore, the GST collections for January are second only to the record Rs 1.68 lakh crore collected in April 2022. It is up 10.6% from the first month of 2022 and 4.3 percent higher from December 2022.

Domestic stocks consolidated during the month with high volatility. Key indices dropped sharply on broad-based selling pressure on recessionary fears in the west. Traders shrugged-off the optimism of lower inflation and global cues as markets tumbled amidst heightened volatility due to distress selling in Adani group stocks.

Global markets stayed little positive amidst volatility as the new year began. Federal Reserve raised its policy rate by 25 bps to the range of 4.5-4.75%. The positive takeaway was



### Performance of key sectoral indices

Nifty Energy	-8.61%	Nifty Pharma	-2.05%
Nifty Bank	-5.54%	Nifty MNC	-1.97%
Nifty Realty	-4.71%	Nifty FMCG	0.39%
Nifty Metal	-4.43%	Nifty IT	3.69%
Nifty Infrastructure	-3.89%	Nifty Auto	5.44%
Nifty India Consumption	-2.90%		

that Chairman Jerome Powell acknowledged that the disinflationary process has started. Slowing inflation and a cooling property sector are fueling expectations that the US central bank could now adopt a smaller interest rate hike.

#### Market Outlook

The World Bank slashed its growth forecasts for most countries and regions and warned that new adverse shocks could tip the global economy into a recession. Global gross domestic product will probably increase 1.7% this year, about half the pace forecast in June, as per the bank.

- ▶ China reported 3% GDP growth for 2022. Inflation in China accelerated 1.8% in December compared with a year ago as food prices rose, higher than the previous month's reading of 1.6%. Retail sales in December declined 1.8% from a year ago. Industrial production rose by 3.6% in 2022. The figure rose by 1.3% in December. Chinese services sector activity surged back into expansion territory in January, a private survey showed. The Caixin Services PMI jumped to 52.9 in January, rising from the prior month's reading of 48. Caixin Manufacturing PMI in January to 49.2 up from 49 in December.
- ▶ A key gauge of US inflation posted a moderate increase in December. Excluding food and energy, the consumer price index rose 0.3% last month and was up 5.7% from a year earlier. The overall CPI fell 0.1% from the prior month, with cheaper energy costs fueling the first decline in 2 and half years. The measure was up 6.5% from a year earlier. US retail sales fell by the most in a year in December. Retail sales plummeted 1.1% last month, the biggest drop since December 2021. US manufacturing contracted further in January as higher interest rates stifled demand for goods, but factories did not appear to be laying off workers in large numbers. The Institute for Supply Management manufacturing PMI

dropped to 47.4 last month from 48.4 in December. The third straight monthly contraction pushed the index to the lowest level since May 2020 and below the 48.7 mark viewed as consistent with a recession in the broader economy. The US economy grew faster than expected in the fourth quarter. Gross domestic product increased at a 2.9% annualized rate last quarter. The economy grew at a 3.2% pace in the third quarter.

- ▶ A widely watched gauge of German business sentiment from the Munich-based Ifo Institute showed "considerably less pessimistic expectations" in January. S&P Global eurozone composite purchasing managers' index came in at 50.2 in January, up from 49.3 in December. The unemployment across the eurozone remained at a record low in November, despite slowing economic growth across the region. Joblessness stood at 6.5% in November, unchanged from October, according to data from Eurostat, totalling 10.97 million people.
- ▶ The annual rate of inflation in the UK fell in December to 10.5%. It marked the second month of falls, after the rate slipped from a 41-year high to 10.7% in November.
- ▶ The nationwide core consumer price index in Japan rose 4% in December on an annualized basis, the fastest pace since 1981. The reading climbed from the inflation print of 3.7% seen in November. Meanwhile, the Bank of Japan announced no change to its yield curve control policy. Japan's services sector activity grew at its fastest pace in three months in January, as final au Jibun Bank Japan Services purchasing managers' index rose in January to a seasonally adjusted 52.3 from December's 51.1, marking the fastest pace since October.
- ▶ India's manufacturing PMI moderates in January amid slower increase in total sales. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index fell from December's high of 57.8 to 55.4 in January. The S&P Global India services Purchasing Managers' Index (PMI) fell to 57.2 in January from 58.5 in December. The composite index fell to 57.5 compared with the previous month's near 11-year high of 59.4.

Indian economy is expected to grow faster than most economies and profitability has seen an improvement. Though sentiments would be affected by global macro news and liquidity flows, long term investors remain intact with Indian markets.

## TECHNICAL VIEW

Nifty began the new calendar year on a stable note at 18131. Nifty gyrated with volatility and breached the psychologically important level of 17800 and marked a low 17405. Nifty respected the 200-day EMA on closing basis and closed the month at 17662, in red.

Nifty is placed below its 13-day and 55-day EMA, while remains above 200-day EMA. On weekly chart, it is placed below its 13-week EMA, but remains above other key averages on weekly as well as monthly chart. Daily, weekly as well as monthly RSI is placed below respective averages. As mentioned in our earlier report, quarterly RSI was trading in an over-bought zone and has moved below its average. Nifty closed the second consecutive month in red.

Going ahead, 17800 -18000 zone is a strong resistance for Nifty. A close above this could be directive for sentiments. Nifty is likely to remain volatile and in case of profit-booking, support is placed at 17500 level below which support is placed at 17300. Amidst volatility, Nifty is likely to remain range-bound.



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# MUTUAL FUNDS PERFORMANCE

NAV as on 31 January 2023

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Axis Liquid Fund (G)	2455.98	0.51	1.65	3.08	5.14
Canara Robeco Liquid Fund Reg plan (G)	2656.01	0.52	1.65	3.09	5.12
Franklin India Liquid Fund Super Ins (G)	3322.46	0.51	1.63	3.07	5.09

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	28.40	0.43	1.59	2.95	4.64
Kotak Equity Arbitrage Fund (G)	31.40	0.37	1.47	2.78	4.47
Edelweiss Arbitrage Fund Reg (G)	16.31	0.40	1.47	2.74	4.38

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Equity & Debt Fund (G)	240.59	6.87	25.35	20.20	12.74
UTI Hybrid Equity Fund (G)	261.11	4.05	16.75	15.63	8.24
HDFC Hybrid Equity Fund (G)	84.41	5.49	16.24	15.18	9.56
Kotak Equity Hybrid (G)	41.13	2.92	15.10	14.75	10.44

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	36.19	0.98	9.75	12.93	9.57
Tata Balanced Advantage Fund (G)	15.19	4.17	10.27	11.8	N/A
ICICI Pru Balanced Advantage Fund Reg (G)	52.50	6.21	11.37	11.21	9.42
Kotak Balanced Advantage Fund Reg (G)	14.98	4.24	8.32	9.82	N/A

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Value Discovery Fund (G)	278.42	9.64	25.63	24.87	13.16
IDFC Sterling Value Fund Reg (G)	91.87	1.63	28.38	23.10	9.71
Templeton India Value Fund (G)	442.69	7.73	25.39	22.14	9.52
Nippon India Value Fund (G)	124.71	0.87	19.88	18.33	10.12

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Focused Equity Fund Reg (G)	51.64	4.13	19.30	20.87	11.52
Quant Focused fund (G)	56.01	5.85	19.47	20.32	11.27
HDFC Focused 30 Fund (G)	131.58	13.05	28.37	19.88	8.82
Nippon India Focused Equity Fund (G)	79.79	1.17	19.25	18.62	9.66

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	233.50	4.82	29.55	34.92	19.70
Parag Parikh Tax Saver Fund (G)	19.93	6.12	19.85	22.32	N/A
IDFC Tax Advantage Reg (G)	99.75	1.32	22.85	21.17	10.57
Canara Robeco Equity Taxsaver Fund Reg (G)	113.56	-2.26	14.42	17.65	13.23
Mirae Asset Tax Saver Fund Reg (G)	30.70	-1.15	15.49	17.17	12.19

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Bluechip Fund Reg (G)	68.51	3.87	17.04	15.92	10.40
Nippon India Large Cap Fund (G)	54.32	7.42	20.81	15.38	9.72
HDFC Top 100 Fund (G)	743.02	6.59	18.43	15.16	9.04
SBI Blue Chip Fund Reg (G)	62.73	3.92	15.08	14.6	9.84

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant MidCap Fund (G)	132.74	10.29	31.98	31.50	18.20
PGIM India Mid Cap Opp Fund Reg (G)	42.66	-2.4	24.14	29.70	16.04
SBI Magnum MidCap Fund Reg (G)	142.75	1.79	23.86	22.97	11.33
Mirae Asset Mid Cap Fund Reg (G)	21.16	0.77	20.66	22.37	N/A

Other FoFs Domestic	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Asset Allocator Fund (FOF) (G)	84.38	7.67	12.41	12.7	10.92

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Large & Mid Cap Fund Reg (G)	578.94	6.37	25.42	20.02	11.43
HDFC Large And Mid Cap Fund Reg (G)	196.84	5.37	22.92	19.36	10.91
UTI Core Equity Fund (G)	101.73	2.74	20.18	17.7	8.86
SBI Large & Midcap Fund Reg (G)	387.65	4.66	20.68	17.67	11.47

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	142.85	5.03	41.02	47.53	22.98
Canara Robeco Small Cap Fund Reg (G)	24.10	2.34	33.55	31.83	N/A
Nippon India Small Cap Fund (G)	91.58	6.07	35.19	30.46	14.49
Tata Smallcap Fund Reg (G)	23.53	8.83	34.92	27.69	N/A

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Parag Parikh Flexi Cap Fund Reg (G)	48.55	-1.99	16.56	21.04	15.07
HDFC Flexi Cap Fund Reg (G)	1135.96	11.37	25.62	19.84	11.05
Franklin India Flexi Cap Fund (G)	981.52	0.64	17.78	18.01	10.05
Canara Robeco Flexi Cap Fund (G)	219.43	-3.38	13.7	14.81	11.58
Edelweiss Flexi Cap Fund Reg (G)	22.88	-0.53	16.09	14.44	9.12

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Active Fund (G)	433.04	4.05	27.88	32.00	19.12
Nippon India Multi Cap Fund (G)	163.10	10.08	29.57	18.25	10.47
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	232.58	-3.88	18.97	17.03	8.80
ICICI Pru Multicap Fund Reg (G)	458.71	2.76	18.56	15.37	9.92

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Technology Fund (G)	136.44	-13.72	17.11	30.83	21.52
Aditya Birla SL Digital India Fund Reg (G)	119.17	-11.86	16.20	27.36	20.13
ICICI Pru India Opportunities Fund (G)	20.05	11.51	32.63	24.51	N/A
Mirae Asset Healthcare Fund (G)	20.84	-6.87	7.77	22.08	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	18.72	-5.31	5.08	20.29	N/A
DSP India T.I.G.E.R. Fund Reg (G)	162.10	11.89	29.58	20.12	9.49
IDFC Infrastructure Fund Reg (G)	24.48	0.77	27.15	19.13	4.99
Sundaram Services Fund (G)	20.96	0.93	20.81	17.38	N/A
Aditya Birla SL India Gen Next Fund Reg (G)	138.78	2.44	15.72	14.13	11.47
Tata Banking and Financial Services Fund Reg (G)	27.69	7.66	13.41	9.22	9.86
SBI Banking & Financial Services Fund Reg (G)	25.45	2.70	11.61	8.03	10.30

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	59549.90	2.65	13.39	13.49	10.61
NSE - Nifty 50	17662.15	1.86	13.78	13.86	9.87

### CORPORATE ACTIONS IN FEBRUARY 2023

COMPANY	RECORD DATE	PURPOSE
NTPC	04/02/2023	Rs.4.25 per share (42.5%) Interim Dividend
Vedanta	04/02/2023	Rs.12.5 per share (1250%) Interim Dividend
SRF	07/02/2023	Rs.3.6 per share (36%) Second Interim Dividend
Coal India	08/02/2023	Rs.5.25 per share (52.5%) Second Interim Dividend
Power Grid Corporation	08/02/2023	Rs.5 per share (50%) Second Interim Dividend
Sun Pharma Industries.	08/02/2023	Rs 7.5 per share (750%) Interim Dividend
Bharat Electron	10/02/2023	60% Interim Dividend
Cholamandalam Inv.&Fn	10/02/2023	Rs.1.3 per share (65%) Interim Dividend
Shree Cement	16/02/2023	Interim Dividend
Page Industries	17/02/2023	Third Interim Dividend

## COMPANY ANALYSIS

### SIEMENS INDIA LIMITED

**CMP (As on 31 January 2023) – 2926**

**INDUSTRY - CAPITAL GOODS**

**FEBRUARY 2023**

**SENSEX – 59549 NIFTY – 17662**

<b>Mkt. Cap.</b>	:	104216.81 Cr
<b>Equity</b>	:	71.22
<b>Trading Vol.</b>	:	390765
<b>52 Week High/Low</b>	:	3136/2150
<b>Face Value</b>	:	2

<b>BSE Group</b>	:	A
<b>BSE Code</b>	:	500550
<b>NSE Symbol</b>	:	SIEMENS
<b>Bloomberg</b>	:	SIEMIN
<b>Reuters</b>	:	SIEM.BO

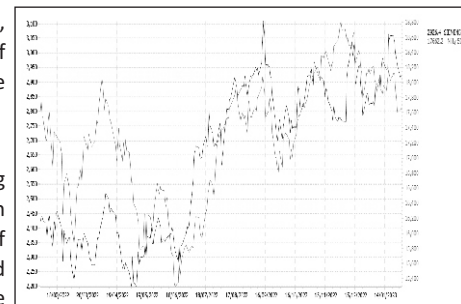
<b>Shareholding Pattern</b>		
<b>Promoters</b>	:	75.00
<b>Institutions</b>	:	9.70
<b>Public</b>	:	7.27
<b>Others</b>	:	8.02

Siemens Limited is a technology company focused on industry, infrastructure, digital transformation, transport as well as transmission and generation of electrical power. It is the flagship listed company of Siemens AG in India. It has nearly 21 factories located across India and a nation-wide sales and service network.

#### Investment rationale

- ▶ Siemens Limited offers products, integrated solutions for industrial applications for manufacturing industries, drives for process industries, intelligent infrastructure and buildings, efficient and clean power generation from fossil fuels and oil & gas applications, transmission and distribution of electrical energy for passenger and freight transportation, including rail vehicles, rail automation and rail electrification systems. It is one of the leading producers of technologies for combined cycle turbines for power generation; power transmission and distribution solutions; infrastructure solutions for Smart Cities and transportation; automation and software solutions for industry, and also supplier of healthcare equipments.
- ▶ Siemens focuses on the areas of electrification, automation and digitization. It operates mainly in five key segments including energy/gas & power (34%), smart infrastructure (33%), digital industries (22%), mobility (7%).
- ▶ Order inflow wins in September 2022 quarter were at Rs 4009 crore, up 25% y-o-y led by all business segments. This has resulted in an order backlog at Rs 17183 crore. It recently received an order for 1,200 locomotives of 9000 horsepower (HP) from Indian Railways, marking the single largest locomotive order in the history of Siemens Mobility and single largest order in the history of Siemens in India. The contract has a total value of Rs 26,000 crore.
- ▶ The company has grown its network at a CAGR of 11% in last 10 years. A near-zero debt company it has been generating an RONW in the range of 10-13%.

Siemens Ltd (Siemens) is a leader in technology solutions for smart, intelligent, building technologies, mobility, digital industries and power T&D. It continues to see an increased pace of tendering for Capex by both public and private sectors with increasing interest in digital and sustainability solutions. We recommend investing with a long term perspective.



#### Financial Performance (Rs. Crore)

Year End	202209	202109	202009	201909	201809
Equity	71.2	71.2	71.2	71.2	71.2
Networth	11,595.90	10,343.70	9,474.00	9,043.60	8,305.40
Debt	159.6	196.3	205.7	0	0
Sales	14,831.50	12,522.40	9,869.40	13,000.50	12,725.10
Other Income	597.2	277.9	309.9	394	280
Operating profit	2,232.10	1,735.20	1,329.80	1,896.70	1,623.50
PAT	1,513.05	1,101.42	756.35	1,053.83	893.28
Book Value (Rs)	325.73	290.55	266.12	254.03	233.3
EPS (Rs.)	43	30.98	21.25	30.53	25.11
Dividend (%)	500	400	350	350	350
Payout (%)	18.61	22.6	35.35	24.07	27.89

#### Latest Results (Rs. Crore)

Quarter Ended	202209	202109	Var. (%)
Sales	4236.7	3822.8	10.83
Other Income	391.2	65.3	499.08
PBIDT	860.8	488.8	76.10
PBT	794.6	429.3	85.09
PAT	662.8	323	105.20

## COMPANY ANALYSIS REVIEW

### NOCIL LIMITED

**CMP (As on 31 January 2023) – 208**

**INDUSTRY - CHEMICALS**

**FEBRUARY 2023**

<b>Mkt. Cap.</b>	:	3480.98 Cr
<b>Equity</b>	:	166.63
<b>Trading Vol.</b>	:	488241
<b>52 Week High/Low</b>	:	294/191
<b>Face Value</b>	:	10

<b>BSE Group</b>	:	A
<b>BSE Code</b>	:	500730
<b>NSE Symbol</b>	:	NOCIL
<b>Bloomberg</b>	:	NOCILIN
<b>Reuters</b>	:	NOCL.BO

<b>Shareholding Pattern</b>		
<b>Promoters</b>	:	33.84
<b>Institutions</b>	:	10.44
<b>Public</b>	:	6.99
<b>Others</b>	:	48.74



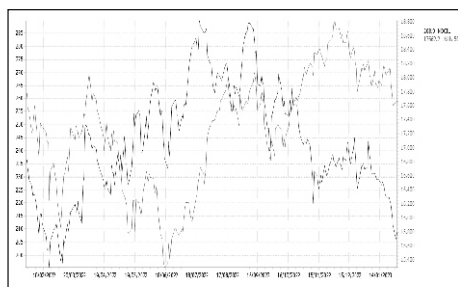
The stock was earlier recommended in our Sajag Online publication of August 2020. We maintain a positive outlook for the company owing to strong financials and improved business outlook.

NOCIL Limited is India's largest manufacturer and supplier of rubber chemicals. Part of Arvind Mafatlal Group of Industries, it has manufacturing plants at Navi Mumbai and at Dahej. The products manufactured by the Company are used by the tyre industry and other rubber processing industries.

#### Investment rationale

- ▶ NOCIL offers a range of rubber chemicals, such as PILFLex, which is a rubber anti-degradant, PILnox, which is a rubber antioxidant, PILcure, which is a rubber accelerator, and PILGarD, which is a rubber pre-vulcanization inhibitor.
- ▶ The company is expecting higher sales volumes in the next couple of years, as firms globally push for diversified supplies beyond top producer China that is battling supply constraints. Nocil is also eyeing strong demand from the domestic markets, where China has a strong footing, with the government encouraging its 'Make in India' programme that is aimed at boosting local manufacturing.
- ▶ Management expects to achieve debottlenecking at its existing units in the near term, even as it evaluates plans for the next three-to-five years. Specialized products make up 25% of the total revenue.

In last 10 years, the company has grown its sales at CAGR of 12%, PAT at 20% and networth at 15%. It has consistently generated positive cashflow except for FY22. A zero debt company, average RONW has been above 12% in last 10 years. The stock trades at a PE of 17. We recommend investing with a long term perspective.



#### Consolidated Financial Performance (Rs. Crore)

Year End	202203	202103	202003	201903	201803
Equity	166.57	166.22	165.61	165.42	164.48
Networth	1,445.21	1,284.73	1,185.24	1,163.01	1,046.67
Debt	5.52	5.61	6.87	0	5
Sales	1,571.31	924.66	846.29	1,042.90	963.96
Other Income	3.88	14.72	9.17	9.96	14.55
Operating profit	290.05	145.53	187.4	302.68	279.95
PAT	176.07	87.3	128.14	182.92	171.93
Book Value (Rs)	86.76	77.29	71.57	70.31	63.64
EPS (Rs.)	10.57	5.32	7.89	11.17	10.33
Dividend (%)	30	20	25	25	25
Payout (%)	18.9	0	76.35	22.25	17.33

#### Latest Results (Rs. Crore)

Quarter Ended	202203	202109	Var. (%)
Sales	389.23	375.16	3.75
Other Income	0.86	1.37	-37.23
PBIDT	62.86	51.65	21.70
PBT	48.57	40.78	19.10
PAT	35.73	29.99	19.14

## CYIENT LIMITED

CMP (As on 31 January 2023) – 879

INDUSTRY - IT

FEBRUARY 2023

Mkt. Cap.	: 9723.99 Cr
Equity	: 55.2
Trading Vol.	: 356917
52 Week High/Low	: 1007/724
Face Value	: 5

BSE Group	: A
BSE Code	: 532175
NSE Symbol	: CYIENT
Bloomberg	: CYLIN
Reuters	: CYIEI.BO

Shareholding Pattern	
Promoters	: 23.36
Institutions	: 25.76
Public	: 37.18
Others	: 13.70

The stock was earlier recommended in our Sajag Online publication of September 2014. We maintain a positive outlook owing to the stable financials, revenue visibility on the back of decent order book and momentum.

Cyient is a consulting-led, industry-centric, global technology solutions company. It currently operates through eight strategic business units: aerospace & defense; transportation; industrial, energy, and natural resources; semiconductor, internet of things and analytics; medical and healthcare; utilities & geospatial; communications and design-led manufacturing (Cyient DLM).

#### Investment rationale

- ▶ Cyient continues to witness strong momentum across the business, driven by key wins, robust order Intake, and pipeline. It won 5 large deals in services with a strong total contract potential of \$59.2 million in Q3. It has a strong order intake at \$237 million, the highest in the last 15 quarters.
- ▶ On y-o-y basis, Cyient's consolidated net profit increased by 18.4% while revenue from operations jumped 36.7% in Q3 FY23. The Group order intake grew by 83% q-o-q. It has completed the integration of all four acquired companies and is seeing the benefits of integration.
- ▶ The pipeline for the year is higher by 1.5x YoY with large deals accounting for 70% of the pipeline which sets Cyient out for a strong growth potential for the business. The management maintains a strong outlook for the year with an expectation of double-digit growth at the group level.
- ▶ For FY23, the company has maintained its guidance of 14-15% CC of revenue contribution by acquired companies and normalised EBITDA margins in the band of 16-17%. It has also maintained its normalized EBIT margin of the group at the organic level of 13-14%. For FY24 the company has maintained its revenue guidance of US\$1 bn.



The company has grown its sales at a CAGR of 9%, PAT at 8% and networth at 8% in last 10 years. A near zero debt company, it has been generating positive cashflows consistently. RONW has been above 15%. The stock trades at a PE of 20. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202203	202103	202003	201903	201803
Equity	55.2	55	55	55.2	56.3
Networth	3,116.60	2,957.30	2,560.90	2,564.10	2,343.90
Debt	573.4	577.4	711.4	368.4	283.2
Sales	4,534.40	4,132.40	4,427.40	4,617.50	3,917.50
Other Income	112.1	139.9	158.3	134.5	151.9
Operating profit	929.9	714.9	704.6	763.8	666.7
PAT	522.3	363.8	342.5	481.15	408.97
Book Value (Rs)	282.3	268.78	232.81	232.26	208.16
EPS (Rs.)	47.31	33.07	31.14	43.34	36
Dividend (%)	480	340	300	300	260
Payout (%)	56.52	0	91.95	24.4	42.48

### Latest Results (Rs. Crore)

Quarter Ended	202212	202112	Var. (%)
Sales	1618.2	1183.4	36.74
Other Income	27.5	22.1	24.43
PBIDT	301.9	233.9	29.07
PBT	205.7	174.8	17.68
PAT	156	131.8	18.36

Source: Company, Prowess, Capital line, Saja Research

### Systematic investment in different equity oriented Mutual funds at the rate of Rs. 10000/- p.m. and its values at different time intervals.

Scheme	Value & Return (3 Yr)	%	Value & Return (5 Yr)	%	Value & Return (8 Yr)	%	Value & Return (10 Yr)	%	Value & Return (15 Yr)	%
<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)	453,522	15.5	863,875	14.5	1,695,917	13.8	2,644,228	15.1	6,844,930	16.2
Canara Robeco Emerging equities Reg (G)	447,906	14.7	859,026	14.3	1,695,369	13.8	2,938,671	17.0	8,496,505	18.7
Kotak Emerging Equity (G)	496,309	22.0	966,943	19.1	1,872,573	16.2	3,142,989	18.3	7,764,971	17.6
SBI Large & MidCap Fund Reg (G)	573,038	32.6	1,115,848	25.0	2,234,003	20.5	3,988,242	22.7	N/A	N/A
Nippon India Small Cap Fund (G)	487,461	20.7	918,695	17.0	1,739,519	14.5	2,669,076	15.3	6,158,770	15.0

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

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

### LIC HOUSING FINANCE LIMITED

**CMP (AS ON 31 JANUARY 2023) - 401**

**TARGET - 450**

LIC Housing Finance Ltd (LICHFL) is one of the largest housing finance companies in India with a key objective of providing long term finance to individuals for the purchase or construction of house/flat for residential purposes in India. LICHFL also provides finance on existing property for business/personal needs, loans to professionals and finance to builders and developers engaged in the business of construction of houses or flats for residential purpose. The Company has 9 regional offices, 24 Back Offices and 282 Marketing Offices across India. It has set up an overseas representative office in Dubai and Kuwait to cater to the non-resident Indians in the GLCC countries covering Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia. LICHF Q2FY23 PAT grew 23% y-o-y. Disbursements for H1FY23 stood at INR320b and grew 29% y-o-y. Q2FY23 NIM at 1.8% declined 20bps y-o-y. The stock trades at a P/B of 0.8.

### VOLTAS LIMITED

**CMP (AS ON 31 JANUARY 2023) - 802**

**TARGET - 880**

Voltas Limited is jointly promoted by Switzerland's Volkart Brothers and India's Tata Sons Pvt Ltd. It has established itself as the undeniable leader in Cooling Products, and No. 1 Room Air Conditioner brand, in India. It is also a project specialist and provider of engineering solutions. Its wide range of offerings in the Unitary Product segment includes Room Air Conditioners, Air Coolers, Water Dispensers, Water Coolers, Commercial Refrigeration and Commercial Air-conditioning products. It is a provider of Engineering Solutions to diversified range of industries in areas of Heating, Ventilation and Air Conditioning, Refrigeration, Electro-mechanical projects, Electrification, Textile Machinery, Mining and Construction equipment, Water Management & Treatment, Cold Chain solutions, and Indoor Air Quality Management. It has manufacturing units located at Pantnagar, Uttarakhand and Waghodia, Gujarat. The company is a market leader with ~23% market share in RAC with a strong, healthy balance-sheet.

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

GAINERS			
COMPANY	OPEN	CLOSE	%
Tata Motors Ltd.	392.50	452.10	15.18%
Mahindra & Mahindra Ltd.	1251	1378.75	10.21%
H C L Technologies Ltd.	1039.1	1122.2	8.00%
I T C Ltd.	330.9	352.35	6.48%
Maruti Suzuki India Ltd.	8365	8895.3	6.34%

LOSERS			
COMPANY	OPEN	CLOSE	%
Adani Ports & S E Z Ltd.	823	612.65	-25.56%
Adani Enterprises Ltd.	3870	2973.9	-23.16%
Bajaj Finserv Ltd.	1550	1342.45	-13.39%
Asian Paints Ltd.	3087.9	2725.85	-11.72%
Indusind Bank Ltd.	1220.1	1082.95	-11.24%

*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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