

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, FY24 GDP growth forecast at 6.5%

Time period	31/8/2023	31/7/2023	31/12/2007
Nifty	19253.8	19753.8	6138
Valuation			
Trailing PE	21.97	23.01	27.62
Trailing PB	4.4	4.83	6.39
Mcap/GDP	1.65	1.63	1.23
Nifty return			
1 year	8.42%	15.13%	54.77%
2 year	6.01%	11.95%	47.11%
3 year	19.13%	21.28%	43.43%
EPS growth			
1 year	4.62%	3.72%	19.13%
2 year	15.88%	21.29%	15.95%
3 year	35.45%	32.79%	17.85%
Other data points			
Credit growth	19.70%	20.00%	25%
10-year bond yield	7.10	7.17	7.57
Brent Oil Futures	86.86	85.56	93.25
USD/INR	82.7	82.24	39.23
Gold (oz/USD)	1965.9	1970.5	843.2

Source: RBI, NSE, ET, Prowess

MARKET REVIEW

Indices move lower!!

Indian indices continued to witness profit-booking in the month of August.

Key developments during the month were,

- ▶ India's Index of Industrial Production (IIP) rose an annual 3.7% in June slower than the 5.3% expansion in the previous month. The sector grew 12.6% in the year earlier month.
- ▶ India's wholesale price index-based inflation remained in negative territory for the fourth month in a row. WPI inflation was recorded at -1.36% in July as against -4.12% in June. Retail inflation spiked in July, once again exceeding the central bank's target range, largely led by food prices. The Consumer Price Index-based inflation stood at 7.44% in July compared with 4.87% in June.

- ▶ India's merchandise exports declined for the 6th straight month in July with outbound shipments down 15.9% YoY. The decline in imports was even steeper at 17% YoY. The merchandise trade deficit in July stood at \$20.67 billion.
- ▶ GST collections in India rose 10.8% to Rs 1,59,069 crore in August 2023.
- ▶ India's GDP grew by 7.8% in the April-June quarter of FY24, compared to a growth of 6.1% in the previous January-March quarter of FY24.
- ▶ The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) rose to 58.6 in August from 57.7 in July, indicating second-best improvement in the health of the sector for nearly three years.

The Reserve Bank of India (RBI) monetary policy committee voted unanimously to keep the repo rate unchanged at 6.5%. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. Crude oil imports dropped 1.2% month-on-month to 19.32 million metric tons in July. The decline was in line with lower consumption due to monsoon rains and lower shipments from Russia and Saudi Arabia. While higher-than-anticipated domestic manufacturing PMI and positive GDP growth data raised investor spirits, rising monsoon deficit in the country coupled and continuous selling by foreign institutional investors kept the overall gains in check. FIIs were net sellers for the month end August 2023 at Rs 20627 crores. DIIs on the other hand, were net buyers at Rs 25017 crores.

Global indices also remained in a sombre mood in the month of August. The Dow Jones Industrial Average, S&P 500, and Nasdaq Composite had fallen 1.6%, 1.3%, and 1.9%, respectively. Concerns about a slowdown in demand from China, along with the potential for additional interest rate hikes in developed economies weighed on the sentiment.

Market Outlook

The RBI Governor Shaktikanta Das said real GDP growth for 2023-24 is projected at 6.5% with Q1 at 8%; Q2 at 6.5%; Q3 at 6%; and Q4 at 5.7%.



Performance of key sectoral indices

Nifty Energy	-4.23%	Nifty India Consumption	-1.41%
Nifty Bank	-3.83%	Nifty Realty	-1.19%
Nifty FMCG	-3.16%	Nifty Auto	-0.32%
Nifty Infrastructure	-2.84%	Nifty Pharma	0.53%
Nifty MNC	-2.84%	Nifty IT	3.89%
Nifty Metal	-1.98%		

- ▶ Moody's, a rating agency, has affirmed India's BAA3 rating and has a 'stable' outlook on the country's economy. However, it has raised concerns about the curtailment of civil society and political dissent in India, along with increasing domestic political risk. Additionally, Moody's highlighted that India faces challenges such as a high debt burden and weak debt affordability.
- ▶ Exports from China slumped 14.5% yoy to a five-month low of USD 281.76 billion in July 2023, the steepest decline since February 2020, after a 12.4% drop in June, and worse than forecasts of a 12.5% fall, amid slowing global demand. China's consumer prices fell 0.3% in July from a year ago. Producer prices dropped for a 10th consecutive month. The PPI, reflecting the costs for goods at the factory gate, dropped 4.4% y-o-y in July 2023. Caixin/S&P's composite PMI, which includes both manufacturing and services activity, edged down to 51.7 from 51.9 in July, marking the eighth straight month of expansion, albeit the weakest since January. Additionally, China's central bank, the People's Bank of China, announced its first reserve ratio cut of 2023. The reserve requirement ratio for foreign exchange will be reduced by 200 basis points to 4% from 6%.

- ▶ The core inflation rate for Japan came in at 2.8% for August. Japan's households cut back spending in July as inflation persists. Other consumer prices rose 3.1% in July from a year earlier. On the other hand, Japan witnessed an expansion in its business activity. The flash PMI for August was 54.3, higher than the previous month's reading of 53.8.
- ▶ In the Eurozone, the seasonally adjusted HCOB Flash Eurozone Composite PMI Output Index fell to 47 in August 2023, reaching its lowest level since November 2020. This is a decrease from the index's July 2023 reading of 48.6. German industrial production dropped significantly by 1.5% in June, indicating a global demand slowdown, particularly from China. Euro zone inflation for August remained unchanged at 5.3%, higher than expected. Inflation in Germany and Spain showed signs of slowing at a sluggish pace. In France, consumer prices rose 1.0% in August, with an annual gain of 4.8%, surpassing expectations. The S&P Global/CIPS flash UK composite PMI dropped to a 31-month low of 47.9 in August, down from 50.8 in July. UK Consumer Prices Index dropped to 6.8% in July from 7.9% in June.
- ▶ The July US consumer price index rose 3.2% from a year ago and 0.2% month-on-month. Excluding food and energy, the core PCE price index rose by 4.2% in July, on a year-on-year basis. Additionally, weekly jobless claims for the week ending on August 26 decreased to 228,000, beating estimates of 235,000 claims. The US manufacturing sector saw a further decline in August 2023, with the purchasing managers' index falling to 47.9 from 49 in July 2023.

Uncertain global cues will continue to spook investor sentiments making the domestic as well as global markets volatile in the coming month. However, positive structural developments will attract buying on dips.

TECHNICAL VIEW

After a record high in July, Indian indices witnessed profit-booking in August as the month closed in red with a loss of 2.5%. As mentioned in our earlier report, Nifty saw a bout of profit-taking in an uncharted territory, in over-bought conditions.

On monthly chart, after a continuous positive run (higher highs) for 5 months, Nifty closed in red. Nifty remains above all its key averages on weekly as well as monthly chart. Weekly RSI has moved below its average after moving in an over-bought zone. Monthly RSI is placed above its average.

Last month we saw, Nifty faced resistance in its attempts to cross the 19500-19600 range while 19220 acted as a strong support. Going ahead, 19500-19600 remains a strong resistance for Nifty. A move above this will face resistance near 19750-19800. At lower level 19200 would be a support level, below which support is placed near 19000.



GAINERS AND LOSERS OF THE MONTH (NIFTY-50)

GAINERS			
COMPANY	OPEN	CLOSE	%
Tech Mahindra Ltd.	1120	1201.95	7.32%
Cipla Ltd.	1175	1257.6	7.03%
Mahindra & Mahindra Ltd.	1475.2	1575.4	6.79%
Infosys Ltd.	1362	1435.45	5.39%
LTIMindtree Ltd.	4929	5193.4	5.36%

LOSERS			
COMPANY	OPEN	CLOSE	%
Bharat Petroleum Corpn. Ltd.	377.5	340.55	-9.79%
Hero Motocorp Ltd.	3224.95	2915.95	-9.58%
State Bank Of India	620.2	561.35	-9.49%
Apollo Hospitals Enterprise Ltd.	5210	4814.1	-7.60%
Britannia Industries Ltd.	4825.1	4467.75	-7.41%

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MUTUAL FUNDS PERFORMANCE

NAV as on 31 August 2023

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Canara Robeco Liquid Fund Reg plan (G)	2763.66	0.54	1.69	3.55	6.77
Axis Liquid Fund (G)	2555.66	0.54	1.69	3.55	6.76
Aditya Birla SL Liquid Fund Reg (G)	370.12	0.54	1.68	3.57	6.75

Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
SBI Arbitrage Opp Fund Reg (G)	29.70	0.69	1.89	3.85	7.13
Kotak Equity Arbitrage Fund (G)	32.82	0.69	1.95	3.77	6.90
DSP Arbitrage Fund Reg Plan (G)	13.16	0.60	1.84	3.62	6.75

Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Absolute Fund (G)	321.38	7.16	10.95	27.84	18.72
ICICI Pru Equity & Debt Fund (G)	273.73	17.18	16.34	27.55	15.53
Kotak Equity Hybrid (G)	46.19	11.95	9.94	21.47	13.12

Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
Edelweiss Balanced Advantage Fund (G)	39.82	9.61	6.07	14.70	10.47
ICICI Pru Balanced Advantage Fund Reg (G)	56.90	10.02	9.14	14.37	10.61
Tata Balanced Advantage Fund (G)	16.60	10.17	7.79	13.91	N/A
Aditya Birla SL Balanced Advantage Fund (G)	82.38	10.64	6.63	13.66	9.68
Nippon India Balanced Advantage Fund (G)	136.69	8.58	6.41	13.22	9.04

Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Multi Asset Fund (G)	546.31	21.30	18.52	26.77	15.89

Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
Bandhan Sterling Value Fund Reg (G)	110.30	21.08	16.84	35.76	14.64
Templeton India Value Fund (G)	517.56	19.35	17.88	33.14	13.78
ICICI Pru Value Discovery Fund (G)	318.76	21.26	17.45	29.35	15.55
HSBC Value Fund (G)	72.75	24.99	14.87	28.33	13.81

Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	151.64	19.57	20.82	30.33	13.67
Franklin India Focused Equity Fund (G)	79.20	15.25	12.50	27.92	14.34
Nippon India Focused Equity Fund (G)	91.83	12.92	11.46	26.54	13.69
Quant Focused fund (G)	64.09	12.12	10.99	25.76	13.96

Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
Quant Tax Plan (G)	267.79	12.50	14.73	34.59	22.42
Bandhan Tax Advantage Reg (G)	118.12	19.19	14.43	30.26	14.81
SBI Long Term Equity Fund Reg (G)	284.65	23.47	15.02	26.22	14.02
Franklin India Taxshield (G)	1030.60	17.00	12.18	25.93	11.90
Nippon India Tax Saver (G)	90.94	14.43	10.17	25.86	8.98

Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	64.45	20.13	15.56	27.08	12.85
HDFC Top 100 Fund (G)	841.30	15.10	12.78	23.94	11.48
ICICI Pru Bluechip Fund Reg (G)	77.20	14.44	10.71	22.71	12.22
SBI Blue Chip Fund Reg (G)	70.42	12.38	8.70	21.77	11.90

Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant MidCap Fund (G)	157.25	21.09	20.06	37.57	21.15
Motilal Oswal Midcap Fund Reg (G)	62.50	26.43	25.96	36.72	17.62
SBI Magnum MidCap Fund Reg (G)	176.69	17.96	17.36	34.40	17.80
HDFC Mid Cap Opportunities Fund (G)	129.08	31.42	21.31	33.75	16.90

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Large And Mid Cap Fund Reg (G)	239.40	22.13	17.00	29.88	15.49
ICICI Pru Large & Mid Cap Fund Reg (G)	665.54	17.75	16.42	28.83	14.94
Motilal Oswal Large and Midcap Fund Reg (G)	20.62	26.09	11.51	28.47	N/A
SBI Large & Midcap Fund Reg (G)	450.15	16.89	14.32	27.71	14.91

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Small Cap Fund (G)	181.02	37.76	22.61	48.72	28.39
Nippon India Small Cap Fund (G)	121.16	35.23	24.79	43.99	21.91
HSBC Small Cap Fund Reg (G)	61.68	31.78	23.80	42.90	17.66
HDFC Small Cap Fund (G)	104.11	37.63	22.38	40.58	17.61

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Flexi Cap Fund (G)	69.79	16.69	12.96	34.68	21.14
HDFC Flexi Cap Fund Reg (G)	1310.43	19.59	18.94	30.54	14.49
Franklin India Flexi Cap Fund (G)	1144.35	16.81	12.60	27.07	12.99
Parag Parikh Flexi Cap Fund Reg (G)	56.95	18.33	9.17	22.51	17.21

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	208.61	29.80	22.96	35.94	16.44
Quant Active Fund (G)	499.68	15.53	13.75	32.71	21.48
ICICI Pru Multicap Fund Reg (G)	545.49	19.52	12.49	26.32	12.32
Sundaram Multi Cap Fund (Formerly Principal Multi Cap Growth) Reg (G)	272.23	12.05	10.01	25.95	12.60

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	209.37	34.20	23.00	39.16	17.75
Bandhan Infrastructure Fund Reg (G)	31.73	28.97	16.38	37.56	13.62
ICICI Pru India Opportunities Fund (G)	23.87	23.61	22.14	34.96	N/A
Sundaram Services Fund (G)	24.53	14.48	10.94	28.09	19.63
Kotak Pioneer Fund (G)	20.99	17.02	8.64	23.36	0.00
Aditya Birla SL India Gen Next Fund Reg (G)	160.09	10.90	9.65	22.92	13.56
Tata Banking and Financial Services Fund Reg (G)	32.06	22.14	10.28	22.79	11.94
SBI Magnum Global Fund Reg (G)	329.40	14.31	8.89	21.80	12.92
SBI Banking & Financial Services Fund Reg (G)	27.87	8.71	5.83	19.49	9.63
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	23.79	25.34	5.10	17.13	17.05
Mirae Asset Healthcare Fund (G)	25.43	18.06	3.32	16.91	18.24

Index	NAV	1 YR	2 YR	3 YR	5 YR
S&P BSE Sensex	64831.41	8.89	6.14	18.84	10.90
NSE - Nifty 50	19253.80	8.42	6.01	19.13	10.51

CORPORATE ACTIONS IN SEPTEMBER 2023

COMPANY	RECORD DATE	PURPOSE
APL Apollo Tubes	02/09/2023	Rs.5 per share (250%) Final Dividend
General Insurance	08/09/2023	Rs.7.2 per share (144%) Final Dividend
Macrotech Developers	08/09/2023	10% Dividend
Max Healthcare	08/09/2023	10% Final Dividend
Gujarat Gas	11/09/2023	Rs.6.65 per share (332.5%) Final Dividend
Larsen & Toubro	12/09/2023	Buy Back of Shares
Power Grid Corporation	12/09/2023	1:3 Bonus Issue of Equity Shares
I R F C	15/09/2023	7% Final Dividend
Hindustan Aeronautics	29/09/2023	Stock Split From Rs.10/- to Rs. 5/-

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COMPANY ANALYSIS

TATA MOTORS LIMITED

CMP (As on 31 August 2023) – 601

INDUSTRY - AUTOMOBILES

SEPTEMBER 2023

SENSEX – 64831 NIFTY – 19253

Mkt. Cap.	: 199660.50 Cr
Equity	: 664.29
Trading Vol.	: 1242644
52 Week High/Low	: 665/375
Face Value	: 2

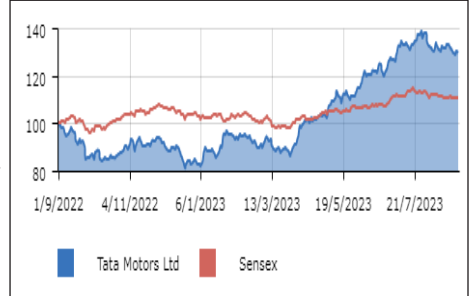
BSE Group	: A
BSE Code	: 500570
NSE Symbol	: TATAMOTORS
Bloomberg	: TMTMIN
Reuters	: TAMO.BO

Shareholding Pattern	
Promoters	: 46.39
Institutions	: 19.33
Public	: 18.44
Others	: 15.78

Tata Motors Limited is a leading global automobile manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. The Company designs, manufactures and sells a wide range of automotive vehicles. It manufactures engines for industrial and marine applications. In India, Tata Motors is a market leader in commercial vehicles and among the top passenger vehicles manufacturers.

Investment rationale

- ▶ As per CMIE, Electric vehicle (EV) sales are expected to continue to remain strong. Passenger vehicle EVs, essentially electric four wheelers, will double in volumes albeit on a low base. Passenger vehicles will continue to be the smallest segment in electric vehicle sales.
- ▶ Tata Motors' JLR is transitioning to a house of brands where aspirational demand is likely to be a growth driver. Strong order book and improving production coupled with easing cost inflation augurs well for the company.
- ▶ PV's domestic market share improved to 14.2% in Q1FY24 from 13.5% in FY23. PV maintained leadership position in the compact SUV segment and second in the high SUV segment. Tata motors has a decent product line up and new future launches for JLR and domestic PV business, which is likely to result in a healthy order book.
- ▶ On the CV segment, demand is expected to remain strong. As per CMIE, CV industry will continue to report an increase in revenues and profits in the September 2023 quarter. The growth in revenues will be on the back of a steady demand for commercial vehicles amidst pick-up in infrastructure construction activities. The industry's profit margins are likely to expand on the back of lower input costs, higher realisations.



The CFO has been consistently positive in last few years. PBDITA margin has improved to above 10% in last year. We recommend investing with a long term perspective.

Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	766.02	765.88	765.81	719.54	679.22
Networth	45,321.79	44,561.24	55,246.72	63,078.53	60,179.56
Debt	134,113.44	146,449.03	142,130.57	124,787.64	106,175.34
Sales	345,966.97	278,453.62	249,794.75	261,067.97	301,938.40
Other Income	6,568.00	3,163.88	3,352.77	3,111.81	3,342.29
Operating profit	38,143.39	27,144.14	21,169.60	18,088.78	-2,021.92
PAT	2,540.35	-11,278.01	-2,426.47	-9,867.01	-1,397.41
Book Value (Rs)	118.33	116.37	144.28	172.92	177.2
EPS (Rs.)	6.3	-29.88	-35.13	-33.55	0
Dividend (%)	100	0	0	0	0
Payout (%)	0	0	0	0	0

Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	101528.49	71227.76	42.54
Other Income	1370.01	2382.43	-42.50
PBIDT	4652.71	-3468.05	NA
PBT	3089.7	-4987.01	NA
PAT	658.71	642.89	2.46

COMPANY ANALYSIS REVIEW

BATA INDIA LIMITED

CMP (As on 31 August 2023) – 1688

INDUSTRY - FOOTWEAR

SEPTEMBER 2023

Mkt. Cap.	: 21698.34 Cr
Equity	: 64.26
Trading Vol.	: 6108
52 Week High/Low	: 1984/1380
Face Value	: 5

BSE Group	: A
BSE Code	: 500043
NSE Symbol	: BATAINDIA
Bloomberg	: BATAIN
Reuters	: BATA.BO

Shareholding Pattern	
Promoters	: 50.16
Institutions	: 30.74
Public	: 7.12
Others	: 11.99

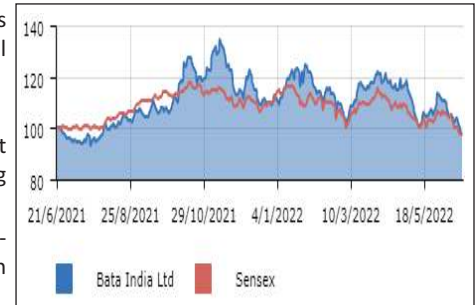
The stock was earlier recommended in our Sajag Online publication of March 2018. We maintain a positive outlook of the stock owing to sound fundamentals.

Bata India Ltd is the largest retailer and manufacturer of footwear in the country. The company is engaged in the business of manufacturing and trading of footwear and accessories through their retail and wholesale network.

Investment rationale

- ▶ Bata has a strong distribution network with its 2050 owned as well as franchise stores pan India. It has a production capacity of 21 million per annum in its 4 strategically located manufacturing units.
- ▶ In Q1, the company saw flat volumes, while in terms of revenue growth, franchise and e-commerce channels performed well. Going forward, it is hopeful for a healthy festive season in Q3FY24.
- ▶ Bata has a portfolio of mass affordable category as well as premium brands like Hush Puppies, Scholl amonth others. Mass category is still showing signs of stress which is easing off sequentially while the premium category is growing faster.
- ▶ Bata has been launching innovative campagins like 'Sneaker studio', 'Design your sneakers', 'Its got to be Bata', among many others. Recently, it launched its first banner under Floatz which has been operational for 6 weeks and the performance has been encouraging. It plans to add 10 such kiosk banners over next 3-4 months.
- ▶ Management stated that Floatz brand has started contributing meaningfully to overall volumes and value. Sales contribution from sneaker is 20%, Comfit is 8% and Hush Puppies is 20%. It is bullish on its newly launched Step and Go collection under the Power brand.
- ▶ The company has maintained PBDITA margins above 25% and RONW above 20%. With a D/E ratio less than 1, it has been generating positive CFO.

Bata is expanding its physical footprint, especially in Tier 3 - 5 cities, through MBO route as well as through Franchise route and its digital footprint through its own website and marketplaces. The Company is strategically positioned to harness the challenges, given the strength of its Brand, innovation capabilities, retail foothold and growing online presence in footwear and accessories category. We recommend investing with a long term perspective.



Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	64.26	64.26	64.26	64.26	64.26
Networth	1,438.21	1,814.65	1,758.09	1,893.92	1,741.84
Debt	1,246.45	1,094.21	1,032.28	1,249.11	0
Sales	3,451.57	2,387.72	1,708.48	3,056.11	2,931.10
Other Income	38.68	55.99	94.09	68.68	68.22
Operating profit	842.85	481.09	256.23	911.74	556.01
PAT	322.21	102.51	-82.51	331.07	330.3
Book Value (Rs)	111.9	141.19	136.79	147.36	135.52
EPS (Rs.)	25.06	8.01	-6.95	25.59	25.6
Dividend (%)	270	1,090.00	80	80	125
Payout (%)	216.87	49.92	-57.56	25.71	16.15

Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	958.15	943.02	1.60
Other Income	13.27	9.29	42.84
PBIDT	252.79	253.96	-0.46
PBT	143.56	159.73	-10.12
PAT	106.89	119.37	-10.45

FINOLEX CABLES LIMITED

CMP (As on 31 August 2023) – 1098

INDUSTRY - CABLES

SEPTEMBER 2023

Mkt. Cap.	: 16809.56 Cr
Equity	: 30.58
Trading Vol.	: 10943
52 Week High/Low	: 1140/437
Face Value	: 2

BSE Group	: A
BSE Code	: 500144
NSE Symbol	: FINCABLES
Bloomberg	: FNXCIN
Reuters	: FNXC.BO

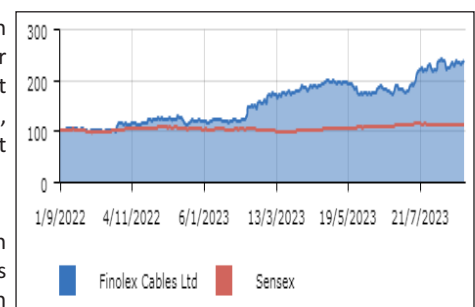
Shareholding Pattern	
Promoters	: 35.86
Institutions	: 16.78
Public	: 13.85
Others	: 33.52

*The stock was earlier recommended in Saja Online publication of August 2013.
We remain optimistic of the company owing to positive business outlook and stable financials.*

Finolex Cables Ltd is India's largest and leading manufacturer of electrical and telecommunication cables. The company started its operation with the manufacture of PVC insulated electrical cables for the automobile industry. Since then, the Company has constantly endeavored to augment its product range. Besides a wide variety of Wires & Cables, the Company is also manufacturing lighting products, electrical accessories, switchgear, fans and water heaters. The company has manufacturing facilities at Pimpri and Urse in Pune as well as at Goa & Uttarakhand.

Investment rationale

- ▶ On the volume front, in Q1 FY24, Electrical cable volumes increased by 29% y-o-y, communication cables, most metal-based product lines increased in volume by an average of 17%, OFC volumes grew by 50% y-o-y, Power cable volumes increased by 3%. The FMEG segment remained muted in the sluggish demand environment.
- ▶ The company eyes Rs. 10,000 - 11,000 crore of revenue in the next five years driven by capacity addition, stable demand outlook and the launch of new products. The government has invoked anti-dumping measures on fiber being dumped into the country from overseas at throwaway prices which should lead to normalized realizations.



- ▶ Recently, the union cabinet has cleared a proposal for an investment of Rs 1.4 lakh crore in enabling last mile connectivity under the BharatNet program. This augurs well for the company.

As per CMIE, the wires & cables industry's profit margins are expected to expand in the quarter ending September 2023. This will be led by deflation in prices of key raw materials like copper, aluminium and polyvinyl chloride (PVC). Healthy topline growth is also expected to aid the improvement in the industry's profitability. Finolex Cables has a total of 5,000 channel partners and 1,75,000 retailers with a market share of 22% in the organized W&C industry. We recommend investing with a long term perspective.

Consolidated Financial Performance (Rs. Crore)

Year End	202303	202203	202103	202003	201903
Equity	30.59	30.59	30.59	30.59	30.59
Networth	3,922.06	3,414.51	3,003.71	2,737.08	2,428.96
Debt	8.79	6.7	7.94	0.55	0.84
Sales	3,768.14	2,768.11	2,877.30	3,077.79	2,815.12
Other Income	398.5	300.41	169.09	182.02	153.58
Operating profit	827	670.59	552.51	651.69	594.38
PAT	599.52	461.48	391.06	410.04	330.41
Book Value (Rs)	256.43	223.24	196.39	178.95	158.81
EPS (Rs.)	39.17	30.17	25.56	26.64	21.58
Dividend (%)	300	275	275	225	200
Payout (%)	14.04	18.23	17.6	15.01	13.9

Latest Results (Rs. Crore)

Quarter Ended	202306	202206	Var. (%)
Sales	1204.25	1015.65	18.57
Other Income	74.3	43.82	69.56
PBIDT	220.8	162.95	35.50
PBT	210.01	153.45	36.86
PAT	160.43	119.6	34.14

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)	463,857	17.2	943,143	18.1	1,847,970	15.9	2,796,311	16.1	7,429,140	17.1
Canara Robeco Emerging equities Reg (G)	452,778	15.5	942,617	18.1	1,840,491	15.8	2,975,193	17.3	9,230,544	19.6
Kotak Emerging Equity (G)	508,434	23.7	1,108,695	24.8	2,139,348	19.4	3,406,205	19.8	9,041,033	19.4
Nippon India Small Cap Fund (G)	608,241	37.2	1,411,273	35.0	2,782,195	25.8	4,598,216	25.3	N/A	N/A
SBI Large & Midcap Fund Reg (G)	489,891	21.1	1,013,201	21.1	1,930,449	17.0	2,849,009	16.5	6,847,663	16.2

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

INVESTMENT IDEAS - MEDIUM TERM (3-6 MONTHS)

AXIS BANK LIMITED

CMP (AS ON 31 AUGUST 2023) - 973 TARGET - 1170

Axis Bank Limited is the third largest private sector bank in India. The Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporate, MSMEs, Agriculture and retail businesses. It provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank's wealth management business is among the largest in India with AUM of Rs 428885 crore as at end of 30th June 2023. Axis Bank reported 41% growth in net profit at Rs 5797.10 crore for the Q1FY2024. The bank has posted healthy 27% growth in net interest income, while the Net Interest Margin of the bank improved to 4.10% in Q1FY2024 compared to 3.60% in Q1FY23. On business front, the bank has posted 20% growth in business with strong 22% surge in loan book. The asset quality of the bank was stable in Q1FY2024. The credit to deposit ratio was higher at 91.2% from 87.3% at end June 2022. The CASA ratio of the bank was higher at 45.5% from 43.7%. The capital adequacy ratio of the bank stood at 17.1%. The stock trades at a P/B of 2.3.

AARTI INDUSTRIES LIMITED

CMP (AS ON 31 AUGUST 2023) - 491 TARGET - 575

Aarti Industries Limited is one of the most competitive and highly integrated benzene-based speciality chemical company in the world. In Q1 FY24, performance mirrored the industry trends which remained subdued overall. Aarti Industries consolidated net sales declined 12.17% to Rs 1414 crore in Q1FY24 compared to Q1FY23. Revenues declined on account of decline in volumes, decline in prices of key RM and margin contraction due to excess supply from China, etc. This is transient in nature and the long-term prospects continue to be appealing. Aarti's medium-to-long term growth journey remains on track and in-line with this, its CAPEX initiatives are progressing satisfactorily. The company has maintained leadership position in Benzene-based derivatives and the objective is to replicate the same success for several other specialised chemical value-chains. The toluene segment in India is mainly untapped and catered to through imports and Aarti will benefit in the long term by entering this segment.

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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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