

**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, RBI FY25 GDP growth forecast at 7.2%

Time period	31/7/2024	30/6/2024	31/12/2007
Nifty	24951.15	24010.6	6138
<b>Valuation</b>			
Trailing PE	23.4	22.85	27.62
Trailing PB	4.21	4.14	6.39
Mcap/GDP	1.30	1.24	1.23
<b>Nifty return</b>			
1 year	26.31%	25.13%	54.77%
2 year	20.59%	23.35%	47.11%
3 year	16.54%	15.16%	43.43%
<b>EPS growth</b>			
1 year	24.21%	22.44%	19.13%
2 year	13.50%	13.95%	15.95%
3 year	22.25%	23.72%	17.85%
<b>Other data points</b>			
Credit growth	14.00%	19.20%	25%
10-year bond yield	6.90	7.00	7.57
Brent Oil Futures	80.72	86.41	93.25
USD/INR	83.7	83.35	39.23
Gold (oz/USD)	2473.3	2339.6	843.2

Source: RBI, NSE, ET, Prowess

## MARKET REVIEW

### Indices move towards newer highs!

In the month of July, indices moved towards new highs backed by positive global as well as domestic macro indicators.

Key developments during the month were,

- ▶ India's wholesale price index (WPI)-based inflation for the month of June accelerated to a 16-month high of 3.36% primarily due to increase in prices of food articles, manufacture of food products, crude petroleum & natural gas, mineral oils, other manufacturing etc. In May, WPI inflation was 2.61% and -4.18% in June 2023. Year-on-year inflation rate based on All India Consumer Price Index (CPI) number came in at 5.08% for the month of June, 2024.
- ▶ The IIP growth rate for the month of May 2024 y-o-y is 5.9%. The IIP growth rate in May 2023 was 5.7 percent. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of May 2024 over May 2023 are 6.6%, 4.6% and 13.7% respectively.

- ▶ India's total exports (Merchandise and Services combined) for June 2024 is at USD 65.47 Billion, registering a positive growth of 5.40 % vis-a-vis June 2023. Total imports (Merchandise and Services combined) for June 2024 are estimated at USD 73.47 Billion, registering a positive growth of 6.29 % vis-à-vis June 2023. The total trade deficit, including merchandise and services, was \$8 billion in June, down from \$10.90 billion in May but higher than \$7 billion in June 2023.
- ▶ India's merchandise trade deficit, which widened to a seven-month high in May, narrowed slightly in June owing to lower imports. The merchandise trade deficit stood at \$20.98 billion in June, down from \$23.78 billion in May but up from \$19.1 billion in April. It stood at \$19.19 billion a year ago.
- ▶ India's fiscal deficit for the Q1FY25 narrowed significantly to 8.1% of the full-year estimate, compared to 25.3% in the same period last year. The Q1FY25 deficit amounted to Rs 1.36 lakh crore. The total receipts of Rs 8.34 lakh crore was 27.1% of the year's budget target, while it was 22.1% during the same quarter of the previous year. The total expenditure of Rs 9.70 lakh crore was 20.4% of the year's budget target, while it was 23.3% during the same quarter of the previous year.
- ▶ Gross GST collection in July 2024 recorded a 10.3 per cent rise to Rs 1,82,075 crore, compared to June 2024, which recorded a total gross GST revenue of Rs 1.74 lakh
- ▶ India's direct tax collection has grown significantly in the current financial year compared to the same period last year. Gross collections (before refunds) are up 25.31%, reaching over Rs 6,45,259 crore as on 11.7.24 while net collections (after refunds) have grown by around 24.07 % to over Rs 5,74,357 crore.

Meanwhile, Union Commerce Minister Piyush Goyal stated that India is on track to become the world's third-largest economy within the next 3-4 years. Goyal believes the government's focus on manufacturing, exports, and infrastructure development is driving this growth. The FIIs continued to remain net buyers in this month at Rs 5407.83 crore.

The Fed signalled that the 'First Cut Is Closer' as the past few months have shown easing inflationary pressures, while the labor market continues to cooled off. Dow Jones inched closer towards 41000 mark, however, as the month ended, indices saw some volatility.



### Performance of key sectoral indices

Nifty Metal	-2.70%	Nifty Auto	6.00%
Nifty Realty	-1.69%	Nifty India Consumption	6.19%
Nifty Bank	-1.52%	Nifty FMCG	9.40%
Nifty MNC	2.99%	Nifty Pharma	10.01%
Nifty Infrastructure	3.88%	Nifty IT	13.15%
Nifty Energy	5.33%		

### Market Outlook

The International Monetary Fund (IMF) upgraded India's economic outlook, raising its growth forecast for the 2024-25 financial year to 7%. This revision is driven by an anticipated improvement in private consumption, especially in rural areas. The IMF maintained its projection of 6.5% growth for FY26.

- ▶ US Consumer Price Index (CPI) rose 3% y-o-y, down from 3.3% in May. The annual core CPI, excluding volatile food and energy prices, increased by 3.3%, slowing from the previous month's 3.4%. On a monthly basis, overall CPI dipped 0.1%, while core CPI edged up 0.1%. The US Federal Reserve held interest rates steady in the 5.25%-5.50% range but hinted at a possible rate cut in September if inflation cools down. GDP increased at a 2.8% annual rate in the Q2, faster than the 1.4% in Q1. Consumer spending, the backbone of the US economy, rose at a 2.3% annual rate in the Q2, a solid pace, albeit much slower than in 2021, when businesses were reopening after pandemic-induced closings.
- ▶ The Bank of Japan has raised its policy rate to 0.25% from its previous range of 0% to 0.1% and plans to cut its bond-buying program by 400 billion yen per quarter. From January to March, the monthly purchases of Japanese Government Bonds (JGBs) will be reduced to 3 trillion yen, with a goal of decreasing the amount of JGBs bought in a predictable manner.

- ▶ China's economic growth fell short of expectations in the Q2, dampening sentiment. The GDP expanded by 4.7% y-o-y, slowing from the previous quarter's 5.3%. China implemented a reduction in benchmark lending rates. The one-year loan prime rate (LPR) was decreased by 10 basis points to 3.35% from 3.45%, while the five-year LPR was also lowered by the same margin to 3.85% from 3.95%. China's manufacturing sector contracted for a third straight month in July, as the manufacturing PMI fell to 49.4 in July, reflecting persistent weakness in domestic demand despite government support measures.
- ▶ In July, the Euro Zone experienced an unexpected rise in headline inflation, increasing to 2.6% from 2.5% in June. The European Central Bank left interest rates unchanged at 3.75%. The ECB announced that it would hold interest rates steady for now, after cutting them in June and expects headline inflation to remain above their target rate until next year.
- ▶ The HSBC Flash India Composite Output Index, a seasonally adjusted measure of combined manufacturing and service sector output, climbed to 61.4 in July from 60.9 in June. This marks the strongest rate of expansion in three months, with both goods producers and service providers contributing to the upturn. The HSBC Flash India Manufacturing PMI rose to 58.5 in July (up from 58.3 in June), indicating a significant improvement in the sector's health. Favorable market conditions and new business gains were cited as key drivers of this growth. The HSBC Flash India Services PMI Business Activity Index also rose, reaching 61.1 in July compared to 60.5 in June.

Global cues will likely to guide the overall trend of investment world. India INC results may lead to stock specific movements as investors invest with their long term perspective intact.

## TECHNICAL VIEW

Nifty saw the highest monthly close at 24951, as it crosses psychologically important 25000 mark. Nifty gained nearly 4% in the month.

After a series of 'Doji's in earlier months, Nifty again ended with a green candle. The RSI is trading in over-bought conditions on weekly as well as monthly charts. Nifty has faced resistance when it attempts to cross significantly above 25000 level. As we have been mentioning, it is very likely that we might see some profit-taking at higher levels.

Going ahead, Nifty will resistance near 24900-25000. On the other hand, support is placed near 24000-23800-23500. Nifty is likely to move in a range-bound manner. Any correction would be buying opportunity for investors.



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

GAINERS			
COMPANY	OPEN	CLOSE	%
Oil & Natural Gas Corpn. Ltd.	275	334.2	21.53%
H D F C Life Insurance Co. Ltd.	590.15	715.5	21.24%
Infosys Ltd.	1559.5	1868.25	19.80%
S B I Life Insurance Co. Ltd.	1491.95	1753.65	17.54%
Tata Motors Ltd.	989.75	1156.65	16.86%

LOSERS			
COMPANY	OPEN	CLOSE	%
Axis Bank Ltd.	1273	1166.1	-8.40%
Tata Steel Ltd.	174.5	165.33	-5.26%
Hindalco Industries Ltd.	699	669.6	-4.21%
Nestle India Ltd.	2559.8	2456.35	-4.04%
H D F C Bank Ltd.	1680	1615.75	-3.82%

## MUTUAL FUNDS PERFORMANCE

NAV as on 31 July 2024

Return %

Liquid Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Franklin India Money Market Fund Reg (G)	46.82	0.54	1.84	3.83	7.41
Axis Liquid Fund (G)	2728.68	0.56	1.77	3.69	7.35
Canara Robeco Liquid Fund Reg plan (G)	2950.27	0.56	1.78	3.67	7.33
Arbitrage Funds	NAV	30 DAYS	3 MON	6 MON	1 YR
Kotak Equity Arbitrage Fund (G)	35.22	0.56	1.95	3.90	8.09
UTI Arbitrage Fund (G)	32.92	0.58	1.90	3.81	7.86
Edelweiss Arbitrage Fund Reg (G)	18.23	0.55	1.87	3.82	7.82
Hybrid Aggressive Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Absolute Fund (G)	443.19	37.49	24.27	18.51	27.21
ICICI Pru Equity & Debt Fund (G)	376.53	37.22	28.47	24.62	23.76
Edelweiss Aggressive Hybrid Fund (G)	61.62	34.60	26.34	20.16	20.07
Hybrid Balanced Advantage Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Balanced Advantage Fund Reg (G)	69.67	22.81	16.92	14.22	14.71
Edelweiss Balanced Advantage Fund (G)	50.31	25.52	18.77	13.89	17.09
Tata Balanced Advantage Fund (G)	20.22	21.26	16.74	13.28	14.57
Nippon India Balanced Advantage Fund (G)	170.49	25.35	17.44	12.67	13.82
Hybrid Multi-Asset	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Multi Asset Fund (G)	700.78	29.81	25.62	23.38	22.02
Quant Multi Asset Fund (G)	134.48	41.37	29.48	22.33	29.11
WhiteOak Capital Multi Asset Allocation Fund Reg (G)	12.32	19.26	N/A	N/A	N/A
Equity Value Funds	NAV	1 YR	2 YR	3 YR	5 YR
ICICI Pru Value Discovery Fund (G)	457.58	43.08	33.20	27.31	27.09
HSBC Value Fund (G)	109.87	54.22	39.35	27.28	26.82
Nippon India Value Fund (G)	225.94	53.55	36.24	25.74	26.73
Bandhan Sterling Value Fund Reg (G)	151.58	39.64	31.06	22.84	27.62
Equity Focused Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Focused 30 Fund (G)	214.70	41.94	32.60	28.46	24.10
ICICI Pru Focused Equity Fund Reg (G)	87.61	45.70	32.66	24.60	25.04
Quant Focused fund (G)	94.54	45.22	31.94	21.81	25.87
Franklin India Focused Equity Fund (G)	107.81	37.42	27.27	20.47	22.70
Tax Saving Schemes (ELSS)	NAV	1 YR	2 YR	3 YR	5 YR
SBI Long Term Equity Fund Reg (G)	445.01	56.87	41.17	29.02	27.29
HDFC ELSS Tax saver Reg (G)	1354.02	45.18	33.16	26.61	22.77
Quant ELSS Tax Saver Fund (G)	411.84	53.98	34.44	25.47	36.36
Motilal Oswal ELSS Tax Saver Fund Reg(G)	49.61	58.03	38.89	24.53	25.18
Large Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Large Cap Fund (G)	89.67	38.82	31.11	25.67	22.35
HDFC Top 100 Fund (G)	1161.58	35.60	27.94	22.79	19.71
ICICI Pru Bluechip Fund Reg (G)	108.76	39.85	28.58	22.53	21.99
Tata Large Cap Fund Reg (G)	511.24	36.07	25.11	17.83	19.10
Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Motilal Oswal Midcap Fund Reg (G)	99.69	67.38	45.16	38.30	34.13
Quant MidCap Fund (G)	247.50	61.65	41.62	30.87	37.67
HDFC Mid Cap Opportunities Fund (G)	189.42	51.03	41.62	30.15	30.71
Nippon India Growth Fund (G)	4060.81	57.08	40.38	28.67	31.36

Large & Mid Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Quant Large and Mid Cap Fund (G)	131.19	60.47	38.09	29.53	31.07
ICICI Pru Large & Mid Cap Fund Reg (G)	972.04	45.40	32.91	26.93	26.03
HDFC Large And Mid Cap Fund Reg (G)	342.95	45.26	34.09	26.33	26.33
Bandhan Core Equity Fund (G)	131.56	56.09	38.26	25.85	25.94

Small Cap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Small Cap Fund (G)	177.48	53.94	43.64	32.01	38.11
Franklin India Smaller Companies Fund (G)	183.76	54.45	44.50	29.84	31.18
Quant Small Cap Fund (G)	275.62	58.11	47.96	29.34	47.44
HSBC Small Cap Fund Reg (G)	86.52	49.69	38.71	28.99	32.14

Flexicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
HDFC Flexi Cap Fund Reg (G)	1849.05	42.71	32.25	26.21	23.92
Quant Flexi Cap Fund (G)	110.50	57.88	38.66	26.06	36.20
Franklin India Flexi Cap Fund (G)	1615.77	42.60	30.67	22.47	24.18
Parag Parikh Flexi Cap Fund Reg (G)	78.82	37.52	28.71	19.66	26.43

Multicap Funds	NAV	1 YR	2 YR	3 YR	5 YR
Nippon India Multi Cap Fund (G)	296.85	46.56	37.88	31.43	26.94
Quant Active Fund	726.59	47.56	32.05	23.48	33.64
ICICI Pru Multicap Fund Reg (G)	796.03	46.36	33.57	23.55	23.47
Sundaram Multi Cap Fund Reg (G)	378.92	41.15	27.06	21.13	23.53

Sector & Thematic Funds	NAV	1 YR	2 YR	3 YR	5 YR
DSP India T.I.G.E.R. Fund Reg (G)	343.39	70.26	51.48	36.34	31.59
Bandhan Infrastructure Fund Reg (G)	57.21	81.51	56.48	35.21	32.98
ICICI Pru India Opportunities Fund (G)	34.22	43.54	35.47	30.40	28.46
Aditya Birla SL India Gen Next Fund Reg (G)	216.73	34.45	24.48	20.23	22.29
Kotak Pioneer Fund (G)	29.60	42.19	30.09	20.02	N/A
ICICI Pru Pharma Healthcare And Diagnostics Fund (G)	35.85	52.68	36.84	19.49	30.28
Sundaram Services Fund (G)	31.84	30.58	24.03	19.41	24.58
SBI Banking & Financial Services Fund Reg (G)	37.52	29.90	23.05	16.32	16.43
Mirae Asset Healthcare Fund (G)	36.20	44.29	29.78	15.88	29.66
Tata Banking and Financial Services Fund Reg (G)	38.31	18.90	23.68	15.65	15.69
SBI Magnum Global Fund Reg (G)	377.94	15.27	15.48	12.37	19.29

Index	NAV	1 YR	2 YR	3 YR	5 YR
NSE - Nifty 50	25010.90	26.74	20.07	16.59	17.88
S&P BSE Sensex	81687.55	23.18	18.66	15.85	17.18

## CORPORATE ACTIONS IN AUGUST 2024

COMPANY	RECORD DATE	PURPOSE	COMPANY	RECORD DATE	PURPOSE
Cipla	02/08/2024	650% Final Dividend	Varun Beverages	09/08/2024	25% Interim Dividend
Divi's Laboratories	02/08/2024	1500% Final Dividend	ICICI Bank	12/08/2024	500% Dividend
Vedanta	03/08/2024	400% Second Interim Dividend	Coal India	16/08/2024	50% Final Dividend
Britannia Industries	05/08/2024	7350% Final Dividend	Godrej Consumer	16/08/2024	Interim Dividend
Bharti Airtel	07/08/2024	160% Dividend	Power Grid Corporation	16/08/2024	Rs.2.75 per share (27.5%) Final Dividend
Eicher Motors	07/08/2024	5100% Dividend	Apollo Hospitals	17/08/2024	Rs.10 per share (200%) Final Dividend & A.G.M.
NTPC	07/08/2024	32.5% Final Dividend	P I Industries	20/08/2024	900% Final Dividend
B P C L	09/08/2024	105% Final Dividend	Hindustan Aeronautics	21/08/2024	260% Final Dividend
Hindalco Industries	09/08/2024	350% Final Dividend			
REC Ltd	09/08/2024	35% Interim Dividend			

# COMPANY ANALYSIS REVIEW

## NAVIN FLUORINE INTERNATIONAL LIMITED

**CMP (As on 31 July 2024) – 3802**

**INDUSTRY - CHEMICALS**

**AUGUST 2024**

**SENSEX – 81741 NIFTY – 24951**

<b>Mkt. Cap.</b>	:	18855.73 Cr
<b>Equity</b>	:	9.92
<b>Trading Vol.</b>	:	65948
<b>52 Week High/Low</b>	:	4724/2876
<b>Face Value</b>	:	2

<b>BSE Group</b>	:	A
<b>BSE Code</b>	:	532504
<b>NSE Symbol</b>	:	NAVINFLOUR
<b>Bloomberg</b>	:	NFILIN
<b>Reuters</b>	:	NAFL.BO

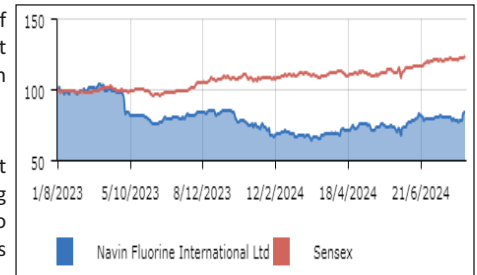
<b>Shareholding Pattern</b>		
<b>Promoters</b>	:	28.80
<b>Institutions &amp; Corporates</b>	:	28.97
<b>Foreign</b>	:	19.26
<b>Public &amp; Others</b>	:	22.97

*The stock was earlier reviewed in Sajag Online publication of June 2022. We maintain an optimistic outlook of the company owing to sound fundamentals, expanding capacities with a leadership position.*

Navin Fluorine International Ltd (NFL) is one of the largest and the most respected Indian manufacturers of speciality fluorochemicals. It belongs to the Padmanabh Mafatlal Group and operates one of the largest integrated fluorochemicals complexes in India with manufacturing locations at Surat and Dahej in Western India and Dewas in Central India.

**Investment rationale**

- ▶ It has 4 units - Refrigeration Gases and Inorganic Fluorides - HPP, Speciality Fluorides, Contract Development and Manufacturing Organisation (CDMO). Its contract research services aim at developing process chemistries, novel analogues and derivatives around the customers' target molecules to support research and discovery activities. Its subsidiary company in the UK, Manchester Organics Limited participates in this early discovery phase with the innovator customers.
- ▶ The management continues to show confidence in the CDMO orders secured for late-stage molecules. The company has received a commercial order, post validation from a UK pharma major. The supply agreement with Fermion has expanded recently and it is expected to contribute from H2FY25.
- ▶ With over forty years of leadership in fluorine chemistry and refrigerant science, NFL offers safe, high performance and high quality refrigerants for various refrigeration and air conditioning applications.
- ▶ It has one of the largest Anhydrous Hydrofluoric (AHF) and Aqueous Hydrofluoric acid manufacturing capacities in India. AHF is used for captive manufacture of various inorganic fluorides. In case of the HPP (High Performance Products) segment, other than doubling R-32 gas capacity the anhydrous hydrofluoric (AHF) acid plant is expected to be commissioned by early FY26. The AHF plant would help the company serve various end markets like pharma, solar energy, and electronic goods.
- ▶ Navin has seen its revenue grow by 4 times in last decade. With a D/E ratio of 0.5 and interest coverage of 4.75, it has been generating consistent positive CFO. In the next 18 months, Navin plans to commission various capacities across segments that would provide a base for multi-year growth. The capex outlay is upwards of Rs 1,300 crore. Navin Fluorine operates one of India's largest integrated fluorochemical complex, emerging as a preferred source and a partner of choice for diverse fluorochemicals globally. We recommend investing with a long term perspective.



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

Year End	202403	202303	202203	202103	202003
Equity	9.91	9.91	9.91	9.9	9.9
Networth	2,382.67	2,184.95	1,844.22	1,633.91	1,412.18
Debt	1,368.46	860.8	120.82	25.06	1.4
Sales	2,065.01	2,077.40	1,453.36	1,179.39	1,061.55
Other Income	107.98	35.73	39.22	94.55	33.33
PBDITA	506.26	586.04	394.03	403.84	296.81
PAT	229.98	366.85	263.63	245.76	405.84
Book Value (Rs)	480.86	440.96	372.19	330.03	285.42
EPS (Rs.)	54.59	75.72	53.09	52.02	82.58
Dividend (%)	750	600	550	550	550
Payout (%)	27.49	14.53	20.71	16.03	17.83

**Latest Results (Rs. Crore)**

Quarter Ended	202406	202306	Var. (%)
Sales	523.68	491.15	6.62
Other Income	10.26	8.3	23.61
PBIDT	110.61	122.52	-9.72
PBT	68.3	81.77	-16.47
PAT	51.2	61.53	-16.79

## INDUSIND BANK LIMITED

**CMP (As on 31 July 2024) – 1428**

**INDUSTRY - PRIVATE BANKS**

**AUGUST 2024**

<b>Mkt. Cap.</b>	:	111213.61 Cr
<b>Equity</b>	:	778.72
<b>Trading Vol.</b>	:	129278
<b>52 Week High/Low</b>	:	1694/1354
<b>Face Value</b>	:	10

<b>BSE Group</b>	:	A
<b>BSE Code</b>	:	532187
<b>NSE Symbol</b>	:	INDUSINDBK
<b>Bloomberg</b>	:	IIBIN
<b>Reuters</b>	:	INBK.BO

<b>Shareholding Pattern</b>		
<b>Promoters</b>	:	15.09
<b>Institutions &amp; Corporates</b>	:	30.08
<b>Foreign</b>	:	37.11
<b>Public &amp; Others</b>	:	16.74

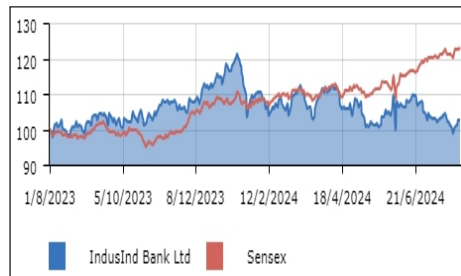
*The stock was earlier recommended in Sajag Online publication of January 2020. We maintain an optimistic outlook of the company owing to stable fundamentals, anticipated recovery and modest valuation.*

IndusInd Bank Ltd is one of the new generation private sector banks in India. The Bank's business lines include corporate banking, retail banking, treasury and foreign exchange, investment banking, capital markets, non-resident Indian/high-net-worth individual banking, and information technology. The Bank business divisions include Retail/ Consumer Banking, Consumer Finance, Global Markets Group, Corporate & Commercial Banking, Transaction Banking Group and Investment Banking. The Bank have representative offices in London, Dubai and Abu Dhabi.

#### Investment rationale

- ▶ Indusind Bank has posted 11% growth in net interest income (NII), while the core fee income of the bank improved 15% in Q1FY2025. The Net Interest Margin (NIM) of the bank was at 4.25% in Q1FY2025 compared to 4.29% last year. The capital adequacy ratio of the bank stood at 17.6% with Tier I ratio at 16.2% at end June 2024.
- ▶ Indusind posted 15% growth in business with 15% surge in loan book. Advances growth was driven by retail loans rising 18% YoY to Rs 190625 crore at end June 2024. The credit to MSME moved up 16% to Rs 72228 crore at end June 2024. The corporate credit has moved up 10% to Rs 85045 crore end June 2024.
- ▶ Bank has witnessed increase in the credit to deposit ratio to 87.3% at end June 2024 from 86.8% at end June 2023. CASA deposits ratio of the bank has declined to 36.7% at end June 2024 from 39.9% at end June 2023.

The management has guided a loan growth ~18-22% growth for FY25. Book value of the bank stood ~ at Rs 838.8 per share. The stock trades at a P/B of 1.7. We recommend investing with a long term perspective.



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

Year End	202403	202303	202203	202103	202003
Equity	778.32	775.9	774.66	773.37	693.54
Networth	62,693.59	54,702.96	47,718.75	43,187.04	34,428.46
Deposits	384,585.67	336,120.19	293,349.47	255,870.10	202,026.99
Borrowings	47,611.41	49,011.23	47,323.23	51,322.81	60,753.55
Net total income	30,011.69	25,764.89	22,345.62	20,028.78	19,011.41
Net Interest income	20,615.92	17,592.12	15,000.84	13,527.90	12,058.74
PAT	8976.99	7,445.58	4,805.84	2,929.32	4,464.01
Book Value (Rs)	801.21	704.46	615.79	558.36	486.57
EPS (Rs.)	115.33	95.93	62.03	37.89	64.28
Dividend (%)	165	140	85	50	0
Payout (%)	14.31	8.85	8.05	0	0

#### Latest Results (Rs. Crore)

Quarter Ended	202406	202306	Var. (%)
Sales	12546.77	10729.65	16.94
Other Income	2441.61	2209.82	10.49
PBIDT	10041.1	8702.43	15.38
PBT	2901.96	2839.89	2.19
PAT	2170.72	2124.44	2.18

## VA TECH WABAG LIMITED

CMP (As on 31 July 2024) – 1339

INDUSTRY - ENGINEERING

AUGUST 2024

Mkt. Cap.	:	8258.58 Cr
Equity	:	12.43
Trading Vol.	:	36461
52 Week High/Low	:	1405/436
Face Value	:	2

BSE Group	:	A
BSE Code	:	533269
NSE Symbol	:	WABAG
Bloomberg	:	VATWIN
Reuters	:	VATE.BO

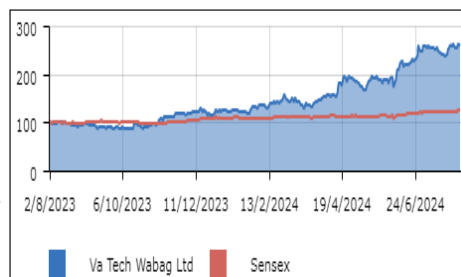
Shareholding Pattern	
Promoters	: 19.13
Institutions & Corporates	: 12.60
Foreign	: 14.85
Public & Others	: 53.42

The stock was earlier recommended in Sajag Online publication of July 2021. We maintain an optimistic outlook of the company owing to sound balance-sheet and promising demand outlook.

VA Tech Wabag Ltd is one of the world's leading companies in the water treatment field. It provides a range of EPC and O&M solutions for sewage treatment, processed and drinking water treatment, effluents treatment, sludge treatment, desalination and reuse for institutional clients like municipal corporations and companies in the infrastructure sector such as power, steel and oil and gas companies.

#### Investment rationale

- ▶ Wabag has an order book of about Rs 12,000 crore which gives revenue visibility. It is eyeing bigger orders in the domestic market. Management has guided for an order book of Rs. 16,000 crore at the end of FY25.
- ▶ The company has guided for a revenue CAGR of 15% and margin of 13-15% for the next 3-5 years. It expects to increase the share of O&M revenue to >20%, international revenue to >50%, industrial revenue to >30%, and one-third of EPC being EP projects.
- ▶ Management sees strong growth potential in the ultrapure water segment, especially in the production of semiconductor and green hydrogen. Wabag was generating electricity from biogas for captive consumption. Now on, it plans to recover biogas from its existing plants, enrich and compress it, and sell it to the government at a fixed rate.
- ▶ The company has minimal debt and it has been generating positive CFO consistently. RONW has improved to 14.7% in FY24, with PBDITA margin of 14%. With marginal growth in sales, it has doubled its PAT in last 10 years, indicating operational efficiencies.



The Government in budget announced focus on initiating water supply, sewage treatment, and solid waste management projects in about 100 cities. VA Tech Wabag having a strong market presence supported by technical capabilities could very well benefit from this opportunity. We recommend investing with a long term perspective.

### Consolidated Financial Performance (Rs. Crore)

Year End	202403	202303	202203	202103	202003
Equity	12.4	12.4	12.44	12.44	10.94
Networth	1,818.60	1,574.90	1,539.12	1,409.77	1,174.44
Debt	288.9	219	435.92	358.45	519.58
Sales	2,856.40	2,960.50	2,979.30	2,834.49	2,557.15
Other Income	43.4	62.9	32.39	13.96	39.92
PBDITA	409.6	91.5	266.22	232.72	256.9
PAT	234.24	51.65	126.24	110.02	91.1
Book Value (Rs)	293.32	254.02	247.45	226.65	214.71
EPS (Rs.)	39.61	2.1	21.21	17.7	16.63
Dividend (%)	0	0	0	0	0
Payout (%)	0	0	0	0	0

### Latest Results (Rs. Crore)

Quarter Ended	202403	202303	Var. (%)
Sales	934.2	926.86	0.79
Other Income	8.7	11.43	-23.88
PBIDT	124.2	-123.52	NA
PBT	99.9	-141.84	NA
PAT	78.1	-111.95	NA

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>
Canara Robeco Emerging equities Reg (G)	528,824	26.59	1,127,235	25.49	2,195,685	20.07	3,262,033	18.99	9,950,658	20.45
Aditya Birla SL India Gen Next Fund Reg (G)	524,219	25.95	1,097,799	24.39	2,154,885	19.62	3,169,303	18.45	8,282,156	18.37
Kotak Emerging Equity (G)	589,231	34.71	1,344,542	32.93	2,652,959	24.63	3,931,015	22.44	10,819,519	21.39
Nippon India Small Cap Fund (G)	647,054	41.97	1,687,009	42.75	3,386,575	30.54	5,156,215	27.45	N/A	N/A
SBI Large & MidCap Fund Reg (G)	535,244	27.48	1,170,509	27.07	2,262,602	20.79	3,234,390	18.83	7,743,130	17.6

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

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

### NATCO PHRAMA LIMITED

**CMP (AS ON 31 JULY 2024) - 1360**

**TARGET - 1450**

Natco Pharma Limited is a vertically integrated and R&D focused pharmaceutical company that specialises in development, manufacturing and marketing of Finished Dosage Formulations (FDF) and Active Pharmaceutical Ingredients (APIs). The Company's focus is primarily on niche therapeutic areas and complex products. Natco's API products are primarily used for captive consumption in its FDF products and are also sold to customers for various international markets such as Brazil, Europe and USA. In the API segment, Natco has capabilities to develop and manufacture products with multi-step synthesis, semi synthetic fusion technologies, high-potency APIs and peptides. Natco Pharma is also engaged in contract manufacturing business, whereby undertakes selected contracts with pharmaceutical companies to manufacture and supply pharmaceutical products. For the Q4FY24, consolidated net sales of Natco Pharma has increased 18.98% to Rs 1068.3 crore compared to quarter ended March 2023. Operating profit margin jumped from 37.77% to 46.55%, leading to 46.65% rise in operating profit to Rs 497.30 crore. In Q4 FY24, Domestic formulations contributed 4.7% of total revenue, exports 86%, API 4.5%, Crop Health Sciences (CHS) -0.03% and others 4.8%.

### JUBILANT FOODWORKS LIMITED

**CMP (AS ON 31 JULY 2024) - 598**

**TARGET - 675**

Jubilant FoodWorks Limited (JFL), part of the Jubilant Bhartia Group, is India's largest food service Company that operates brands like Domino's Pizza, Dunkin' Donuts and Hong's Kitchen. It recently added Indian cuisines like biryani, kebabs, Indian breads and more to the portfolio by launching Ekdum across three restaurants in Gurugram. In response to shifting consumption habits, Company has begun offering their brand owned, ready-to-cook range, ChefBoss, comprising sauces, gravies and pastes. It also signed an exclusive Master Franchise and Development Agreement, to develop and operate Popeyes restaurants in India, Bangladesh, Nepal and Bhutan. For the Q4FY24, consolidated net sales of Jubilant Foodworks has increased 23.86% to Rs 1572.8 crore compared to Q4FY23. Operating profit margin has jumped from 19.62% to 19.73%, leading to 24.58% rise in operating profit to Rs 310.35 crore. FY24 was a year of significant shift as the acquisition of DP Eurasia elevates the profitable growth trajectory of the JFL Group. This acquisition further solidifies JFLs longstanding partnership with Dominos, the worlds largest pizza company, to profitably grow high potential emerging markets. Dominos Indias like-for-like trajectory turned around in Q4. This was achieved through several pre-planned strategic interventions, including strengthened regional infrastructure, enhanced on-ground execution, a comprehensive revamp of the brand, and further refining the value proposition through targeted delivery fee waivers during a period of weak demand.

**SAJAG STOCK HOTLINE 020 2530 24 00**

*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	Sahakar Nagar	Mr. Tejas Jaykar	9765173434
Dahanukar Colony	Mr. Abhay Oak	25444744	Aurangabad	Mr. Amit Vaidya	0240-2347584
ITI Road, Aundh	Mr. Ravi Jadhav	25888511	Aurangabad	Mr. Abhijit Bhaiwal	0240-2361421
Kalyani Nagar	Ms. Bernadette Dias	9422449266	Sangli	Mr. Dattaji Gaikwad	0233-6600566
Karve Nagar	Ms. Prajakta Bedekar	8600993930	Satara	Mr. Vinod Jhamvar	02162-233906
Kondhwa	Mr. Santosh Gupte	26836366	Shrirampur	Mr. Amit Somani	02422-228111
Koregaon Park	Mr. Ajit Godbole/Mr. Ninad Parundekar	26158889			

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If undelivered please return to :

**Sajag Securities Pvt. Ltd.**

'Regent Chambers', Opp. Garware College,

33/15-B, Karve Road, Pune 411004.

Tel. : 020 - 6601 47 37