INSIGHT

ASHIKA
GROWING & SHARING WITH YOU

October 2022

DIVI'S LABORATORIES LTD. | ORACLE FINANCIAL SERVICES SOFTWARE LTD.
CROMPTON GREAVES CONSUMER ELECTRICALS LTD.

INSIDE THIS ISSUE

SELF-MADE JEWELS OF INDIA SERIES 4

MR. AMIT JAIN

Co-Founder, Ashika Global Family Office Services

Mrs. Aditi Kothari Desai,
Vice Chairperson of DSP Investment Managers Pvt Ltd.

Dear Investors,

We are delighted to present our fourth issue of "Jewels of India", where we bring you the life stories of Self-Made Indian Billionaires & CEOs. During our interactions with global business families; we have always observed that one of the threads which binds all successful individuals & their businesses is their "Belief" system.

In the last 3 issues, we covered the life journeys of the Haldiram Group – a Global Food Giant, the Vardhman Group - a world-class textile manufacturer, & Mr. Ashish Chauhan, the man behind the success of Bombay Stock Exchange (BSE) & now MD of National Stock Exchange (NSE).

In this issue, we are presenting the life story of one of the oldest financial power houses, the DSP Group which started back in the 1860s & has stood strong with its simple philosophy #InvestForGood.

Mrs. Aditi Kothari Desai is the Vice Chairperson of DSP Investment Managers Pvt Ltd. (DSPIM) & Heads Strategic Investments.

Aditi is passionate about digitizing the business & has been instrumental in the launch of all DSP's digital platforms. Aditi also leads financial wellness initiatives at DSPIM & was instrumental in launching Winvestor, a special initiative aimed at empowering women with confidence & financial knowledge to plan for their economic & long-term security.

I hope you would enjoy reading this issue of "Jewels of India" as we get to you how Aditi is all poised to transform a century old financial giant into a tech driven entity.

Regards
Amit Jain

Market OVERVIEW

The global macro construct has suddenly and certainly turned unfavourable for equity markets in the short run. Globally, investor optimism has been facing fresh test post monetary policy meeting by U.S. Federal Reserve.

The Federal Open Market Committee (FOMC) delivered its third consecutive 75bps rate hike, bringing its target policyrange to its highest level since 2008 (3%-3.25%). Thus, cumulatively, Fed has so far raised rates 300 bps and hence squeezed liquidity and thus brought the valuations of several top US stocks down. What have really spooked investors this time round have been the updated economic projections rather than the policy outcome itself (which was rather anticipated). Economic projections suggest Fed officials expect to raise rates to 4.4% by the end of the year (well above the 3.4% forecast in June) and further to 4.6% by the end of 2023 before eventually scaling back rates in 2024 and 2025. The latest projections also showed Fed officials now expect GDP to inch up by just 0.2% in 2022 compared to the 1.7% jump forecast in June. Fed officials have acknowledged that the path ahead would be challenging and that unemployment would be higher and inflation to stay notably above their 2% target until at least 2024. Thus, the message by U.S. Federal Reserve is loud and clear and that conquering inflation is proving to be much harder than expected, and the pursuit of that goal is likely to come with some collateral damage. In fact, the latest print for U.S. CPI inflation at 8.3% is ahead of estimates but was lower than 8.5% clocked in July'22. Nonetheless, US central bank is committed to raising interest rates and keeping them high until inflation comes down, and Fed chair warned against reversing course too soon.

Needless, to say that the aggressive monetary stance by the U.S. Federal Reserve saw the 2-year Treasury note notching a 15-year high of 4.2% and the yield on the 10-year note going past 3.8%, an 11-year high. Experts said the US bond markets were signalling a recession, leading to a pullback from risky assets especially from emerging markets. According to media articles, the U.S. dollar has appreciated ~20% so far in 2022 and could even scale higher on account of safe haven status amid global turmoil and relative safety. The situation is even truer as Japanese yen has already lost grounds due to loose monetary policy and British pound has taken severe beating following new tax cuts implemented by new Prime Minister Liz Truss which would cost the economy $45 billion by 2026-27. Europe's economic growth is a lot fragile as acknowledged by the European Central bank (ECB) members and despite the risks, money market traders are anticipating another jumbo rate hike by the ECB in October. Monetary authorities have little to do to cool prices as inflation is expected to have reached closer to 10% in September. Global economic growth is expected to grow 3% in 2022 but is lowered to 2.2% in 2023 as against 2.8% forecasted in June by the Organisation for Economic Cooperation and Development (OECD). OECD Secretary-General Mathias Cormann said "the global economy has lost momentum in the wake of Russia's unprovoked, unjustifiable and illegal war of aggression against Ukraine. GDP growth has stalled in many economies and economic indicators point to an extended slowdown," OECD is particularly apprehensive of growth in Europe given the region's gas dependencies over Russia and expects slow growth and high inflation to push many countries into recession for the full year of 2023. Thus, monetary and fiscal policies need to work hand in hand to tackle the situation.

The risks will certainly get entrenched as winter comes in and energy crisis could get out of hands for some of the European economies such as Estonia, Latvia, Lithuania, and Poland which continue to face inflation averaging above 15%. Prominent institutions have however accepted emerging market (EM) growth to recover in 2023 despite bleak global growth prospects. There is strong divergence in growth prospects even in EM space as China, the usual epicenter of growth has faded on account of turmoil in property market, cracks in the banking system, frequent COVID-19 outbreaks, geopolitical tensions and an ageing demographics. The IMF has already downgraded China's growth prospects to 3.3% in 2022, the lowest in more than 40 years. However, when it comes to India, the Indian economy is forecasted to grow ~7% in 2022 and ~6% in 2023 and does feel decoupled in a growth starved world. The fact that India abstained from dolling out fiscal led monetary handouts and has essentially transpired into controlled inflation which is just above the higher range of the monetary policy committee of RBI. Hence, RBI doesn't need to be too aggressive to bring down inflation when compared to U.S. Federal Reserve's target of 2% as against 8% plus inflation levels. Besides, India's strength lies in share of household consumption in overall GDP at around 60% and self-sufficiency in food. However, exports of goods and services contribute a sizeable ~20% of the GDP and has faced challenges on the external front.

Since, India imports 86% of its energy needs, its current account is vulnerable and the deficit is expected to reach 3% in FY22. The rupee has witnessed sharp correction against USD to ~82 levels recently, partly due to challenges on external front and also on account of strength of the dollar (as reflected in appreciating dollar index). So far, the Indian rupee has depreciated ~9% against the USD. However, Australian dollar, South African Rand, Chinese Renminbi, South Korean Won has fared worse than the rupee. The rupee has however outperformed many of its peers, primarily on account of heavy market interventions by the RBI which shielded the rupee from runaway depreciation by drawing upon its foreign exchange reserves at a much faster pace than the last two phases of major external volatility that have occurred over the last 15 years (GFC and taper tantrum). As on September 16, 2022, the RBI's headline foreign exchange reserves were at a near two-year low of $545.65 billion, down $85.88 billion than the level that existed as on February 25, a day after Russia invaded Ukraine. Moreover, rupee depreciation also results in imported inflation and current account deficit and results in a vicious cycle. Protecting the currency through forex reserves is a futile exercise especially when U.S. Federal Reserve is on rate hike spree. Thus, the RBI could have rather let the rupee to depreciate and that could have made exports competitive. Moreover, foreign investors lose on their investments with depreciation of the Indian rupee and unless the equity market returns covers up for the same, especially when USD is appreciating and hence they have little incentive to stay invested. According to a Business Standard article, returns for overseas investors have been higher than for the locals only once in the past decade — in 2017 when the Sensex had gained 28% in rupee terms and 36% in USD terms. Besides, sharp rise in yields or interest on risk-free US government bonds has greatly reduced the financial incentive for investors to put money in riskier assets, such as equity. This resulted in narrowing of spread between the Sensex earnings yield and the risk-free US 10-year government bond yield to a 12-year low (the lowest since January 2010) of 81 basis points (on 23th Sep'22) led by a rise in bond yields in the US and a relatively high equity valuation in India. In comparison, the spread was 208 bps at the end of 2021 and 470 bps in April 2020. Historically, a lower yield spread has translated into a sell-off by foreign portfolio investors (FPIs), leading to a market correction, while high yields have fuelled a rally on Dalal Street.

Thankfully, the RBI has now given up on protecting the value of the rupee (at least aggressively) given the hawkish stance by US Federal Reserve. From here on, RBI will have to contend with the consequences of this intervention on liquidity and inflation. Economists hence thus are pencilling in pause in rates after 50 bps repo rate hike by the RBI at the recent monetary policy meet. RBI's aggressive forex intervention has also resulted in liquidity deficit now from surplus earlier. Short-term rates as well as weighted average overnight call money rate have now inched higher. Thus, the RBI may announce open market operations (OMOs) and variable repo auctions as it responds to the liquidity in the system. At the same time, it will also have to periodically intervene in the foreign exchange market to protect value to the rupee. Thus, while the majority of the challenges for the Indian economy are on the external side led by the adverse global developments, India remains an attractive bet based on the strong domestic story. Nevertheless, it cannot de-couple from the global markets and certainly, its premium valuations compared to MSCI emerging market space will be questioned, call it the curse of globalisation.

Research Desk

Email - research@ashikagroup.com

Phone: +91 33 4010 2500

ARIJIT MALAKAR Digitally signed by ARIJIT MALAKAR Date: 2022.10.03 08:30:43 +05'30'

Exclusive Interview with

Mrs. Aditi Kothari Desai - *Vice Chairperson of DSP Investment Managers Pvt Ltd.*

"A philosophy we embrace is 'Do Good, Be Good' because ethics are incredibly essential to us."

Q After having a well-set up business, what empowered you to take up your first job at Merrill Lynch and what were your learnings?

I earned my BSc degree in Economics from the Wharton School at the University of Pennsylvania in the US and an MBA from Harvard. It was during my time at Wharton that I learned the nitty-gritty of finance before graduating in 1988. After this, I joined the investment banking group at Merrill Lynch in New York, where I worked in the mergers and acquisitions department, specifically handling financial institutions like banks and insurance companies. While this was assigned to me by the firm, I always knew that I would go down this path eventually. I think it is good to work somewhere other than your family business as it teaches you discipline. It helps you learn a lot and understand what it is like to be an actual employee, where you must start from the junior level. It leaves a great impact, specifically because you are not given special treatment. In fact, my initial experience was quite grueling. There were times I couldn't go home for 48 hours due to work commitments. With years of experience as an employee, I learned a great deal about what I did not want to do to other people.

Q Taking the reins as Next-Gen Entrepreneur, what value additions across product segments are being implemented, and what are your ideas to grow the family legacy?

Currently, my focus is more on the digital aspect. I believe that our entire sector is a digital business that we have physicalized. For instance, Amazon has a physical business that is produced digitally, but we are essentially a digital business, and we need to return to it as soon as possible.

Digital entails two aspects: first, ensuring that your processes, products, and technologies are excellent; and second, attempting to persuade clients to use digital in a way that reduces the burden on their service advisor or distributor and enables them to do things themselves, while still accepting advice from the advisors they need to take it from. This way, efficiency increases, and the emphasis shifts towards quality advisory. Therefore, we are focused on both these fronts to maximize user experience and ease of investment.

Q What was the thought process for various alliances/strategic partnerships that you have done over the past decades? What was the reason behind Buying Blackrock's stake in DSP Group?

As my father stated, all the alliances and strategic partnerships were an attempt to incorporate international practices, processes, and discipline into the Indian culture. I believe it is one of the most significant benefits that our partnerships brought us.

Initially, Blackrock intended to acquire us. However, we were not prepared to sell our stake at that time. We decided that our firm will have only one shareholder. Also, we believed that India was too small for BlackRock to devote enough time & focus properly on it. Furthermore, we believed that we had to be an all Indian company in this industry by Indians for Indians. Therefore, we convinced them and acquired their stake to become an Indian company focused on its staff, culture, and investors. Additionally, we felt that Indians would have a better insight into the mindset of people in the country. We also felt that we should give some stake to the employees who have worked so hard to put this together.

Q Very few women have made their mark in this field. What advice would you give young women aspiring to make a successful career in this field?

One thing I have observed is that most women don't make their investment decisions. At DSP, we only have 20% female investors (the ones who have declared their gender). They are probably wives and daughters who still depend on their husbands or fathers to make these decisions. We want to encourage women to take the initiative and make their own investment decisions when it is their money, whether inherited or earned. With changing times, family businesses and wealth will not only pass down to men but also women. Therefore, they need to make their own investment decisions and be accountable. While women can share and discuss it with their husbands, fathers, and brothers, their risk profiles may differ. It can be a source of bitterness if things don't go right. Ultimately, it is her money, and she should take charge of it. Eventually, women can start by consulting with financial advisors and learning about money management and investments.

In terms of career, I believe that there are not enough women in the field. In addition, there are extremely few female fund managers. In my opinion, more women should participate in the field. More MBA schools should propagate it and encourage women to go down this career path. So too should CAs and CFAs who are women really look at this as a serious career path. At the very least, at least all female students should start their investment journey as soon as they get their first paycheck.

Q At DSP, you follow a framework while working on your picks for the fund. What is the thought process behind it?

Yes, we adhere to defined frameworks to accept scripts for our current funding framework. This ensures the performance of our funds. We don't want to win by luck but with process. Of it all, 70% must adhere to the framework, while 30% is subject to the fund managers' choice & core expertise. We are absolutely clear that we aim to win by method rather than luck, as this is the only sustainable strategy.

Q You have a vision of making DSP a digital-first AMC, and you have been moving in that direction. Tell us more about it.

As I mentioned earlier, our big initiative is to go digital. However, unlike others who focus on digital services in operations and technology, we believe it should be viewed as a separate department. This is exactly what we are doing. We have segregated it into a separate department with a team of developers, which is unique to DSP. Most firms outsource because they don't have a dedicated team of developers. We believe that having in-house developers significantly improves digital processes since it gives the firm complete control over the technology.

We are making great strides in technology, and both our B2B and B2C platforms have received overwhelmingly excellent feedback on both the technical and UI/UX fronts. Even with excellent UI/UX, if the backend isn't working well, it doesn't help if someone gets stuck or something doesn't work properly. Sometimes the UX/UI is so bad that you scramble to find things, and it's not intuitive. Therefore, everything must be in sync and top-notch. This is something we are really committed to and prioritize while developing our tech-enabled products.

Q How do you manage your personal investments? What is your thought process there?

We have a family office that is professionally managed and overseen by Vikram Desai. We have an adequate allocation in both private equity and public equities. Everything we invest in public equities gets reinvested into DSP funds. We don't do anything that is not in sync with our approach at the firm. Therefore, we will not sell funds to our clients if we don't invest in those funds. We eat the food we serve. This is a fundamental philosophy in our family: if it hurts you, it affects us more.

Our goal is to do good, be good and invest for good. Good things do not come quickly; there is a long gestation period for these things, and you must often be patient. That is why we advise our clients to invest for the long term. Investing for good also means that it must be for the long run.

Q What is DSP's philosophy on social impact?

We invest back in the social sector to do good in the world. And this is like an investment for us as we all can do good together. For us, it means many things we want to make and focus on. We want to make a difference in the life of an average Indian.

Another philosophy we embrace is '#DoGoodBeGood because ethics are incredibly essential to us. My father always says its reputation before the bottom line. Reputation comes first. Profits will come and go, but your reputation must always be good.

We've done many financial wellness initiatives at DSPIM. I was instrumental in launching Winvestor, a special initiative to empower women with confidence and financial knowledge to plan for their economic and long-term security. In addition, I am a trustee at the Hemendra Kothari Foundation, which is keenly involved in environmental, educational, health, and cultural initiatives. I am also a trustee at Wildlife Conservation Trust, which was also started by my family. Besides this, I serve on the Board of DASRA, a leading strategic philanthropy foundation in India.

About Mrs. Aditi Kothari Desai, *Vice Chairperson of DSP Investment Managers Pvt Ltd.*

Aditi Kothari Desai is the Vice Chairperson of DSP Investment Managers Pvt Ltd. (DSPIM). She also Heads Strategic Investments and serves as a member of the Executive Committee.

Aditi is passionate about the digitization of the financial sector and was instrumental in the launch of all DSP's digital platforms including its investment platform, education platform, corporate platform and its distributor platform. She is a keen observer of the future of investment management and its distribution and is therefore very engaged in fintech for the wealth space. Aditi also leads financial wellness initiatives at DSPIM and was instrumental in launching Winvestor, a special initiative aimed at empowering women with confidence and financial knowledge to plan for their economic and long-term security.

Aditi joined Merrill Lynch's investment banking group in New York in 1998, primarily working on M&A activities in the Financial Institutions Group. Subsequently, she worked in DSP Merrill Lynch as part of the fixed income sales team and later joined DSP Merrill

Lynch Fund Managers in 2002 (now DSPIM) where she worked on various projects, including establishing an offshore fund for foreign investors.

Aditi is a Trustee in the Hemendra Kothari Foundation as well as the Wildlife Conservation Trust. She is passionate about viewing and saving wildlife. Apart from being an Independent Director at Godrej Agrovet, she also serves on the Board of DASRA, a leading strategic philanthropy foundation in India.

Aditi is also an Advisory Council Member with the British Asian Trust.

Aditi holds a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania and an MBA from Harvard Business School.

About Mr. Vikram Desai
President DSP Investments

Vikram Desai, President DSP Investments, oversees investments for the DSP family and related entities.

Until September 2018, Vikram served as Director of CPPIB India Advisors Private Limited. The Toronto-based Canada Pension Plan Investment Board (CPPIB) invests C$392 billion of assets of the Canada Pension Plan on behalf of over 20 million Canadian contributors and beneficiaries. Vikram was responsible for building CPPIB's India business by originating, evaluating, negotiating, and structuring transactions across asset classes including public markets, private equity, real estate and infrastructure.

Vikram led the local involvement in the Canada Pension Plan Investment Board's commitments of over C$8 billion in India - including CPPIB's 6% investment into Kotak Mahindra Bank, L&T Infrastructure Development Projects Limited (the unlisted roads/infrastructure subsidiary of Larsen and Toubro Ltd), the formation of CPPIB's real estate joint ventures with Piramal Enterprises (residential) and the Shapoorji Pallonji Group (commercial), fund investments and numerous private equity co-investments alongside CPPIB's local General Partner's including KKR, Apax Partners, Bain Capital amongst others.

Prior to CPPIB/VSG, Vikram served as Managing Director / Managing Member of the Boston-based Sparta Group LLC, a private investment office where he invested globally across asset classes and in individual securities, delivering investment returns in the top decile of comparably sized endowments and foundations with capital of over $500MM.

Vikram's 15+ years of global investment and transaction experience includes private equity investing at San-Francisco based FFL Partners, and Mergers & Acquisitions at the CSFB Technology Group, where he executed transactions in excess of $25BN.

Vikram is a BBA graduate of the University of Texas at Austin and a Mumbai native. Vikram serves on the Executive Committee and as the nominated Chair of the Limited Partners Council of the Indian Private Equity and Venture Capital Association (IVCA).

Dhanush MF
A Swift, Reliable
& Consistent Way to Invest

Seamless
Back Office access with
Ashika Backoffice App

All Back Office
Reports on Whatsapp
@9007066118

What makes Dhanush MF indispensable?

- Easy to use interface and single click access to all mutual fund schemes
- 360 degree portfolio view
- Availability of goal based investing
- Consistent customer support and fast resolution of queries

- Constantly evolving business combinations to offer you the best products/services
- Easy to use interface and single click access to complete Back Office
- One stop shop for all account related data
- Consistent customer support and fast resolution of queries
- Do-it-yourself (DIY) interface with multiple analyses available on the application
- A single whatsapp number to receive all backoffice reports on Whatsapp

ASHIKA
GROWING & SHARING WITH YOU

www.ashikabroking.in

Registered office
Trinity, 226/1 A.J.C Bose Road,7th Floor
Kolkata 700020

Corporate Office
1008 Raheja Centre, 214 Nariman Point,10th floor,
Mumbai 400021

Email: customercare@ashikagroup.com
Toll Free No: 1800 212 2525

Equity	Commodity	Currency	Depository	Corporate Lending
Investment Banking	Research Advisory Services	Distribution - Bonds & IPOs	Mutual Fund Advisor	

Ashika Stock Broking Ltd.: CIN: U65921WB1994PLC217071
Single DP SEBI Registration No.: IN-DP-533-2020 | **CDSL:** IN-DP-CDSL-250-2004 | **NSDL:** IN-DP-NSDL-306-2008
Research Analyst: INH000000206 | **Member IDs- NSE:** 08334 | **BSE:** 912 | **MSEI:** 18300 | **MCX : 56415** | **ICEX:1133**
NCDEX: 1286 | **AMFI Registered Mutual Fund Advisors : ARN -12417**
Single SEBI Registration No.: INZ000169130

Disclaimer: *Investment in Securities & Commodities Market are subject to market risks. Please read all the related document carefully before investing. Clients must read Risk Disclosure Document (RDD) & Do's & Dont's before investing.

Q&A WITH HEAD-EQUITY

Mr. Chirag Setalvad - *Head-Equities, HDFC AMC*

Key Takeaways of Meeting with Mr. Chirag Setalvad, Head of Equities; HDFC AMC

There is reasonable buoyancy in equity markets, while economic growth for FY23 is seen at 6-7%.

Despite global challenges, India has witnessed 6% growth in real terms.

Now the investors expect return to the tune of 12-15%, as the corporate earnings move in tandem with economic growth, which has been quite consistent.

Market valuation can be divided into three broad categories.

1. Market is cheap when P/E multipleis in the range of 10-15x. At that time, it is not easy to invest owing to bad news around.
2. Market is reasonably valued when P/E multiple moved up to 15-20x. It is the easier to invest and news is mixed.
3. Market is expensive with P/E multiple of 20-30x. It is very easier to invest, and a lot of retail investors invest during this time and news flows are positive.

Global Economy &Commodities

Now there is a big shift from unorganized to organized sectors following de-monetization, GST roll-out and COVID-19 pandemic.

Besides, there is added push with the China+1 strategy. Due to rising manufacturing cost, higher environmental compliance and supply disruptions led by COVID-19 in China, several large MNCs are looking at India as an alternative destination for souring raw materials.

The third is improvement in the banking system. In last few years, asset quality of banking system has improved. Further, capital adequacy ratio has also witnessed significant improvement. The banks are now in a far healthier than before. Low debt/equity ratio of corporates and broad-based revival in corporate profitability should lead to improvement in credit growth, going forward.

Over the past two decades, affordability of housing has gone up and it is at an all-time high.

On account of all these factors, the Indian economy is faring well.

Outside India, there are large blockades like slowdown in the US, COVID-19 curbs in China and

Now the investors expect return to the tune of 12-15%, as the corporate earnings move in tandem with economic growth, which has been quite consistent.

Pharma and PSBs are reasonably valued, while IT, Auto, Consumer, CD, Oil & Gas sectors are expensively valued. Metal, Utilities and private banks are valued at a discount to their historical averages.

energy crisis in Europe. Amidst these challenges, India is doing well.

Today, the biggest risk for markets is spiraling inflation, which is resulting in higher interest rate. Inflation was majorly driven by elevated commodity prices, supply constraints, demand recovery, supply constraints in China and liquidity infusion.

However, the commodity prices have started to correct with slowdown in the US and Europe. Besides, supply constraints are also easing now. China is also expected to normalize its activities at some point and will ease its zero COVID policy.

In CY22, global GDP is expected to decline by 1% to 3.2%, while the US growth is seen at 2.3% from 4% earlier.

Market Perspectives

Nifty is trading at 19x on 1-year forward earnings vs. historical average multiple of 17x. Market valuation is bit higher than the historical average and it is not a cheap market. Nifty is trading at 10% premium to its historical average multiple. Return is dependent on corporate earnings growth.

There had been sharp rally in mid-cap stocks in FY21 and the valuation of mid-cap reached to 22x vs. historical average of 18x. It is expensive even now, as it is trading at 20% premium to historical average. Hence, the mid-cap space is expensive compared to the large-cap. As the mid-cap premium has moved from 5% to 20%, it is better to stay with the large-cap, which is in a much better position vs. the mid-cap.

In this environment, it is better to look out for large-cap and small-cap as compared to the mid-cap.

Pharma and PSBs are reasonably valued, while IT, Auto, Consumer, CD, Oil & Gas sectors are expensively valued. Metal, Utilities and private banks are valued at a discount to their historical averages.

Within sector valuation, one needs to watch out the company-specific valuation and make judgments accordingly.

Growth outlook is quite positive, while earnings growth for FY23 and FY24 is seen at 12% and 15%, respectively.

However, as the Nifty is valued at 10% premium to its historical average, the return will be in line with the growth.

Asset Allocation

Equity as an asset will give return to the tune of 12-15% over the period of time, while debt will give 5-6% return. Hence, asset allocation is very important.

The investors should stay invested for a minimum period of 3-5 years.

SIP is the investing style, which the investors should adopt whether the market is up or down.

Less than 1% of investors are holding the HDFC Flexicap Fund in the long-term. The investors won't be benefited in case they are not holding for long-term.

The key to stock market investing is 'not timing the market' rather to be 'timely in the market'.

Prefer Investing in Small-cap Universe

There is large amount of choice in small-cap universe.

While ~30-40 analysts and 15-20 analysts are covering the large-cap and mid-cap space respectively, only 8 analysts are covering the small-cap universe. Hence, competition is less in small-cap universe.

Large universe of small-caps provides more opportunities for alpha generation.

Large-cap are predominately dominated by Banks, IT, Power and Oil &Gas, while in case the investors are interested to invest in wide categories of industries, small-cap universe seems to be the best.

Returns are superior when one invests in a cheap market, when there are so many bad news. Returns would be moderate in an expensive market, when there is much good news.

Valuation Perspective

Over the medium-term, rising interest rates, higher inflation and lower earnings growth will have an adverse impact on valuation.

Despite, higher CPI inflation in the US and correction in the US markets, Indian market is in the positive territory. This is not good because the Indian market is ignoring the bad news.

This is an environment to remain cautious, as the market is bit expensive. As this is clearly not the environment for aggressive buying especially in lump-sum, the investors should be careful.

Stock Picking

The mantra is 'Sasta, Sundar & Tikao', when it comes to stock picking.

Over the medium-term, rising interest rates, higher inflation and lower earnings growth will have an adverse impact on valuation.

Commodity sector is most vulnerable to global macro concerns. Metal stocks could see sharp downward revision in their earnings. IT is a secular sector.

Sasta means the companies which are inexpensive. The investors should prefer the companies, which are trading at 13-15x.

Sundar means the companies, which have decent RoE and healthy cash flows.

'Tikao means the sustainability of businesses, which have decent RoCE and RoE.

Understandability of the business is very important at the time of investment.

Sector Outlook

Commodity sector is most vulnerable to global macro concerns. Metal stocks could see sharp downward revision in their earnings. IT is a secular sector.

Demand for IT sector is resilient but that can change because of the beginning of recession in the US. In case, the growth slows down, one should be careful in the sector, as 50-70% revenue comes from the US. However, as IT has corrected by 20-30% there is valuation comfort.

Domestic pharma seems to be doing very well and is well-placed. The investors should look at each company on its individual merit. Pharma companies' valuation is either in line or at little discount to their historical valuation.

Banking is a contrarian bet, as the financials have started to improve. We are positive on Defence, Banking, Capital Goods, Consume Staples and company specific names in Pharma space.

P/BV will give the similar picture like of P/E. P/BV is also at 10% premium to its historical average. Banks are reasonably priced both on P/BV and P/E basis.

Capital Goods have all type of businesses. In Capital Goods space, some companies especially the MNCs are very expensive. While some construction companies have reasonable P/BV multiple, but have low RoE.

Capex outlook is very encouraging on account of government spending. However, the MNC capital goods are very expensive.

The key focus for the retail investors should be to invest for long-term and be aggressive when the market is down and conservative when the market is up. They should invest when the news flows are bad and sell when news flows are good.

Currently, we are in the market which is little bit expensive and thus, the investors should be careful.

The key focus for the retail investors should be to invest for long-term and be aggressive when the market is down and conservative when the market is up. They should invest when the news flows are bad and sell when news flows are good.

Disclaimer: Stocks conveyed by Fund manager are just for illustration and these are not recommendations

Video Link: https://www.youtube.com/watch?v=-K_ZBpoFGo4

Mutual Fund Overview

HDFC SMALL CAP FUND

Investment Objective

The primary investment objective of the scheme is to seek to generate capital appreciation & provide long term growth opportunities by investing in a portfolio of Small Cap companies. Suitable for Investors seeking to potentially enhance returns by investing in lesser known but promising businesses and Investors with higher risk appetite. Small cap companies are generally perceived to be risky. However, a portfolio of well-researched small cap stocks, selectively identified, can potentially be better wealth creator over the long-term.

Why Small Caps?

- As the size of a business increases, more analysts tend to start tracking the company.
- Better disclosure levels can lead to greater familiarity and higher multiples
- Institutional holding often increases as companies get larger
- As a result, mispriced smaller stocks may get re-priced

Investment Strategy

The Scheme shall follow a predominantly small cap strategy with a minimum exposure of 65% to Small-Cap stocks. The Scheme may also seek participation in other equity and equity related securities to achieve optimal portfolio construction

The aim of equity strategy will be to predominantly build a portfolio of smallcap companies which have:

a) reasonable growth prospects

b) sound financial strength

c) sustainable business models

d) acceptable valuation that offers potential for capital appreciation

Current Investment Approach

Stock Selection

- Focus on quality companies, with sound financial strength and reasonable return on equity.
- Invest at sensible valuations in companies trading at reasonable multiples (P/E, P/B, EV/EBITDA etc.).
- Aim to minimize mistakes by investing in companies with sustainable and understandable business models, with good management quality.

Sector Allocation

- Primarily a function of stock selection.
- Portfolio overweight/underweight vs benchmark controlled to manage portfolio risk by the Fund Manager.
- Portfolio to be invested between 90-100%, as far as possible.

Market Capitalization

- 65% to 100% of Total Assets are invested in Small Caps.
- 0 to 35% of Total Assets are invested in Large and Mid Cap

Important Information	
NAV (G) (Rs.)	75.84
IDCW (Rs.)	32.55
Inception Date	Apr. 03, 2008
Fund size (Rs. Cr.)	13,797
Fund Manager	Chirag Setalvad
Entry load	N.A
Exit Load	1% for redemption within 365 days
Benchmark	S&P BSE 250 SmallCap TRI
Min Investment (Rs.)	100
Min SIP Investment (Rs.)	100

Key Ratios	
Beta (x)	0.85
Standard deviation (%)	8.15
Sharpe Ratio	0.23
Alpha (%)	-0.35
R Squared	96.74
Expense ratio (%)	1.74
Portfolio Turnover ratio	10.08%
Avg. Market Cap (Rs. Cr.)	7491.98

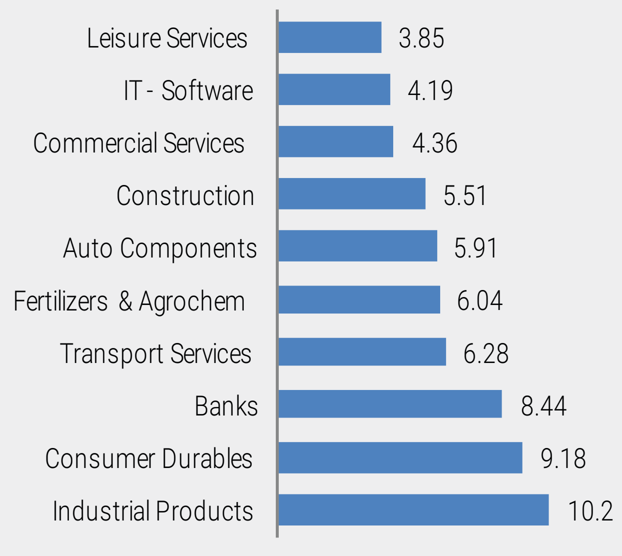
Top Ten Holdings

Stocks	% of Net Assets
Bajaj Electricals	4.9
Sonata Software	4.2
Bank of Baroda	3.8
Firstsource Solutions	3.7
eClerx Services Limited	2.8
Great Eastern Shipping	2.8
Aster DM Healthcare Limited	2.7
Chambal Fertilizers	2.6
Gujarat Fluorochemicals	2.5
KEI Industries	2.5

Asset Allocation

Equity	Debt	Cash & Cash Eq.
94.32%	0.0	5.68%

% SECTOR ALLOCATION



Note: All data are as on Aug 31, 2022; NAV are as on Sept 23, 2022

Source: Factsheet, Value Research

Performance of the Fund along with Benchmark (as on September 23, 2022)

	1 month	3 months	6 months	1 year	3 Years	5 Years	Since Inception
Fund (%)	2.78	20.78	7.05	3.25	23.73	14.79	15.07
Benchmark (%)	3.16	19.79	3.02	1.69	25.42	10.01	

Ashika Mutual Fund Recommendation Alpha Generation

Month of Recom	Fund Name	Benchmark	NAV as on 23.09.2022	1 Year Return (%)	3 Year Return (%)	5 Year Return (%)
Sep-21	SBI Balanced Advantage Fund Reg (G)	CRISIL Hybrid 50+50 Moderate Index	10.5	2.6	0.0	0.0
Oct-21	HDFC Dividend Yield Fund Reg (G)	NSE - Nifty Dividend Opp 50 TRI	14.8	5.6	0.0	0.0
Nov-21	PGIM India Flexi Cap Fund (G)	S&P BSE 200 TRI	25.0	-6.5	23.8	14.6
Dec-21	Quant Tax Plan (G)	NSE - Nifty 500 TRI	248.0	15.7	40.5	22.9
Jan-22	HSBC Large Cap Equity Fund (G)	NSE - Nifty 50 TRI	314.1	-2.9	14.1	10.4
Feb-22	SBI Long Term Equity Fund Reg (G)	S&P BSE 500 TRI	227.1	2.7	18.4	11.0
Mar-22	IDFC Tax Advantage Reg (G)	S&P BSE 200 TRI	98.5	3.8	22.5	13.3
Apr-22	ICICI Pru Multi Asset Fund (G)	NSE - Nifty 50 TRI	448.5	11.9	19.5	13.3
May-22	Sundaram Services Fund (G)	S&P BSE 200 TRI	21.2	0.9	22.5	0.0
Jun-22	Tata Banking and Financial Services Fund Reg (G)	NSE - Nifty Financial Services TRI	26.3	-1.6	9.8	8.9
Jul-22	Kotak Pioneer Fund (G)	S&P BSE 500 TRI	17.5	-5.2	0.0	0.0
Aug-22	Quant Large Cap Fund Reg (G)	NSE - NIFTY 100 TRI	10.2	0.0	0.0	0.0

Note: All data are as on Aug 31, 2022; NAV are as on Sept 23, 2022

Source: Factsheet, Value Research

Large & Mid Cap Fund

	All Data Belongs to September 23, 2022									
	NAV	AUM (Rs Cr)	3 M	6 M	1 Yr	3 Yr	5 Yr	Since Inception Return	Sharpe Ratio	Exp. Ratio
SBI Large & Midcap Fund Reg (G)	389.1	7732	17.5	8.1	9.0	21.3	14.6	14.2	0.9	2.0
Mirae Asset Emerging Bluechip Fund Reg (G)	94.6	23510	10.2	1.4	(3.5)	21.0	15.2	20.0	0.9	1.7
ICICI Pru Large & Mid Cap Fund Reg (G)	559.2	5642	12.1	7.2	7.3	21.0	13.0	18.1	0.9	2.2
LIC Large & Mid Cap Fund Reg (G)	24.7	1944	13.6	3.9	1.6	17.3	12.6	12.7	0.8	2.4
Kotak Emerging Equity (G)	76.3	21935	17.6	9.1	8.0	25.9	15.6	14.0	1.0	1.7

Value Fund

SBI Contra Fund Reg (G)	218.7	5827	14.5	11.2	12.0	29.1	15.1	17.2	1.2	2.0
IDFC Sterling Value Fund Reg (G)	91.1	4906	14.9	4.6	8.1	25.1	12.0	16.2	0.9	2.0
Nippon India Value Fund (G)	124.6	4714	14.0	3.0	2.0	19.9	12.7	15.7	0.9	2.0
Kotak India EQ Contra Fund (G)	84.0	1379	12.8	3.7	0.3	17.0	13.3	13.2	0.7	2.3
Invesco India Contra Fund (G)	78.4	9434	14.2	6.1	1.8	19.1	13.9	14.3	0.8	1.8

Focus Fund

Axis Focused 25 Fund Reg (G)	41.1	19124	11.2	(3.0)	(15.0)	12.1	11.2	14.7	0.6	1.8
Mirae Asset Focused Fund Reg (G)	18.3	8993	6.7	(1.7)	(6.9)	18.6	0.0	19.4	0.8	1.8
SBI Focused Equity Fund Reg (G)	233.5	27450	12.8	1.9	(3.3)	17.6	14.4	19.0	0.8	1.7
DSP Focus Fund Reg Fund (G)	33.8	1946	15.9	4.8	(3.8)	12.7	9.2	10.3	0.6	2.1
IDFC Focused Equity Fund Reg (G)	52.9	1358	11.2	1.0	(1.8)	13.6	7.5	10.6	0.7	2.2

ELSS Fund

Quant Tax Plan (G)	248.0	1787	22.9	11.6	15.7	40.5	22.9	16.0	1.4	2.6
Kotak Tax Saver Scheme (G)	73.8	2936	14.7	4.0	4.2	18.8	13.2	12.6	0.9	2.0
Mirae Asset Tax Saver Fund Reg (G)	30.4	13148	9.8	1.5	(3.1)	19.7	14.9	17.9	0.9	1.7
IDFC Tax Advantage Reg (G)	98.5	3851	13.2	2.3	3.8	22.5	13.3	18.0	0.9	2.0
SBI Long Term Equity Fund Reg (G)	227.1	11204	12.9	5.8	2.7	18.4	11.0	14.3	0.8	1.8

Flexi Cap Fund

Quant Active Fund (G)	448.0	2857	21.6	7.5	10.2	36.8	22.8	19.3	1.3	2.6
SBI Flexi Cap Fund Reg (G)	75.6	16208	11.1	0.6	(1.6)	15.1	11.2	12.7	0.7	1.7
Kotak Flexi Cap Fund Reg (G)	52.7	37435	12.6	3.7	(1.2)	14.1	10.9	13.4	0.7	1.6
Motilal Oswal Flexi Cap Fund Reg (G)	34.6	9491	16.8	9.6	(4.7)	9.7	6.2	15.9	0.4	1.8
Parag Parikh Flexi Cap Fund Reg (G)	47.8	25996	8.8	(2.5)	(4.9)	23.2	17.1	18.2	1.1	1.9

Small Cap Fund

Quant Small Cap Fund (G)	135.7	2079	20.5	4.4	6.4	50.5	21.8	14.9	1.4	2.7
SBI Small Cap Fund Reg (G)	114.0	14044	18.9	12.9	14.7	30.0	18.7	20.5	1.2	1.9
Axis Small Cap Fund Reg (G)	63.6	10436	14.8	5.6	7.4	27.7	20.2	23.3	1.1	1.9
Invesco India Smallcap Fund Reg (G)	21.5	1345	17.1	5.5	3.4	28.2	0.0	21.3	1.0	2.3
Kotak Smallcap Fund (G)	167.0	8356	14.6	5.0	4.9	33.6	18.2	17.4	1.2	1.9

Thematic/Sectoral Fund

Franklin Build India Fund (G)	68.0	1115	17.0	10.8	6.5	19.3	12.5	15.6	0.7	2.3
ICICI Pru Banking and Financial Services Fund Reg (G)	86.0	5495	14.9	8.7	(0.3)	10.6	8.0	16.5	0.4	2.1
Nippon India Pharma Fund (G)	274.6	4588	5.2	(4.9)	(11.7)	24.7	16.1	19.8	1.0	2.7
Sundaram Rural and Consumption Fund Reg (G)	64.9	1247	20.2	18.8	10.8	16.5	10.0	12.2	0.7	2.3
Aditya Birla SL Digital India Fund Reg (G)	109.7	3135	0.1	(20.1)	(21.9)	26.8	24.8	9.1	1.0	2.1

Balanced Advantage Fund

	All Data Belongs to September 23, 2022									
	NAV	AUM (Rs Cr)	3 M	6 M	1 Yr	3 Yr	5 Yr	Since Inception Return	Sharpe Ratio	Exp. Ratio
IDFC Balanced Advantage Fund Reg (G)	18.0	3045	8.2	1.6	(1.5)	9.8	8.2	7.6	0.6	1.9
Sundaram Balanced Advantage Fund (Formerly Principal Balanced Advantage) Reg (G)	26.1	1604	9.5	4.6	4.4	8.6	6.3	8.5	1.3	2.1
Edelweiss Balanced Advantage Fund (G)	36.0	8733	7.6	2.0	(0.4)	14.8	10.9	10.3	1.1	1.8
Kotak Balanced Advantage Fund Reg (G)	14.7	14587	6.3	2.9	1.4	10.9	0.0	9.5	0.7	1.7
Aditya Birla SL Balanced Advantage Fund (G)	74.1	6907	7.1	3.2	0.6	11.4	8.4	9.3	0.7	1.8

Equity Savings Fund

Aditya Birla SL Equity Savings Fund Reg (G)	17.2	519	5.2	0.4	(3.0)	8.3	5.8	7.1	0.6	2.4
DSP Equity Saving Fund Reg (G)	16.4	466	4.1	2.5	0.5	8.7	6.4	7.8	0.6	1.4
Kotak Equity Savings Fund Reg (G)	19.1	1972	4.6	3.1	6.0	9.7	8.1	8.4	0.8	2.1
Nippon India Equity Savings Fund Reg (G)	12.4	201	3.4	1.7	0.2	2.4	0.4	3.0	(0.1)	1.7
SBI Equity Savings Fund Reg (G)	17.6	2443	6.3	2.1	2.4	10.1	7.8	8.0	0.7	1.2

Arbitrage Fund

Aditya Birla SL Arbitrage Fund Reg (G)	22.0	5628	1.0	1.8	3.4	4.0	4.9	6.2	0.6	1.0
ICICI Pru Equity Arbitrage Fund Reg (G)	28.3	11507	1.1	1.9	3.6	4.1	4.9	6.9	0.6	1.0
Kotak Equity Arbitrage Fund (G)	30.8	23310	1.1	2.1	3.9	4.2	5.0	6.9	0.8	1.0
Nippon India Arbitrage Fund (G)	22.0	9331	1.0	1.9	3.6	4.1	5.0	6.8	0.6	1.1
SBI Arbitrage Opp Fund Reg (G)	27.8	6965	1.1	2.1	4.2	3.9	4.8	6.7	0.4	0.8

Index Fund

HDFC Index Fund-NIFTY 50 Plan(G)	160.9	6903	10.7	1.7	(2.1)	15.5	12.7	14.5	0.7	0.4
ICICI Pru Nifty Next 50 Index Fund Reg (G)	38.3	2528	18.7	6.8	1.2	16.3	9.4	11.5	0.7	0.7
HDFC Index Fund Sensex Plan	525.4	3891	10.4	2.0	(2.5)	15.3	13.6	14.8	0.7	0.4
Motilal Oswal Nasdaq 100 FOF (G)	18.9	3439	(3.2)	(18.0)	(19.1)	18.0	0.0	17.9	0.8	0.5
Motilal Oswal S&P 500 Index Fund Reg (G)	13.7	2465	2.6	(11.4)	(7.2)	0.0	0.0	13.7	0.0	1.1

Solutions

	All Data Belongs to September 23, 2022									
	NAV	AUM	Mod Duration (in Yrs)	AMP (IN Yrs)	3 M	6 M	1 Yr	2 Yr	Sharpe Ratio	Exp. Ratio
ICICI Pru Retirement Fund Pure Debt Plan (G)	12.6	207	1.8	12.243 (03/02/2022)	1.7	1.2	1.7	3.5	0.9	2.1
Aditya Birla SL Retirement Fund 30s Plan (G)	13.0	257	0.7	11.482 (17/06/2022)	10.8	3.4	(4.4)	14.4	0.5	2.5
HDFC Retirement Savings Fund Hybrid Equity Reg (G)	25.3	883	0.9	22.807 (20/06/2022)	8.8	3.8	0.2	22.7	0.8	2.5
Aditya Birla SL Bal Bhavishya Yojna Reg (G)	13.5	622	0.6	11.76 (20/06/2022)	11.9	4.2	(4.1)	14.2	0.5	2.5
ICICI Pru Child Care Gift Plan Reg	197.8	879	0.6	175.89 (20/06/2022)	10.1	2.8	1.1	21.4	0.7	2.4
SBI Magnum Children Benefit Fund Investment Plan Reg (G)	23.6	581	0.0	20.8499 (20/06/2022)	11.1	2.9	10.0	52.4	0.0	2.6

Multi Assets

HDFC Multi Asset Fund (G)	48.3	1595	0.9	44.772 (20/06/2022)	6.1	3.0	2.3	17.4	0.8	2.1
SBI Multi Asset Allocation Fund Reg (G)	38.2	588	1.1	35.2392 (20/06/2022)	7.2	2.1	2.9	12.9	0.8	1.8
ICICI Pru Multi Asset Fund (G)	448.5	14227	1.1	397.6304 (20/12/2021)	8.2	4.0	11.9	33.1	0.9	1.8
Axis Triple Advantage Fund (G)	29.1	1817	0.8	26.4475 (17/06/2022)	8.1	(1.8)	(6.0)	17.6	0.7	2.1
Nippon India Multi-Asset Fund Reg (G)	13.0	1147	0.0	12.1603 (20/06/2022)	4.5	(1.6)	0.1	16.3	0.0	1.8

STOCK PICKS

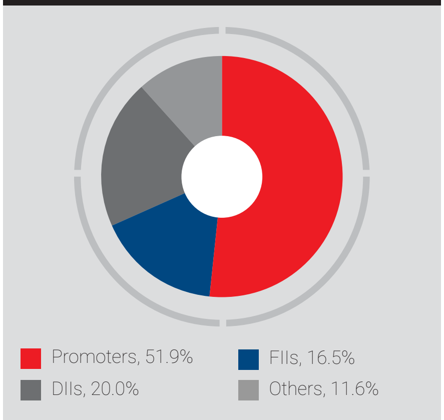
Divi's Laboratories Ltd.

CMP: Rs 3,699	Rating: BUY	Target: Rs 4,110

Company Information

BSE Code	532488
NSE Code	DIVISLAB
Bloomberg Code	DIVI IN
ISIN	INE361B01024
Market Cap (Rs. Cr)	98,380
Outstanding shares(Cr)	26.55
52-wk Hi/Lo (Rs.)	5,425.1/3,590.0
Avg. daily volume (1yr. on NSE)	553,900
Face Value(Rs.)	2
Book Value (Rs)	442

Shareholding Pattern as on 30th June 2022



Company overview

Divi's Laboratories Ltd. (Divi's) is the leading manufacturer of Active Pharmaceuticals Ingredients (APIs), Intermediates, Custom Synthesis (CS) of active ingredients and advancedintermediates for pharma MNCs, other specialty chemicals like Carotenoids andcomplex compounds like peptides and Nucleotide revenues. The company has two manufacturing units and is among the top pharmaceutical companiesin India. It is fully backward integrated in products with high market share and the management intends to follow suit for other products. In CS, Divi's maintains a strong relationship with global big pharma players, while in generics it enjoys significant market share in products like Naproxen, Dextromethorphan and Gabapentin among others. Generic: CSM revenue-mix stood at 47%:53% and 47%:53% in FY22 and1QFY23, respectively.

Investment Rationale

Expected Growth in Global API Market over 2022-2030 Bodes well

Global medicine market is expected to clock 3-6% CAGR over 2022-2030, largely led by emerging markets, which would resultantly drive growth in API market. Global API market is expected to clock 6% CAGR over 2022-2030 with revenue expected to touch US$353bn, led by rising prevalence of chronic diseases as well as advancements in API manufacturing. Moreover, supply chain issues in China have been a major catalyst for growth in Indian API manufacturers, as the global pharma majors look forward to reduce dependence on China. Divi's with more than 30 years of experience and being regarded as one of the Top-3 API manufacturers in the world would naturally emerge as preferred partner for global pharma majors, which bodes well from medium-to-long-term perspective.

> **Divi's with more than 30 years of experience and being regarded as one of the Top-3 API manufacturers in the world would naturally emerge as preferred partner for global pharma majors, which bodes well from medium-to-long-term perspective.**

Long-term Growth Prospects Remain Strong despite Near-term Challenges

Divi's has identified six areas of growth i.e., (1) established generics; (2) existing generics; (3) new generics; (4) Sartan APIs; (5) contrast media; and (6) CS. The management commentary suggests healthy prospects on all of these fronts. Divi's is expected to clock double-digit growth in established generics products where it enjoys market share in the excess of 60-70%. Besides, the company is also aiming for 60-70% market share after raising capacity for molecules in CS business. Commercialization of new API and multipurpose facility for custom synthesis and progress on new DMF filings and contrast media APIs would provide further boost. Further, molecules worth US$20bn are expected to go off-patent over FY23-25, which would provide an immediate opportunity for Divi's. The company is looking at contrast media manufacturing as another key growth driver and is eyeing substantial contracts from big pharma players for the same, with the company doing its first filling in the contrast media space.In the near-term, however, the existing pricing pressure in the US market as well as the demand scenario might remain under stress particularly in API business. Raw materials and solvent pricing remains volatile, while logistics challenges and higher freight cost continue to weigh on margin in near-term.

Divi's Labs 3-year price chart (Rs)

Capacity Expansion to Drive Growth

Divi's has capitalized assets worth ~Rs.935 crore in FY22 and further ~Rs87 crore in 1QFY23. As the company is operating at 80-85% of capacity, it has large available capacity for incremental demand. Divi's has implemented various capacity expansion programmes at its existing facilities apart from plant up-gradation and improving the infrastructure. The company plans to spend ~Rs.2,000-3,000 crore in the next 2-3 years primarily towards building Greenfield facilities at Kakinada and Krishnapatnam port. The capex towards Kakinada is particularly of major importance to take benefit of the ~US$20bn opportunity of APIs, which are supposed to go off-patent over FY23-25. However, capex towards the same has been held up due to non-receipt of government approvals. Any progress on this front would be of enormous importance given the imminent opportunities on account of China+1 strategy.

Margin Remained Muted in 1QFY23; Long-term Prospects Remain Strong

Revenue grew by a healthy 15% YoY to Rs.2,254 crore in 1QFY23, aided by 22% YoY growth in CS segment (albeit CS revenue has been lower 26% QoQ on lower Molnupiravir sales).EU and US accounted for 74% of revenue in 1QFY23, while product-mix for the APIs and CS stood at 47% and 53% of revenue, respectively. Revenue from generic APIs grew by 4% YoY and 17% QoQ to Rs.874 crore in 1QFY23. Nutraceutical (Carotenoid) revenue picked up momentum with strong 35% YoY and 19% QoQ growth to Rs.186 crore. However, EBITDA margin contracted by 590bps YoY to 37.6% in 1QFY23 due to lower gross margin (down 326bps YoY to 64%) and higher other expenditure. Thus, the impact of adverse pricing pressure in generic APIs and inflationary cost scenario was clearly reflected in margin performance. Net profit grew by 26% YoY to Rs.702 crore, aided by lower tax outgo and higher other income (including Rs.56 crore forex gain).

Key Risks

- Regulatory changes and compliance risks.
- Delay in capex plans.

Valuation

Divi's is the leading manufacturer of APIs, Intermediates, CS of active ingredients and advanced intermediates for pharma MNCs, other

The capex towards Kakinada is particularly of major importance to take benefit of the ~US$20bn opportunity of APIs, which are supposed to go off-patent over FY23-25.

specialty chemicals like Carotenoids and complex compounds like peptides and Nucleotide revenues. In CS, the company maintains a strong relationship with global big pharma players, while it enjoys significant market sharein generics. The Generic: CSM revenue-mix stood at 47%:53% and 47%:53% in FY22 and 1QFY23, respectively. Divi's has identified six areas of growth: (1) established generics; (2) existing generics; (3) new generics; (4) Sartan APIs; (5) Contrast Media; and (6) CS. The management commentary suggests healthy prospects on all of these fronts. Besides, the capex for Kakinada Greenfieldproject is of enormous importance given the imminent opportunities on account of China+1 strategy amidst US$20bn opportunity of APIs, which are supposed to go off-patent over FY23-25.Quick regulatory approvals towards the same would be viewed positively. The company witnessed margin pressure in 1QFY23 owing to higher raw materials and pricing pressure in generics despite strong revenue growth in CS and Nutraceutical segments. The management has reiterated margin pressure to sustain in near-to-medium-term and guided for EBITDA margin of 40% (including other income) for FY23. However, the long-term prospects remain strong due to efforts on backward integration, debottlenecking and utility up-gradation, which will continue to yield better margin. At CMP, the scrip trades at P/E of 33.9x of FY24E EPS and the investors are advised to 'BUY' with a target of Rs. 4,110.

Particulars (in Rs Cr)	FY21	FY22E	FY23E	FY24E
Revenue	6,858	8,799	8,966	10,073
Growth (%)	29.60%	28.30%	1.90%	12.40%
EBITDA	2,866	3,884	3,497	4,022
EBITDA Margin (%)	41.79%	44.14%	39.00%	39.93%
Net profit	1,987	2,962	2,567	2,913
Net Profit Margin (%)	28.97%	33.66%	28.63%	28.92%
EPS (Rs)	74.8	111.6	96.9	109.2

Source: Bloomberg Consensus Estimates

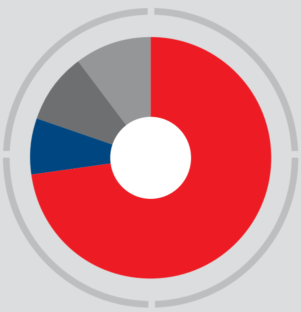
Oracle Financial Services Software Ltd.

CMP: Rs 2,980	Rating: BUY	Target: Rs 3,460

Company Information

BSE Code	532466
NSE Code	OFSS
Bloomberg Code	OFSS IN
ISIN	INE881D01027
Market Cap (Rs. Cr)	25,810
Outstanding shares(Cr)	8.63
52-wk Hi/Lo (Rs.)	5,144.6/2,950
Avg. daily volume (1yr. on NSE)	110,460
Face Value(Rs.)	5.0
Book Value	860.93

Shareholding Pattern as on 30th June 2022



Company overview

Oracle Financial Services Software Ltd. (OFSS), a subsidiary of Oracle Corporation, is an IT solution provider to the banking industry. It offers a feature and functionality of rich core-banking platform, offering smooth API integration, scalable digital banking solution, which is used by >1,400 clients in >160 markets. OFSS provides a wide range of technology solutions covering Retail Banking, Corporate Banking, and Payments. Over the years, it has established an extensive global presence across leading markets through its sales and marketing network.

Investment Rationale

Global Leader in Core Banking Solution (CBS)

OFSS is the global leader in providing CBS. It has balanced product portfolio, which is likely to benefit from improved spending in BFSI segment and increased thrust on efficient compliance system. There has been growing need for modernization and improved offerings for customers, where OFSS plays an important role. Unmatched access, superior technology and integrated offering continue to make OFSS a preferred vendor in the segment. Its rich core banking platform, which offers smooth API integration and scalable digital banking solution, are used by >1,400clients in >160 markets. The management believes that customer centricity, led by hyper personalization is important for the banks to stay competitive, while regulatory compliance and risk management solutions ensure business continuity. OFSS has introduced and built a number of products including embedded finance for transaction banking to advanced analytics for mitigating financial crime and solutions for regulatory compliance. It has also developed Oracle Banking Platform (OBP), which is a Cloud-based next generation product. It deals with the long-held challenges in Tier-I banks and progressively transforms their business models and processes, driving productivity improvements across both front and back offices, and reducing the operating cost. OBP helps the banks to expand their business, as they grow their businesses.

OFSS maintained a strong winning momentum in 1QFY23, as it signed license deals amounting $26.2mn during the quarter. Its product capability offers multiple deployment choices to help the customers to have a competitive edge.

Healthy Deal Pipeline

OFSS maintained a strong winning momentum in 1QFY23, as it signed license deals amounting $26.2mn during the quarter. Its product capability offers multiple deployment choices to help the customers to have a competitive edge. During 1QFY23, 15 customers went live on its software products. In FY22, OFSS announced 68 new unique deals compared to 58 deals in FY21. While the deal wins were across product offerings, bulk of them are in corporate banking solutions space. In FY22, OFSS signed the largest ever SaaS-based multi-year deal for Tier-IUS banks, which reflects its acceptance in advanced and competitive markets like the US. The company also added 20 new deals including26 different product modules across geographies and product offerings. Deals include 1 module sale of OBP to an existing Australian bank. Whilst the unique deal win count has been healthy, OFSS was not able to win many multi-product deals in 1QFY23.OFSS is witnessing improved outlook on deal pipeline front with sustained demand in the emerging markets.

Large Opportunity in CBS Space

Nowadays, CBS has become an integral part of banking system, as it ensures seamless workflow by automating frontend and backend processes and facilitates banking transactions across branches on a single platform.CBS helps the banks in processing deposits and withdrawals, thus enhancing the customer relationship management activities and transactions management. The COVID pandemic had increased the importance of CBS, as it witnessed 15% growth in 2020. Global core banking software market is projected to clock 18% CAGR from US$10.84bn in 2021 to US$34.48bn in 2028. Further, the current penetration of CBS stands at ~15-18%, which provides huge growth opportunities. Hence, the increasing investment in fintech technologies augurs well for OFSS.

OFSS 3 year Price Chart

Strong Parentage

OFSS is backed by Oracle US, which is one of the leading software products and service provider companies in the world. Oracle Corporation is an American multinational computer technology corporation headquartered in Austin, Texas and is the promoter of OFSS. It sells database software and technology, cloud-engineered systems and enterprise software products. In 2020, Oracle was the second-largest software company in the world by revenue and market capitalization. Thus, OFSS is backed by strong parentage, which provides all technological support to its Indian subsidiary. OFSS is well-placed to capitalize on the growing demand in banking solutions software.

Strong Quarterly Numbers

The company reported strong set of numbers in 1QFY23 and delivered growth in both products and services business. While EBIT margin improved by 30bps QoQ (down by 591bps YoY), deal wins also remained strong during the quarter. Revenue increased by 9.8% QoQ and 0.4% YoY to Rs.1,402 crore, while EBIT increased by 17.9% QoQ (down 11.3% YoY)to Rs.627 crore. Net profit increased by 2.1% QoQ (down 6.2%

YoY) to Rs.491.8 crore. Revenue from products business grew by 10% QoQ to Rs.1,266 crore, while segmental operating income rose by 19% QoQ to Rs.645 crore. Revenue from services business grew by 11% QoQ to Rs.137 crore, while segmental operating income rose by 36% QoQ to Rs.32 crore. Looking ahead, the company's performance is expected to improve given the favourable environment and better conversions of deal pipeline, which could lead revenue and earnings growth.

Key Risks

- Appreciation of INR vs. USD, pricing pressure, retention of skilled employees, strict immigration norms and higher visa cost. are key concerns.
- Any slowdown in US and Europe could result in reduction in technological spend by corporate, which could adversely impact its revenue growth.
- OFSS license revenues (based on completion of large product implementations and can fluctuate widely) are very volatile in nature from quarter to quarter.

Unmatched access, superior technology and integrated offerings continue to support it a preferred vendor in the segment. Further, superior pricing and brand appeal would drive stronger earnings growth, going forward.

Valuation

OFSS is a global leader in CBS business solution. Unmatched access, superior technology and integrated offerings continue to support it a preferred vendor in the segment. Further, superior pricing and brand appeal would drive stronger earnings growth, going forward. Despite economic slowdown in advanced economies, technological spending on BFSI segment is expected to remain unaffected. Even the management of large IT firms stated that BFSI segment will not confront any slowdown and remain resilience. Further, some recent developments augur well for OFSS. These include bank customers getting more demanding for personalized information and rising competition from Fintechs. Strong deal win momentum ensure that the demand remain intact in BFSI segment. Hence, we are positive on OFSS given healthy deal pipeline, consistent track record of paying higher dividend and strong parentage. We recommend our investors to BUY the scrip with a target of Rs.3,460 from long-term perspective. At CMP, the scrip is valued at P/E multiple of 11.0x on Bloomberg consensus EPS of Rs. 271.2.

Particulars (in Rs Cr)	FY21	FY22E	FY23E	FY24E
Net Sales	4,983.9	5,221.5	5,819.3	6,468.2
Growth (%)	2.5%	4.8%	11.4%	11.2%
EBITDA	2468.79	2499.30	2766.60	3045.80
EBITDA Margin (%)	49.5%	47.9%	47.5%	47.1%
Net profit	1,761.9	1,889.1	2,098.2	2,341.2
Net Profit Margin (%)	35.4%	36.2%	36.1%	36.2%
EPS (Rs)	204.0	218.1	243.1	271.2

Source: Bloomberg consensus

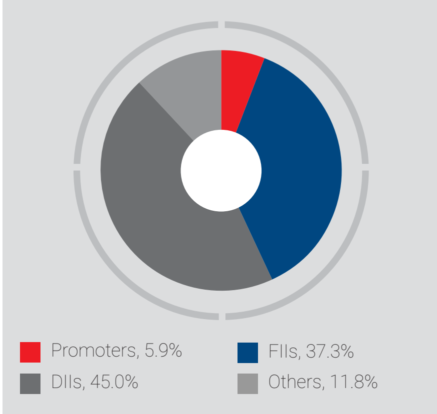
Crompton Greaves Consumer Electricals Ltd.

CMP: Rs 412	Rating: BUY	Target: Rs 485

Company Information

BSE Code	539876
NSE Code	CROMPTON
Bloomberg Code	CROMPTON IN
ISIN	INE299U01018
Market Cap (Rs. Cr)	26,170
Outstanding shares(Cr)	63.4
52-wk Hi/Lo (Rs.)	503 / 312
Avg. daily volume (1yr. on NSE)	1966157
Face Value(Rs.)	2
Book Value (Rs)	38.5

Share holding pattern as on June 2022 (%)



Company Description

Crompton Greaves Consumer Electricals Ltd. (Crompton) is the No.1 electrical consumer durables company with an 80+ year old brand and a pan-India footprint. The company derives 78% of revenue from electrical consumer durables business and the rest from lighting business (22% of revenue). Crompton is No.1 in Fans, No.1 in Residential Pumps and amongst Top-3 players in Lighting & Water Heaters segments. With the acquisition of Butterfly, the company has enhanced focus on increasing market share in home appliances segment like (air coolers, water heater and kitchen appliances). Besides, the company has a strong focus on R&D and distribution reach (with >4,000 channel partners and >1,50,000 retailers)

Investment Rationale

Strong Demand Momentum for Consumer Durables Sector

According to CRISIL, revenue for the sector is expected to grow 15-18% to Rs.1 trillion in FY23, led by 10-13% volume growth. Demand is expected to be driven by both urban and rural market segments with the latter is expected to contribute meaningfully in 2HFY23. Besides, festival season, which accounts for 35-40% of annual sales for consumer durables (barring air conditioners), is expected to remain upbeat. In FY22, the sector already crossed pre-pandemic levels in value terms, while it would cross pre-pandemic volume terms in FY23. However, the profitability could remain muted for most players on account of higher raw material prices (copper, aluminium, steel and polypropylene) as well as adverse forex movements. Though the commodity prices have softened, the input prices remain higher than historical levels. Nevertheless, premiumization would help in mitigating margin woes with consumer preference shifting towards smart/IoT-based appliances and energy-efficient products.

Butterfly Acquisition to Strengthen Appliance Biz

Crompton acquired 81% stake in Butterfly Gandhimathi Appliance (Butterfly) for Rs.2,077 crore. The flagship brand 'Butterfly' includes a wide range of domestic appliances i.e., LPG stoves, mixer grinders, pressure cookers, geysers and air coolers among others. Butterfly ranks amongst the Top-2 players in LPG stoves and mixer-grinders space in southern markets and features amongst Top-3 kitchen and small domestic appliances players on pan-India basis. Butterfly's manufacturing capabilities, product portfolio as well as market presence are complementary to Crompton's existing business and will strengthen its foothold in the kitchen appliances segment. Hence, with acquisition of Butterfly, Crompton has showed its aspiration to become the largest kitchen appliance manufacturer in the country. There has been ample scope for Crompton to add new growth levers and generate additional business synergies, deepen market presence and improve margin profile.

Butterfly's manufacturing capabilities, product portfolio as well as market presence are complementary to Crompton's existing business and will strengthen its foothold in the kitchen appliances segment.

Focus on Premiumization

Consumer preference is shifting towards smart, intelligent and connected products and Crompton has made significant efforts towards R&D. The company remains on firm ground with diversified product offerings, leadership in fan segment and encouraging growth in lighting segment apart from recent foray into kitchen appliances. The company enjoys 28%, 8% and 17% market share in fans, LED lightning and pumps, respectively with industry leading positions in all three segments. Moreover, the company generates >50% of revenue from new products. In fan segment, Crompton has been able to gain market share with strong growth in premium and decorative products as well as adoption of energy-efficient fans. Going forward, the company aims to maintain leadership position through cost-effective BEE implementation, building competency in electronics and produce energy-efficient and premium products. In 1QFY23, fan business grew by 55% YoY, driven by 66% YoY growth in premium fans and 59% YoY growth in Table, Pedestal, Wall (TPW) fans. Even in lighting segment, while B2B sales remained muted, B2C segment grew by double-digit on the back of more innovative and differentiated products. In 1QFY23, lighting revenue grew by 61%, while B2C LED business grew by 82%.

Healthy Quarterly Growth Across Segments

Crompton continued its business momentum and reported healthy revenue growth in 1QFY23. The company is strengthening its presence across rural and the urban markets. Revenue grew by 77% YoY in 1QFY23, on the back of low base and consolidation of Butterfly's financials.

Crompton 3 Yr. price chart

However, on like-to-like basis, the revenue grew by 42% YoY in 1QFY23. Focus on premiumization and pricing actions supported EBITDA margin, which held firm in 1QFY23 at 11.8% (down 10bps YoY) despite an aggressive spend on advertisements and other cost associated with integration and foray into kitchen appliances business. Electric durables division grew by 52% YoY and 9% QoQ in 1QFY23. The company continued to improve its market share in fan segment on the back of strong off-take in premium and TPW fans. Lighting products division grew by 58% YoY in 1QFY23, mainly led by strong off-take of Battens & Panels in B2C LED business. Both B2B trade and B2C businesses showed signs of recovery in 1QFY23. Butterfly products division reported 2% YoY decline in revenue, though 33% growth on QoQ basis. Crompton is expected to continue its growth momentum, going forward on the back of improving consumer sentiment and focusing on premiumization.

Key Risks

- As the company is engaged in consumer product business, which is discretionary in nature, any slowdown in domestic economy could hurt its product sales.

The company remains on firm ground with diversified product offerings and leadership in fan segment, encouraging growth in lighting segment and recent foray into kitchen appliances.

- As raw materials account 20% of revenue, any volatility in raw material price could have negative impact on margin.

Valuation

Crompton is an undisputed market leader in fans and domestic pumps with healthy market share of ~28% and ~17%, respectively. Over the years, the company has put in place a 5-dimensional strategy with focus on improving key building blocks of business and delivering market leading growth. The company remains on firm ground with diversified product offerings and leadership in fan segment, encouraging growth in lighting segment and recent foray into kitchen appliances. Acquisition of Butterfly will help the company to accelerate its long-term strategic goal of becoming a leading player in small domestic appliances segment. Broad-based product portfolio and higher scale in kitchen appliances business will provide decent returns over the long-term. With the recovery in B2C demand and steadily-shrinking market share of unorganized players, Crompton will gain market share backed by its strong team, products, brand equity and distribution reach. The company expects double-digit margin in fan and lighting segment to sustain, going ahead. Further, it plans to introduce new products to help maintain growth momentum in the category. Given the strong brand recall, continuous product innovation and go-to-market strategy, we expect Crompton to post healthy earnings growth in next couple of years. Hence, we recommend our investors to BUY the scrip with target of Rs.485 from 12-months investment perspective. At CMP, the scrip is valued at P/E multiple of 33.0x of FY24E Bloomberg consensus EPS of Rs.12.5.

Particulars (in Rs Cr)	FY21	FY22	FY23E	FY24E
Revenue	4803.5	5394.1	7233.5	8231.7
Growth (%)	6.3	12.3	34.1	13.8
EBITDA	718.5	769.5	969.3	1160.7
EBITDA Margin (%)	15.0	14.3	13.4	14.1
Net profit	616.7	578.4	636.5	790.2
Net profit Margin (%)	12.8	10.7	8.8	9.6
EPS (Rs)	9.8	9.1	10.0	12.5

Consensus Estimate: Bloomberg, Ashika Research

PROMINENT HEADLINES
SEPTEMBER 2022

I don't want to say we don't have our own challenges with growth, with inflation but we are in a much better position and credit must go to everybody, including the central and state governments. I don't see economic growth as an issue....**SANJIV BAJAJ,** *President, CII*

The resilience of our supply chains and the way India has provided talent to the US and investments the US has provided to India, all of these cumulatively make a very good business case....**PIYUSH GOYAL,** *Commerce and Industry Minister*

While EVs are becoming more and more affordable and viable with the growing infrastructure and local manufacturing prowess, hybrids still remain expensive to own.... **SHAILESH CHANDRA,** *Managing director, Tata Motors Passenger Vehicles*

Growth in the June quarter is good enough to achieve over 7% annual growth for the whole fiscal year....**T.V. SOMANATHAN,** *Finance Secretary*

A strong dollar is never good news for Asian markets. It tends to increase the cost of foreign debt, results in higher capital outflows, and puts pressure on central banks to maintain the attractiveness of their exports and yield spreads...**RUPAL AGARWAL,** *Asia Quant Strategist, Sanford C Bernstein*

What we are seeing though is some recognition that perhaps the selloff that we saw in the second half of August was a bit overdone...**JOANNE FEENEY,** *partner and portfolio manager for Advisors Capital Management*

A correction in the fixedincome markets could trickle over Nifty, where equity risk premia have fallen close to 5year while earnings downgrades are still accelerating...**SUNIL TIRUMALAI,** *Strategist, UBS India*

Many investors are walking on eggshells. We could see the Fed continuing to pummel the economy with a 75 bp hike and then we get downward revisions to earnings that are significant...**KRISTINA HOOPER,** *Chief Global Market Strategist , Invesco*

A lot of clients are asking, have we seen the bottom yet and are we going into a global recession? We do think the risk of a global recession, especially next year, is quite high...**GRACE TAM,** *Chief Investment Adviser (Hong Kong) BNP Paribas Wealth Management*

Everything points to another 75 basis-point rate hike by the Fed when it meets next week. The likelihood that it will have to go 'big' again in November is elevated too...**RAPHAEL OLSZYNA-MARZYS,** *Economist, Bank J Safra Sarasin*

A key risk for Asia is continued currency weakness, but we do not see imported inflation as a major threat, if commodity prices are contained.. **SONAL VARMA,** *MD & Chief Economist, Asia ex-Japan, Nomura*

We are still not a high GDP per capita country where people straight away go into a large car or a high price car. So, that is the reason why we are confident that demand in this segment will remain strong and grow.... **SHASHANK SRIVASTAVA,** *Senior Executive Director, Maruti Suzuki (India)*

The US is probably at the gates of a recession of an unknown depth - equities see it as very limited, credit markets as contained, while 210 slope (yield curve) expects a more dire situation...**FLORIAN IELPO,** *Head of macro research, Lombard Odier Asset Management*

Earnings estimates will likely continue to be adjusted downwards, while higher real rates keep valuations at bay. For now, we recommend staying defensively positioned...**MATHIEU RACHETER,** *Head of Equity Strategy, Bank Julius Baer*

With democracy, demographics, demand, and digitisation on its side, India's economy and markets will go from strength to strength..**NAVNEET MUNOT,** *MD & CEO of HDFC AMC*

We have to grow, there is no option. ...but we have to do it in a manner that we decouple and reduce our environmental footprint. I think India can do it, that we can look back and say that India has led from the front and made a difference not only to itself but to the world....**SANJIV MEHTA,** *CEO & MD, Hindustan Unilever*

We are still not a high GDP per capita country where people straight away go into a large car or a high price car. So, that is the reason why we are confident that demand in this segment will remain strong and grow....**SHASHANK SRIVASTAVA,** *Senior Executive Director, Maruti Suzuki (India)*

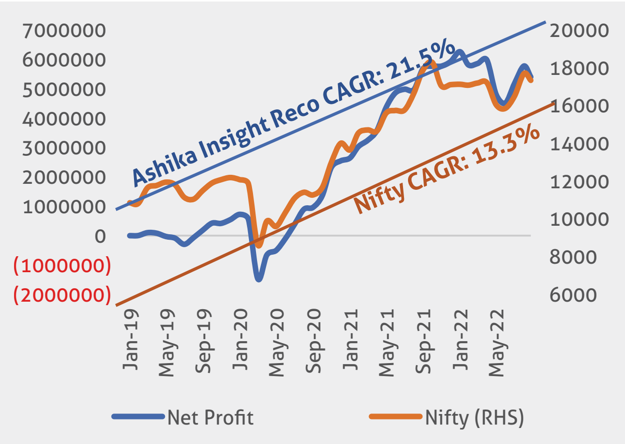
Volatility is expected to remain heightened through the remainder of this year. Until there is consistent improvement from inflation, timing the peak in Fed rate hikes is challenging....**MEGAN HORNEMAN,** *Chief investment officer, Verdence Capital Advisors*

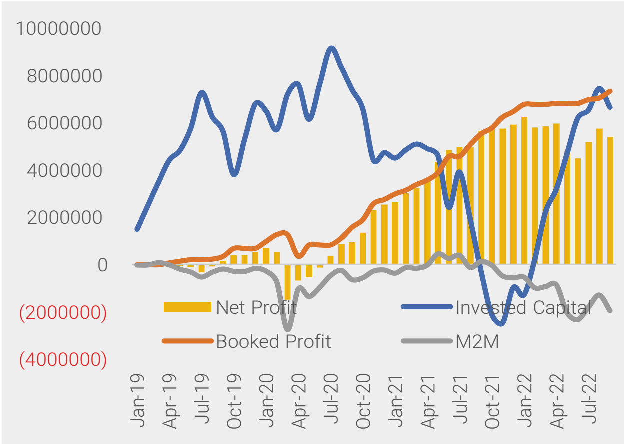
It is a need of the hour that the automobile industry's innovation for greener alternatives attains a new momentum, to ensure the protection and conservation of environment, as well as help in making India self-reliant..... **NARENDRA MODI,** *Prime Minister*

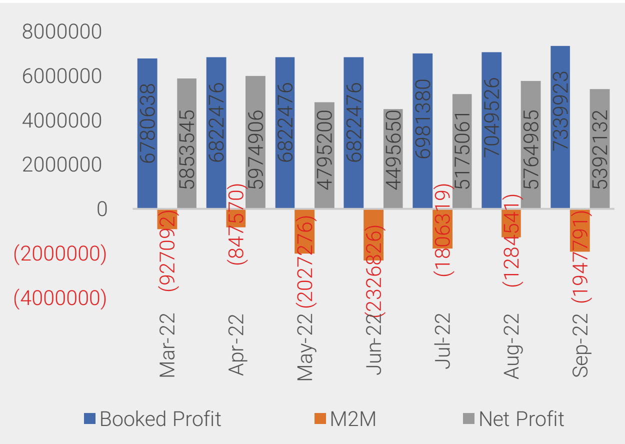
...I'm not giving any forward direction to the RBI but it is the truth that India's solution to handling the economy, part of which is handling inflation also, is an exercise where the fiscal policy, together with the monetary policy, has to work.... **NIRMALA SITHARAMAN,** *Finance Minister*

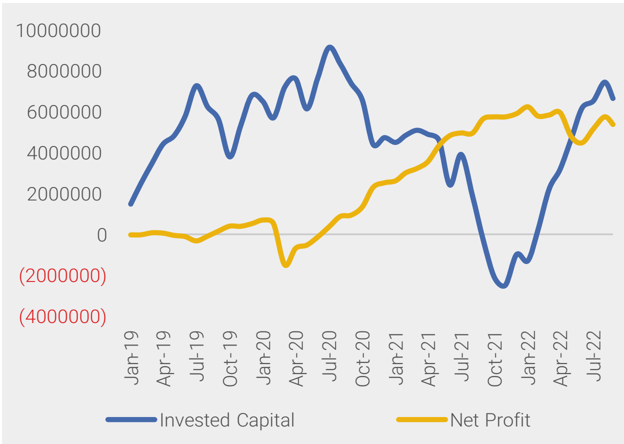
Monthly *Insight* Performance

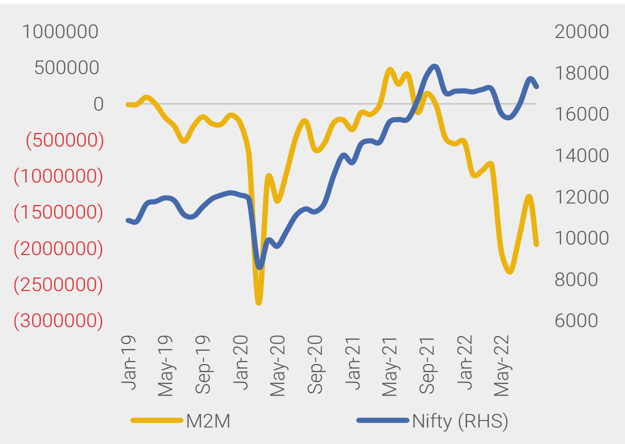
Since Jan-2019... Return @CAGR 21.5%

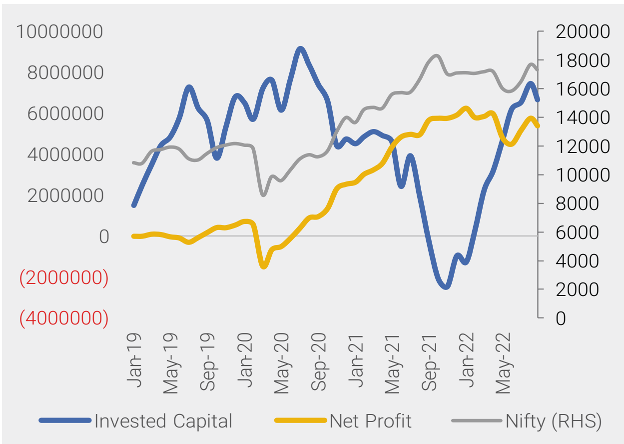












** All Figures quoted in Rs.*

Calculated as on September 23, 2022

Monthly Profit & Loss Fact Sheet (Rs.)

Date	Invested Capital	Booked Profit	M2M	Net Profit
31-Jan-19	1496513	0	(15549)	(15549)
28-Feb-19	2500555	0	(12120)	(12120)
31-Mar-19	3499100	0	87058	87058
30-Apr-19	4423753	77386	(8924)	68462
31-May-19	4843373	149734	(192232)	(42498)
30-Jun-19	5780649	212997	(312556)	(99559)
31-Jul-19	7280745	212997	(523193)	(310197)
31-Aug-19	6252245	237315	(318110)	(80795)
30-Sep-19	5638553	351653	(183965)	167688
31-Oct-19	3805452	689902	(279263)	410639
30-Nov-19	5300467	689902	(286815)	403087
31-Dec-19	6799062	689902	(159580)	530321
31-Jan-20	6506557	981148	(270658)	710490
29-Feb-20	5711903	1272382	(733289)	539092
31-Mar-20	7207537	1272382	(2755943)	(1483561)
30-Apr-20	7623497	356948	(1030982)	(674034)
31-May-20	6149806	833936	(1351330)	(517394)
30-Jun-20	7651620	833936	(956088)	(122152)
31-Jul-20	9152079	833936	(463266)	370670
31-Aug-20	8360481	1124891	(241678)	883213
30-Sep-20	7410397	1581629	(634208)	947421
31-Oct-20	6589893	1902621	(554750)	1347871
30-Nov-20	4415962	2580822	(272418)	2308404
31-Dec-20	4744368	2757455	(224457)	2532998
31-Jan-21	4512183	2992911	(360195)	2632716
28-Feb-21	4855257	3147357	(126852)	3020505
31-Mar-21	5103512	3388344	(151565)	3236779
30-Apr-21	4908741	3581795	(17805)	3563990
31-May-21	4608003	3892602	463903	4356505
30-Jun-21	2426006	4576540	266976	4843516
31-Jul-21	3924461	4576540	397901	4974441
31-Aug-21	1920864	5080743	(120808)	4959935
30-Sep-21	(262189)	5531501	137699	5669200
31-Oct-21	(2096994)	5785074	(23817)	5761257
30-Nov-21	(2471736)	6236551	(475411)	5761140
31-Dec-21	(967066)	6476478	(557270)	5919208
31-Jan-22	(1274299)	6780638	(526905)	6253733
28-Feb-22	227695	6780638	(978700)	5801938
31-Mar-22	2234090	6780638	(927092)	5853545
30-Apr-22	3191862	6822476	(847570)	5974906
31-May-22	4693522	6822476	(2027276)	4795200
30-Jun-22	6199838	6822476	(2326826)	4495650
31-Jul-22	6539891	6981380	(1806319)	5175061
31-Aug-22	7455860	7049526	(1284541)	5764985
23-Sep-22	6660708	7339923	(1947791)	5392132

*Booked Profit = Profit booked after target achieved
**M2M = Open position marked to market as on date
***Net profit = Booked Profit + M2M P/L
****Invested Capital = Stock investment as recommended (minus) Stock sold on target
*****Calculation based on Rs. 5 lac invested on each stock recommended in our monthly insight on release date
******All Figures quoted in Rs.
****** Calculated as on September 23, 2022

Monthly *Insight* Recommendation Performance Sheet

Script	Buying Date	QTY	Bought Rate	Value	Target Price	Target Return	Booked Date	Booked Price	Value	Profit	Return	Holding Days	Annu-alised Return
Divi's Lab	03-Oct-22	135	3699	499365	4110	11.1%							
Oracle Fin. Serv. Software	03-Oct-22	168	2980	500640	3460	16.1%							
Crompton Greaves Cons.	03-Oct-22	1214	412	500168	485	17.7%							
Tata Consultancy Services	01-Sep-22	156	3208	500448	3650	13.8%							
Tata Consumer Products	01-Sep-22	618	809	499962	935	15.6%							
Jubilant FoodWorks	01-Sep-22	813	615	499995	710	15.4%							
Nestle India	01-Aug-22	25	19475	486886	22200	14.0%							
Bayer Cropscience	01-Aug-22	94	5349	502839	6037	12.9%							
Whirlpool of India	01-Aug-22	280	1783	499257	2035	14.1%							
Siemens	01-Jul-22	210	2385	500870	2750	15.3%	21-Jul-22	2735	574413	73543	14.7%	20	268%
United Spirits	01-Jul-22	655	762	498984	875	14.9%	16-Sep-22	870	569850	70866	14.2%	77	67%
Ashok Leyland	01-Jul-22	3380	148	501100	170	14.7%	15-Sep-22	167	565102	64002	12.8%	76	61%
ICICI Lombard Gen. Ins.	01-Jun-22	394	1270	500416	1460	15.0%							
PI Industries	01-Jun-22	180	2784	501033	3203	15.1%	4-Aug-22	3203	576540	75507	15.1%	64	86%
Abbott India	01-Jun-22	28	18031	504867	20500	13.7%	1-Aug-22	20464.7	573013	68146	13.5%	61	81%
ICICI Bank	02-May-22	682	733	500096	874	19.2%	10-Aug-22	850.0	579700	79604	15.9%	100	58%
Sumitomo Chemical India	02-May-22	1175	426	501128	500	17.2%	11-Jul-22	499	586490	85361	17.0%	70	89%
NLC India	02-May-22	6160	81	500435	104	28.0%							
SAIL	01-Apr-22	5050	99	500810	115	16.0%							
Aditya Birla Fashion	01-Apr-22	1640	304	499253	350	15.0%							
Fairchem Organics	01-Apr-22	328	1525	500265	1950	27.9%	10-Aug-22	1850.0	606800	106535	21.3%	131	59%
Birlasoft	02-Mar-22	1215	413	501441	ADD								
Zydus Wellness	02-Mar-22	315	1592	501623	ADD								
Johnson Cont - Hitachi AC	02-Mar-22	268	1862	499064	ADD								
Himatsingka Seide	02-Mar-22	3050	165	504268	ADD								
Asian Paints	02-Feb-22	156	3210	500821	3690	14.9%							
Ultratech Cement	02-Feb-22	66	7588	500809	8700	14.7%							
Cipla	02-Feb-22	528	948	500363	1088	14.8%	20-Sep-22	1088	574464	74101	14.8%	230	24%
G R Infraprojects	03-Jan-22	285	1748	498180	2029	16.1%							
Birlasoft	03-Jan-22	915	549	501916	630	14.8%							
Medplus Health	03-Jan-22	480	1041	499578	1320	26.8%	27-Jan-22	1318	632510	132933	26.6%	24	405%
ICICI Bank	01-Dec-21	700	718	502343	825	15.0%	12-Jan-22	824	576506	74163	14.8%	42	128%
Fortis Healthcare	01-Dec-21	1775	283	501500	325	15.0%	19-Sep-22	325	576875	75375	15.0%	292	19%
Affle India	01-Dec-21	434	1154	500828	1380	19.6%	11-Jan-22	1378	597891	97063	19.4%	41	173%
Container Corp	01-Nov-21	758	660	500480	830	25.7%							
Sobha	01-Nov-21	640	782	500687	890	13.8%	03-Nov-21	930	595053	94366	18.8%	2	3440%

Script	Buying Date	QTY	Bought Rate	Value	Target Price	Target Return	Booked Date	Booked Price	Value	Profit	Return	Holding Days	Annu-alised Return
Johnson Cont - Hitachi AC	01-Nov-21	238	2102	500340	2550	21.3%							
Aptus Value Hsg. Fin.	01-Oct-21	1575	318	500718	450	41.5%	31-Mar-22	344	541422	40704	8.1%	181	16%
Birlasoft	01-Oct-21	1225	409	500512	485	18.7%	18-Nov-21	491	601549	101036	20.2%	48	154%
Himatsingka Seide	01-Oct-21	1850	270	500359	340	25.7%							
HCL Tech	01-Sep-21	420	1192	500630	1390	16.6%							
Whirlpool of India	01-Sep-21	233	2149	500645	2480	15.4%	12-Oct-21	2476	576845	76200	15.2%	41	135%
Zydus Wellness	01-Sep-21	214	2342	501225	2680	14.4%							
Jubilant Foodworks	02-Aug-21	133	3776	502266	4340	14.9%	12-Oct-21	4333	576228	73962	14.7%	71	76%
Can Fin Homes	02-Aug-21	920	545	501193	650	19.3%	08-Sep-21	649	596970	95776	19.1%	37	189%
Arvind	02-Aug-21	4750	105	500083.7	135	28.2%	19-Oct-21	135	640158	140074	28.0%	78	131%
Tech Mahindra	01-Jul-21	455	1098	499537.7	1270	15.7%	06-Aug-21	1268	576858	77320	15.5%	36	157%
Hero Motocorp	01-Jul-21	172	2910	500519.4	3390	16.5%							
Zee Entertainment	01-Jul-21	2310	217	500975.2	250	15.3%	14-Sep-21	250	576507	75532	15.1%	75	73%
Infosys	01-Jun-21	358	1402	502062.1	1610	14.8%	26-Jul-21	1607	575245	73183	14.6%	55	97%
HDFC Ltd.	01-Jun-21	195	2571	501426	2940	14.3%	27-Oct-21	2935	572313	70887	14.1%	148	35%
Natco Pharma	01-Jun-21	472	1060	500471.3	1230	16.0%							
ICICI Bank	03-May-21	845	593	499800	720	21.4%	31-Aug-21	717	605671	105871	20.8%	120	63%
DCM Shriram	03-May-21	700	716	499833	840	17.3%	22-Jun-21	839	586992	87159	17.1%	50	125%
Indian Metals & Ferro Alloys	03-May-21	1125	445	499840	570	28.2%	22-Jun-21	550	618908	119068	23.7%	50	173%
Vardhman Textiles	01-Apr-21	375	1330	498785	1550	16.5%	12-Jul-21	1547	580249	81464	16.3%	102	58%
Kirloskar Oil Engines	01-Apr-21	2960	170	502879	208	22.4%	11-May-21	203	600051	97172	19.3%	40	176%
Amrutanjan Health Care	01-Apr-21	870	575	499864	670	16.6%	11-May-21	669	581900	82035	16.4%	40	150%
Divis Lab	01-Mar-21	147	3407	500807	3900	14.5%	27-Apr-21	3893	572315	71508	14.3%	57	91%
Supreme Industries	01-Mar-21	240	2068	496299	2350	13.6%	17-Sep-21	2350	564000	67701	13.6%	200	25%
Somany Home Innov.	01-Mar-21	1700	290	493763	370	27.4%	08-Jun-21	370	629000	135237	27.4%	99	101%
Infosys	02-Feb-21	390	1276	497754	1457	14.2%	12-Apr-21	1471	573869	76116	15.3%	69	81%
Kajaria Ceramics	02-Feb-21	595	839	499295	980	16.8%	16-Feb-21	972	578102	78807	15.8%	14	412%
Borosil Renewables	02-Feb-21	1810	276	500329	340	23.0%	09-Aug-21	340	615400	115071	23.0%	188	45%
BPCL	01-Jan-21	1312	383	502046	480	25.4%	02-Mar-21	469	615577	113531	22.6%	60	138%
Welspun India	01-Jan-21	7353	69	508230	84	21.5%	12-Mar-21	84	616623	108393	21.3%	70	111%
Kaveri Seed	01-Jan-21	962	525	504955	650	23.8%	10-May-21	649	624223	119268	23.6%	129	67%
Bosch	01-Dec-20	39	12842	500840	15200	18.4%	19-Jan-21	15174	591781	90941	18.2%	49	135%
Sumitomo Chemical	01-Dec-20	1750	286	501133	340	18.7%	02-Jun-21	340	595000	93867	18.7%	183	37%
Prestige Estate	01-Dec-20	1850	271	500563	312	15.3%	18-Feb-21	311	576201	75638	15.1%	79	70%
MRF	02-Nov-20	7	66042	462295	76588	16.0%	19-Nov-20	76456	535194	72899	15.8%	17	339%
Dixon	02-Nov-20	52	9586	498474	11268	17.5%	26-Nov-20	11249	584928	86455	17.3%	24	264%
Privi Speciality Chem.	02-Nov-20	910	549	499328	640	16.6%	21-Jan-21	639	581399	82071	16.4%	80	75%
Ultratech Cement	01-Oct-20	122	4095	499594	4543	10.9%	19-Oct-20	4535	553293	53699	10.7%	18	218%
Essel Propack	01-Oct-20	2025	248	501522	290	17.1%	11-Jan-21	290	586238	84715	16.9%	102	60%
Valiant Organics	01-Oct-20	168	2970	498946	3350	12.8%	09-Oct-20	3344	561832	62886	12.6%	8	575%
Mishra Dhatu Nigam	01-Sep-20	2400	209	502246	260	24.2%	30-Sep-21	191	457200	-45046	-9.0%	394	-8%
Hawkins Cooker	01-Sep-20	103	4852	499740	5890	21.4%	29-Dec-20	5671	584118	84379	16.9%	119	52%
Phillips Carbon Black	01-Sep-20	4275	117	501035	151	28.8%	25-Oct-20	148	630563	129527	25.9%	54	175%
Wipro	03-Aug-20	1770	282	499999	325	15.1%	05-Oct-20	325	574878	74880	15.0%	63	87%
Divis Lab	03-Aug-20	190	2644	502371	3050	15.4%	10-Aug-20	3058	581026	78654	15.7%	7	816%
Fine Organics	03-Aug-20	230	2177	500822	2470	13.4%	24-Aug-20	2466	567123	66300	13.2%	21	230%
ICICI Securities	01-Jul-20	1050	476	499818	620	30.2%	03-Jun-21	601	631050	131232	26%	337	28%
Apollo Tyres	01-Jul-20	4600	109	501341	130	19.3%	10-Aug-20	127	582498	81157	16.2%	40	148%
Galaxy Surfactants	01-Jul-20	335	1490	499300	1680	12.7%	04-Aug-20	1684	564130	64829	13.0%	34	139%
Nestle India	01-Jun-20	28	17571	491987	19500	11.0%	20-Aug-21	19500	546000	54013	11%	445	9%

Script	Buying Date	QTY	Bought Rate	Value	Target Price	Target Return	Booked Date	Booked Price	Value	Profit	Return	Holding Days	Annu-alised Return
Tech Mahindra	01-Jun-20	925	541	500453	ADD		29-Sep-20	774	715691	215238	43.0%	120	131%
Abbott India	01-Jun-20	30	16979	509375	19464	14.6%	02-Aug-21	19464	583920	74545	14.6%	427	13%
Bharti Airtel	04-May-20	985	508	500232	610	20.1%	20-May-20	606	597058	96826	19.4%	16	442%
Pfizer	04-May-20	102	4934	503304	5800	17.5%	28-Jun-21	5600	571200	67896	13.5%	420	12%
Bayer Cropscience	04-May-20	116	4287	497334	5425	26.5%	27-May-20	5281	612584	115251	23.2%	23	368%
ITC	01-Apr-20	2950	170	502363	ADD		17-Nov-21	240	708000	205637	40.9%	595	25%
Britannia Industries	01-Apr-20	184	2719	500320	ADD		29-May-20	3384	622704	122384	24.5%	58	154%
TCS	01-Apr-20	274	1827	500508	ADD		14-Sep-20	2480	679520	179012	35.8%	166	79%
HDFC Bank	01-Apr-20	586	852	499290	ADD		10-Nov-20	1361	797739	298450	59.8%	223	98%
Britannia Industries	02-Mar-20	164	3048	499888	3400	11.5%	29-May-20	3384	555019	55130	11.0%	88	46%
Aarti Industries	02-Mar-20	505	990	499799	1177	18.9%	05-May-20	1139	575018	75220	15.1%	64	86%
Metropolis Healthcare	02-Mar-20	263	1886	495946	2200	16.7%	23-Nov-20	2187	575165	79219	16.0%	266	22%
Bajaj Finance	03-Feb-20	115	4306	495178	5000	16.1%	01-Dec-20	4894	562761	67583	13.6%	302	16%
Gujarat State Petronet	03-Feb-20	2040	246	501493	300	22.0%	01-Apr-20	169	344168	-157325	-31.4%	58	-197%
Granules India	03-Feb-20	3600	140	502632	170	21.8%	07-Feb-20	164	591156	88524	17.6%	4	1607%
Concor	01-Jan-20	870	575	500239	665	15.7%	25-May-21	665	578550	78311	15.7%	510	11%
Mahanagar Gas	01-Jan-20	470	1066	501095	1164	9.2%	23-Jan-20	1162	546140	45045	9.0%	22	149%
SIS	01-Jan-20	1020	490	500147	568	15.8%	07-Feb-20	559	570119	69972	14.0%	37	138%
HDFC Life	02-Dec-19	875	571	499608	680	19.1%	17-Nov-20	671	586740	87133	17.4%	351	18%
Dr. Reddy's Lab	02-Dec-19	171	2923	499818	3503	19.8%	07-Apr-20	3554	607713	107896	21.6%	127	62%
Just Dial	02-Dec-19	875	570	499170	750	31.5%	01-Apr-20	288	251615	-247555	-49.6%	121	-150%
IRCTC	01-Nov-19	561	893	500709	1170	31.1%	30-Jan-20	1158	649638	148929	29.7%	90	121%
PI Industries	01-Nov-19	350	1432	501323	1613	12.6%	07-Feb-20	1612	564109	62787	12.5%	98	47%
Procter & Gamble Hygiene	01-Nov-19	40	12325	492982	14078	14.2%	16-Apr-21	14026	561034	68052	13.8%	532	9%
HDFC Bank	01-Oct-19	405	1235	500212	1395	12.9%	10-Nov-20	1361	551339	51127	10.2%	406	9%
Indian Hotels	01-Oct-19	3130	160	500595	179	11.9%	01-Apr-20	74	230525	-270071	-53.9%	183	-108%
Siemens	01-Oct-19	330	1549	511213	1680	8.4%	23-Oct-19	1689	557420	46207	9.0%	22	150%
Gujarat Gas	01-Sep-19	2800	179	501501	200	11.7%	30-Oct-19	200	559048	57547	11.5%	59	71%
Hindustan Unilever	01-Sep-19	265	1888	500371	1975	4.6%	20-Sep-19	1957	518507	18136	3.6%	19	70%
Divi's Lab	01-Aug-19	305	1636	498882	1750	7.0%	22-Oct-19	1757	535885	37003	7.4%	82	33%
ICICI Bank	01-Aug-19	1175	426	500234	473	11.1%	25-Oct-19	468	550206	49972	10.0%	85	43%
City Union Bank	01-Jul-19	2410	208	500935	254	22.2%	16-Jan-20	248	597005	96070	19.2%	199	35%
Reliance Nippon Life	01-Jul-19	2250	222	499773	265	19.3%	27-Aug-19	258	579510	79737	16.0%	57	102%
Sanofi India	01-Jul-19	87	5740	499387	6775	18.0%	29-Oct-19	6678	581029	81641	16.3%	120	50%
Asian Paints	01-Jun-19	346	1445	499797	1560	8.0%	02-Aug-19	1549	535985	36188	7.2%	62	43%
Axis Bank	01-Jun-19	614	812	498614	905	11.4%	18-Oct-21	820	503480	4866	1.0%	870	0%
Honeywell Automation	01-Jun-19	19	26087	495655	30195	15.7%	25-Oct-19	29105	552999	57344	11.6%	146	29%
MCX	01-May-19	575	868	499354	1005	15.7%	30-Aug-19	971	558147	58793	11.8%	121	36%
TCS	01-May-19	220	2259	496953	2490	10.2%	14-Sep-20	2480	545600	48647	9.8%	502	7%
Crompton Greaves Cons.	01-Apr-19	2138	234	501153	256	9.2%	20-Sep-19	251	536681	35528	7.1%	172	15%
Equitas Holdings	01-Apr-19	3637	138	500875	191	38.7%	01-Apr-20	42	152499	-348375	-69.6%	366	-69%
Page Industries	01-Apr-19	20	25219	504373	29080	15.3%	14-Aug-19	17525	350506	-153867	-30.5%	135	-82%
ITC	01-Mar-19	1800	278	500089	319	14.8%	13-Sep-21	215	387000	-113089	-23%	927	-9%
Tech Mahindra	01-Mar-19	605	824	498456	960	16.5%	29-Sep-20	774	468101	-30356	-6.1%	578	-4%
HDFC Bank	01-Feb-19	240	2101	504338	1204	-42.7%	20-May-19	2403	576686	72348	14.3%	108	48%
Pfizer	01-Feb-19	163	3066	499703	3490	13.8%	20-Sep-19	3389	552433	52730	10.6%	231	17%
Abbott India	01-Jan-19	65	7593	493527	8580	13.0%	11-Jun-19	8566	556790	63263	12.8%	161	29%
Indraprastha Gas	01-Jan-19	1850	273	504362	315	15.5%	08-Apr-19	314	581748	77386	15.3%	97	58%
United Spirits	01-Jan-19	800	623	498624	735	17.9%	14-Feb-20	711	568576	69952	14.0%	409	13%

RETAIL SECTOR :
ON CUSP OF DELIVERING STRONG SUSTAINABLE GROWTH

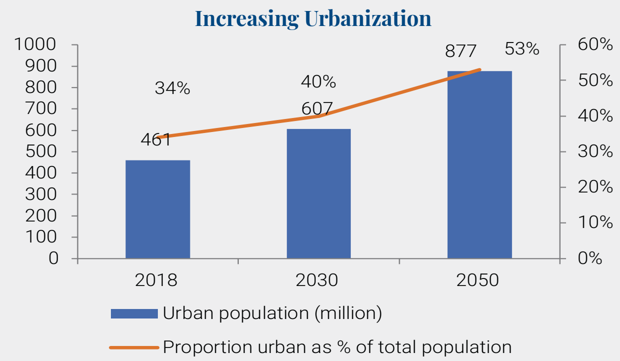
Last 2 years were lackluster for the Indian retail sector, as COVID-19 pandemic disrupted the state of global economy. The pandemic has shattered both economical and physical state of the individuals. Mobility across the globe came into grinding halt due to the pandemic, which immensely impacted the retail sector. However, the e-commerce emerged as most convenience manner for purchasing products during the pandemic time and many large retailers have cashed in on the opportunity by leveraging their digital channel for sales. Despite various headwinds, fashion retailers displayed a resilient show with demand picking up pace in the latter part of 2H2022. Revenue recovery rate for most Apparel & Footwear players surpassed pre-COVID levels (100-105%) from 3QFY22 onwards. Store addition trajectory improved significantly in4QFY22, while the companies have a healthy store addition pipeline for FY23E. Whilst the e-commerce has grown by leaps and bounds, the retail sector remains the backbone of the economy, particularly in the hinterland. Even as the Indian ecommerce market is expected to have an annual gross merchandise value of US$350bn by 2030 (vs. only US$55bn in 2021), the retail sector will not only hold its

Whilst the e-commerce has grown by leaps and bounds, the retail sector remains the backbone of the economy, particularly in the hinterland.

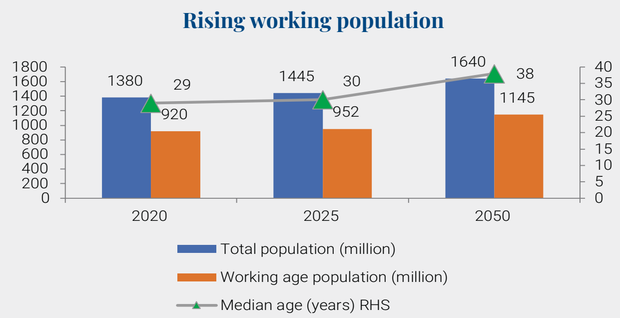
ground but it is expected to grow to US$2 trillion by 2032. There are >63mn MSMEs in India, which contribute ~29% to the country's GDP. According to a June 2022 Monster Employment Index, the Indian retail industry is likely to generate 2.5 crore new jobs by 2030. Retail sector is one of the most important pillars of the Indian economy accounting for>10% of GDP. Hence, the government is in process to assign special industry status to the sector in order to regulate it and also to provide requisite impetus to small players to get easier access to bank funds at low rates, while ensuring better wages and employment conditions for the sizeable workforce. A structural change happened in retail sector with most retailers are now focusing on Omni channel sales to strengthen their presence both offline and online format. In current dynamic environment, the retailers should quickly adopt the digital disruption in order to sustain their business momentum otherwise; the existence of the business might be difficult in the coming time. Further, there has been massive shift from the unorganized to organized sector post COVID-19, which augurs well for the large retail players. With rising economic growth, increasing preference for branded products, wider range of product offerings and expanding distribution reach of the organized players, the share of organized segment is likely to reach ~20% by FY25. Organized retail is projected to grow at a much faster rate of 17% over FY20-FY25 compared to overall industry growth of ~6%. After a gap of 2 years, the retailers are hopeful of strong business momentum buoyed by strong wedding and festive seasons. Retail sector appears to be on the cusp of delivering strong sustained revenue growth driven by improved consumer sentiment, wardrobe refresh and increased spend on discretionary items, as consumer wallet share on non-essentials had remained subdued for the last two years.

Increasing Urbanization – Key Growth Driver

India's economy is largely driven by consumption and over the years, the share of domestic private consumption in GDP has increased from 55% in FY15 to 57.5% in FY22. With a median age of 28 years, India is a country with a young working-age population that will drive growth in income and consumption. Another factor that will drive the growth of retail sector is increasing urbanization in India. According to the United Nations estimates, ~40% of Indians will be residing in urban areas by 2030, up from 34% in 2018. It also stated that the Top-9 metros and 31 boom towns will likely be significantly richer than other cities. There will also be>5,000 small urban towns (50,000-100,000 persons each) and>50,000 developed rural towns (5,000-10,000 persons each) that already have very similar income profiles. Rural per capita consumption is likely to rise by 4.3x by 2030, compared to 3.5x for the urban areas. Income levels in developed rural towns are now similar to those in small towns and there has been greater internet penetration in small rural towns, which fuel the demand for retail. India's Top-40 cities will add 25% to the country's total consumption by 2030, while other urban towns will add another 20%. Rural markets will still account for >50% of total consumption. Developed rural section will provide a large opportunity to unlock consumption by improving the infrastructure and providing access to organized and online retail. Hence, increasing urbanization and rising internet penetration will drive the demand for both offline and online retail sales.



Source: Industry report

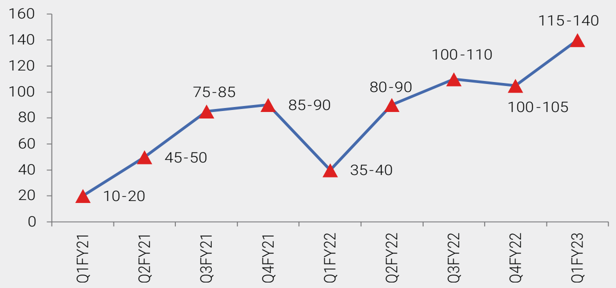


Source: Industry report

Reported Healthy Growth over Pre-pandemic Level

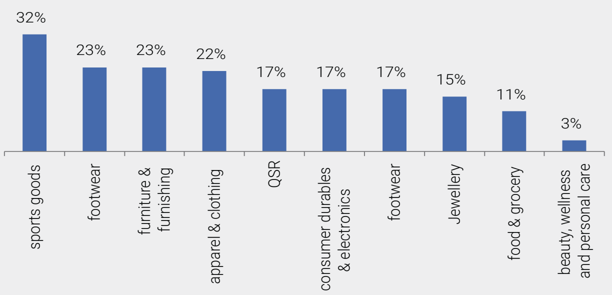
Being a consumer facing industry, the retail sector was among the most impacted sectors during the pandemic peak. The 2 years of pandemic were the worst for the retail sector, as the mobility of the people had been curbed in order to control the virus spread. However, the sector showed significant improvement in recovery rate, as it learned from the first COVID wave and planned better execution of strategies that led to higher recovery rate during the subsequent waves. The sector saw strong bounce back post second wave with revenue recovery rate for most retailers surpassing pre-COVID levels. As per Retailers Association of India (RAI), retail business across India continued to post healthy growth over pre-pandemic levels, registering 18% rise in July 2022 sales compared to the same month in 2019. As per the RAI, the East India saw the highest YoY growth of 25% in July 2022, followed by the South at 21%, North at 16% and West at 10%. In terms of categories, Sports goods clocked the highest growth rate with 32% increase over July 2019, followed by Footwear and Furniture & Furnishing at 23% each, Apparel & Clothing 22%, QSR, Consumer Durables &Electronics and Footwear posted 17% growth each. Even the Jewellery and Food &Grocery registered growth of 15% and 11%, respectively in July 2022 compared to July 2019. Retail businesses across the country grew by 13%in June 2022 vs. June 2019.Retail business across the country looks good, as healthy growth in sales over pre-pandemic level continues with categories like garments and footwear are showing traction. Considering the healthy momentum, the retailers expect a good festive season, which could boost their topline in the coming quarters.

Revenue recovery rate of retailers surpasses pre-COVID levels (in %)



Source: Industry report

Categorywise retail sales growth in July 2022 over July 2019 (%)

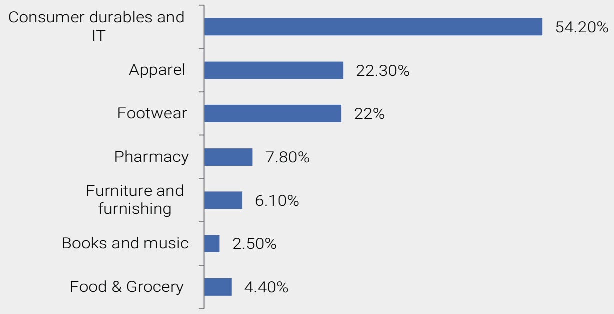


Source: Industry report

Immense Opportunity for Organized Retail

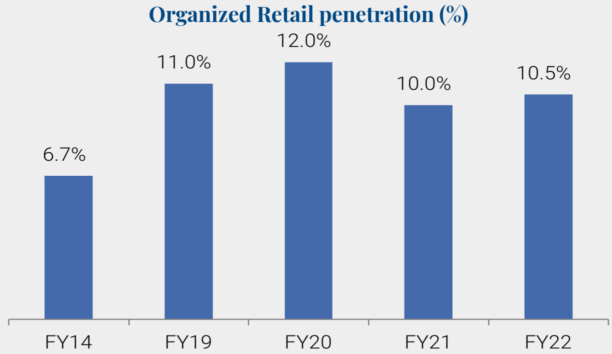
In the wake of demonetization, GST roll-out and COVID-19, there is big shift from the unorganized to organized sectors, which now accounts for~30%. Retail sector also witnessed significant shift from the unorganized to organized format. COVID-19 has entirely changed the market equilibrium, where the small retailers faced liquidity crisis to run their stores and thus, had to exit from the business, which resulted in market share gain for the deep-pocketed retailers. Retailers having leveraged balance sheet found it difficult to run the business during the turbulent times and exited the business. Thus, consolidation happened in Indian retail sector post COVID with the large and established players having strong brand and balance sheet gained the market share. The organized sector formed meagerly 12% of entire retail market as of FY20, which the industry body Technopark expects to reach 20% by FY25. Rising economic growth, increasing preference for branded products, wider range of product offerings and expanding distribution reach will aid in expanding the share of organized retail. Further, organized retail is projected to grow at a much faster rate of 17% over FY20-FY25Ecompared to overall industry growth of~6%. As of FY20, the share of organized players in various categories ranged from~5% to 35%, thus indicating strong growth prospects. Organized retail penetration in India is the lowest at 10.5% as of FY22 compared to other countries. Among the segments, Consumer Durables &Electronics has the highest penetration of 54%, while Food &Grocery has the lowest penetration of 4.5%. However, Food &Grocery accounts for 60% share in Rs71 lakh crore retail market and has the lowest penetration. Thus, the growth opportunity in Food &Grocery division is the highest compared to other divisions. Increasing share of organized retail will provide ample growth opportunities for the listed retailers.

Segment wise organized retail penetration (%)



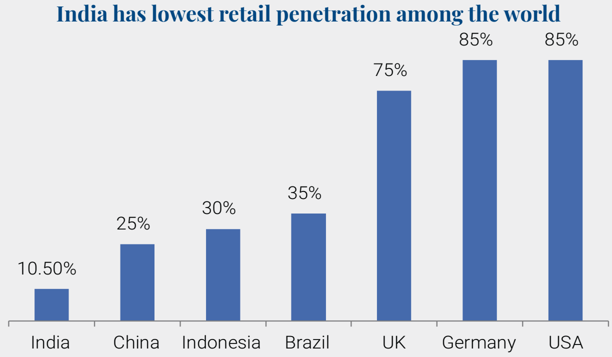
Source: CRISIL

Organized Retail penetration (%)



Source: CRISIL

India has lowest retail penetration among the world



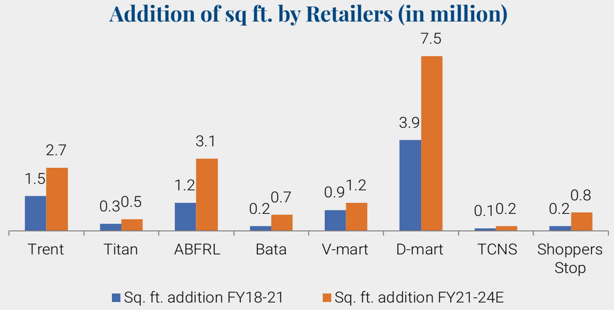
Source: CRISIL

Increasing Store Expansion by the Retailers

As the COVID cases started to recede, the retailers have firmed up plans for network expansion at a faster pace. Retail players across product categories have guided for network expansion in the range of 12-19% over the next 2-3 years.

Retailers became slow in store addition in FY21 amid back-to-back COVID waves, which disrupted the daily life. However, given the strong recovery post 2nd wave, the retail sector accelerated store expansion from 2H2022 onwards. As the COVID cases started to recede, the retailers have firmed up plans for network expansion at a faster pace. Retail players across product categories have guided for network expansion in the range of 12-19% over the next 2-3 years. The companies have restructured their existing store networks and aggressively enhanced footprint on pan-India basis with emphasis on penetrating deeper in Tier-II-Tier-V cities to capture potential demand pockets. More than 16.5mn sq.ft. space addition is expected in FY21-FY24E vs. 8mnsq.ft. added in FY18-FY21. Retailers, especially those in Fashion &Lifestyle, had to shut several stores and lay off employees in FY21 due to massive drop in sales and mounting debt with consumers remaining largely confined at home due to the pandemic and extended government restrictions including mall closures. However, some deep-pocketed retailers including Reliance Retail, Tata and Aditya Birla Group continued expansion even in the midst of the pandemic. Now, when the daily life is getting back to normal, the retailers are accelerating the pace of store addition. However, one constraint some retailers face is that rentals have started rising in tandem with business recovery. With strong recovery in retail sales, better store footfalls and retailers' increased focus on expansion, landlords are reversing the discounts/waivers offered during the pandemic. In listed space, ABFRL, Avenue Supermarts and Trent are expected add the highest stores.

Addition of sq ft. by Retailers (in million)



Source: Industry reports

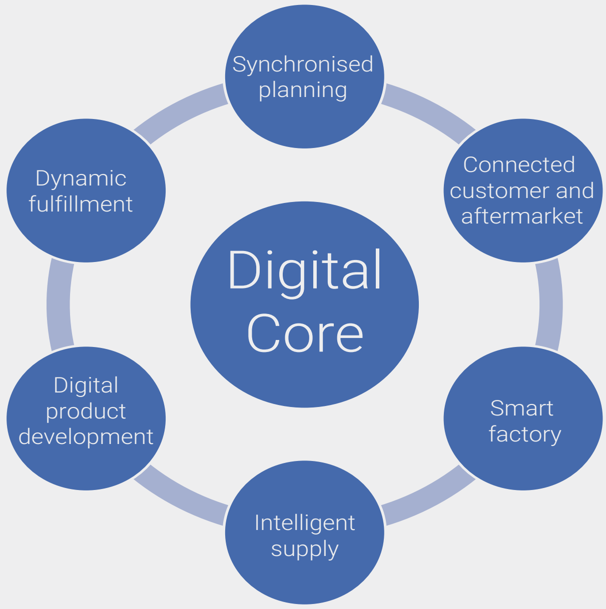
Retailers Expect Robust Festive Season post Healthy Revival in 1QFY23

After gap of two years, lifestyle retailers displayed a strong show in 1QFY23 with robust topline growth. Revenue recovery rate of most apparel players was the highest in 1QFY23 in the range of 115-140%. In order to offset the raw material inflation, most companies undertook a price hike in the range of 12-15% YoY. Though the price hikes did have an impact on price-sensitive customers, mid-premium-to-premium segments were more or less insulated. Despite inflationary pressure, the retail players have maintained pre-COVID EBITDA margin level of 14%. The companies postponed EOSS (End of Season Sale) period and reduced discounting days, as the demand continued to remain strong throughout the quarter. Healthy quarterly performance by the retail companies can be attributed to resumption of spending on non-essential items such as apparel and jewellery. Further, on expectation of improved demand in coming festive season, the retailers have built higher inventory after two consecutive years of low inventory due to COVID waves. Normalization of business scenario and improvement in consumer sentiments are expected to boost demand in the near-term despite inflationary challenges.

Usage of Digital Platform to Influence Consumer Purchase

Digitalization has become an important aspect in today's world. Traditional channels of marketing, advertisement, supply chain, distribution and retailing are changing rapidly with the growth in digitalization and connectivity. Digital channels bring opportunities for more precision marketing, deeper engagement and stronger connections between brands and consumers. Implementation of digitalization and analytics across the value chain enable the companies to engage closely with their consumers in the most cost-efficient way. The brands are using digital and traditional media platforms to create awareness. AI (artificial intelligence) and Machine Learning (ML) will be used extensively to provide marketers with a better understanding of consumers' purchase patterns. Marketers will adopt a data-backed approach to reduce customer acquisition cost, resulting in better conversions and higher margin. Consumers are increasingly engaging with the brands on a range of media platforms, notably digital media, which is consumed on the go and mostly on mobile phones. Advancements in technology and the Internet of Things have made a transformative impact on the supply chain process from assessing market demand using digital analytical forecasting to an integrated operations strategy. Hence, adoption of digitalization is going to influence the consumer purchase and would also aid the retailers to integrate its supply chain.

Adaption of digital supply network in order to become more competitive



Source: Industry report

Indian retail sector witnessed rapid recovery from the pandemic blues and in 1QFY23, revenue of the sector reached to 115-140% of pre-pandemic level. Indian economy is consumption-driven and thus,the retail sector will play an essential role in making India a US$5 trillion economy. Another, positive for retail sector is low organized retail penetration compared to other countries. Organized retail penetration in India stands at the lowest level of 10.5% as of FY22, which provides ample growth opportunity for the retail sector. Further, the large retailers are hopeful of demand spike in the upcoming festive season for which they increased their inventory level in order to cash in on the imminent opportunity. As the daily life is getting back to normal post COVID, the retailers have firmed up their plans for network expansion at a faster pace over the medium-term. While there are near-term headwinds in the form of subdued demand owing to increased prices, the long-term outlook for the retail sector remains bright. Also, rising input and product prices would affect the smaller unorganized players more and can accelerate the shift towards the organized retail space. Hence, the retail sector appears to be on the cusp of delivering strong sustained revenue growth going forward, driven by improved consumer sentiment, low penetration of organized retail and higher spend on discretionary items.

Peer Set

Company Name	Mcap (Rs crs)	Revenue (Rs crs)	EBITDA (Rs crs)	PAT (Rs crs)	EBITDA Margin (%)	PAT Margin (%)	ROE (%)	ROCE (%)	D/E ratio (x)	Interest coverage ratio (x)	1 Yr Forward EV/ EBITDA (x)	1 Yr Forward P/E (x)	1 Yr Forward P/Bvps (x)
Aditya Birla Fashion and Retail Ltd.	32,696	8,136	1,100	(121)	13.5%	-1.5%	-4.6	6.2	0.5	0.6	16.5	8.3	59.6
Monte Carlo Fashions Ltd.	1,694	904	180	114	19.9%	12.6%	17.7	24.1	0.1	10.7	N/A	N/A	7.4
S.P. Apparels Ltd.	1,134	859	152	85	17.7%	9.9%	14.2	16.4	0.3	9.9	5.1	1.2	8.0
Shoppers Stop Ltd.	8,213	2,519	269	(45)	10.7%	-1.8%	-47.2	41.6	2.9	0.6	17.6	22.4	52.0
TCNS Clothing Co. Ltd.	3,953	896	90	(6)	10.0%	-0.6%	-1.0	4.8	0.0	0.8	11.6	N/A	24.9
Trent Ltd.	52,925	4,498	574	29	12.8%	0.7%	1.3	15.7	0.2	1.3	38.1	15.3	79.2
V-Mart Retail Ltd.	5,799	1,666	204	12	12.3%	0.7%	1.4	11.0	0.0	1.1	N/A	N/A	48.3

Source: ACE Equity & Bloomberg

Management Meet Takeaways

HIL Ltd. Conference Call Takeaways

• Entire world especially the European nations are facing severe volatility due to geo-political issue and the company is also facing the same pressure.

• Parador is remarkable acquisition for the company, which is a German flooring solutions company.

• The company is in the process to strengthen the position in home country Germany as well as Austria.

• The customers of Parodor are very much satisfied.

• Raw material cost witnessed sharp increase last year, while the ongoing Russia-Ukraine war has severe impact on Europe.

• In the largest country like Germany, the gas price has increased by 3x, while electricity price has gone up by 4x.

• As the Europe is going to winter, the energy crisis could be the biggest challenge.

• Demand was affected due to high inflation. The consumers are only going for essential items and defer purchase of discretionary items.

• Several large flooring companies in Germany are shutting down their plants. Hence,2Q will be challenging for Parador, which is core part of HIL's strategy.

• The company is targeting to reduce substantial material cost.

• Second quarter has been seasonally the weakest quarter for Indian operations. The company faced high ocean freight rates during the quarter. It also witnessed softening of PVC prices, which resulted in negative margin.

• Building Solutions business is going strong both from topline and bottomline perspectives.

• The management (both in Europe and India) is very active and on track to achieve US$1bn business.

• In last January and February, the company booked the electricity cost. It uses electricity for energy requirement and does not use Gas. Power cost account for 2.5% of revenue for its German operations. The company already hedged energy cost to 60-70% of total requirement. As the sales are low, the company is looking for other alternatives. The company is looking to sell more in China, the US and Middle East and South Africa.

• The company also talked with the German government, as per which it needs to pay only 60% of employee salary in case, the plant gets shut.

HIL LTD: In the largest country like Germany, the gas price has increased by 3x, while electricity price has gone up by 4x.

• The company is monitoring the production and check the inventory level whether working capital is locked in inventory or not.

• Demand has slowed down to the tune of 20% in the current quarter. However, the company expects to compensate the same from other parts of the world.

• Ocean freight rates in the Eastern world and Europe have softened, while the rate is yet to soften in Indian route. Though the freight rate has softened, it is still high compared to previous year. Even, the commodity prices continue to remain high compared to previous year despite correction from the high.

• Second quarter has been the weakest for PVC and building materials business, as the construction is slow due to monsoon. However, building materials business is comparatively doing well. There is no direct impact of higher gas prices on the company, as it uses electricity. But higher gas prices have negative sentimental impact on demand side.

• Its Austrian plant is operational, as the company is full of orders.

• For Parador, 2Q is weak and even 3Q will be on lower side due to Christmas holidays. It expects recovery to take place from 4Q. For Parador,4Qand 1Qare very good.

• There are 2 issues for raw material i.e., availability and cost. While the suppliers are not reducing the cost, raw materials availability has improved.

• The company has entered into construction chemical business and last quarter was good for Building Solution business. The company is strengthening the distribution of this business.

• The company has reported Rs.50mn revenue in Building Solution business in last 3 quarters.

• In India, the competitors will do better than the company on consolidated basis, as Parador will bring down the growth. However, the company will stand strong on standalone basis.

• Parador is far better than other flooring companies in Europe and well-placed to capitalize once the demand will come back.

• Austrian operation is doing well, as the demand is not an issue there but the cost. However, there are challenges in Germany both in terms of demand and cost.

• Summer was weak for European operations for which the company faced trouble in July and August. Demand was down by 20% YoY.

• The company was debt-free in 1QFY23, but it borrowed Rs.500mn in 2QFY23, which it will pay back in the coming quarters.

• The sentiment of prices in the market is extremely weak now and thus, the company is not planning for any price hike.

• When the demand was weak, the company rolled back the price hike in order to bring back the customers.

• In Europe, the company was in good competition, but all the competitors are in terrible condition now.

• The company has converted the crisis into opportunity. During COVID times, it went to untapped areas of Europe to attract customers.

• China is still closed, as travelling is not allowed there. Middle East was a good market before COVID outbreak. The company sent the teams to the Middle East to revive the market.

Titagarh Wagons Ltd.: Transaction Update – Conference Call

• The Government of Italy, through its investment arm i.e., Invitalia, has taken a strategic stake in Titagarh Firema Spa (TFA), a subsidiary of Titagarh Wagons Ltd.

• The Government of Italy will own 30.30% stake in TFA with an investment of €10mn. The investment has been accompanied by an investment from a PE Fund based in the UAE (Hawk Eye DMCC), which has invested €4.5mn and acquired 13.64% stake in the company. The existing promoters of the company and shareholders (Titagarh Bridges & International Pvt. Ltd.) have also invested €5.4mnas a part of investment agreement and recapitalization plan agreed by TFA with the government agency and the PE fund. New equity has been issued at face value of €1/share translating into an EV €118mn and an equity valuation of €33mn.

• Total recapitalization of TFA has been to the tune of €20mn, following which its equity base has increased from €13mn to €33mn, which has improved liquidity and other ratios.

• This is a strategic transaction and recapitalization exercise, which will lead to overall value creation and resultant appreciation of TFA's valuation. The company along with its subsidiary, Titagarh Bridges & International Pvt. Ltd. (TBIPL) continues to hold shares worth €16.4mn representing 49.7% of TFA.

TW LTD: The company sets target for producing 20 cars/month (240-250 car/ annum)... There is potential of full scale operation in next 3-4 years and having the Government of Italy as a shareholder will be supportive in a very big way.

• Investment by Invitalia not only brings the required capital but also it is important since most customers of Italian company.

• The company sets target for producing 20 cars/month (240-250 car/ annum). Average selling price of car in Italy is between €1.6-2mn. There is potential of full scale operation in next 3-4 years and having the Government of Italy as a shareholder will be supportive in a very big way.

• Impact on Indian Operations: One of the rationales for investment of TWL into TFA is for TWL's ability to enter into passenger rolling stock business in India, metro, semi-high speed trains.

• Though TWL produced EMUs in the past, it didn't have technology and manufacturing knowhow to make modern metro or semi and high-speed trains. With the acquisition of TFA, TWL was able to get into these and able to win contract of Pune Metro.

• **Pune Metro:** Out of 102 coaches, 9 coaches came from Italy and 93 coaches are produced in India. Production is going on full swing and it supplied 8 trains till now and 2 will be supplied this month. Entire transfer of technology and manufacturing has been transferred to Indian facilities.

• TWL signed contract with CRRC to supply stainless steel cars to Bangalore Metro. This enables TWL to be the only company to have the capability and technology to produce aluminium and stainless steel metro. Capacity in Phase-I is expected to be 250 cars, which can be scaled up to 450 cars over period of time.

• Though TWL is able to qualify in most Indian tenders, it jointly participated with TFA in some large tenders.

• TWL has a 10-year co-operation agreement with TFA, which is further expandable. While the two companies will now work independently, they will complement each other and take up joint projects as well.

• On account of the transaction, TFA has ceased to be a subsidiary of TWL. Thus, its top-line will come down on consolidated basis. Bottom-line of

TFA had been a drag on consolidated results of TWL due to various reasons (legacy contracts, COVID-19). There won't be any balance sheet consolidation but only P&L consolidation to the extent of ownership (49% in TFA) based on equity method.

• In terms of balance sheet consolidation, India had little debt but Italy had debt (due to completely different geography where cost structure is different) and hence, consolidated balance sheet of 2 diverse geographical regions with different principle and financial management prudence gave a distorted picture. Going ahead, ratios will improve for TWL, as balance sheet numbers will be on standalone basis.

• Sovereign investments are rare and are strong validation of potential of project and Titagarh brand.

• **Cash Infusion:** Cash will be used for stabilization of operations and get to a production of 20 cars per month. Currently, TFA manufactures 2 cars per month and it plans to step it up gradually by next year. It has an order book for €500mn.Cash will also be utilized for working capital needs for contract execution.

• TWL has very little debt on books and the entire equity is primarily from internal accruals. TFA is expected to be EBITDA break-even this year and PAT breakeven in the next.

• **India Business &Orders:** Indian Railways has placed total order for 70,000 wagons over 3 years. Unconfirmed newspapers reports say that the Railways need 300,000 wagons. In Metro space, there are many tenders. TWL is participating and even qualifying in several tenders, but will divulge the details after winning some tenders. However, pipeline remains very strong.

• **Utilization:** TWL has started executing the orders from Railways and capacity is not a constraint.

• **Energy Issues in Italy:** no disruptions as of now but energy prices have gone up and need to see at the time of winter with regards to gas cost and availability and it is indeed a major challenge. TWL expects that major challenges are from cost perspective and production will not be a challenge. Albeit energy costs are not significant for TWL, it is a significant factor. Europe geography has been facing challenges like Euro crises, geo-political issues, COVID-19 challenges and upcoming elections etc. With the Government of Italy as a partner, most of these uncertainties are hedged.

• **Capex Plans:** Including the past capex, the total capex for three businesses in next five years is seen at ~Rs.1000 crore, out of which 25-30% has already been spent over last 2-3 years.

• Blended margin for Indian business stands at 8-10%, which might vary across contacts.

• In Italy, execution of order book varies between 3-4 years. Some framework orders haven't been released. New contracts are also there, which the company is bidding and negotiating and expects to secure.

• **Metro & Defence Segments:** Metro segment has large opportunity in Tier-I and Tier-II cities. The company hasn't participated majorly in defence.

• **Management Control of TFA:** The management is independent and professional, and the company is in the process of identifying a CEO. The board of TFA is completely independent wherein the nominee all shareholders are present in proportion to their holding.

• Vande Bharat is an exciting opportunity and tenders of 400 trains have been sorted. However, these are first of the tenders and the company is evaluating to participate in these tenders and will be decided based on merits of profit.

TW LTD: Including the past capex, the total capex for three businesses in next five years is seen at ~Rs.1000 crore, out of which 25-30% has already been spent over last 2-3 years.

• Production of traction motor production has been started and given to Railways for clearance.

• The company has not been able to reach 700 wagon capacities per month. Currently, it ramped-up capacity to 500 wagons and will be able to ramp to 700 in the next 3 months. So far, wheels supplied to the company have also moved with company's ambitions. In a tender-oriented basis, margin is dependent on size of orders and would be in the threshold of 8-10%.

• Prices of wagons vary between 30-40 lakh.

• **Potential of Propulsion Business:** Propulsion business can be very large and have capacity of up to 200 traction motors a month and up to 8 traction converters a month. At full capacity, revenue potential is seen in Rs.1,000-1,500 crore range. As this is a higher technology product, margin is higher than conventional products. The company needs3 years to reach full potential. The company would start generating revenue from this system from the current fiscal.

• **Accounting of TFA in P&L:** Under equity accounting method, TFA's P&L will be on pro-rata basis consolidated in P&L as a separate line item. Revenue of TFA will not be added to the holding company and thus, the revenue will be standalone TWL numbers only. Target of 240 coaches for TFA and even at €1.6-1.7mn average rates, TFA could generate revenue of almost €400mn in next 3-4 years. Italy gives EBITDA of 5-6% on an average basis.

• **Opportunities in Shipping Containers:** TWL's management has explored opportunity in shipping containers in the past. However, this is a very low-value item. Today, the prices have moved up due to shortage but it might not sustain over the period of time. However, market dynamics can change and with government's support, the company can evaluate the business opportunities in this space, going forward.

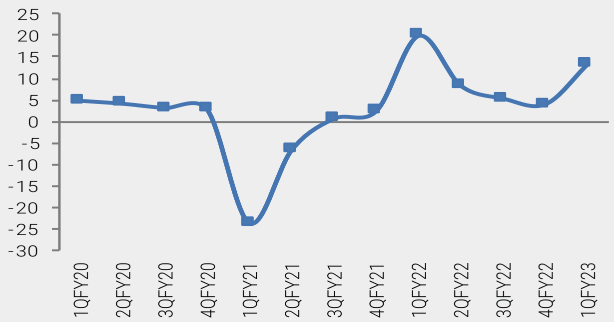
Economy review

The present economic environment is a lot perplexing and the road ahead is rather difficult to predict and not just for commoners but for economists and analyst fraternity as well. The inflationary situation in the global context (especially for developed economies) is a lot more challenging to tame and which warrants frontloading of the rates in order to achieve the targeted rates. For instance for US, Fed wants inflation to eventually ease to long term levels of 2% while CPI inflation prevails at more than 8% and thus warrants front loaded monetary policy even if it risks recession for the economy. The reason the Fed needs to be aggressive is to tame inflationary expectations unless they get anchored, else the job will get out of hands. This is after knowing that aggressive monetary policy will not always yield desired results especially when the supply chain dynamics have totally changed in the global perspective post pandemic. For domestic economy, albeit the latest CPI inflation print at 7% for August 2022 is higher than tolerance range of RBI (4% plus/minus 2% range), it is certainly not way-off. Besides, inflationary range of 6-6.5% was rather common even in pre-pandemic era. The core-inflation (excluding food and fuel) remains rather sticky and tad above 6% suggesting that the fall in some of the input costs is yet to get translated into output prices. Higher food inflation was the joker in the pack for the month of August 2022 (on account of seasonal rise in vegetable prices) coming in at 7.6% yoy. Some of the items which contributed food inflation wasrice, wheat and bajra as well, following which the government banned rice exports. Besides, monsoon has been rather erratic this time and so far in the season (June 1 to September 16), the cumulative monsoon has been largely deficient in 19 of the 703 districts of the country. Of these, 13 lie in UP alone, states an article from Business Standard. Most importantly, sowing has been 4.52% lower for Rice cumulatively and the Centre expects rice production in the kharif season to drop by 4-5 million tonnes from last year. Considering that the wheat reserves are depleted on account of diversion of PM food programme for the poor while procurements was low last year on account of diversion towards export markets (until government stepped in and imposed bans). Thus, there are indeed higher inflationary risks and not just from supply side shocks. Thankfully, higher base and lower energy costs and it's both first and second order impacts will provide some respite as global oil prices moderate. Besides, the global as well as domestic supply chain pressures are easing on the back of improvements in domestic supply delivery time, backlogs and decline in truck freights, states the 'State of the Economy' report from RBI. As supply chains normalize, it would not necessitate large inventories and thus improving

The core-inflation (excluding food and fuel) remains rather sticky and tad above 6% suggesting that the fall in some of the input costs is yet to get translated into output prices.

demand-supply balances. However, imported inflation may be a pain and flow through to consumer prices in the interim.

Real GDP growth (% YoY)



Source: RBI

Kharif crop sowing (as on 16th Sep)

Crops (in Mn. hectare)	Normal area*	2021	2022	% Change**
Rice	39.7	41.79	39.9	-4.52%
Pulses	14.01	13.75	13.19	-4.07%
Coarse Cereals	18.35	17.4	18.13	4.20%
Oilseeds	18.41	19.22	19.09	-0.68%
Sugarcane	4.73	5.49	5.56	1.28%
Cotton	12.55	11.82	12.71	7.53%
Total#	108.49	110.18	109.29	-0.81%

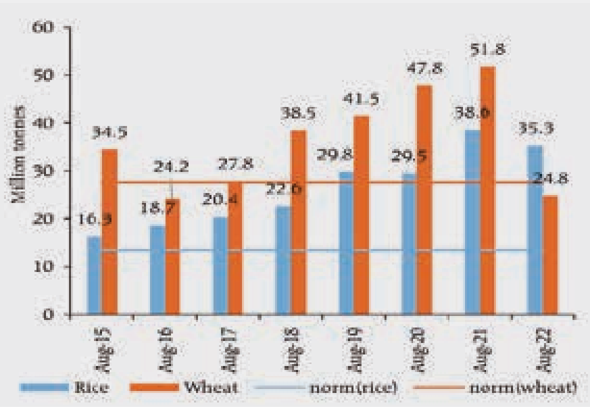
**Acreage average of past five years in full season*

***in 2022 over 2021*

#Total might not match as all crops are not included

Source: Ministry Of Agriculture, Business Standard

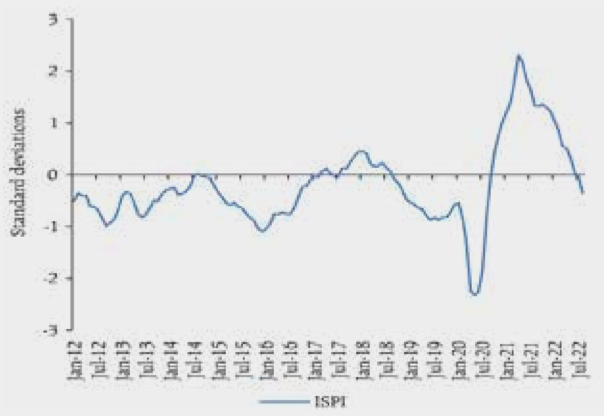
Stock of Rice and Wheat in Central Pool (as on August 31)



Source: RBI State of the Economy, RBI Bulletin Sep'22

The task is challenging for the RBI as well, given the fact that GDP growth for 1QFY23 has been lower than its own estimates while latest IIP print has not been encouraging as well. However, headline inflation for August 2022 didn't deviate as much from the consensus as GDP growth did. 1QFY23 real GDP growth came in at 13.5% around 2.5% to 3% lower than what RBI estimated. Concerns on growth have been further compounded with 2.4% yoy growth in industrial output for the month of July 2022. Q1FY23 GDP growth was driven by private consumption and investment as well. Private consumption expenditure grew 25.9% yoy as compared to 1.8%/14.4% yoy in4QFY22/1QFY22. Real investment growth was also strong at 18.7% yoy in 1QFY23 vs 9.4% yoy growth. According to Ministry of Finance, higher private consumption and improvement in capacity utilization would reinvigorate the capex cycle and thus take investment rate higher. Investment rate has improved to 29.2% of GDP in 1QFY23 vs 28.2% in 1QFY22. Private capex spends are however far from durable and that is what even Finance Minister even stressed on, despite the government lowering tax structure as well as brining in attractive schemes like PLI. More importantly, private capex in recent periods is concentrated around few projects and belonged to a handful of large groups, thus sustenance was always doubtful. According to CMIE, capex on new projects nearly halved to Rs 4.28 lakh crore in April-June from Rs 8.18 lakh crore in January-March. According to economists from CareEdge, corporate players are still hesitant to commit capital in the context of domestic and global economic uncertainties. However, having said that, capex has recovered from pandemic lows. Based on study conducted by careEdge on 659 listed non-finance companies revealed that capex grew by 22 percent in FY22, though it still remains below the pre-pandemic period.Capex growth has been majorly led by sectors such as telecom, oil & gas, power, retailing, iron & steel, auto and auto ancillaries. However, top 10 players have contributed around 50% to the total capex for FY22, stated the study from CareEdge.

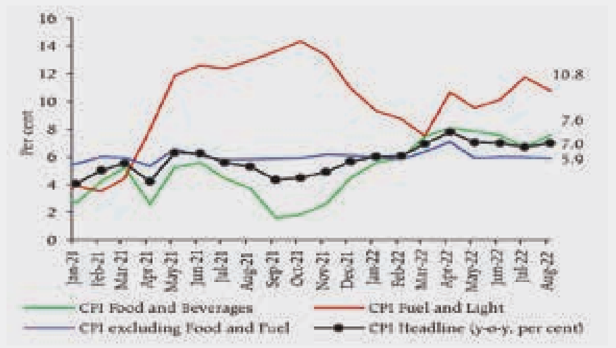
Index of Supply Chain Pressures for India (ISPI)



Source: RBI State of the Economy, RBI Bulletin Sep'22

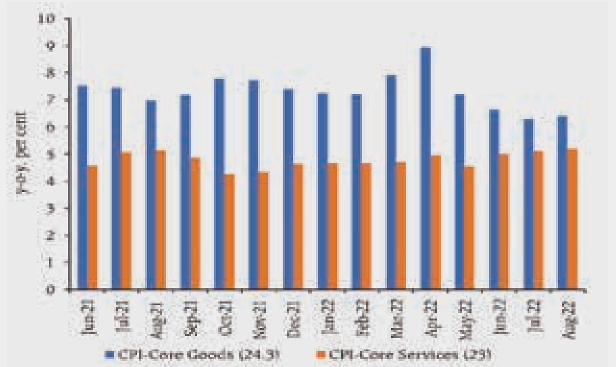
Capex revival is necessary due to strong multiplier effect it has on the GDP growth. Historical data suggests that the longest expansionary phase in Indian economy (2003-2008) was on the back of average investment growth of 15%. Strong investment growth enabled to raise average growth from 5.1% during 1979-2002 to 7% between 2003 and 2012. Although a similar level of growth was achieved between 2014 and 2017, it was majorly driven by consumption. Albeit, a recovery in consumption growth would lead to improvement in capacity utilization levels and is an incentive for private sector to invest more. According to OECD, 1QFY23 GDP growth is actually lower 1.43% in seasonally adjusted terms and is actually second-worst amongst G-20 counties, next only to China's 2.6% slump. Overall OECD Universe GDP grew by paltry 0.40% in April-June quarter. The challenges strewn are in the form of drag in net exports amidst challenges on growth in developed nations. According to Renu Kohli, a macro economist, the best way to compare the latest industrial production data is to compare with April-July 2019 due to distortions in 1QFY21 and 1QFY22. In 1QFY23, while industrial production grew 5% over 1QFY20, it tapered off to 2.1% growth in July. In fact, consumer demand could have even lost grounds, if one tracks the use-based production data which is a gauge of the same. According to her, consumer durables' output contracted -7.9% over 1QFY20, or at 92.1% of its level then. Even, non-durables output (proxy for lower-end consumption demand) has also reached at 98.8% of the 1QFY20 level. For July figures as well, there have been contraction as well when compared to July 2019 figures. Thus, the recovery is fragile and the RBI will have a job cut-out as it might have to please or work in tandem with the Finance Ministry, just as everything worked great back in pandemic years. In short, the RBI cannot be aggressive to kill the growth inducing sectors while it cannot fall back too much and risk rupee depreciation (considering that majority of developed central banks are aggressive on rate hikes). In short, it has to walk on a tight rope.

CPI Inflation (y-o-y)



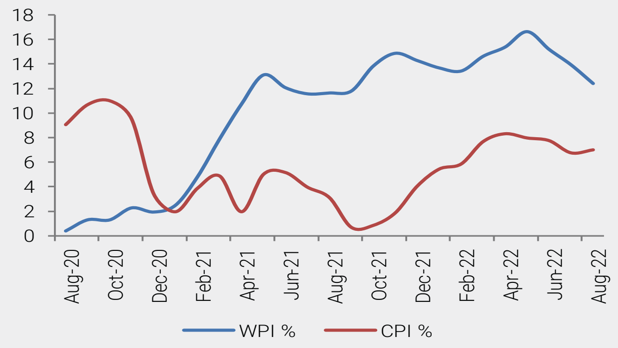
Source: RBI State of the Economy, RBI Bulletin Sep'22

CPI Core Inflation-Goods Versus Services



Source: RBI State of the Economy, RBI Bulletin Sep'22

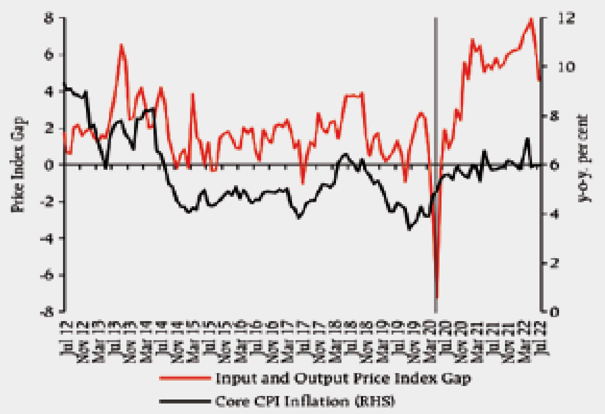
WPI closing in with CPI



Source: RBI

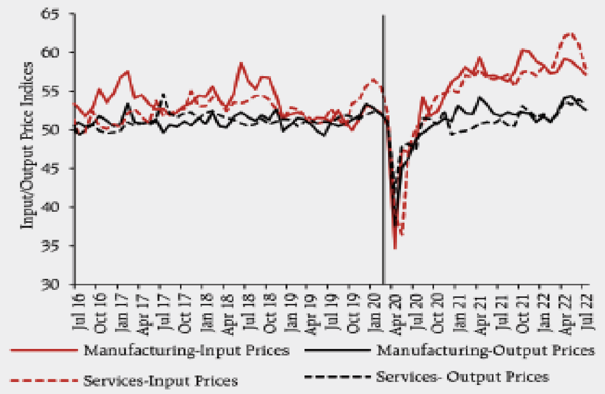
As for RBI, the measure to watch out for would be core inflation which unfortunately has been sticky, however it provides insights. The 'Monthly Economic Review 'report issued for the month of August by the Ministry of Finance states that "The pass-through of headline to core inflation can profoundly impact the anchoring of inflation expectations to the upside. Since core inflation tends to be more persistent than headline inflation, it implies that even as food and energy prices decline, core inflation could nonetheless be somewhat sticky with its attendant implications for household purchasing power". Further, the report states that core inflation is likely to remain sticky in the months ahead on account of pass through of input costs to end consumer products which were held up earlier. Thus, despite the ease in WPI inflation in recent months, the same will not be reflected in CPI inflation and is an upside risk to CPI inflation. The report further states that strong consumption growth as depicted in 1QFY23 GDP numbers might hold up despite the pass through of input costs. The other major upside risk to CPI inflation is on account of food inflation and further complicated by lower kharif sowing of rice and pulses. Of course the RBI refutes such upside risks from lower kharif sowing and expects production to cross last year's (the major difference could be on account of belated data for FinMin report). Nevertheless, monsoon has been erratic and so far, sowing has been lower as highlighted above. There has been little correlation between WPI inflation and CPI Inflation, rather there seems to be an inverse relationship between the two which is attributed to the pricing power of most businesses. WPI inflation has eased for the third consecutive month to 12.41% for the month of August while CPI inflation has rather held up. Since April last year, WPI inflation was into double digits and companies were in a fix not to raise prices too soon and much in order to hurt the nascent recovery, rather absorb majority of costs and take a hit on profitability. Now, that the gap between WPI and CPI inflation has narrowed down, firms would be reluctant to pass on the benefits of falling global commodity prices to retail consumers because they will likely look to recoup their margins, believes economists. In fact, RBI MPC member, Rajiv Ranjan also acknowledged the same in RBI minutes.

Input-Output Price Index Gap and Core Inflation



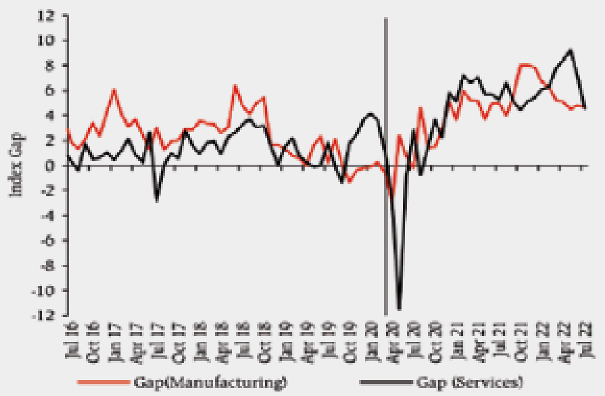
Source: Sensitivity of Output Prices to Input Prices, RBI

PMI - Input and Output Prices



Source: Sensitivity of Output Prices to Input Prices, RBI

PMI-Input and Output Price Index Gap



Source: Sensitivity of Output Prices to Input Prices, RBI

According to a recent RBI analysis titled 'Sensitivity of Output Prices to Input Prices: An Empirical Analysis for India', the authors tried to find out a relation and the impact of the changes in input prices over output prices which captures second order effects of cost push pressures. This is essentially valid in the current global context which witnessed elevated input price pressures due to higher global energy and commodity prices, amidst persistent global supply chain bottlenecks and pent up demand. The RBI study explains critical factors to determine whether higher input costs are getting translated into headline inflation. Besides, whether they are transitory or persistent in nature would eventually determine the pricing power of firms or to what extent can the higher input costs be passed through. The study states that "there is ample literature to support the state-contingent nature of the firm's pricing power whereby pass-through is stronger when demand conditions are favourable and vice versa1 (Schnabel, 2022). Well anchored inflation expectations also show significant role in permitting central banks to follow an active monetary policy.Studies have shown an overall decline in the inflation pass-through (short term to long term inflation forecasts), with overall share of countries experiencing anchored inflation expectations increasing over time on account of inflation targeting (Yetman, 2020)." The study states that pricing power have varied across geographies in the post-pandemic world and they have been rather strong in advanced economies on account of strong demand while emerging markets have now started to join advanced economies on extended period of higher input price pressures. For India, the pass-through had been limited on account of slack in the economy which resulted in widening gap between input and output prices since mid-2020-21. From FY23 onwards however there has been pressure on output prices as evident from RBI surveys. Thus, the RBI study attempted to analyse and decode the input cost pricing behaviour and supplement existing studies on sensitivity of inflation in India to input cost pressures. As stated earlier in the article, RBI study also acknowledges that post second Covid-19 wave, as several companies left fees/charges unchanged, in the case of service sector as well as manufacturers in order to support subdued demand. It is only in the terminal months of CY2021 that the PMI data indicated robust growth for services and manufacturing sector and input cost pressure were hence passed from there on. Future output, an indicator of expected demand conditions and pass-through sentiments, however, remained modest and that gave the confidence to pass on some of the input cost pressure, however input-output gap persisted. Input price pressures are best captured by core WPI inflation albeit the correlation between core WPI and core CPI is rather weak. "Change in input prices impacts core CPI indirectly through change in core WPI, thus, making the impact on core CPI relatively subdued with input price changes" states the RBI study. The RBI paper eventually finds that pass-through from input to output prices builds over time and the relation is non-linear with the sensitivity of output prices to input prices rising at higher quantiles of input prices. The paper also states that higher input prices have a quicker transmission and stronger impact on the headline inflation relative to core inflation. Thus, headline inflation will be dependent upon demand dynamics, movement in input prices and global uncertainties and the pass-through of input costs by manufacturers.

START-UP CORNER

At Ashika Capital, we are extremely passionate about fostering symbiotic relationships that are aimed at building and sustaining high-growth founder led businesses. We strongly believe that financial capital is the first stepping stone to build a scalable, sustainable and impactful business. Therefore, our endeavour is to identify great entrepreneurs in pursuit of building businesses that carry magnanimous investment potential. Here is an INSIGHT into businesses that we have worked/working with –

Advised India's leading Longevity Science HealthTech startup, Human Edge get its first round of institutional capital led by Bharat Innovation Fund & Force Ventures

Ashika Capital is proud to have helped Human Edge in this fund-raise. Human Edge approaches longevity via enhancing healthspan using science, deep data and technology-based lifestyle interventions. By using digital biomarkers, it creates a personalized scalable product that provides behavioural "biohacks" for employees to learn, be coached & engage in an online community to enhance their performance at the workplace.

Advised PropTech raise anti-dilutive capital via India's leading Fintech

BiZ Nest, which is building Goa's First Work + Living Lifestyle Platform. They have doubled their presence in the last quarter with a strong order book. Unicorns like Turtlemint, D2C leaders like mCaffeine, 99acres etc. have taken desks at Biz Nest

---

These are the top three business opportunities that interested stakeholders can pursue from an investment standpoint. If you are interested to know more about these companies from the perspective of business operations, investment thesis, exit opportunities and more, please drop in a line to us at ib@ashikagroup.com.

NATIONAL LOGISTICS POLICY:
WINGS TO INDIA'S LOGISTICS SECTOR

The Government of India launched the much-awaited National Logistics Policy (NLP) on September 17, 2022 to improve the logistics ecosystem in India by developing processes, standards, regulatory framework, integrated technology infrastructure and human resources in the sector. It will complement the PM Gati Shakti — National Master Plan to enable seamless movement of goods and people, and reduce the cost of doing business, which should improve export competitiveness. The underlying vision of the policy is "to develop a technologically-enabled, integrated, cost-efficient, resilient, sustainable and trusted logistics ecosystem in the country for accelerated and inclusive growth". The policy aims to reduce the cost of logistics in India and render it comparable to global benchmarks by 2030. Currently, this cost is at 12-14% of GDP vs. 10% or less in the developed world. By containing costs, the policy aims to place India amongst the top 25 nations in the Logistics Performance Index from #44 currently. The NLP will focus on components such as world-class infrastructure, modern warehousing, digitalisation, regulations, tracing and tracking, ease of arranging shipment, and timeliness. With an eye on enhancing integration with regional and global value chains, it will have sector-specific logistics plans on coal, steel, fertiliser, food grains, cement, and port connectivity. There would be four critical features: Integration of Digital System, Unified Logistics Interface Platform, Ease of Logistics Service Portal, and System Improvement Group. To lower cost, the policy seeks to establish a single point of contact for all logistics and trade facilitation issues.

The underlying vision of the policy is "to develop a technologically enabled, integrated, cost-efficient, resilient, sustainable and trusted logistics ecosystem in the country for accelerated and inclusive growth".

The objective is to curtail costs and improve efficiency for the seamless movement of goods so as to augment the ease of doing business in India. NLP aims to bring in agility to ensure quick last mile delivery, end transport-related challenges, save time/ money of manufacturers and save wastages. This shall provide fillip to international trade, make India more 'Atmanirbhar' (self-reliant), and reduce food wastage and aide growth and expansion of MSMEs and start-ups. The proposed policy will be implemented through Comprehensive Logistics Action Plan (CLAP) which has eight key action areas: (1) Integrated Digital Logistics System – develop a unified logistics interface to link multiple data sources (ULIP); (2) Standardisation of Physical Assets & Benchmarking Service Quality Standards – minimise risk, optimise processes and improve ease of doing business; (3) Develop Logistics Human Resources and Capacity Building; (4) Drive State Engagement – support development of state/city-level logistics plans (LEADS); 5) Improve EXIM (Export-Import) Logistics – address infrastructure and procedural gaps in EXIM connectivity and create an efficient network for cross-border trade facilitation; (6) Implement a Service Improvement Framework (E-Logs); (7) Create a Sectoral Plan for Efficient Logistics; (8) Facilitation of Development of Logistics Parks.

Over the last few years, there have been several reforms such as paperless EXIM trade process through e-sanchit, faceless assessment for customs, provisions for e-way bills, FASTag, etc. that have improved the efficiency of the logistics sector. A Unified Logistics Interface Platform (ULIP) will bring all digital services related to the transportation sector into a single portal, freeing exporters from a host of very long and cumbersome processes. Through a new digital platform, Ease of Logistics Services (E-Logs), has been started where the industry associations can directly take issues in their operations with the government agencies. With increasing use of technology, the aim is to reduce the cost of transportation. Several government initiatives in the past on Infrastructure development (Sagarmala, Bharatmala, DFC), technology (e-way bills, FASTag, GST), manufacturing schemes (PLI, Make in India, Atmanirbhar Bharat), among others have been the key stepping stones for the NLP. Additionally, the PM GatiShakti – National Master Plan will enable development of entire logistics ecosystem.

Key Objectives

- Creating a single point of reference for all logistics and trade facilitation matters in the country which will also function as a knowledge and information sharing platform
- Driving logistics cost as a % of GDP down from estimated current levels of 13-14% to 10% in line with best-in-class global standards and incentivize the sector to become more efficient by promoting integrated development of logistics
- Creating a National Logistics e-marketplace as a one-stop marketplace. It will involve simplification of documentation for exports/imports and drive transparency through digitization of processes involving Customs, PGAs etc in regulatory, certification and compliance services

Driving logistics cost as a % of GDP down from estimated current levels of 13-14% to 10% in line with best-in-class global standards and incentivize the sector to become more efficient by promoting integrated development of logistics

- Creating a data and analytics center to drive transparency and continuous monitoring of key logistics metrics
- Encouraging industry, academia and government to come together to create a logistics Center of Excellence, and drive innovation in the logistics sector
- Creating and managing on an ongoing basis, an Integrated National Logistics Action Plan which will serve as a master plan for all logistics-related development.
- Providing an impetus to trade and hence economic growth by driving competitiveness in exports
- Doubling employment in the logistics sector by generating additional 10-15 million jobs and focusing on enhancing skills in the sector and encouraging gender diversity
- Improve India's ranking in the Logistics Performance Index to between 25 to 30
- Strengthening the warehousing sector in India by improving the quality of storage infrastructure including specialized warehouses across the country
- Reducing losses due to agri-wastage to less than 5% through effective agri-logistics
- Providing impetus to the MSME sector in the country through a cost-effective logistics network
- Promoting cross-regional trade on e-commerce platforms by enabling a seamless flow of goods
- Encouraging the adoption of green logistics in the country

Policy Thrust Areas

- Focusing on critical projects to

drive an optimal modal mix and to enable first mile and last mile connectivity

- Driving the development of Multi Modal Logistics Parks (MMLPs)
- Driving interventions to reduce logistics costs and promote logistics efficiency for the movement of key commodities
- Creating a single window Logistics e-marketplace
- Setting up a Logistics Data and Analytics Center
- Creating a Center of Trade Facilitation and Logistics Excellence (CTFL) and leveraging the expertise of multilateral agencies
- Creating an Integrated National Logistics Action Plan and aligning with respective state development plans
- Support strengthening of the warehousing sector
- Enhancing transport and rolling stock infrastructure
- Streamlining EXIM processes to promote trade competitiveness
- Reducing dwell time for interstate cargo movement by road
- Promoting standardization in the logistics sector
- Ensuring seamless movement of goods at Land Customs Stations (LCS) and Integrated Check Points (ICP)
- Generating employment, enhancing skilling, and encouraging gender diversity in the logistics sector
- Setting up a Startup acceleration fund

Targets

- Reduce cost of logistics in India to be comparable to global benchmarks by 2030
- Logistics Performance Index ranking – endeavour to be among top 25 countries by 2030, and
- Create data driven decision support mechanism for an efficient logistics ecosystem.

Comprehensive Logistics Action Plan (CLAP)

The interventions proposed under the CLAP are divided into eight key action areas which are as follows:

1. Integrated Digital Logistics Systems: Develop a system of unified logistics interface to link multiple data sources and develop cross sectoral use cases for logistics stakeholders.

2. Standardisation of physical assets & benchmarking service quality standards: Enhance interoperability, minimise handling risks, undertake process optimisation and improve ease of doing business, through standardisation of physical assets and benchmarking of service quality standards in logistics.

3. Logistics Human Resources Development and Capacity Building: Develop an overarching logistics human resource strategy and under its guiding principles, line ministries to develop action plans to address skill development related and internal capacity building challenges in the respective sector.

> **Develop an overarching logistics human resource strategy and under its guiding principles, line ministries to develop action plans to address skill development related and internal capacity building challenges in the respective sector.**

4. State Engagement: Support the development of state/city level logistics plans, set up institutional framework to take action at city/state level, measure and monitor action by states and rank them.

5. EXIM (Export-Import) Logistics: Addressing infrastructure and procedural gaps in India's EXIM connectivity and create efficient and reliable logistics network, with transparent and streamlined cross-border trade facilitation, for improved trade competitiveness and greater integration of India with regional and global value chains.

6. Service Improvement framework: Improving regulatory interface to enable seamlessness between sectors, promote standardisation, formalisation, interoperability; eliminate fragmentation in documentation, formats, processes and liability regimes; reduce gaps in regulatory architecture.

7. Sectoral Plan for Efficient Logistics: Sectoral Plans for Efficient Logistics (SPEL) aligned with PM GatiShakti, will be developed for each sector with underlying philosophies of inter-operability, resiliency, sustainability, and innovation. Specifically, SPEL would (i) address logistics issues pertaining to infrastructure, processes, digital improvements, policies and regulatory reforms, and capacity building for better workforce, and ii) prioritise cross-sectoral cooperation to complement and not duplicate efforts and focus on optimisation of modal mix.

8. Facilitation of development of Logistics Parks: Logistics parks (e.g. Multi-Modal Logistics Parks, Air Freight Stations, Inland Container Depots, Container Freight Stations, cargo terminals, etc.) are hubs for intermediary activities (storage, handling, value addition, inter-modal transfers, etc.) in the supply chain connected by a transportation network. It is envisaged to take following steps to facilitate development of logistics parks:

a. Draft framework guidelines to facilitate development of Logistics Parks in the country with focus on encouraging private investment.

b. Create a network of logistics parks by mapping them on the PM GatiShakti NMP, for enhanced visibility, improved logistics efficiency, optimum utilisation and connectivity.

Unified Logistics Interface Platform (ULIP) – An Integrated Platform

To achieve an "Atmanirbhar Bharat" in the logistics sector, Unified Logistics Interface Platform (ULIP) has been identified as a promising initiative which has been conceptualised to provide an integrated platform that can be effectively utilized by the stakeholders to enhance efficiency, utilize technology, and reduce the cost of logistics in India.

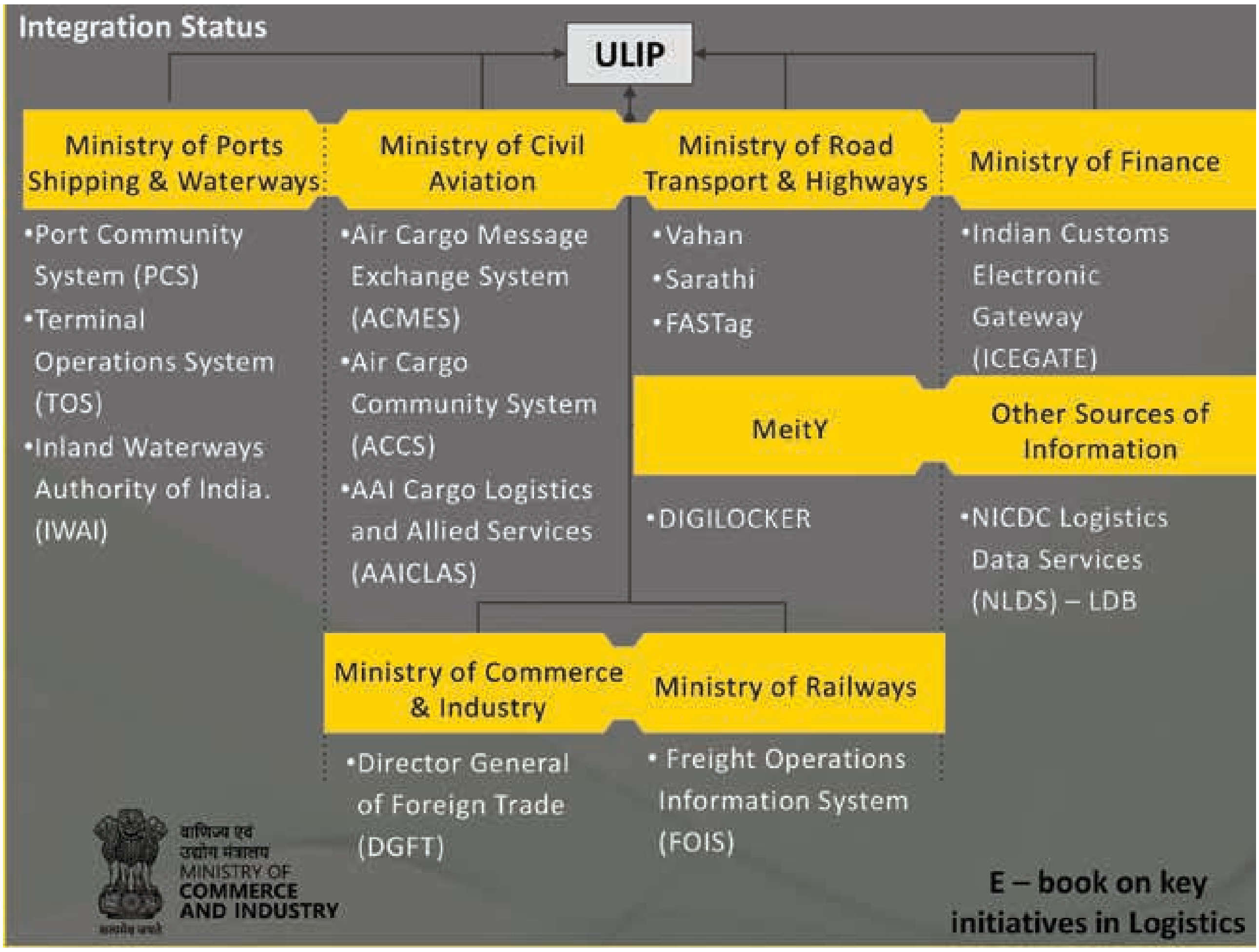
This platform will be utilised by various government and private agencies, service providers, shippers, consignees etc. to enable information exchange on a real/near real-time basis amongst all stakeholders in a confidential manner. ULIP will address the challenges of delayed processes and manual activities in India's logistics sector and will be a game changer for the Indian logistics landscape.

ULIP Architecture

ULIP is an open-source platform which works on a request & response-based system that integrates multiple systems of different stakeholders. The platform is a three tier structure comprising of Application Layer, Governance Layer and Presentation Layer. Application Layer acts as a bridge between the data source and the user of the data. While the Governance Layer helps the Policy Makers to ensure compliances and take policy decision. Private Sector players are being promoted for the purpose of developing Presentation Layer which will act as an interface with the end-customer.

Current Status

The ULIP platform as a whole is divided into three layers namely Integration layer, Governance layer and Presentation layer. Under the Integration layer and the Governance layer, 30 logistics systems of 07 Ministries/Departments covering over 1600 fields have been integrated through 102 APIs with ULIP. The aim is to create a UPI kind of a structure in which every single transaction of the logistic department can be authenticated. The Presentation layer is to be developed by involving the private sector.



E-LogS – Dashboard for Ease of Logistics Services

Logistics efficiency is a function of infrastructure, services (digital systems/processes/regulatory framework) and human resource. For a holistic approach to logistics efficiency, The National Logistics Policy 2022 (NLP) proposes to establish a Services Improvement Framework for:

- Improving regulatory interface to enable seamless handshaking between logistics sectors
- Promote standardization, formalization, and inter-operability
- Streamline fragmentation in documentation, formats, and processes
- Reduce gaps in any existing regulatory architecture

The Framework is envisaged to be operationalized through:

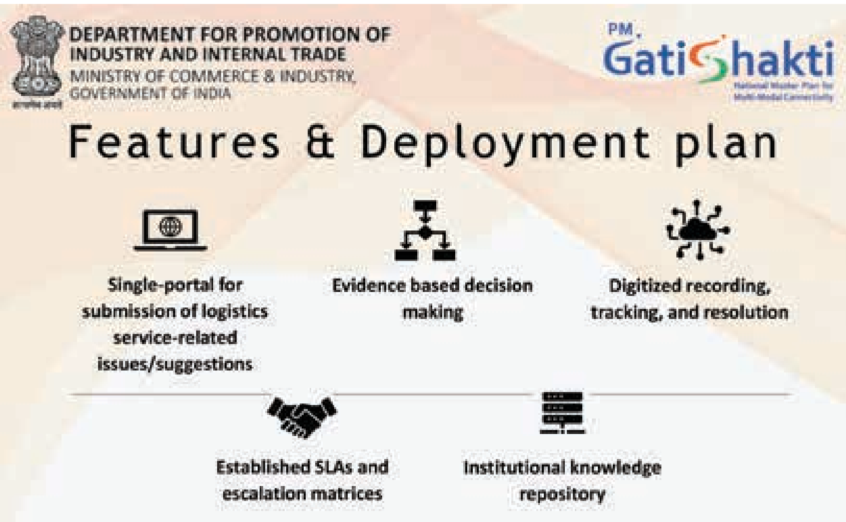
1. Formation of a Services Improvement Group (SIG) on the lines of the Network Planning Group (NPG). SIG will comprise of officers nominated from various user ministries and will provide for the monitoring and coordination mechanism for unresolved user issues pertaining to services, documentation, processes, policy, along with identification of interventions for improving user interface.

A digital system for registering, coordinating, and monitoring resolution of user issues is being developed on which authorized user associations will register and upload their issues/ suggestions.

2. Creation of a Digital Dashboard - E-LogS: Ease of Logistics: A digital system for registering, coordinating, and monitoring resolution of user issues is being developed on which authorized user associations will register and upload their issues/ suggestions. This portal has been developed by the Logistics Division, DPIIT to facilitate time-bound resolution of issues.

LEADS – Survey to assess and suggest improvements in logistics sector

To fulfil the government's cost-efficient logistics vision, the logistics division of DPIIT, Ministry of Commerce & Industry undertakes an annual "Logistics Ease Across Different States (LEADS)" survey in all States/ UTs to assess and suggest various improvements in logistics sector of the country. The LEADS survey assesses the viewpoints of various users and stakeholders across value chain (Shippers, Terminal Infrastructure Service Providers, Logistics Service Providers, Transporters and Government agencies) to understand the 'enabler' and 'impediments' to logistics ecosystem in the country.



The LEADS exercise envisages the following outcomes:

1. Action for state/ UT governments – LEADS a ready reckoner document of issues faced by industry on ground and suggestive mitigating measures, laying foundation for possible logistics vision for the State/UT. It encourages States to make logistics sector a priority on their list and establish an institutional mechanism for logistics. It also nudges the States to take proactive policy initiatives in the form of State Logistics Policy and Plans and encouraged to create a repository of data points pertaining to major covenants on logistics.

2. Interaction with private stakeholders – LEADS serves as a platform to interact with private stakeholders in form of associations, traders, shippers, logistics companies, transport companies etc. and gauge their issues with respect to logistics, this makes the overall logistics eco-system much more responsive and healthier.

3. Cooperative Competitive Federalism – LEADS further promotes the concept of Cooperative Competitive Federalism where Competitive Federalism where States / UTs not only learn from one another but also imbibe a competitive spirit to accelerate initiatives and development in logistics sector.

Ultimately, initiatives such as the LEADS & PM-GatiShakti (PMGS) aim to improve the logistics efficiency of the country which will not only improve its domestic and EXIM movement but also improve its rankings in international exercises such as Logistics Performance Index (LPI) conducted biennially by the World Bank.

Expert Opinion

Prime Minister Narendra Modi said, the policy has not come out of the blue but after eight years of work. He said that the policy was a beginning and not the end — it is policy plus performance that will energise all sectors and help transform the country into a developed nation by the end of Amrit Kaal, in 2047.

Union Minister of Commerce and Industry Piyush Goyal said that the national logistics policy would end to silos and bring all departments and states together, in line with the holistic vision of the Prime Minister. Referring to logistics as the lifeline of the economy, the commerce minister said that the policy would give India's logistics sector a new direction and take it to greater heights. He observed that Covid-19 had displayed the strength of India's logistics sector in front of the world. He said that food grains and other essential items reached all people on time and we achieved new milestones in international trade.

Vinod Aggarwal, President, SIAM and MD & CEO, VE Commercial Vehicles, said that Automobile industry welcomes the launch of the National Logistics Policy. It is an extremely vital step taken by the Government that will boost the growth of the Automobile sector as the policy focuses on building superior infrastructure like 35 Multi-Modal Logistics Hubs, which will promote seamless transportation of goods. It is expected that this policy will reduce the Transit Time and Logistics Cost for manufacturers and improve competitiveness of Indian goods in international markets, thereby helping exports.

Arindam Guha, Partner, Government & Public Services Leader, Deloitte India, expects the new scheme to facilitate a modal shift in logistics — from the current over-dependence on roads (over 60% share currently as against 25% globally) to railways (30% currently vis-à-vis around 60% globally) and waterways that currently has only 5% share in the modal mix.

Sunil Nair, CEO of Snowman Logistics, hopes this policy simplifies a lot of regulations and procedures in the industry. Integration of multimodal transportation should help companies like us, wherein Snowman does domestic logistics through warehouses and trucking and GDL does EXIM-based logistics through rail, ICD and CFS. The policy should also raise the bar for quality and service levels of operators, thus upgrading the overall logistics operations.

Prime Minister Narendra Modi said, the policy was a beginning and not the end — it is policy plus performance that will energise all sectors and help transform the country into a developed nation by the end of Amrit Kaal, in 2047.

Vineet Agarwal, MD at Transport Corporation of India, opines that the NLP will herald a paradigm shift in the logistics sector. In his view, the push toward seamless multimodal transportation and modern connectivity will be a game changer as it will shift the transportation stress from just the road to other modes as well. It will help us drive the ESG goals and focus on a better cost structure. The paperless supply chain initiative, strengthened cooperative federalism, ease of logistics services portal (e-log), and standardisation of the warehousing sector will help India become one of the top 25 logistics performers in the world.

Rampraveen Swaminathan, MD and CEO of Mahindra Logistics opines that as India aims to become a $5 trillion economy by 2024-25, connectivity and superior infrastructure will become more critical. The NLP comes as a tremendous boost for the sector to this effect. He adds the policy will further augment warehousing capacity and take products closer to the consumption points.

Ketan Kulkarni, Chief Commercial Officer, Blue Dart opines that the NLP's launch is a landmark move for the sector. The policy will help bring down the transportation, warehousing and inventory costs, which will consequently reduce the overall logistics cost down to around 8% of GDP in the next 5 years. Digitalization of the logistics sector and the creation of unified portals will play a crucial role in bringing the logistics sector together. While ULIP will serve as a single window e-logistics market, ELOG will comprehensively address the industry's issues.

Technical view

Indian markets ended on a negative note tracking global stock markets during the month of September 2022. Moreover, FIIs though remained net buyers during the month but the intensity has decreased in comparison to the previous month. Meanwhile, Fitch Ratings slashed India's GDP growth projection for FY23 to 7%, stating that the economy is expected to slow down against the backdrop of global economy, elevated inflation and high interest rate. Asian Development Bank (ADB) too cuts India's GDP growth forecast for FY23 to 7% on high inflation, monetary tightening. Global Indices remained weak following an unexpected uptick in August consumer-price inflation. In US, Consumer-Price Index, or CPI, rose 0.1% in August but on YoY basis it slowed to 8.3% from 8.5% in July. Hence investors were preparing for a Federal Reserve meeting that was expected to deliver another large interest-rate hike and shed further light on the central bank's plans for monetary policy. Against such backdrop domestic market see-sawed in the month of September. Finally, on the foreseen day, Fed raised interest rates by 0.75% which was highly anticipated. Indian market has outperformed its emerging market and Asian peers in the previous month however the bigger question now remains whether India's outperformance will continue in the current global risk-off environment. US Fed and other central banks in a global stampede of rapid rate hikes meant to snuff out record inflation is squeezing consumers and might be pushing toward recession and the escalating war between Russia and Ukraine and tensions between Beijing and Taiwan is likely to further dampen the market sentiment.

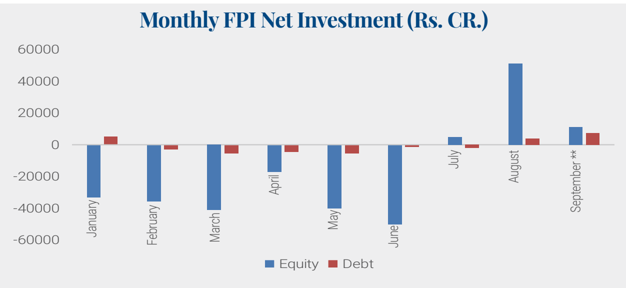
Present shallow retracement has helped the Index to cool-off the overbought price conditions and is in the process to form a higher base to pave the way for next leg of upmove.

Equity trading volumes jumped more than 27% month-on-month (MoM) in August and by 7% in September. Market players attributed this rise to the resilience shown by domestic markets and a sharp revival in foreign portfolio investor (FPI) flows. The average daily turnover (ADTV) for the cash segment was Rs. 68526 crore, up 27% MoM and in line with the 12-month average of Rs. 66,364 crore. Meanwhile, ADTV for the futures and options segment rose 22% in August and by 5% in September to register a new high of Rs. 143 trillion (on a notional basis). The relative outperformance of the mid and small-cap indices has further helped in improving cash volumes. Cash volumes are likely to improve further in the foreseeable future as oil prices continue to moderate and other commodity prices remain on a correction course. Geopolitical tensions in Taiwan and the lingering war between Russia and Ukraine seem to be the other prevailing concern. Even rate hikes by central banks and the quantitative tightening by the US Federal Reserve seems to have been factored in the market.

Equity cash and Derivative turnover ADTV (Rs. cr)

Month	Cash	Derivatives
Jan'22	69,543	92,40,266
Feb'22	63,254	1,02,50,088
Mar'22	71,016	97,99,219
Apr'22	73,320	1,05,97,209
May'22	61,869	1,04,24,703
June'22	47,456	1,12,19,471
July'22	49,825	1,11,72,577
Aug'22	63,593	1,36,68,012
Sept'22	68,526	1,43,72,588

Foreign investors have pumped in close to Rs 6038 crore into the domestic equity markets in this month so far on expected growth in consumer spending in festive season and better macro fundamentals compared to other emerging markets. This comes following a net investment of staggering Rs 51,200 crore in August and nearly Rs 5,000 crore in July. There is a clear trend reversal in FPI (Foreign Portfolio Investment) flows from July onwards since when overseas investors turned buyers in India after nine straight months of massive net outflows, which started in October last year.



The momentum in Indian Equities built over the past two months is likely to sustain given the current trend on the technical charts. The benchmark Nifty 50 has formed a golden crossover on charts for the first time in over two years. The pattern takes place when the short-term moving average of an Index moves above the long term moving average. At present 50-day moving average (DMA) of the Nifty 50 is at 17315 while the 200-day average is at 16992. Back in July 2020, when the golden crossover was seen, the Index had nearly doubled over the following 15 months. The number of Index stocks trading above the 200-dma, another technical indicator, is also favorable. At present 52% of the Nifty 50 constituents are trading above the threshold – one of the highest among all major markets. The current Nifty 50 level is marginally above the 200-dma, which is an average of the index value over the past 200 trading days and is viewed as a critical support level. If a stock holds above its 200-dma, it is treated as an indicator of an uptrend. The Nifty 50 has gained nearly 12% in the last two months, one of the best returns among the major international markets, helped by the resumption of inflows from FPIs.

During the month Benchmark Index has broken out of the 10-month long downward trendline channel line but ultimately failed to close above the breakout level of 18100. Breakout initiated past month projects pattern target for Nifty initially towards 18600 in short to medium term perspective. In the longer time frame i.e., in monthly chart since Mar'20 price structure looks like a flag or a flagpole pattern where prices entered a consolidation phase in the period between Oct'21-Aug'22. Recent breakout (lacks confirmation as it again entered the consolidation range) from the pattern signifies that there is more buying pressure at lower levels and indicates that the momentum can continue in an uptrend. Here the price target depends upon the distance between the parallel lines that create a flag which structurally comes around 19685. To add further, since Oct 2008 onward Nifty had been trading amidst the rising Wedge formation and has completed only the third leg of the pattern after facing resistance from the upper panel of the channel around 18604 so intermittent correction can be seen. A rising wedge is formed by two converging trend lines when the Index's prices have been rising for a certain period. Recent consolidation in prices reinstates that positive momentum is likely to remain with upside target in long run seems to be around 20000 being the resistance from the upper panel of the pattern.

Nifty started the month on a subdued note. Selling pressure from the previous swing high of Apr'22 at 18095 resulted in with profit booking activity. However, event risk in the form of Fed meet led the Index to consolidate and form a higher base. Empirically, secondary correction is an integral part of the bull market that paves the way for the next leg of the up move. Thus, ongoing breather should not be construed as negative. Instead, dips should be capitalized on to accumulate quality stocks. Present consolidation would pave the way towards Jan'22 high of 18300-18350 followed by the all-time high of Oct'21. In the process, strong support is placed at 16900, which seems unlikely to breach as it coincides with the 38.2% retracement of the recent rally i.e. for the period of Jun'22-Sept'22 followed by 200DMA.

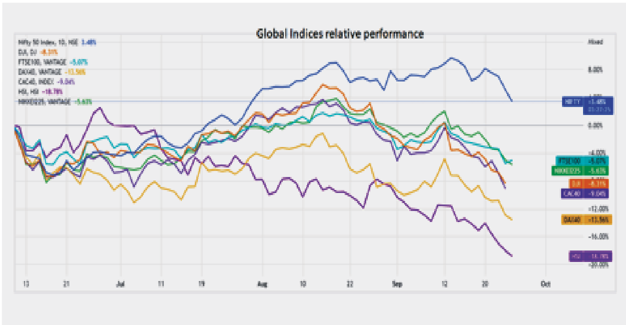
On the weekly time frame the Index has given clear signs of weakness as frontline Index formed a Bearish Engulfing candle. Generally, the weekly bearish candles at the resistance are considered more significant due to its historical reliability. The momentum indicators and oscillators are also supporting the overall bearish chart structure. The daily RSI and Stochastic has given bearish crossover. The momentum indicator MACD line has crossed under the signal line, which resulted in the histogram turning negative. The -DI is above the +DI and ADX and the –DI is in rising trajectory.

The Index is presently trading at the lower quadrant of the range 17300-18100. Pricewise, it resembles a 'Head and Shoulder' pattern on daily time frame chart, which does not augur well for the bulls. If the pattern materializes then one might see further correction in the coming month. As far as support is concerned the level of 17300-17350 seems unlikely to be breached in recent period however the moment that happens one can expect correction getting extended beyond towards 16950 (50% retracement) followed 16635 (61.8% retracement). On the flipside, the bulls to get its magic back need to go beyond 18100 on a closing basis. So meanwhile, any minor bounce back towards 17650 – 17750 should ideally be used to exit longs.

Another observation worth mentioning is that Nifty during the month surpassed the 78.6% retracement of the entire fall (High:18604; Low: 15183) and was distant away from its 100% retracement. Though in very short span if Nifty is able to sustain below psychological level of 18000, it would be advisable to keep a cautious approach in the market at every rallies and not to initiate overly leveraged position as a small 'Rising Wedge' and 'Bearish Wolfe Wave' pattern is underway. A decisive close below 18000 would confirm a near term reversal and might undergo some price correction in coming days.

Volatility Index is a measure of market's expectation of volatility over the near-term. Volatility is often described as the ''rate and magnitude of changes in prices''. An inverse relation seems to exist between benchmark Index with that of Indian VIX. Hence, this implied volatility is very susceptible to directional movement. As investor fear subsides, the option prices tend to decline, which in turn causes VIX to decline. Decreasing volatility has made the traders bullish on the current market condition. At the initial start of the month, there was initiation of long put and calls, but in the latter half, writing activity predominated for lower strike price put option followed by decrease in Put-call ratio. On the technical front, Indian VIX remained negative with its successive lower low formation depicting negative outlook on volatility or risk perception. Nifty is trading with decreased volatility as suggested by present reading of 18-20. Hence, it can be concluded that volatility is expected to remain low or 'investors fear gauge' continues to be missing at the cessation of Fed meet outcome, fresh trigger in the form of corporate earnings will drive the market.

Domestic benchmark indices, Nifty, have been outperforming the global peers across all the major markets in Asia, Europe, South America and the US in the different time frames. All the global indices have plunged in the last one month, including the Indian indices, but the fall has been less than a per cent for D-Street benchmarks, compared to the global peers which are down up to 9%. Further, local indices logged their best performance over the past three years, Nifty soared up by 56%, whereas other indices have gained up to 32% only. FTSE 100 and Hang Seng, on the other hand, delivered negative returns to investors during the same period. Economic reforms, increased corporate profitability, solid Covid-19 management and China Plus One policy at the global level has boosted the performance of India. Investors though need to be cautious due to presence of global risks as even though India is anti-fragile but domestic indices cannot move in a different direction from that of US.



Harmonic Buildup:

In our previous monthly issue, we mentioned about partial Harmonic pattern buildup 'Sea Horse' which still remains valid now. The Sea Horse pattern is a variation of ABCD pattern. The Impulse move in downtrend recognized as A-B, while Fibonacci retracement of A-B to the extent of 38.2%-50% makes up the C. While the point D makes up 161.8-261.8% of B-C. In Nifty, the start of FY22 the high of 18,095 has been marked as A, while the low of May'21 at 15,735 is marked B and the pull-back rally of June'21 at 16,793 is marked as C (retraced by >38.2%). Now according to the said theory, the D level has a magnitude of 161.8-261.8% of B-C, which measures around 14,025-15,080. Hence, in case the pattern materializes, 1st leg of support for Nifty is at 15,000. Since the month of June'22 Nifty has provided a pull-back taking support from 15,200

(150% retracement). The trade-action point is above the point C (16,793), i.e. as long as Index is able to maintain above it, the pattern remains valid classifying that bottom is thoroughly in place.

To Conclude, despite negative bias in the global market due to Fed hike and recessionary fear our positive stance in the Index would remain. Key to note that during the later half of the month amidst the ballooning global volatility, domestic Index has shown significant strength and absorbed global uncertainty to relatively outperform its peers. Key monitorable like brent crude prices continues to form lower high low and India VIX trading below 21 signalling that market participants are not expecting major risk in the near term. Present shallow retracement has helped the Index to cool-off the overbought price conditions and is in the process to form a higher base to pave the way for next leg of upmove. Over the period Nifty has retraced merely 38.2% of the preceding rally (High: 18096; Low: 15183) hence possibility of an extended consolidation in the 16650-17600 range with stock specific action cannot be ruled out. Thus, dips should be utilized to accumulate quality stocks.

Other Indices

Bank Nifty: The Index traded with positive bias during the month lead both by the private as well as the PSU banking stocks. Index has strong support around 38000-38500 levels as it is the confluence of the 50 days EMA and the 38.2% retracement of the rally since Jun'22. Bank Nifty relatively outperform the benchmark index in the last few quarters, it was at the cusp of providing the necessary breakout of the 'Double Top' formation from the crucial resistance level of 41800 levels however inadvertently afiled to do so. Inability to do so might change the polarity towards negativity in the short period of time.

Global Market

Dow Jones: The Index ended the month on a negative note as investors were spooked by rise in US inflation coupled with rate hike which snapped the risk appetite for the Index. Presently prices are near to the swing low of June'22 at 29653, breach below which would lead to extension of corrective bias towards 29800 as it happens to be the 50% retracement of the entire rally since Mar'20. On the upside 32500 would act as immediate resistance Only a decisive close above 32500 would confirm pause in downward momentum as it is 50% of past few weeks corrective phase (34280 30465).

Commodity

Gold: Gold prices reacted sharply lower amid strength in US dollar and prospects of further aggressive interest rate hikes. Prices had been forming consecutive lower low formation that led prices to close at lowest levels of two years indicating continued weakness for yellow metal. Going ahead further selling below 1650 might lead prices to 1565 as it happens to be the 50% retracement of the entire rally since Jan'16. On the upside only a higher high-low formation on weekly time frame, above the recent swing high of 1808 would indicate pause in downward momentum.

Brent Crude: Oil prices edged lower on consecutive rate hike by U.S. Federal Reserve after consumer prices unexpectedly rose in August. International Energy Agency's outlook for almost zero growth in oil demand in the fourth quarter due to a weaker demand outlook for China led the commodity to extend losses. On the technical front price sustenance below $90 would continue to have a negative outlook in the commodity. Meanwhile, August high of $105 would remain as key resistance.

LME Copper: LME Copper prices ended lower as the rising interest rates dampened the economic growth outlook and also demand outlook in biggest metal consumer China. Rise in dollar also lead to a build up of negative sentiment. The weekly price action formed sequential lower low formation. However present price structure indicates that the commodity might consolidation in the broad range of 7500-8300. The level of 7500 has an added significance as it happens to be the 50% retracement of recent up move (6950 8250).

Currency

USD-INR: Indian Rupee hit a record low of 81.23 during the month surged on the Federal Reserve's rate hike of 75 bps and maintaining a stance that is more hawkish than expected, ADB cuts India's GDP growth forecast for FY23 to 7% on high inflation, monetary tightening lead to USDINR weakening. On the technical front, USDINR is seen trading amidst the upward channel. Present price structure has a bullish connotation and the currency is expected to depreciate further hereon..

World economic calendar
October 2022

Monday	Tuesday	Wednesday	Thursday	Friday
3	4	5	6	7
IN: S&P Global India PMI Mfg US: ISM Manufacturing JN: Jibun Bank Japan PMI Mfg EC: S&P Global Eurozone Manufacturing PMI UK: S&P Global/CIPS UK Manufacturing PMI	US: Durable Goods Orders JN: Tokyo CPI Ex-Fresh Food YoY US: Factory Orders US: Cap Goods Orders Nondef Ex Air EC: PPI YoY	US: ADP Employment Change US: Trade Balance US: ISM Services Index UK: S&P Global/CIPS UK Services PMI EC: S&P Global Eurozone Composite PMI	**IN: S&P Global India PMI Services** US: Initial Jobless Claims UK: S&P Global/CIPS UK Construction PMI EC: Retail Sales MoM	US: Change in Nonfarm Payrolls US: Unemployment Rate US: Wholesale Inventories MoM JN: Leading Index CI JN: Household Spending YoY
10	11	12	13	14
	JN: BoP Current Account Balance UK: Jobless Claims Change US: Monthly Budget Statement JN: Machine Tool Orders YoY US: NFIB Small Business Optimism	**IN: Industrial Production YoY** **IN: CPI YoY** JN: Core Machine Orders MoM UK: Industrial Production MoM US: PPI Final Demand MoM	US: Initial Jobless Claims US: CPI MoM JN: PPI YoY UK: RICS House Price Balance	IN: Exports YoY IN: Wholesale Prices YoY CH: CPI YoY US: U. of Mich. Sentiment US: Retail Sales Advance MoM
17	18	19	20	21
JN: Industrial Production MoM JN: Tertiary Industry Index MoM US: Empire Manufacturing JN: Industrial Production YoY UK: Rightmove House Prices MoM	CH: GDP YoY US: Industrial Production MoM CH: Industrial Production YoY CH: Retail Sales YoY EC: ZEW Survey Expectations	UK: CPI YoY EC: CPI YoY US: Housing Starts UK: RPI MoM US: Net Long-term TIC Flows	US: Initial Jobless Claims US: Existing Home Sales US: Leading Index US: Philadelphia Fed Business Outlook JN: Trade Balance	JN: Natl CPI YoY UK: Retail Sales Inc Auto Fuel MoM UK: PSNB ex Banking Groups EC: Consumer Confidence UK: GfK Consumer Confidence
24	25	26	27	28
JN: Jibun Bank Japan PMI Mfg EC: S&P Global Eurozone Manufacturing PMI UK: S&P Global/CIPS UK Manufacturing PMI US: S&P Global US Manufacturing PMI US: Chicago Fed Nat Activity Index	US: Conf. Board Consumer Confidence US: Richmond Fed Manufact. Index US: FHFA House Price Index MoM	US: MBA Mortgage Applications US: New Home Sales US: Wholesale Inventories MoM JN: Leading Index CI JN: Coincident Index	US: Initial Jobless Claims EC: ECB Main Refinancing Rate US: GDP Annualized QoQ US: Durable Goods Orders US: Personal Consumption	JN: Jobless Rate US: U. of Mich. Sentiment JN: Tokyo CPI Ex-Fresh Food YoY JN: Job-To-Applicant Ratio UK: Nationwide House PX MoM
31				
IN: Eight Infrastructure Industries JN: Industrial Production MoM EC: GDP SA QoQ UK: Mortgage Approvals EC: CPI MoM				

IN: India, US: United States, EC: European Union, UK: United Kingdom, CH: China, JN: Japan

Services at Ashika Stock Broking Limited

Products	Products	Contact
• **Dhanush (Mobile App & Web base)** • Online Equity, Derivative, Currency and Commodity Trading Facility • **DhanushMF (Mobile App & Web base)** • A One Stop Solution to all your Mutual Funds needs online. • **Back Office Reports on WhatsApp. Ashika BOT on Whatsapp / Telegram.** • **Ask ACIRA -** • Online Customer service for clients on our website. • **Margin Trading Facility (MTF)** • With this MTF facility client can trade inspite of debits beyond T+7.	• **EKYC** • It now takes just 30 mins to open an Account. • **ReKYC** • Hassle-free & paperless modification without stepping out. • **Research Services** • A galaxy of potential research team to provide the best equity research reports, ideas, solving queries and many more. • **Online Fund Transfer Facility** • **Securities Lending and Borrowing (SLB)** • Provide securities lending and borrowing at a market competitive rate • **Depository Services (CDSL/NSDL)** • Provide one roof solution wherein seamless trading could be ensured through DP maintained with Ashika	**For Business Opportunity please contact** Mr. Amit Jain (Executive Director) Mobile: +91 90070 66000 E-mail: amitjain@ashikagroup.com Mr. Niraj Sarawgi (CEO - PCG) Mobile: +91 91676 16989 Email: nirajs@ashikagroup.com **For Services please contact** Mr. Nand Kishore Jajoo (Head - DP & KYC) Mobile: +91 90070 66028 Email: nkjajoo@ashikagroup.com

For institution business please contact
Mr. Dilip Minny (Co-founder- Institution); Mobile: +91 90070 66096; Email: dilipminny@ashikagroup.com

Services at Ashika Capital Limited

Capital Markets	Fund Raising	Advisory	Contact
• **Issue Management** • IPO / FPO • Right Issue • Qualified Institutional Placement • **Open Offer** • Takeover • Buyback • Delisting • **Overseaslisting** • **Underwriting**	• **Private Equity** • Venture / Growth Capital • Pipe • **Debt Syndication** • Project Finance • Team Loan • Working Capital Loan • Acquisition Funding • Construction Finance	• **M&A** • Merger / Acquisition / Disposal • Management buy-outs / buy-ins • Leveraged buy-outs • Joint Ventures • Strategic Partnership • Spin-Offs • Divestment • **Corporate restructuring** • Capital Restructuring • Finance Restructuring • **Business Valuation** • ESOP Valuation • Fairness Opinion	**For Debt Fund Raising / Mergers & Acquisition / Business Opportunity please contact** Mr. Yogesh Shetye Contact: + 91 22 6611 1770 E-mail: yogeshs@ashika-group.com

For start-up investing please contact
Mr. Chirag Jain (CEO); Contact: +91 22 66111700; E-mail: chiragjain@ashikagroup.com

Ashika Global Securities Pvt. Ltd.

Ashika Global Securities Pvt. Ltd is the holding company of Ashika Group, a RBI-registered non-deposit taking NBFC engaged in providing long term and short-term loans & advances to individual & body corporate and Investment in shares and securities. It has 6 subsidiaries and 1 associate company i.e. Ashika Credit Capital Ltd.

Ashika Credit Capital Ltd.

It is the Flagship company of the group and incorporated in the year 1994. RBI registered Non-banking Financial Company carrying on NBFI Activities i.e. investment in shares & securities and providing Loan to Individuals, corporates HNI etc. The company floated its shares to public in 2000 and got listed with CSE. Thereafter, in 2011, the shares were traded on BSE under permitted category and in 2014 got listed with MSEI. It has a registered FII as one of its investors.

Ashika Investment Managers Pvt. Ltd.

Ashika Investment Managers Private Limited, a private limited company incorporated on July 13, 2017, is a wholly owned subsidiary of Ashika Global Securities Private Limited. It is acting as the Investment Manager to Ashika Alternative Investments, a Trust being registered as a Category III Alternative Investment Fund **(Registration Number: IN/AIF3/20-21/0811)** with the Securities and Exchange Board of India ("SEBI") under the SEBI (Alternative Investments Funds) Regulations, 2012 ("AIF Regulations").

AWARDS


NSDL Stock Performer Awards of the Year 2019


CDSL Excellent Performer in Depository Services


BTVI Emerging Company of the Year 2019


BTVI Young Business Leader of the Year 2019

NSDL STAR PERFORMANCE AWARD 2018

Helping Clients Reach for Better Via SIP – National from Franklin Templeton Investments, 2018

NSE Market Achievers Award 2018
REGIONAL RETAIL MEMBER OF THE YEAR 2018 – EASTERN INDIA

NSE Market Achievers Award 2017
REGIONAL RETAIL MEMBER OF THE YEAR 2017 – EASTERN INDIA

Ashika Stock Broking Ltd.

Ashika Stock Broking Limited ("ASBL") started its journey in the year 1994 and is presently offering a wide bouquet of services to its valued clients including broking services, depository services and distributorship of financial products (Mutual funds, IPO & Bonds). It became a "Research Entity" under SEBI (Research Analyst) Regulations 2014 in the year of 2015 (Reg No. INH000000206).

ASBL is a wholly owned subsidiary of Ashika Global Securities (P) Ltd., a RBI registered non-deposit taking NBFC Company. ASHIKA GROUP (details enumerated on our website www.ashikagroup.com) is an integrated financial service provider inter alia engaged in the business of Investment Banking, Corporate Lending, Commodity Broking, Debt Syndication & Other Advisory Services.

There were no significant and material disciplinary actions against ASBL taken by any regulatory authority during last three years except routine matters.

DISCLOSURE

Research reports are being prepared and distributed by ASBL in the sole capacity of being a Research Analyst under SEBI (Research Analyst) Regulations 2014. The following disclosures and disclaimer are an essential part of any Research Report so being distributed.

1) ASBL or its associates, its Research Analysts (including their relatives) may have financial interest in the subject company(ies). And, the said financial interest is not limited to having an open stock market position in /acting as advisor to /having a loan transaction with the subject company(ies) apart from registration as clients.

2) ASBL or its Research Analysts (including their relatives) do not have any actual / beneficial ownership of 1% or more of securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the source research report or date of the concerned public appearance. However, ASBL's associates may have actual / beneficial ownership of 1% or more of securities of the subject company(ies).

3) ASBL or its Research Analysts (including their relatives) do not have any other material conflict of interest at the time of publication of the source research report or date of the concerned public appearance. However, ASBL's associates might have an actual / potential conflict of interest (other than ownership).

4) ASBL or its associates may have received compensation for investment banking, merchant banking, brokerage services and for other products and services from the subject companies during the preceding 12 months. However, ASBL or its associates or its Research analysts (forming part of Research Desk) have not received any compensation or other benefits from the subject companies or third parties in connection with the research report/ research recommendation. Moreover, Research Analysts have not received any compensation from the companies mentioned in the research report/ recommendation in the past twelve months.

5) The subject companies in the research report/ recommendation may be a client of or may have been a client of ASBL during the twelve months preceding the date of concerned public appearance for investment banking/ merchant banking / brokerage services.

6) ASBL or their Research Analysts have not managed or co–managed public offering of securities for the subject company(ies) in the past twelve months. However, ASBL's associates may have managed or co–managed public offering of securities for the subject company(ies) in the past twelve months.

7) Research Analysts have not served as an officer, director or employee of the companies mentioned in the report/ recommendation.

8) Neither ASBL nor its Research Analysts have been engaged in market making activity for the companies mentioned in the report / recommendation.

DISCLAIMER

The research recommendations and information are solely for the personal information of the authorized recipient and does not construe to be an offer document or any investment, legal or taxation advice or solicitation of any action based upon it. This report is not for public distribution or use by any person or entity, where such distribution, publication, availability or use would be contrary to law, regulation or subject to any registration or licensing requirement. We will not treat recipients as customer by virtue of their receiving this report. The report is based upon the information obtained from public sources that we consider reliable, but we do not guarantee its accuracy or completeness. ASBL shall not be in anyways responsible for any loss or damage that may arise to any such person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations.

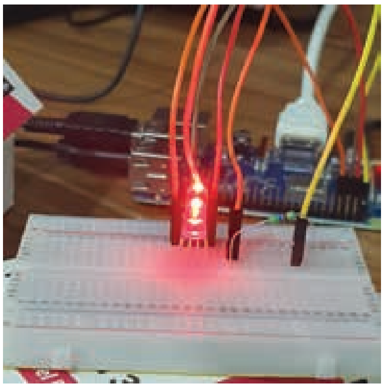
Gyanada Foundation

Gyanada e-learning initiative launching soon!

Ashika Group supports charitable foundation to fuel the aspirations of young girls in India.

With our vision to develop essential 21st century capacities, computational thinking and working with computer-based systems, we will be launching our e-learning module by September,2020.

It has been designed as two sub-initiatives: **Every Child Can Code (ECCC)** *and* **Makers in the making (MIM)**.



Updates on the Gyanada Labs In-School program

Our updates for the month of September 2022:

• All students from grade 8th to 10th have started learning Python.

• Students from grade 7th to 10th have built projects on different themes in groups ranging from clean energy to changes in technology

• Students in younger grades 1-4 are gaining fluency on the keyboard

• Taweed School in Malad has restarted the computer lab with the 7 computers donated by us.

Help us change computer education for children in low income schools. Support us set up 10 Gyanada labs in to low-income schools in the coming academic year.

In the coming academic year, we aim to set up 10 Gyanada labs in 10 schools. In every school we want to set up 15 low cost Raspberry pi computers. Every Gyanada lab will impact the lives 800-1000 children every year. The labs will enable the schools to provide quality computer education that is open source and affordable.

The cost of 1 Raspberry pi enabled system is INR 12000.

The cost of 5 Raspberry pi enabled system is INR 60000

The cost of 1 child receiving computer education for a year is INR 225

Please support our mission to enable the lives of more than **8000 school children** in the coming academic year. To support kindly click here https://tinyurl.com/58tsr29a

We, at Gyanada Foundation, engage students in practical learning. For this we provide kids with Gyanada Lab Kits. To help us fund these kits, visit: https://gyanada.org/donate.html. You can also write to us at rinsa@gyanada.org or connect with us at 9819044922. Our bank details are:

GYANADA FOUNDATION HDFC Bank, Stephen House Branch, Current A/c No. 50200002885400

IFSC CODE: HDFC0000008

MICR CODE: 700240002

Group Companies

Ashika Stock Broking Ltd.
(Member: NSE, BSE, MSEI, MCX, NCDEX, ICEX Depository participant of CDSL / NSDL, Research Analyst, AMFI- Registered Mutual Fund Distributor)

CIN No. U65921WB1994PL217071
SEBI Registration No: INZ000169130
SEBI Registration No: INH000000006 (RA)

Ashika Credit Capital Ltd.
(RBI Registered NBFC)
CIN No. L67120WB1994PLC062159

Ashika Capital Ltd.
(SEBI Authorised Merchant Banker)
CIN No. U30009WB2000PLC091674
SEBI Registration No: INM000010536

Ashika Investment Managers Pvt. Ltd.
(Investment Manger to Ashika Alternative Investments, a Category III AIF registered with SEBI)
CIN number – U65929MH2017PTC297291
SEBI Registration No: IN/AIF3/20-21/0811

Ashika Global Securities Pvt. Ltd.
(RBI Registered NBFC)
CIN No. U65929WB1995PTC069046

Registered Office
Trinity
226/1, A.J.C. Bose Road
7th Floor, Kolkata-700020
Phone: 033-4010 2500
Fax No: 033-4010 2543

Corporate Office
1008, Raheja Centre,
214, Nariman Point, 10th Floor
Mumbai-400021
Phone: 022-6611 1700
Fax No: 022-6611 1710

Toll Free No.: 1800 212 2525
For any research related query: insight@ashikagroup.com

www.ashikagroup.com