

**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              | 30/4/2023 | 31/3/2023 | 31/12/2007 |
|--------------------------|-----------|-----------|------------|
| Nifty                    | 18065     | 17359.75  | 6138       |
| <b>Valuation</b>         |           |           |            |
| Trailing PE              | 20.87     | 20.44     | 27.62      |
| Trailing PB              | 4.23      | 4.05      | 6.39       |
| Mcap/GDP                 | 1.45      | 1.38      | 1.23       |
| <b>Nifty return</b>      |           |           |            |
| 1 year                   | 5.63%     | -0.60%    | 54.77%     |
| 2 year                   | 11.12%    | 8.71%     | 47.11%     |
| 3 year                   | 22.36%    | 26.39%    | 43.43%     |
| <b>EPS growth</b>        |           |           |            |
| 1 year                   | 11.40%    | 11.46%    | 19.13%     |
| 2 year                   | 38.04%    | 38.54%    | 15.95%     |
| 3 year                   | 25.19%    | 24.17%    | 17.85%     |
| <b>Other data points</b> |           |           |            |
| Credit growth            | 15.70%    | 15.70%    | 25%        |
| 10-year bond yield       | 7.10      | 7.31      | 7.57       |
| Brent Oil Futures        | 79.54     | 79.77     | 93.25      |
| USD/INR                  | 81.72     | 82.16     | 39.23      |
| Gold (oz/USD)            | 1999.1    | 1969      | 843.2      |

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices stage a recovery!

Indian indices gained momentum and moved strongly higher above 18000 in the month of April.

Key developments during the month were,

- ▶ India's industrial output, as measured by the index of Industrial production or IIP, in February rose 5.6% year on year. The IIP expanded by 5.2% in January after rising 4.3% in December.
- ▶ India's retail inflation indicated by the consumer price index (CPI) for March eased to a 15-month low of 5.66% from 6.44% in February. India's annual wholesale price index (WPI) based inflation eased to 29-month low of 1.34% in March 2023 as compared to 3.85% recorded in February 2023 and 14.63% in March 2022.
- ▶ India's March goods exports declined 13.9% to \$38.38 billion and

imports declined 7.9% to \$58.11 billion. In March 2022, goods exports were \$44.57 billion and imports were \$63 billion. March's trade deficit is at \$19.73 billion. The total trade deficit for 2022-23 is at \$122 billion.

- ▶ India's forex reserves rose to \$586.412 billion as of April 14, marking their second consecutive week of increase.
- ▶ India's fiscal deficit widened to Rs 14.54 trillion (82.8% of the target) in April-February 2023 from Rs 13.17 trillion a year earlier.
- ▶ GST collections in India hit new all-time high of Rs 1.87 lakh crore in April 2023. This is the 14th month in a row that the total GST mop-up has come in above the Rs 1.4-lakh-crore mark.

RBI has called for pause on rate hikes. In an unexpected move, the Reserve Bank of India's Monetary Policy Committee left the repo rate unchanged to 6.5%. FIIs remained net buyers for the month end April 2023 as well at Rs 5711.80 crores. DIIs too were net buyers at Rs 2216.57 crores.

The US FOMC minutes of the March 21-22 meeting revealed that the staff's economic projection in light of the banking sector turmoil included a mild recession starting later this year, with a recovery over the subsequent two years. The US T-bond yields, especially of a two-year maturity, traded sluggish at 4.12% as investors reassess the possibility the Federal Reserve. The US FED increased interest rates by 25 basis points to 5.15%, effective from 4 May 2023, in its fight against inflation. This marks the 10th time the Fed has raised rates in its tightening cycle. The Federal Open Market Committee cited moderate economic activity, low unemployment, and elevated inflation as reasons for the hike. However, Federal Reserve Chair Jerome Powell announced a "significant change" in policy, stating that the central bank is no longer expecting additional interest rate increases, but decisions will be based on incoming data.

### Market Outlook

The International Monetary Fund (IMF) has cut its GDP growth forecast for India for the FY24 by 20 basis points to 5.9%. Chief economist of IMF Pierre-Olivier Gourinchas said while the global economy's gradual recovery is on track, the recent banking



### Performance of key sectoral indices

|                      |        |                         |        |
|----------------------|--------|-------------------------|--------|
| Nifty Realty         | 14.42% | Nifty India Consumption | 4.18%  |
| Nifty Auto           | 6.70%  | Nifty FMCG              | 3.82%  |
| Nifty Bank           | 6.24%  | Nifty Energy            | 3.47%  |
| Nifty Metal          | 5.00%  | Nifty MNC               | 2.80%  |
| Nifty Infrastructure | 4.60%  | Nifty IT                | -3.93% |
| Nifty Pharma         | 4.49%  |                         |        |

instability has highlighted the fragilities in the rebound story. The IMF has projected that global growth will bottom out at 2.8% in 2023 before rising modestly to 3% next year and has said policymakers need a steady hand and clear communication to tide over this period of instability.

- ▶ Japan's manufacturing sector's purchasing managers index (PMI) posted a slight increase in April, the PMI was up from 49.2 in March to 49.5 in April. Japan's consumer inflation held steady above the central bank's target in March. The core consumer price index (CPI), which excludes volatile fresh food, but includes energy costs, rose 3.1% in March from a year earlier.
- ▶ China's consumer inflation in March hit the slowest pace since September 2021, weighed by sluggish food prices. The CPI for the month rose 0.7% y-o-y, compared with the 1% gain seen in February. China's GDP rose by 4.5% in the Q1 of 2023. The economy expanded 2.9% in the Q4FY22. China's manufacturing activity unexpectedly shrank in April as the official manufacturing PMI declined to 49.2 from 51.9 in March.
- ▶ The Eurozone April final manufacturing PMI came in at 45.8. The headline reading is the softest in almost three years as weak demand conditions are weighing on euro area manufacturing activity. That comes despite cooler inflation pressures and a further easing of supply chain issues. The UK saw a decline in consumer price inflation to 10.1% in March, with a drop in motor fuels and housing and household services, while food and recreation/culture became more

expensive. The Eurozone's headline inflation for last month was 7%, after dropping to 6.9% in March. Meanwhile, core inflation, which does not take into account food and energy prices, remained at 5.6% in April, down from 5.7% in March. The European Central Bank (ECB) announced a 0.25% raise on Thursday, bringing the eurozone's key interest rate to 3.75% in a bid to curb inflation UK retail data showed a 0.9% fall in sales volumes for March.

- ▶ Employment data for March indicated the labor market remained tight last month. Nonfarm payrolls increased by 236,000 jobs in March. The unemployment rate dipped to 3.5% from 3.6% in the prior month. The US consumer price index rose 0.1% for the month and 5% from a year ago while core CPI rose 5.6% on an annual basis. Business activity in April exceeded expectations, with S&P Global's flash composite purchasing managers' index reaching a high of 53.5, its highest level in 11 months. US GDP rose at an annual rate of 1.1% in the Q1 FY23, down from a 2.6% increase in the Q4FY22.
- ▶ India's manufacturing industry expanded at the fastest rate this calendar year so far on the back of stronger factory orders and production. S&P Global India Manufacturing Purchasing Managers' Index in April rose to 57.2 in April from 56.4 in the month before, as all sub-components of the PMI made a stronger contribution to this month's figure. India's services sector growth accelerated, as strong demand conditions resulted in the fastest increase in new business and output in close to 13 years. The seasonally adjusted S&P Global India Services PMI Business Activity Index rose from 57.8 in March to 62.0 in April. Meanwhile, the Composite PMI Output Index rose from 58.4 in March to 61.6 in April, its highest mark since July 2010.

The sentiments in Indian equity market were buoyed by strong earnings by India Inc. Investors are likely to track interest rates movements and quarterly as well as annual results, with a view of investing for a long term.

## TECHNICAL VIEW

Nifty witnessed a positive run in the month of April as it crossed its psychologically important level of 18000. Nifty gained a good 4% to close the month in green, after a 'Doji' in earlier month.

On weekly chart, Nifty managed to close above all its key averages. Nifty has closed the month very near to its retracement level of 18100 (18887 to 16828). Monthly as well as weekly RSI is placed above its average.

Going ahead, 18100-18200 is the immediate resistance for Nifty. A move above this would face resistance near 18300, and 18500 is a crucial resistance. Nifty is likely to remain volatile and support is placed at 17800. Below this level, Nifty could attract buying near 17550 (near its 200-day EMA).



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

| GAINERS                  |        |         |        |
|--------------------------|--------|---------|--------|
| COMPANY                  | OPEN   | CLOSE   | %      |
| Divi'S Laboratories Ltd. | 2850   | 3267.9  | 14.66% |
| Tata Motors Ltd.         | 423    | 484.95  | 14.65% |
| Bajaj Auto Ltd.          | 3904.8 | 4431.95 | 13.50% |
| Kotak Mahindra Bank Ltd. | 1734   | 1938.05 | 11.77% |
| Bajaj Finance Ltd.       | 5655   | 6280.1  | 11.05% |

| LOSERS                  |         |         |         |
|-------------------------|---------|---------|---------|
| COMPANY                 | OPEN    | CLOSE   | %       |
| Infosys Ltd.            | 1435    | 1252.75 | -12.70% |
| Tech Mahindra Ltd.      | 1104.6  | 1023.7  | -7.32%  |
| Hindustan Unilever Ltd. | 2570    | 2457.3  | -4.39%  |
| H C L Technologies Ltd. | 1089.95 | 1064.1  | -2.37%  |
| N T P C Ltd.            | 175.6   | 172     | -2.05%  |

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# MUTUAL FUNDS PERFORMANCE

NAV as on 30 April 2023

Return %

| Liquid Funds                           | NAV     | 30 DAYS | 3 MON | 6 MON | 1 YR |
|--|---------|---------|-------|-------|------|
| Canara Robeco Liquid Fund Reg plan (G) | 2700.55 | 0.61    | 1.73  | 3.41  | 5.99 |
| Axis Liquid Fund (G)                   | 2497.36 | 0.61    | 1.74  | 3.41  | 5.98 |
| Aditya Birla SL Liquid Fund Reg (G)    | 361.70  | 0.62    | 1.76  | 3.43  | 5.96 |

| Arbitrage Funds                  | NAV   | 30 DAYS | 3 MON | 6 MON | 1 YR |
|----------------------------------|-------|---------|-------|-------|------|
| SBI Arbitrage Opp Fund Reg (G)   | 28.94 | 0.78    | 1.76  | 3.50  | 5.56 |
| Kotak Equity Arbitrage Fund (G)  | 32.01 | 0.77    | 1.75  | 3.43  | 5.48 |
| Edelweiss Arbitrage Fund Reg (G) | 16.61 | 0.74    | 1.69  | 3.35  | 5.29 |
| Bandhan Arbitrage Fund Reg (G)   | 27.87 | 0.77    | 1.76  | 3.38  | 5.25 |

| Hybrid Aggressive Funds          | NAV    | 1 YR | 2 YR  | 3 YR  | 5 YR  |
|----------------------------------|--------|------|-------|-------|-------|
| ICICI Pru Equity & Debt Fund (G) | 245.36 | 7.62 | 19.10 | 29.56 | 13.91 |
| Kotak Equity Hybrid (G)          | 42.01  | 5.64 | 10.60 | 24.47 | 11.35 |
| HDFC Hybrid Equity Fund (G)      | 87.46  | 9.97 | 13.26 | 24.37 | 10.85 |

| Hybrid Balanced Advantage Funds             | NAV    | 1 YR | 2 YR | 3 YR  | 5 YR  |
|---|--------|------|------|-------|-------|
| ICICI Pru Balanced Advantage Fund Reg (G)   | 53.55  | 7.47 | 9.39 | 18.21 | 9.69  |
| Aditya Birla SL Balanced Advantage Fund (G) | 76.65  | 6.27 | 7.39 | 16.40 | 8.65  |
| Edelweiss Balanced Advantage Fund (G)       | 36.97  | 4.02 | 7.84 | 16.37 | 10.07 |
| Tata Balanced Advantage Fund (G)            | 15.59  | 6.24 | 8.87 | 15.90 | N/A   |
| Nippon India Balanced Advantage Fund (G)    | 127.56 | 5.76 | 7.78 | 15.81 | 8.17  |

| Equity Value Funds                  | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|-------------------------------------|--------|-------|-------|-------|-------|
| Bandhan Sterling Value Fund Reg (G) | 94.45  | 4.48  | 18.27 | 41.49 | 10.31 |
| Templeton India Value Fund (G)      | 455.88 | 10.90 | 20.33 | 37.91 | 11.04 |
| ICICI Pru Value Discovery Fund (G)  | 282.29 | 9.89  | 19.67 | 34.36 | 14.23 |
| HSBC Value Fund (G)                 | 62.27  | 8.74  | 15.74 | 31.07 | 10.30 |

| Equity Focused Funds                   | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|--|--------|-------|-------|-------|-------|
| HDFC Focused 30 Fund (G)               | 135.69 | 14.71 | 23.16 | 32.83 | 11.10 |
| Nippon India Focused Equity Fund (G)   | 79.79  | 1.93  | 11.12 | 30.15 | 10.88 |
| Franklin India Focused Equity Fund (G) | 69.43  | 7.45  | 14.33 | 29.61 | 12.67 |
| ICICI Pru Focused Equity Fund Reg (G)  | 52.29  | 8.01  | 14.48 | 28.39 | 12.44 |

| Tax Saving Schemes (ELSS)         | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|-----------------------------------|--------|-------|-------|-------|-------|
| Quant Tax Plan (G)                | 235.84 | 1.54  | 17.75 | 44.27 | 20.57 |
| Bandhan Tax Advantage Reg (G)     | 101.73 | 3.37  | 14.46 | 34.23 | 11.19 |
| Parag Parikh Tax Saver Fund (G)   | 20.55  | 9.72  | 17.08 | 31.85 | N/A   |
| HDFC Tax Saver (G)                | 824.62 | 11.03 | 18.17 | 28.51 | 9.80  |
| SBI Long Term Equity Fund Reg (G) | 242.93 | 10.51 | 14.43 | 28.03 | 11.05 |

| Large Cap Funds                 | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 Y   |
|---------------------------------|--------|-------|-------|-------|-------|
| Nippon India Large Cap Fund (G) | 56.50  | 12.62 | 17.66 | 29.79 | 11.63 |
| HDFC Top 100 Fund (G)           | 766.37 | 9.95  | 15.15 | 27.24 | 11.30 |
| ICICI Pru Bluechip Fund Reg (G) | 69.58  | 6.91  | 13.11 | 26.30 | 11.44 |
| SBI Blue Chip Fund Reg (G)      | 64.81  | 8.20  | 11.55 | 25.96 | 10.59 |

| Mid Cap Funds                       | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|-------------------------------------|--------|-------|-------|-------|-------|
| Quant MidCap Fund (G)               | 133.88 | 5.13  | 20.91 | 38.54 | 18.14 |
| SBI Magnum MidCap Fund Reg (G)      | 150.47 | 6.70  | 17.17 | 37.84 | 12.64 |
| Motilal Oswal Midcap Fund Reg (G)   | 51.43  | 10.01 | 24.86 | 37.71 | 14.37 |
| HDFC Mid Cap Opportunities Fund (G) | 104.11 | 12.80 | 17.78 | 34.45 | 11.73 |

| Hybrid Multi-Asset             | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|--------------------------------|--------|-------|-------|-------|-------|
| ICICI Pru Multi Asset Fund (G) | 487.78 | 10.35 | 20.26 | 28.79 | 13.44 |

| Large & Mid Cap Funds                  | NAV    | 1 YR | 2 YR  | 3 YR  | 5 YR  |
|--|--------|------|-------|-------|-------|
| ICICI Pru Large & Mid Cap Fund Reg (G) | 585.96 | 8.34 | 18.49 | 32.50 | 12.62 |
| HDFC Large And Mid Cap Fund Reg (G)    | 201.89 | 7.73 | 16.58 | 31.62 | 13.02 |
| SBI Large & Midcap Fund Reg (G)        | 398.95 | 7.66 | 16.73 | 30.64 | 12.81 |
| UTI Core Equity Fund (G)               | 104.05 | 8.16 | 13.63 | 30.43 | 9.81  |

| Small Cap Funds                      | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|--------------------------------------|--------|-------|-------|-------|-------|
| Quant Small Cap Fund (G)             | 147.71 | 9.10  | 24.20 | 62.76 | 23.80 |
| Nippon India Small Cap Fund (G)      | 95.80  | 9.57  | 24.42 | 46.37 | 15.50 |
| HSBC Small Cap Fund Reg (G)          | 49.71  | 9.22  | 24.74 | 44.60 | 11.78 |
| Canara Robeco Small Cap Fund Reg (G) | 24.30  | -0.45 | 22.32 | 43.29 | N/A   |

| Flexicap Funds                      | NAV     | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|-------------------------------------|---------|-------|-------|-------|-------|
| Quant Flexi Cap Fund (G)            | 62.33   | 6.21  | 19.69 | 42.77 | 17.71 |
| HDFC Flexi Cap Fund Reg (G)         | 1159.28 | 12.40 | 20.11 | 32.60 | 13.34 |
| Parag Parikh Flexi Cap Fund Reg (G) | 52.21   | 9.45  | 14.50 | 30.68 | 17.42 |
| Franklin India Flexi Cap Fund (G)   | 999.35  | 5.35  | 13.73 | 30.54 | 11.17 |

| Multicap Funds  | NAV    | 1 YR  | 2 YR  | 3 YR  | 5 YR  |
|---|--------|-------|-------|-------|-------|
| Quant Active Fund (G)   | 439.11 | 1.94  | 15.93 | 40.75 | 19.33 |
| Nippon India Multi Cap Fund (G)                                       | 169.58 | 12.14 | 22.36 | 35.35 | 12.54 |
| ICICI Pru Multicap Fund Reg (G)                                       | 467.95 | 6.01  | 13.58 | 27.96 | 10.98 |
| Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G) | 235.83 | 0.23  | 13.67 | 27.21 | 9.55  |

| Sector & Thematic Funds                              | NAV    | 1 YR   | 2 YR  | 3 YR  | 5 YR  |
|--|--------|--------|-------|-------|-------|
| ICICI Pru Technology Fund (G)                        | 128.56 | -11.42 | 7.92  | 39.14 | 18.65 |
| ICICI Pru India Opportunities Fund (G)               | 20.17  | 9.68   | 22.64 | 37.32 | N/A   |
| Bandhan Infrastructure Fund Reg (G)                  | 26.10  | 9.13   | 18.98 | 37.10 | 7.23  |
| DSP India T.I.G.E.R. Fund Reg (G)                    | 167.00 | 13.38  | 22.71 | 36.33 | 11.35 |
| Aditya Birla SL Digital India Fund Reg (G)           | 114.81 | -8.76  | 7.80  | 34.92 | 18.08 |
| Sundaram Services Fund (G)                           | 21.46  | 4.49   | 16.32 | 30.33 | N/A   |
| Aditya Birla SL India Gen Next Fund Reg (G)          | 141.50 | 5.64   | 12.41 | 23.99 | 11.98 |
| SBI Banking & Financial Services Fund Reg (G)        | 26.27  | 8.89   | 7.53  | 23.33 | 10.77 |
| Tata Banking and Financial Services Fund Reg (G)     | 28.39  | 16.94  | 9.65  | 22.78 | 9.95  |
| ICICI Pru Pharma Healthcare And Diagnostics Fund (G) | 19.47  | -0.51  | 2.04  | 16.80 | 0.00  |
| Mirae Asset Healthcare Fund (G)                      | 21.12  | -4.81  | 2.11  | 16.17 | 0.00  |

| Index          | NAV      | 1 YR | 2 YR  | 3 YR  | 5 YR  |
|----------------|----------|------|-------|-------|-------|
| S&P BSE Sensex | 61112.44 | 6.24 | 10.85 | 23.92 | 11.80 |
| NSE - Nifty 50 | 18065.00 | 4.75 | 10.24 | 24.41 | 11.05 |

### CORPORATE ACTIONS IN APRIL 2023

| COMPANY          | RECORD DATE | PURPOSE  |
|------------------|-------------|--|
| Castrol India    | 04/05/2023  | 70% Final Dividend                             |
| CRISIL           | 04/05/2023  | 700% First Interim Dividend                    |
| Oracle Fin.Serv. | 09/05/2023  | Rs.225 per share (4500%) Interim Dividend      |
| Coforge          | 10/05/2023  | Rs.19.0000 per share(190%)Interim Dividend     |
| Laurus Labs      | 10/05/2023  | Rs.1.2 per share (60%) Second Interim Dividend |
| HDFC Bank        | 16/05/2023  | 1900% Dividend                                 |
| Trent            | 25/05/2023  | Rs.2.2 per share (220%) Dividend               |

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## COMPANY ANALYSIS

### COMPUTER AGE MANAGEMENT SERVICES LIMITED

**CMP** (As on 30 April 2023) – **2061**

**INDUSTRY - DEPOSITORY/INTERMEDIARY**

**MAY 2023**

**SENSEX – 61112    NIFTY – 18065**

|                         |   |             |
|-------------------------|---|-------------|
| <b>Mkt. Cap.</b>        | : | 10102.48 Cr |
| <b>Equity</b>           | : | 48.99       |
| <b>Trading Vol.</b>     | : | 86602       |
| <b>52 Week High/Low</b> | : | 2689/2002   |
| <b>Face Value</b>       | : | 10          |

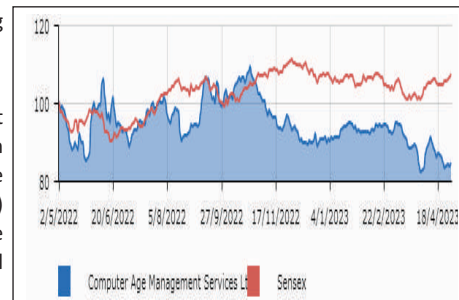
|                   |   |         |
|-------------------|---|---------|
| <b>BSE Group</b>  | : | A       |
| <b>BSE Code</b>   | : | 543232  |
| <b>NSE Symbol</b> | : | CAMS    |
| <b>Bloomberg</b>  | : | CAMSIN  |
| <b>Reuters</b>    | : | COMU.BO |

|                             |   |       |
|-----------------------------|---|-------|
| <b>Shareholding Pattern</b> |   |       |
| <b>Promoters</b>            | : | 19.92 |
| <b>Institutions</b>         | : | 21.03 |
| <b>Public</b>               | : | 36.13 |
| <b>Others</b>               | : | 22.92 |

Computer Age Management Services Limited (CAMS) is India's largest Mutual Fund Transfer Agency serving over 69% of assets of the Indian mutual fund industry.

#### Investment rationale

- ▶ The company operates key verticals like mutual funds, alternatives, repository (e-insurance), account aggregator and CAMS NPS. During FY22, the Company launched MFCentral in collaboration with KFinTech. It launched CAMS WealthServ, a customisable digital solution designed to ease and expedite the onboarding of High Networth Individual Investors (HNII) on the Alternative Investment Fund (AIF) and Portfolio Management Service (PMS) platform and set up an office in GIFT City. It launched the industry first cloud-based Central Record-keeping Agency platform to provide services to National Pension System (NPS). It launched the Account Aggregator services.
- ▶ In Q3FY23, CAMS won 2 MF mandates, Helios Capital and Navi Mutual Fund where CAMS AuM scaled life-time high at Rs.27.8 lakh crore. Alternative Services vertical continued its high growth trajectory recording 20% y-o-y growth in revenue in Q3 FY23. CAMS WealthServ, the digital onboarding platform for the industry, is being well received by the market with 60+ signups since launch.
- ▶ CAMS acquired a 55.42% stake in Think Analytics India Private Ltd (TAIPL), a data sciences and artificial intelligence company, through a secondary acquisition. The acquisition will help CAMS fulfil its vision of providing technologically superior products in the rapidly expanding BFSI and capital markets sectors.
- ▶ CAMS has grown its revenues at a CAGR of 6% and PAT at 14% in last 5 years. Operating margin is nearly 48%, with a D/E of 0.1. CFO has been consistently positive over the years.



As an integral part of the India's financial infrastructure, CAMS has built a reputation as the leading Transfer Agency to the Asset Management Industry of India and technology enabled service solutions partner to Private Equity Funds, Banks and Non-Banking Finance Companies. We recommend investing with a long term perspective.

#### Financial Performance (Rs. Crore)

| Year End         | 202203 | 202103 | 202003 | 201903 | 201803 |
|------------------|--------|--------|--------|--------|--------|
| Equity           | 48.9   | 48.79  | 48.76  | 48.76  | 48.76  |
| Networth         | 647.63 | 515.87 | 548.86 | 441.29 | 443.52 |
| Debt             | 81.94  | 79.15  | 0      | 108.77 | 112.39 |
| Sales            | 909.67 | 705.5  | 699.63 | 711    | 659.4  |
| Other Income     | 17.27  | 29.76  | 21.24  | 0.81   | -1.58  |
| Operating profit | 441.4  | 325.76 | 307.81 | 261.75 | 274.72 |
| PAT              | 275.17 | 173.37 | 160.82 | 130.45 | 145.95 |
| Book Value (Rs)  | 126.08 | 103.43 | 111.82 | 90.5   | 90.96  |
| EPS (Rs.)        | 58.68  | 42.08  | 35.24  | 26.75  | 29.93  |
| Dividend (%)     | 387.5  | 629.4  | 121.8  | 224.7  | 197    |
| Payout (%)       | 65.72  | 121.43 | 41.65  | 83.7   | 65.66  |

#### Latest Results (Rs. Crore)

| Quarter Ended | 202212 | 202112 | Var. (%) |
|---------------|--------|--------|----------|
| Sales         | 243.57 | 237.71 | 2.47     |
| Other Income  | 7.08   | 4.11   | 72.26    |
| PBIDT         | 115.29 | 117.44 | -1.83    |
| PBT           | 97.79  | 102.25 | -4.36    |
| PAT           | 73.57  | 77.31  | -4.84    |

## COMPANY ANALYSIS REVIEW

### CUMMINS INDIA LIMITED

**CMP** (As on 30 April 2023) – **1574**

**INDUSTRY - ENGINES**

**MAY 2023**

|                         |   |             |
|-------------------------|---|-------------|
| <b>Mkt. Cap.</b>        | : | 43631.28 Cr |
| <b>Equity</b>           | : | 55.44       |
| <b>Trading Vol.</b>     | : | 420097      |
| <b>52 Week High/Low</b> | : | 1714/947    |
| <b>Face Value</b>       | : | 2           |

|                   |   |            |
|-------------------|---|------------|
| <b>BSE Group</b>  | : | A          |
| <b>BSE Code</b>   | : | 500480     |
| <b>NSE Symbol</b> | : | CUMMINSIND |
| <b>Bloomberg</b>  | : | KKCIN      |
| <b>Reuters</b>    | : | CUMM.BO    |

|                             |   |       |
|-----------------------------|---|-------|
| <b>Shareholding Pattern</b> |   |       |
| <b>Promoters</b>            | : | 51.00 |
| <b>Institutions</b>         | : | 26.17 |
| <b>Public</b>               | : | 14.51 |
| <b>Others</b>               | : | 8.33  |

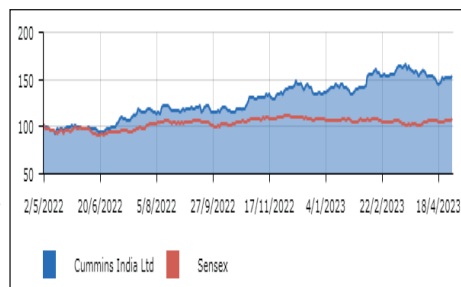
The stock was earlier recommended in our Sajag Online publication of August 2016. We maintain a positive view for the company owing to strong parentage, sound financials and improving business outlook.

Cummins in India designs, manufactures, distributes and services diesel and alternative fuel engines, diesel and alternative-fueled power generator sets of as well as related components and technology.

#### Investment rationale

- ▶ Cummins is organized into four distinct but complementary business segments. The Engine Business Unit designs and manufactures state-of-the-art diesel and natural gas-powered engines. The business also offers new parts and remanufactured parts and engines. The Power Systems Business Unit provides high-horsepower engines and power generation across India with standby and prime power generator sets, alternators, paralleling switchgear and other components. Power Systems offers integrated generator sets that range from 7.5kVA to 3750 kVA for use in commercial industrial, mining, marine, and defense applications to name a few. The Components Segment consists key technologies for delivering integrated solutions. Cummins Distribution Unit provides sales, service and support to the customers across India.
- ▶ The Engine Business manufactures engines from 60 HP for low, medium and heavy-duty on-highway commercial vehicle markets and off-highway commercial equipment industry spanning construction and compressor. Data Centre (DC) for power systems vertical is growing very well in the country and expected to continue going forward. DC is one of the fastest growing segments for domestic power gen segment. DC, Pharma and overall manufacturing are the drivers of domestic power gen segment. Rail segment demand has begun to bounce back. There are some signs of pickup in the construction space. In Industrial segment mining and defence have done better.
- ▶ Cummins has a strong parentage, healthy balance sheet and product portfolio. It has grown its sales at a CAGR of 8% in last 10 years, PAT at 9% and net-worth at 15%. CFO has been consistently positive with a net-zero debt.

Cummins expects to witness strong demand from, both, domestic and export markets going ahead. The company also expects to see revenues grow at twice the nominal GDP rate. It is currently operating at 70-80% utilisation levels and it has order book good for about two years at this level. The company expects new stringent Central Pollution Control Board (CPCB-IV+) norms which are due to be applied in mid-2023 will help drive up its power segment's sales. We recommend investing with a long term perspective.



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

| Year End         | 202203   | 202103   | 202003   | 201903   | 201803   |
|------------------|----------|----------|----------|----------|----------|
| Equity           | 55.44    | 55.44    | 55.44    | 55.44    | 55.44    |
| Networth         | 5,144.97 | 4,651.37 | 4,402.04 | 4,282.98 | 4,118.60 |
| Debt             | 417.53   | 39.71    | 511.77   | 312.59   | 256.84   |
| Sales            | 6,170.92 | 4,360.08 | 5,191.45 | 5,697.31 | 5,111.89 |
| Other Income     | 466.7    | 386.9    | 379.75   | 327.71   | 303.21   |
| Operating profit | 1,354.76 | 968.95   | 949.08   | 1,196.76 | 1,036.12 |
| PAT              | 813.43   | 632.64   | 724.83   | 725.76   | 672.61   |
| Book Value (Rs)  | 185.6    | 167.8    | 158.8    | 154.51   | 148.58   |
| EPS (Rs.)        | 33.68    | 22.91    | 25.45    | 26.79    | 25.68    |
| Dividend (%)     | 925      | 750      | 700      | 850      | 750      |
| Payout (%)       | 47.5     | 61.11    | 70.79    | 67.06    | 56.77    |

#### Latest Results (Rs. Crore)

| Quarter Ended | 202212  | 202112  | Var. (%) |
|---------------|---------|---------|----------|
| Sales         | 2148.99 | 1709.62 | 25.70    |
| Other Income  | 157.17  | 93.69   | 67.76    |
| PBIDT         | 570.27  | 366.24  | 55.71    |
| PBT           | 532.7   | 328.12  | 62.35    |
| PAT           | 413.8   | 249.5   | 65.85    |

## BALKRISHNA INDUSTRIES LIMITED

CMP (As on 30 April 2023) – 2082

INDUSTRY - TYRES

APRIL 2023

|                  |   |             |
|------------------|---|-------------|
| Mkt. Cap.        | : | 40255.41 Cr |
| Equity           | : | 38.66       |
| Trading Vol.     | : | 146522      |
| 52 Week High/Low | : | 2451/1801   |
| Face Value       | : | 2           |

|            |   |            |
|------------|---|------------|
| BSE Group  | : | A          |
| BSE Code   | : | 502355     |
| NSE Symbol | : | BALKRISIND |
| Bloomberg  | : | BILIN      |
| Reuters    | : | BLKI.BO    |

| Shareholding Pattern |         |
|----------------------|---------|
| Promoters            | : 58.29 |
| Institutions         | : 20.86 |
| Public               | : 12.77 |
| Others               | : 7.81  |

The stock was earlier recommended in Sajag Online publication of April 2017. We maintain an optimistic view of the company owing to its leadership position in the OTH industry and sound financials.

Balkrishna Industries is engaged in the business of manufacturing and selling of "Off-Highway Tyres" (OHT) in the specialist segments such as Agricultural, Industrial & Construction, Earthmovers & Port, Mining, Forestry, Lawn & Garden and All Terrain Vehicles (ATV).

#### Investment rationale

- ▶ 63% of the revenues come from agriculture sector, 33% comes from OTR. Geographically, 50% revenues come from Europe, 19% from America, 21% from India and balance from rest of the world. The company has strong partnerships with global OEM's.
- ▶ The company is self-reliant in Carbon Black along with Multiple sourcing arrangements for other Raw Materials. It has a deep understanding of OHT market has led to capabilities to manufacture over 3,200 SKUs. The current achievable capacity is 335,000 MTPA and will increase back to 360,000 MTPA by H1FY24 post commissioning of the Waluj brownfield project.



- It has grown its sales at a CAGR of 9%, PAT at 15% and networth at 17%. CFO has been consistently positive. D/E ratio is 0.2. Operating margin has been nearly 30% with a RONW of nearly 20%.

Balkrishna plants have been achieving 'Energy Conservation Award' by both the State & Central Government every year. For over 30 years, BKT has led the way in the creation and manufacture of safe and innovative products. BKT has been consistently outperforming industry exports and has breached the 60% market share mark in H1FY23 from an average share of 50% over the past three years. Decline in raw material cost would further aid margins. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

| Year End         | 202203   | 202103   | 202003   | 201903   | 201803   |
|------------------|----------|----------|----------|----------|----------|
| Equity           | 38.66    | 38.66    | 38.66    | 38.66    | 38.66    |
| Networth         | 6,933.01 | 5,999.82 | 5,008.28 | 4,653.66 | 4,083.39 |
| Debt             | 2,528.59 | 1,001.12 | 932      | 871.14   | 867.47   |
| Sales            | 8,295.12 | 5,783.19 | 4,811.24 | 5,209.99 | 4,443.79 |
| Other Income     | 437.92   | 172.16   | 250.78   | 218.17   | 339.75   |
| Operating profit | 2,446.87 | 1,982.98 | 1,523.92 | 1,521.61 | 1,442.27 |
| PAT              | 1,413.46 | 1,163.33 | 824.44   | 752.35   | 713.32   |
| Book Value (Rs)  | 358.67   | 310.39   | 259.09   | 240.75   | 211.25   |
| EPS (Rs.)        | 74.26    | 60.92    | 49.65    | 40.02    | 38.06    |
| Dividend (%)     | 1,400.00 | 850      | 1,000.00 | 400      | 400      |
| Payout (%)       | 39.06    | 19.7     | 48.32    | 19.34    | 14.09    |

### Latest Results (Rs. Crore)

| Quarter Ended | 202212  | 202112  | Var. (%) |
|---------------|---------|---------|----------|
| Sales         | 2165.57 | 2045.81 | 5.85     |
| Other Income  | 44.97   | 113.04  | -60.22   |
| PBIDT         | 314.26  | 569.69  | -44.84   |
| PBT           | 151.48  | 450.07  | -66.34   |
| PAT           | 108.38  | 338.95  | -68.02   |

Source: Company, Prowess, Capital line, Sajag Research

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

| Scheme                                      | Value & Return (3 Yr) | %        | Value & Return (5 Yr) | %        | Value & Return (8 Yr) | %        | Value & Return (10 Yr) | %        | Value & Return (15 Yr) | %        |
|---|-----------------------|----------|-----------------------|----------|-----------------------|----------|------------------------|----------|------------------------|----------|
| <b>Total Investment :</b>                   | <b>360000</b>         | <b>%</b> | <b>600000</b>         | <b>%</b> | <b>960000</b>         | <b>%</b> | <b>1200000</b>         | <b>%</b> | <b>1800000</b>         | <b>%</b> |
| Aditya Birla SL India Gen Next Fund Reg (G) | 444,880               | 14.20    | 861,574               | 14.50    | 1,692,589             | 13.80    | 2,605,576              | 14.80    | 6,847,203              | 16.20    |
| Canara Robeco Emerging equities Reg (G)     | 437,097               | 13.00    | 858,749               | 14.30    | 1,690,735             | 13.80    | 2,860,554              | 16.60    | 8,541,593              | 18.70    |
| Kotak Emerging Equity (G)                   | 481,207               | 19.80    | 969,776               | 19.30    | 1,875,795             | 16.30    | 3,093,416              | 18.00    | 7,876,023              | 17.80    |
| Nippon India Small Cap Fund (G)             | 558,266               | 30.70    | 1,151,730             | 26.40    | 2,288,948             | 21.10    | 3,971,597              | 22.60    | N/A                    | N/A      |
| SBI Large & MidCap Fund Reg (G)             | 479,763               | 19.60    | 928,423               | 17.50    | 1,761,375             | 14.80    | 2,660,502              | 15.20    | 6,270,176              | 15.20    |

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

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

### TATA CONSUMER PRODUCTS LIMITED

**CMP (AS ON 30 APRIL 2023) - 760**

**TARGET - 850**

Tata Consumer Products (TCPL) is a focused consumer products company uniting the principal food and beverage interests of the Tata Group under one umbrella. The company's portfolio of products includes tea, coffee, water, RTD, salt, pulses, spices, ready-to-cook and ready-to-eat offerings, breakfast cereals, snacks and mini meals. In Q4FY23, the increase in the group net profit was aided by revenue growth in both branded and non-branded business, EBITDA margin expansion and improved performance of Tata Starbucks. The revenue growth was mainly driven by underlying growth of 15% in India business, 6% in international business and 9% in non-branded business. For FY23, it delivered strong topline growth of 11% while balancing margins. TCPL reached new milestones in Sales & Distribution expansion and is on track to achieving a total reach of 4 mn outlets by this year. It is embedding digital transformation across the business and will be using this to drive decision-making in areas such as new product development, procurement, and revenue growth management.

### AUROBINDO PHARMA LIMITED

**CMP (AS ON 30 APRIL 2023) - 617**

**TARGET - 720**

Aurobindo Pharma Limited (APL) is one of the world's top 5 manufacturers of semi synthetic penicillins. APL is developing, manufacturing and marketing APIs, intermediates and generic formulations. Aurobindo Pharma has identified international operations also catering to over 150 countries. The company's consolidated net profit declined 18.8% to Rs 491.26 crore despite of 6.7% rise in net sales to Rs 6,387.97 crore in Q3 FY23 over Q3 FY22. In Q3 FY23, US formulations revenue increased by 9.3% y-o-y, Europe formulations revenue stood at Rs 1,701.2 crore in Q3 FY23, registering a marginal increase of 0.4% y-o-y. Revenue from Growth Markets grew 25.7% y-o-y to Rs 498.9 crore. The revenue from API rose 14.9% to Rs 954.6 crore in Q3 FY23 over Q3 FY22. It is in the process of building additional levers of growth such as Peng project, a biosimilar pipeline, and niche products in the generics space (including injectables). Medicines Patent Pool (MPP), the United Nations-backed public health organisation has entered into sublicensing agreements with three pharmaceutical companies of which Aurobindo Pharma is one, for the manufacturing of generic variants of ViiV Healthcare's long-acting medication for HIV prevention.

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*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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