Market snapshot

Equities - India	Close	Chg .%	CY23.%
Sensex	71,942	1.8	16.2
Nifty-50	21,738	1.8	17.9
Nifty-M 100	47,979	1.6	49.8
Equities-Global	**Close**	**Chg .%**	**CY23.%**
S&P 500	4,928	0.8	27.4
Nasdaq	15,628	1.1	47.7
FTSE 100	7,633	0.0	2.5
DAX	16,942	-0.1	21.8
Hang Seng	5,409	0.9	-20.1
Nikkei 225	36,027	0.8	37.0
Commodities	**Close**	**Chg .%**	**CY23.%**
Brent (US$/Bbl)	84	0.8	2.4
Gold ($/OZ)	2,033	0.7	10.7
Cu (US$/MT)	8,455	0.1	1.0
Almn (US$/MT)	2,226	-0.6	-4.7
Currency	**Close**	**Chg .%**	**CY23.%**
USD/INR	83.1	0.0	0.5
USD/EUR	1.1	-0.1	1.3
USD/JPY	147.5	-0.1	12.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.00	-0.2
10 Yrs AAA Corp	7.7	0.00	0.0
Flows (USD b)	**29-Jan**	**MTD**	**CY23YTD**
FIIs	0.0	7.04	21.4
DIIs	0.39	1.94	22.3
Volumes (INRb)	**29-Jan**	**MTD***	**YTD***
Cash	1,367	1214	1214
F&O	2,76,341	3,91,197	3,91,197

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

GAIL: Robust performance fueled by turnaround in petchem segment

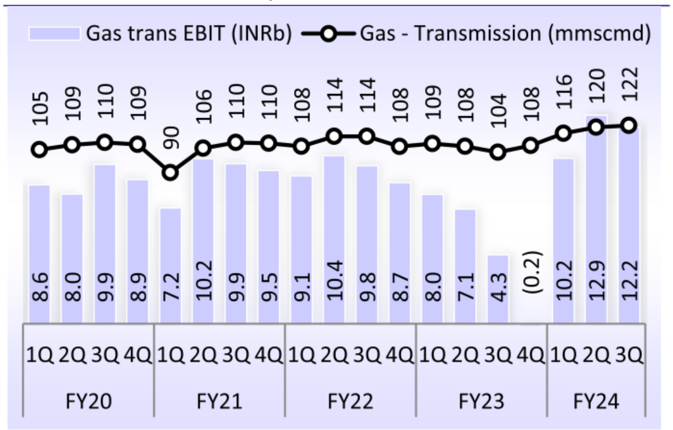
- GAIL reported EBITDA of INR38.2b in 3QFY24, 10% above our estimate of INR34.7b. It was driven by stronger-than-expected performances in the gas transmission, LPG, and petchem segments. PAT stood at INR28.4b, beating our estimate of INR24.2b (up 12x YoY).
- GAIL anticipates a robust domestic gas demand, projecting gas transmission volumes to reach 124mmscmd by end-FY24. Forecasts indicate a continued annual growth of 10-12% in volumes for FY25-26, with projected figures of 133mmscmd for FY25 and 141mmscmd for FY26 in the segment.
- We value the core business at 12x Dec'25E adjusted EPS of INR14.1. Adding the value of listed and unlisted investments of INR31, we arrive at our TP of INR200. Reiterate BUY.

Research covered

Cos/Sector	Key Highlights
GAIL	Robust performance fueled by turnaround in petchem segment
Real Estate	Industry dynamics indicate residential real estate at mid-cycle
ITC	Miss on cigarette volume; resilient FMCG delivery
Bajaj Finance	Elevated credit costs from B2C businesses; NIM contracts QoQ
Cholamandalam Inv. & Finance	AUM growth robust; No NIM expansion because of rise in CoB
Other updates	Macrotech Devel. | Marico | APL Apollo Tubes | Indraprastha Gas | Vedant Fashions | Piramal Enterp | Craftsman Auto | Restaurant Brand | Bharat Electron | B P C L | Vodafone Idea | Petronet LNG | Mahindra Logis. | Telecom Subs data | Expert Speak (Engg.)

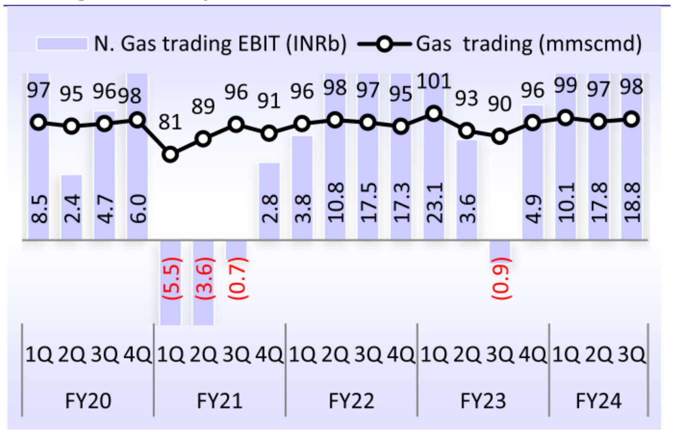
Chart of the Day: GAIL (Robust performance fueled by turnaround in petchem segment)

Transmission volumes up 17% YoY



Source: MOFSL, Company

Trading volumes up 9% YoY



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

PNB board approves fund raising of Rs 7,500 crore via share sale in FY'25

The decision in this respect was taken in a meeting held on January 29

2

Tata Power proposes tariff revisions in Mumbai with sharpest jump for lower end consumers

Tata Power proposes a "rationalization" of tariffs, which could lead to a sharp increase in power rates for lower-end consumers.

3

TASMAC announces liquor price hike up to Rs 80 in TN starting February 1

TASMAC's recent decision to raise liquor prices in Tamil Nadu, effective February 1, brings a Rs 10 to Rs 80 hike across categories like beer, brandy, whiskey, and rum.

4

Over 60 battery, recycling, EV infrastructure firms to participate in Bharat Mobility Global Expo

"India is at the forefront of a transformative mobility revolution, and this expo serves as a testament to the nation's commitment to sustainable transportation," Rahul Walawalkar President, IESA and CES India said in the statement.

5

Ongoing Red Sea trouble likely to push up prices: Finance ministry

The Red Sea is vital for 30 per cent of global container traffic and 12 per cent of global trade. As much as 80 per cent of India's merchandise trade with Europe passes through the strait

6

GAIL signs long-term LNG deal with UAE's ADNOC Gas

GAIL has signed a long-term deal with UAE's ADNOC Gas to buy 0.5 million tonnes of liquefied natural gas annually for ten years.

7

Delhi HC tells SpiceJet to pay $4 million to engine lessors by February 15

The airline had sought more time for payment and said they could pay $1 million upfront. SpiceJet is supposed to pay close to $11 million to the lessors

GAIL

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GAIL IN
Equity Shares (m)	6575
M.Cap.(INRb)/(USDb)	1129.3 / 13.6
52-Week Range (INR)	175 / 91
1, 6, 12 Rel. Per (%)	6/36/50
12M Avg Val (INR M)	2193

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	1,331.4	1,438.6	1,535.7
EBITDA	122.3	129.0	159.0
Adj. PAT	85.1	88.0	109.0
Adj. EPS (INR)	12.9	13.4	16.6
EPS Gr. (%)	60.5	3.4	23.9
BV/Sh.(INR)	102.6	112.0	123.6
Ratios			
Net D:E	0.2	0.2	0.2
RoE (%)	14.5	13.6	15.2
RoCE (%)	11.4	10.6	11.7
Payout (%)	30.0	30.0	30.0
Valuations			
P/E (x)	13.3	12.9	10.4
P/BV (x)	1.7	1.5	1.4
EV/EBITDA (x)	7.8	7.3	5.9
Div. Yield (%)	2.3	2.3	2.9
FCF Yield (%)	1.5	2.4	4.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	51.5	51.5	51.5
DII	27.1	26.8	23.7
FII	14.9	15.4	18.7
Others	6.5	6.0	6.1

FII Includes depository receipts

CMP: INR172 TP: INR200 (+16%) Buy

Robust performance fueled by turnaround in petchem segment

- GAIL reported EBITDA of INR38.2b in 3QFY24, 10% above our estimate of INR34.7b. It was driven by stronger-than-expected performances in the gas transmission, LPG, and petchem segments. PAT stood at INR28.4b, beating our estimate of INR24.2b (up 12x YoY).
- Management emphasized that improved realization fueled a strong performance in the Liquid Hydrocarbon segment. Additionally, higher petrochemical sales, improved marketing margins, and reduced costs in the petrochemical segment contributed to an overall robust performance.
- GAIL anticipates a robust domestic gas demand, projecting gas transmission volumes to reach 124mmscmd by end-FY24. Forecasts indicate a continued annual growth of 10-12% in volumes for FY25-26, with projected figures of 133mmscmd for FY25 and 141mmscmd for FY26 in the segment.
- Management highlighted that the optimal cost for the petrochemical segment is USD8-9/mmBtu, and the company currently procures and supplies at this rate to the PATA petrochemical plant. The segment's utilization level is at 101%, and no shutdown is anticipated for the PATA plant in the near future.
- We value the core business at 12x Dec'25E adjusted EPS of INR14.1. Adding the value of listed and unlisted investments of INR31, we arrive at our TP of INR200. **Reiterate BUY.**

Beat led by transmission and LPG segments coupled with a turnaround in the petchem segment

- EBITDA came in 10% higher than our estimate at INR38.2b (our est. of INR34.7b, 15x YoY).
  - The beat was driven by better-than-expected performances in the gas transmission, LPG and petchem segments.
- PAT was 18% higher than our est. at INR28.4b (est. of INR24.2b, 12x YoY).
- **For 9MFY24**, GAIL's revenue stood at INR983b (-12% YoY). EBITDA was at INR97.5b (+52% YoY), while PAT stood at INR66.6b (+42% YoY).
  - GAIL's 1HFY24 EBITDA was 55% of our full-year estimate.
- **The Board declared an interim dividend of INR5.50/share.**
- As of Dec'23, the company had a deficit of INR431m post-settlement in terms of Regulation of Schedule D of Tariff Regulations.
  - This pertains to the difference between UFT and the 'Integrated Tariff' that has to be settled between entities through the Settlement Committee on a fortnightly basis.

Segmental EBIT details for 3QFY24

- Gas transmission business reported EBIT of INR12.2b (est. INR11.3b).
- LPG transmission EBIT was at INR794m (-13% YoY).
- Trading business posted an EBIT of INR18.8b (vs. loss of INR860b in 3QFY23).
- Petchem segment posted an EBIT of INR619m (vs. loss of INR3.5b in 3QFY23).
- LPG and HC reported an EBIT of INR2.6b (vs. loss of INR292m in 3QFY23

Valuation and view

- **We reiterate our BUY rating on GAIL and raise our TP to INR200.** During FY23-26E, we are modeling the EBITDA to report a 33% CAGR driven by:
  - Rising natural gas transmission volumes to 141mmscmd in FY26 from 107mmscmd in FY23;
  - Substantial improvement in petchem segment's profitability over 2HFY25- FY26, as the new petchem capacity will be operational and low inventories globally will drive re-stocking demand; and
  - Commencement of operations of 3,892km of gas transmission pipelines and 560ktpa of petchem capacity.
- We expect GAIL's RoE to improve to ~15% in FY26 from 9.5% in FY23 with a healthy FCF generation of INR49.4b in FY26 (vs. -INR45.3b in FY23). This, we believe, can drive a re-rating for the stock.

Standalone quarterly performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs. est.
Net Sales	**375.7**	**384.9**	**353.8**	**328.6**	**322.3**	**318.2**	**342.5**	**348.4**	**1,443.0**	**1,331.4**	**354.0**	**-3%**
Change (%)	116.1	78.9	37.3	21.8	-14.2	-17.3	-3.2	6.0	57.5	-7.7	0.1	
EBITDA	**43.7**	**17.6**	**2.6**	**3.1**	**24.3**	**34.9**	**38.2**	**24.9**	**67.0**	**122.3**	**34.7**	**10%**
% of Net Sales	11.6	4.6	0.7	0.9	7.5	11.0	11.2	7.1	4.6	9.2	9.8	
Depreciation	6.0	6.2	6.2	6.4	6.4	7.5	7.8	6.7	24.9	28.4	6.9	
Interest	0.5	0.7	1.0	0.9	1.8	1.7	1.6	1.1	3.1	6.2	1.5	
Other Income	1.8	8.0	6.9	10.2	2.7	5.6	8.1	8.6	26.8	25.0	6.0	
PBT	**38.9**	**18.8**	**2.2**	**5.9**	**18.9**	**31.3**	**36.9**	**25.6**	**65.8**	**112.7**	**32.3**	**14%**
Rate (%)	25.1	18.1	-10.4	-2.1	25.2	23.2	23.0	27.9	19.5	24.6	25.2	
PAT	**29.2**	**15.4**	**2.5**	**6.0**	**14.1**	**24.0**	**28.4**	**18.5**	**53.0**	**85.1**	**24.2**	
Change (%)	90.5	-46.3	-92.5	-77.5	-51.6	56.5	1,056.8	206.1	-48.8	60.5	883.8	
Extraord.: Tax Prov. Write Back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adj PAT	**29.2**	**15.4**	**2.5**	**6.0**	**14.1**	**24.0**	**28.4**	**18.5**	**53.0**	**85.1**	**24.2**	**18%**
Change (%)	90.5	-46.3	-92.5	-76.8	-51.6	56.5	1,056.8	206.1	-48.5	60.5	883.8	
Key Assumptions												
Gas Trans. volume (mmscmd)	109.5	107.7	103.7	108.2	116.3	120.3	121.5	124.1	107.3	120.6	122.8	**-1%**
Petchem sales ('000MT)	109.0	108.0	65.0	118.0	162.0	168.0	215.0	200.2	400.0	745.2	169.4	**27%**

Real Estate

Industry dynamics indicate residential real estate at mid-cycle

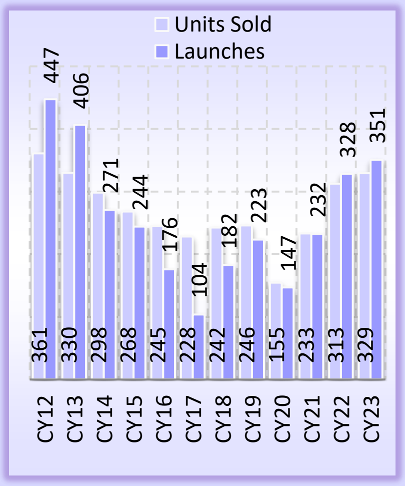
The recent run-up in stocks just a catchup of two years of strong performance; Growth outlook remains positive

Companies

	Rating	Prev. TP	New TP
DLF	N	740	740
LODHA	B	1200	1295
GPL	B	2300	2855
OBER	N	1350	1350
PEPL	B	1300	1465
BRGD	B	1000	1150
SOBHA	B	1400	1700
MLIFE*	N	575	575
SRIN	B	640	640

***MLIFE rating changed from Buy to Neutral**

Residential sales hit ten-year high, supply keeping up with demand



- **As per Knight Frank, residential sales in top 8 cities grew by 5% YoY to ~330,000 units in CY23, matching the CY13 run rate but 9% below the peak sales of 360,000 units clocked in CY12, leaving further headroom for growth.**
- **Supply inched up 7% YoY to 350,000 units in CY23, but it was just marginally above the demand, keeping inventory levels in check (inventory overhang of 17 months). As a result, realizations increased by 6% YoY.**
- **Despite the price hikes, affordability improved across markets as income growth surpassed pricing growth, which should keep momentum intact in demand and pricing. Further, demand revival in the affordable segment, macro tailwinds amid rising per capita income, and scale-up in demand in cities like Bangalore, NCR and Chennai can further increase the absorption beyond the previous cycle's peak.**
- **Thus, we believe that we are in the middle of a 7-8 year-long real estate growth cycle; accordingly, we believe that growth momentum in both demand and pricing should continue. While the Nifty Realty Index has doubled in last one year, its returns since Jan'22 (two years) has been ~80%, similar to pre-sales or cash flow growth for top-12 listed players. Thus, the recent run-up has just been the catchup and future growth is yet to reflect.**
- **PEPL, SOBHA, GPL, and Sunteck are our preferred picks as we believe their valuations do not reflect their robust cash flows and strong growth potential.**

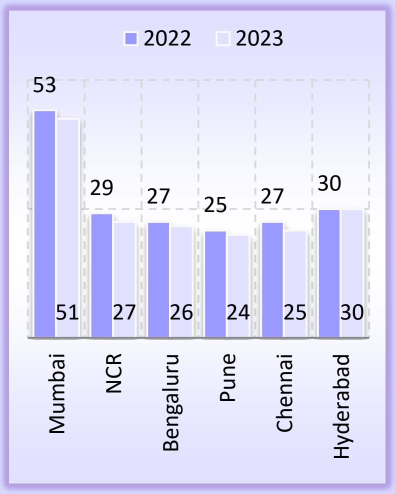
Demand at multi-year high, surpassing previous peak

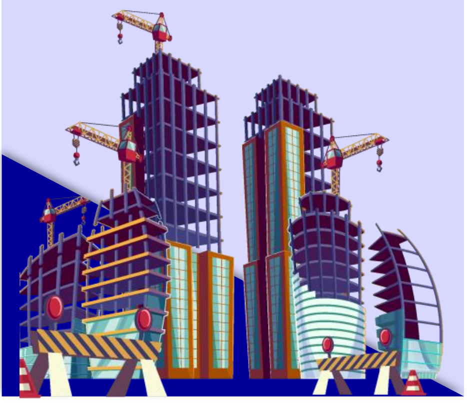
- As per Knight Frank, residential sales in top 8 cities grew by 5% YoY to ~330,000 units in CY23, matching the CY13 run rate but 9% below the peak sales of 360,000 units clocked in CY12.
- However, going by the numbers from ANAROCK and PropEquity, absorption in CY23 surpassed its previous cycle's peak. As per ANAROCK, absorption in top 7 cities was up ~30% at 470,000 units. As per PropEquity, it is estimated to have increased by ~15-16% in CY23 to 510,000 units.
- Thus, on the blended basis, industry volumes seem to have grown by mid-teens in CY23. Along with ~6% of pricing growth, value growth was healthy at ~20%, which should help organized listed players to clock over 30% YoY growth in pre-sales in FY24, driven by the ongoing consolidation.

Gradual price hikes continue; affordability improves YoY

- Supply in top 8 cities grew 7% to 350,000 units and exceeded the demand for the second year in a row. Inventory increased to ~474,000 units for top-8 cities but remained flat for top 4 cities and was 40% below the peak in CY13.
- The inventory overhang was flat at 17 months in CY23. With supply matching demand, prices continued to move up and grew 6% YoY in CY23.
- Despite price increases, the affordability ratio witnessed a marginal 100-200 bp improvement in top 8 cities as income growth surpassed pricing growth and mortgage rates remained flat.

Affordability improved marginally in CY23





- Sustained affordability will ensure that gradual price hikes will continue without affecting the demand momentum.

Outlook: further demand uptick imminent; sector in the middle of upcycle

- As indicated by ANAROCK and Propequity, housing demand in top-7 cities exceeded the previous cycle's peak, but we believe that there are few triggers in place, which can lead to a further uptick in demand.
- Firstly, the affordable segment, which contributes 29% of total absorption, has been most impacted by the hike in mortgage rates. The decline in interest rates will lead to a revival in affordable housing demand. Further, the government is expected to provide incentives for affordable housing, which would be a key positive trigger.
- Absorptions in MMR and Pune at 87,000 and 49,000 units, respectively, have exceeded the previous cycle's peak; however, markets like Bengaluru and Chennai are yet to unlock their full potential, given a strong commercial cycle seen in CY15-19. NCR will also witness a further uptick in demand once Noida sees a revival in supply.
- On the macro front, the rise in per capita income above USD3,500 (USD2,400 as of CY23) would be a key trigger for the increase in home ownership as seen in China between CY08 and CY15.
- These factors could build a sustainable uptick in demand over the next three-four years. Inventory is yet to see a major uptick, while prices have increased by 14% on an absolute basis in the last two years vs. 25-70% in the previous two cycles, indicating that the sector is in the middle of an upcycle.
- We believe that the existing demand-supply balance, low inventory, favorable affordability, and gradual price hikes should keep the momentum intact for at least three to four years.

Valuation and view: Cycle yet to top out; remain constructive

- The Nifty Realty Index has doubled in the last one year; however, since its performance in CY22 was flat, its return since Jan'22 (two years) has been ~80% similar to pre-sales or cash flow growth for top 12 listed players during the same period. Thus, the recent run-up seems just a catchup of the two years of strong performance, while future growth is yet to reflect.
- The consensus estimate is now building in three-four years of continued demand traction. As a result, for companies with limited growth pipeline, we built in new projects which are sufficient for companies to report a 15-20% CAGR through FY28E and we calculate the terminal value based on FY28E post land investment cash flows.
- We continue to prefer players that have the ability to report steady growth on pre-sales with sustainable profitability and cash flows. We retain our BUY rating on LODHA, GPL, PEPL, SOBHA, and BRGD. **We downgrade MAHLIFE to Neutral** and maintain Neutral on DLF and OBER.
- **PEPL, SOBHA, GPL and Sunteck are our top picks.**

ITC

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	ITC IN
Equity Shares (m)	12259
M.Cap.(INRb)/(USDb)	5613.1 / 67.5
52-Week Range (INR)	500 / 327
1, 6, 12 Rel. Per (%)	-3/-15/7
12M Avg Val (INR M)	5082

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	715.8	777.9	845.5
Sales Gr. (%)	0.9	8.7	8.7
EBITDA	255.8	281.7	306.1
EBITDA Mrg. %	35.7	36.2	36.2
Adj. PAT	203.8	214.0	229.6
Adj. EPS (INR)	16.4	17.2	18.5
EPS Gr. (%)	9.1	5.0	7.3
BV/Sh.(INR)	56.0	57.3	58.7
Ratios			
RoE (%)	29.4	30.4	31.9
RoCE (%)	28.2	30.4	32.5
Payout (%)	80.0	80.0	80.0
Valuations			
P/E (x)	27.4	26.1	24.4
P/BV (x)	8.0	7.9	7.7
EV/EBITDA (x)	20.2	18.3	16.7
Div. Yield (%)	3.4	3.7	3.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	0.0	0.0	0.0
DII	42.0	41.9	42.2
FII	43.3	43.4	43.0
Others	14.7	14.4	14.8

FII Includes depository receipts

CMP: INR450 TP: INR515 (+14%) Buy

Miss on cigarette volume; resilient FMCG delivery

- ITC's revenue growth of 1.6% in 3QFY24 came in significantly below our estimate of 5.7% growth, as cigarette volume declined 1-2% YoY (est. 2% growth) on a high base of 15% growth in 3QFY23. The four-year volume CAGR stood at 5%. The premium cigarette segment continued to outperform, while the value segment saw weakness.
- The performance of other FMCG segments remained resilient, with 7.3% revenue growth. The contribution of digital and modern trade businesses was significant at 31% of revenue. Despite rising competitive pressure (local, regional players) and weak demand, ITC sustained EBITDA margin expansion.
- The Agri business continued to be impacted by government restrictions. The Paper segment is facing challenges, including demand issues, competition from China, lower pulp prices, and higher input costs, although signs of a sectoral revival are emerging. The Hotel segment posted a robust performance, with strong growth in the average room rate (ARR) and occupancy.
- We retain our **BUY** rating on ITC as we believe its earnings visibility remains better than that of peers. Our **TP of INR515 is based on SoTP valuations.**

Cigarette volumes miss estimates; FMCG sustains healthy trend

- **ITC's 3QFY24 net revenue grew 1.6% YoY to INR164.8b (est. INR171.6b) on a high base of last year.** EBITDA declined 3.2% YoY to INR60.2b (est. INR63.9b). PBT was flat YoY at INR67.3b (est. INR67.2b), while adj. PAT grew 10.9% YoY to INR55.8b (est. INR50.7b).
- **Cigarette volumes declined 1% YoY** (est. +2%), with a four-year CAGR steady at 5%. Gross cigarette sales grew 3.6% YoY to INR75.5b, while net sales were up by 2% YoY. Cigarette EBIT margin was largely steady at 62.6%.
- **FMCG-Others** sales grew 7.6% YoY to INR52.1b amid a challenging demand environment. EBIT grew 24.1% YoY to INR4.3b. **EBITDA margin was at 11%.**
- **Hotels business** sales grew 18.2% YoY to INR8.4b, EBIT grew 57.1% YoY to INR2.3b, and EBIT margin expanded by 680bp YoY to 27.3%.
- **Agri business** sales declined 2.2% YoY to INR30.5b, EBIT declined 13.3% YoY to INR3.4b, and EBIT margin contracted by 140bp YoY to 11.1%.
- **Paperboards** business continued to see contraction, with revenue down 9.7% YoY to INR20.8b. EBIT declined 51.2% YoY to INR3.0b, while EBIT margin contracted 1,210bp YoY to 14.2%.
- **Gross margin contracted ~40bp YoY to 58.4%** (est. 57.4%), while EBITDA margin was down 180bp YoY and flat QoQ at 36.5% (est. 37.3%).
- **In 9MFY24,** net sales declined 1.6% YoY, while EBITDA/adj. PAT grew 3.3%/12.7% YoY.
- The board declared an interim dividend of INR6.25/share.

Other takeaways

- Cigarette business volume was down by 1-2% for the quarter, influenced by pricing and other factors. However, growth was lower due to a high base of 15% last year. The four-year CAGR stood at 4-5%.
- The premium and differentiated cigarette portfolios are performing well, contributing 20-25% to the overall portfolio. However, there is continued pressure in the value segment. The premium portfolio, which is growing faster than others, serves as a growth driver going ahead.
- In the steady state, cigarettes can sustain low to mid-single digit volume growth in the medium term.
- Cigarette channel inventory is normal.
- In other FMCG businesses, premium soap, aata, and biscuit categories performed well, while the noodles and snacks categories faced pressure from value and local competition. Anticipated value growth in FMCG suggests improved performance in this category.
- Wheat, maida, and sugar prices are on an upward trend, while edible oil prices continue to decline compared to last year.
- FMCG EBITDA margin trajectory is in line with the medium-term guidance.
- The agriculture business is focused on trading, and a new nicotine plant is set to commence operations in Mar'24.
- The paper business is under stress due to China's dumping in the international market, leading to increased pulp and wood costs. However, there are signs of improvement in this sector.

Valuation and view

- There are no material changes to our EPS estimates for FY24, while we cut our FY25E EPS by 6.2%.
- The resilient nature of ITC's core business amid an uncertain environment in the sector, along with a 3-4% dividend yield, makes it a good defensive bet in the ongoing volatile interest rate environment.
- The earning CAGR at the PBT level stood at 8.5% over FY18-23. We expect ITC to post a c.7% earnings CAGR over FY24-26. We reiterate our BUY rating with a TP of **INR 515, based on SoTP valuation.**

Stand. Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Est. cigarette vol. gr. (%)	**26.0**	**20.0**	**15.0**	**11.5**	**8.0**	**5.0**	**-1.0**	**0.0**	**18.1**	**3.0**	**2.0**	
Net Sales	**172.9**	**161.3**	**162.3**	**164.0**	**158.3**	**165.5**	**164.8**	**173.5**	**660.4**	**662.1**	**171.6**	-3.9%
YoY change (%)	41.5	26.7	2.3	5.6	-8.5	2.6	1.6	5.8	17.2	0.3	5.7	
Gross Profit	**88.1**	**91.9**	**95.5**	**96.0**	**94.1**	**94.9**	**96.3**	**104.1**	**371.6**	**389.4**	**98.5**	
Margin (%)	51.0	57.0	58.9	58.6	59.5	57.3	58.4	60.0	56.3	58.8	57.4	
EBITDA	**56.5**	**58.6**	**62.2**	**62.1**	**62.5**	**60.4**	**60.2**	**59.3**	**239.4**	**242.4**	**63.9**	-5.8%
Growth (%)	41.5	27.1	22.0	18.9	10.7	3.0	-3.2	-4.5	26.5	1.3	2.8	
Margins (%)	32.7	36.4	38.4	37.9	39.5	36.5	36.5	34.2	36.3	36.6	37.3	
Depreciation	4.1	4.2	4.1	4.2	4.0	4.1	4.2	3.8	16.6	16.2	4.5	
Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.1	
Other Income	3.1	5.1	8.7	7.5	7.1	9.0	11.4	9.6	24.4	37.0	7.8	
PBT	**55.4**	**59.4**	**66.8**	**65.2**	**65.5**	**65.1**	**67.3**	**64.9**	**246.8**	**262.8**	**67.2**	0.2%
Tax	13.7	14.7	16.5	15.1	16.4	15.9	11.5	16.3	60.0	60.1	16.5	
Rate (%)	24.7	24.8	24.7	23.1	25.1	24.4	17.1	25.1	24.3	22.9	24.5	
Adj PAT	**41.7**	**44.7**	**50.3**	**50.1**	**49.0**	**49.3**	**55.8**	**48.6**	**186.8**	**202.7**	**50.7**	9.9%
YoY change (%)	38.4	20.8	21.0	19.6	17.6	10.3	10.9	-3.0	24.1	8.5	0.8	

E: MOFSL estimate

30 January 2024
3QFY24 Results Update | Sector: Financials

Bajaj Finance

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BAF IN
Equity Shares (m)	604
M.Cap.(INRb)/(USDb)	4444.6 / 53.5
52-Week Range (INR)	8192 / 5486
1, 6, 12 Rel. Per (%)	-2/-13/1
12M Avg Val (INR M)	7442

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Net Income	364	455	573
PPP	241	309	391
PAT	145	187	237
EPS (INR)	236	304	384
EPS Gr. (%)	24	29	26
BV/Sh. (INR)	1,229	1,510	1,846
Ratios			
NIM (%)	10.5	10.3	10.3
C/I ratio (%)	33.9	32.2	31.8
RoA (%)	4.6	4.6	4.6
RoE (%)	22.3	22.2	22.9
Payout (%)	14.6	12.9	12.7
Valuations			
P/E (x)	30.5	23.7	18.7
P/BV (x)	5.8	4.8	3.9
Div. Yield (%)	0.5	0.5	0.7

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	54.8	55.9	55.9
DII	14.1	13.1	12.4
FIIFIIFII	21.0	20.5	20.0
Others	10.2	11.0	11.6

FII Includes depository receipts

CMP: INR7,188 TP: INR8,500 (+18%) Buy

Elevated credit costs from B2C businesses; NIM contracts QoQ

Changes in senior management portfolios

- Bajaj Finance (BAF)'s 3QFY24 reported PAT grew 22% YoY to ~INR36.4b (in line), while 9MFY24 PAT grew ~27% YoY to INR106.3b.
- NII grew 29% YOY to ~INR76.5b (in line). Non-interest income grew 9% YoY, and Net Total Income (NTI) grew 25% YoY to ~INR93b (in line).
- 3QFY24 NIM (calc.) declined ~25bp QoQ to ~12.4% while the reported NIM contracted ~10bp QoQ. We model a NIM compression of ~20bp in FY25 due to the expected rise in the cost of borrowings and difficulty in passing on any further interest rate hikes to customers.
- We model an AUM/PAT CAGR of ~30%/27% over FY23-FY26 and expect BAF to deliver an RoA/RoE of ~4.6%/23% in FY26.
- Key monitorables for FY25: 1) the degree to which the NIM compression can be offset with operating leverage, resulting in a decline in cost ratios; and 2) the impact on B2C businesses, both from a growth and credit costs perspective.
- **Reiterate BUY with a TP of INR8,500 (premised on 4.6x FY26E BVPS).**

AUM growth at ~35% YoY; new customer acquisitions strong

- Total customer franchise rose 22% YoY to ~80.4m. New loans booked grew 26% YoY to 9.9m (PY: 7.8m).
- Total AUM grew 35% YoY and ~7% QoQ to INR3.1t. Sequential AUM growth was driven by Auto Finance (+17%), B2B Sales Finance (+11%), SME finance (+7%), Commercial (incl. LAS) (+9%) and Mortgages (+6%). The rural B2C business (+3%) continued to exhibit muted AUM growth given that BAF has cut business volumes in this segment in the face of higher delinquencies.

Cost ratios broadly stable aided by operating leverage

- Opex grew 22% YoY to ~INR31.6b (in line) and the opex-to-NII was stable QoQ at ~34% during the quarter.
- BAF added 158 new locations and ~9.5K distribution points in 3QFY24. The company will continue to make investments in digital and technology and expects the digital platforms to be fully refreshed by Jun'24. It aims to dominate all digital platforms and deliver ~25% of business volumes from these platforms.
- Operating leverage driven by economies of scale and relatively lower investments on the technology side will drive a moderation in the opex-to-NII ratio to ~32% in each of FY25 and FY26 (vs. FY24E: ~34%).

Minor deterioration in asset quality; credit costs elevated

- BAF's GS3/NS3 rose ~5bp QoQ each to ~0.95%/0.4%. Stage 3 PCR declined ~4pp QoQ to ~61%.

- Net credit costs in 3QFY24 stood at ~165bp (PY: ~150bp). BAF also utilized ~INR1.5b from the management overlay during the quarter. BAF held a management and macro-economic overlay of INR5.9b as of Dec'23. Credit costs were higher due to elevated Rural B2C delinquencies and lower collection efficiencies in Urban B2C segment.
- Management guided for gross credit costs of 1.75%-1.85%. We model net credit costs of 165bp/155bp/155bp in FY24E/FY25E/FY26E.

Update on the RBI ban and changes in senior management portfolios

- The RBI banned two products, viz. Insta EMI Cards and e-Comm transactions of BAF, in Nov'23. BAF shared that it has made an initial submission (with changes in KFS) to the RBI and that it expects to make the final submission (along with digital signatures and vernacular support) to the RBI within a few weeks.
- Anup Saha (ED) has been re-designated as Deputy MD. In his new role, he will oversee all the businesses of the company (excluding LAS and commercial lending). Anup will report to Rajeev Jain, MD.
- Rakesh Bhatt (ED) has resigned to pursue opportunities outside the company. He will continue to work as an advisor to the MD.
- Deepak Bagati (President, Debt Management Services), Sandeep Jain (CFO), and Anurag Chottani (Chief Information Officer) have been given additional responsibilities and promoted to Chief Operating Officer (COO). All three COOs will report to the Deputy MD.

Highlights from the management commentary

- The RBI has granted a one-year extension to BAF's co-branded credit card with RBL Bank. The RBI had observed some deficiencies in its co-branded credit cards. BAF management shared that it will work closely with RBL Bank to get these deficiencies ironed out.
- The RBI increased risk weights on consumer credit exposure to ~125% from ~100%. **This had an impact of ~290bp on the company's CRAR.**

Valuation and view

- Customer acquisitions and the new loan trajectory have been strong. The momentum will only get stronger going ahead, with the digital ecosystem – app, web platform, and full-stack payment offerings – in place.
- BAF should be able to offset the NIM compression in FY25 with lower operating cost ratios. Our EPS estimates are largely unchanged. We expect BAF to deliver a PAT CAGR of 27% over FY23-FY26, and an RoA/RoE of 4.6%/23% in FY26. **Maintain BUY with a TP of INR8,500 (premised on 4.6x FY26E BVPS).**

Quarterly Performance												(INR m)
Y/E March	**FY23**				**FY24E**				**FY23**	**FY24E**	**3Q FY24E**	**Act V/s Est**
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**				
Interest Income	79,197	85,090	92,734	98,469	108,211	117,340	125,233	133,073	355,502	483,857	125,789	0
Interest expenses	26,451	29,714	33,512	35,920	41,025	45,371	48,680	51,755	125,599	186,831	49,318	-1
Net Interest Income	**52,745**	**55,376**	**59,222**	**62,549**	**67,186**	**71,970**	**76,553**	**81,317**	**229,903**	**297,026**	**76,471**	0
YoY Growth (%)	42.5	29.1	25.3	30.2	27.4	30.0	29.3	30.0	31.2	29.2	29.1	
Other Operating Income	13,630	14,637	15,126	15,162	16,795	16,477	16,427	17,253	58,555	66,951	16,585	-1
Net Income	**66,376**	**70,013**	**74,347**	**77,712**	**83,980**	**88,447**	**92,980**	**98,570**	**288,458**	**363,977**	**93,056**	**0**
YoY Growth (%)	47.8	31.2	23.9	28.1	33.3	26.3	25.1	26.8	31.8	26.2	25.2	
Operating Expenses	23,801	25,148	25,818	26,522	28,544	30,100	31,557	33,039	101,300	123,240	31,244	1
Operating Profit	**42,575**	**44,865**	**48,529**	**51,190**	**55,437**	**58,347**	**61,422**	**65,531**	**187,158**	**240,737**	**61,812**	-1
YoY Growth (%)	36.6	35.8	23.8	29.0	37.0	30.0	26.6	28.0	30.8	28.6	27.4	
Provisions and Cont.	7,547	7,342	8,413	8,594	9,953	10,771	12,484	13,069	31,897	46,276	11,627	7
Profit before Tax	**35,028**	**37,523**	**40,117**	**42,611**	**45,512**	**47,576**	**48,939**	**52,479**	**155,279**	**194,478**	**50,185**	-2
Tax Provisions	9,065	9,716	10,387	11,033	11,143	12,070	12,566	13,615	40,202	49,393	12,948	-3
Net Profit	**25,963**	**27,807**	**29,730**	**31,578**	**34,369**	**35,507**	**36,374**	**38,864**	**115,077**	**145,085**	**37,238**	-2
YoY Growth (%)	159.0	87.8	39.9	30.5	36.8	27.7	22.3	23.1	63.7	26.1	25.3	
Key Operating Parameters (%)												
Fees to Net Income Ratio	20.5	20.9	20.3	19.5	20.0	18.6	17.7	17.5	20.3	18.4		
Credit Cost	1.55	1.43	1.54	1.47	1.57	1.56	1.69	1.66	1.47	1.6		
Cost to Income Ratio	35.9	35.9	34.7	34.1	34.0	34.0	33.9	33.5	35.1	33.9		
Tax Rate	25.9	25.9	25.9	25.9	24.5	25.4	25.7	25.9	25.9	25.4		
Balance Sheet Parameters												
AUM (INR B)	2,040	2,184	2,308	2,474	2,701	2,903	3,110	3,315	2,474	2,701		
Change YoY (%)	28.3	30.8	27.4	25.3	42.3	32.9	34.7	34.0	25.3	42		
Loans (INR B)	1,984	2,127	2,254	2,423	2,653	2,857	3,064	3,246	2,423	2,653		
Change YoY (%)	29.5	32.3	29.0	26.6	44.1	34.3	35.9	34.0	26.6	44		
Borrowings (INR B)	1,721	1,833	2,013	2,154	2,352	2,544	2,639	2,808	2,154	2,352		
Change YoY (%)	29.1	26.4	30.7	30.4	47.8	38.8	31.1	30.4	30.4	48		
Loans/Borrowings (%)	115.3	116.1	112.0	112.5	112.8	112.3	116.1	115.6	112.5	113		
Asset Quality Parameters (%)												
GS 3 (INR B)	25.4	25.3	26.1	23.1	23.5	26.5	29.6		23.1	32.5		
Gross Stage 3 (% on Assets)	1.25	1.17	1.14	0.94	0.87	0.91	0.95		0.94	0.99		
NS 3 (INR B)	10.2	9.5	9.3	8.4	8.3	9.0	11.4		8.4	12.0		
Net Stage 3 (% on Assets)	0.51	0.44	0.41	0.34	0.31	0.31	0.37		0.35	0.37		
PCR (%)	59.9	62.3	64.2	63.8	77.4	66.0	61.7		63.8	63.0		
Return Ratios (%)												
ROAA (Rep)	5.3	5.4	5.4	5.4	5.4	5.16	4.92		4.7	4.6		
ROAE (Rep)	23.1	23.57	24	23.9	24.5	24.1	21.95		23.4	22.3		

E: MOSL Estimates

Cholamandalam Inv. & Finance

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	CIFC IN
Equity Shares (m)	820
M.Cap.(INRb)/(USDb)	1033.5 / 12.4
52-Week Range (INR)	1310 / 697
1, 6, 12 Rel. Per (%)	-2/-2/50
12M Avg Val (INR M)	1955

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Total Income	98.9	132.5	164.8
PPP	59.7	83.0	105.1
PAT	34.5	47.5	60.0
EPS (INR)	41.1	56.5	70.1
EPS Gr. (%)	27	38	24
BV (INR)	233	287	372
Valuations			
NIM (%)	6.8	7.0	7.1
C/I ratio (%)	39.6	37.3	36.2
RoAA (%)	2.6	2.7	2.8
RoE (%)	20.4	21.8	21.5
Payout (%)	6.1	4.4	4.3
Ratios			
P/E (x)	29.9	21.8	17.6
P/BV (x)	5.3	4.3	3.3
Div. Yield (%)	0.2	0.2	0.2

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	50.4	51.4	51.5
DII	18.4	20.0	21.2
FII	24.7	21.5	19.4
Others	6.5	7.3	7.9

FII Includes depository receipts

CMP: INR1,230 TP: INR1,470 (+20%) Buy

AUM growth robust; No NIM expansion because of rise in CoB

Asset quality improved in newer business, supported by write-offs

- CIFC's 3QFY24 PAT grew 28% YoY to INR8.8b (in line), while NII grew 36% YoY to ~INR21.7b (in line). 9MFY24 PAT rose 30% YoY to INR23.6b.
- 'Other income' rose ~75% YoY to ~INR4.1b. This was primarily because CIFC had started booking the insurance distribution income in the standalone entity after receiving the insurance agency license.
- Opex rose 41% YoY to ~INR10.6b (7% above estimates). CIR rose to ~41% (PQ: ~40%). PPoP grew ~40% YoY to INR15.2b.
- Overall GS3 declined ~15bp QoQ to 2.8%; NS3 was stable at ~1.6%, while S3 PCR declined ~220bp QoQ to ~45%. Annualized credit costs declined to ~1.1% (PQ: ~1.3%). GS3 in newer businesses improved ~35bp QoQ to 1.1% and PCR declined to ~45% (PQ: 63%) because of write-offs.
- New businesses contributed ~22% of disbursements in 3QFY24. CIFC has tightened the underwriting standards to control delinquencies in this segment. Higher yields in these segments (CSEL and SBPL) will be RoA accretive from FY25 onwards.
- NIM (calc.) remained stable QoQ, but core spreads (calc.) declined ~15bp to 6.4%, due to an increase in the borrowing costs (calc.) by ~30bp. The management shared that it does not expect any significant rise in CoB from its current levels. We model NIM of ~6.8% in FY24 and expect it improve to 7.0%/7.1% in FY25/FY26.
- We estimate a CAGR of 24%/27%/31% in disbursement/AUM/PAT over FY23-FY26. CIFC has levers on cost ratios and business AUM growth to deliver healthy RoA/RoE of ~2.8%/22% in FY26. We believe in CIFC's ability to sustain profitable growth in this franchise. We reiterate our **BUY rating on the stock with a revised TP of INR1,470 (based on 4.0x FY26E BVPS).**
- **Key risks to our target price are** 1) higher delinquencies and credit costs in new businesses, particularly CSEL; and 2) pronounced cyclicality in the vehicle finance business, despite management making efforts to mitigate this cyclicality.

Key highlights from the management commentary

- In Vehicle Finance, the marginal book yield is 100bp higher than portfolio yields and the management expects NIM improvement to sustain in the near term.
- Guided for RoTA (PBT) of 3.5%, but the endeavor will be to improve the RoA from next year onwards.

Valuation and view

- CIFC is a franchise equipped to deliver strong AUM growth with benign credit costs (relative to peers), translating into sustainable RoE of ~21-22% across economic cycles.

- The stock trades at 3.3x FY26E P/BV. We believe that these premium valuation multiples will sustain as investors continue to have confidence in the company's execution capability in new product lines and that its ability to successfully tide over the sectoral stress in personal loans. We reiterate our **BUY rating.**

Quarterly Performance (INR M)

Y/E March	FY23				FY24E				FY23	FY24E	3QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	26,123	28,293	31,416	34,991	38,492	42,205	46,099	49,875	120,822	176,671	45,919	0
Interest Expenses	11,309	13,404	15,433	17,342	20,071	22,052	24,390	26,098	57,488	92,610	23,948	2
Net Interest Income	**14,814**	**14,888**	**15,983**	**17,649**	**18,421**	**20,153**	**21,709**	**23,777**	**63,334**	**84,061**	**21,971**	-1
YoY Growth (%)	*16.9*	*17.3*	*17.2*	*29.0*	*24.3*	*35.4*	*35.8*	*34.7*	*20.2*	*32.7*	*37.5*	
Other Income	1,587	2,085	2,334	2,952	2,845	3,514	4,088	4,409	8,958	14,855	3,077	33
Total Income	**16,401**	**16,974**	**18,317**	**20,601**	**21,265**	**23,667**	**25,797**	**28,186**	**72,292**	**98,916**	**25,048**	3
YoY Growth (%)	*20.3*	*21.9*	*23.4*	*32.0*	*29.7*	*39.4*	*40.8*	*36.8*	*23.8*	*36.8*	*36.7*	
Operating Expenses	5,797	6,611	7,520	7,870	7,867	9,461	10,640	11,248	27,799	39,215	9,936	7
Operating Profit	**10,604**	**10,363**	**10,797**	**12,731**	**13,399**	**14,206**	**15,157**	**16,939**	**44,494**	**59,700**	**15,112**	0
YoY Growth (%)	*6.8*	*18.4*	*13.4*	*39.6*	*26.4*	*37.1*	*40.4*	*33.1*	*18.0*	*34.2*	*40.0*	
Provisions & Loan Losses	2,986	2,782	1,589	1,140	3,723	3,998	3,588	2,083	8,497	13,393	3,650	-2
Profit before Tax	**7,617**	**7,581**	**9,208**	**11,591**	**9,675**	**10,208**	**11,569**	**14,856**	**35,997**	**46,307**	**11,462**	1
Tax Provisions	1,961	1,947	2,365	3,063	2,415	2,583	2,807	4,003	9,335	11,808	2,946	-5
Net Profit	**5,657**	**5,634**	**6,843**	**8,528**	**7,260**	**7,625**	**8,762**	**10,852**	**26,662**	**34,499**	**8,516**	3
YoY Growth (%)	*73.1*	*-7.1*	*30.6*	*23.7*	*28.3*	*35.3*	*28.0*	*27.3*	*24.2*	*29.4*	*24.5*	
Key Parameters (Calc., %)												
Yield on loans	13.6	13.7	14.1	14.1	14.1	14.3	14.4	14.5	13.2	14.3		
Cost of funds	6.3	7.0	7.3	7.4	7.8	7.8	8.0	8.2	6.9	8.0		
Spread	7.3	6.7	6.7	6.7	6.3	6.6	6.4	6.4	6.3	6.2		
NIM	7.5	7.0	7.0	7.0	6.7	6.7	6.7	6.9	7.1	6.8		
C/I ratio	35.3	38.9	41.1	38.2	37.0	40.0	41.2	39.9	38.5	39.6		
Credit cost	1.5	1.3	0.7	0.5	1.3	1.3	1.1	0.6	0.9	1.1		
Tax rate	25.7	25.7	25.7	26.4	25.0	25.3	24.3	26.9	25.9	25.5		
Balance Sheet Parameters												
Disbursements (INR b)	**133**	**146**	**176**	**210**	**200**	**215**	**224**	**250**	**665**	**890**		
Growth (%)	266.7	68.0	68.4	65.3	50.2	47.3	27.5	19.0	87.5	33.7		
AUM (INR b)	**819**	**877**	**955**	**1,065**	**1,148**	**1,242**	**1,338**	**1,438**	**1,065**	**1,438**		
Growth (%)	20.8	25.2	31.3	38.5	40.1	41.7	40.1	35.0	38.5	35.0		
AUM mix (%)												
Vehicle finance	67.6	65.7	64.2	62.9	61.9	60.7	59.5		62.9	58.7		
Home Equity	21.6	21.5	20.9	20.3	19.9	19.9	20.1		20.3	20.0		
Home loans & Others	10.8	12.8	14.9	16.9	18.2	19.4	20.4		8.9	12.0		
Borrowings (INR b)	**739**	**793**	**893**	**974**	**1,081**	**1,195**	**1,231**		**974**	**1,330**		
Growth (%)	17.0	27.3	35.7	40.7	46.3	50.6	37.8		40.7	36.6		
Asset Quality Parameters												
GS 3 (INR B)	34.1	33.8	33.7	32.2	35.5	37.2	38.1		32.2	35.9		
GS 3 (%)	4.2	3.8	3.5	3.0	3.1	3.0	2.8		3.0	2.5		
NS 3 (INR B)	20.2	19.8	19.9	17.4	19.4	19.6	20.9		17.4	18.8		
NS 3 (%)	2.5	2.3	2.1	1.7	1.7	1.6	1.6		1.7	1.3		
PCR (%)	40.7	41.5	41.0	46.0	45.4	47.3	45.1		46.0	47.6		
Vehicle finance AUM mix (%)												
LCV	21.0	21.4	20.9	21.0	20.8	20.7	19.9		21.0			
Cars & MUV	18.9	19.4	19.9	20.2	20.7	21.2	21.8		18.9			
3W & SCV	4.6	4.5	4.4	4.2	4.0	3.9	3.9		4.6			
Used CV	27.4	27.1	26.9	26.6	26.7	26.9	27.0		27.4			
Tractor	9.6	9.2	9.0	8.4	8.1	7.8	7.5		9.6			
HCV	7.2	7.0	6.7	7.1	6.9	6.7	6.6		7.2			
CE	6.4	6.4	6.5	6.7	6.6	6.5	6.5		6.4			
Two wheeler	4.9	5.2	5.7	5.8	6.1	6.4	6.8		4.9			

Macrotech Developers

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	LODHA IN
Equity Shares (m)	963
M.Cap.(INRb)/(USDb)	997.5 / 12
52-Week Range (INR)	1228 / 356
1, 6, 12 Rel. Per (%)	1/28/81
12M Avg Val (INR M)	1118

Financials & Valuations (INR b)

Y/E Mar	FY24E	FY25E	FY26E
Sales	100.2	140.6	182.3
EBITDA	24.1	37.3	51.9
EBITDA (%)	24.0	26.5	28.5
Net profit	14.2	23.7	34.4
EPS (INR)	14.8	24.6	35.7
EPS Growth (%)	-7.4	66.3	45.3
BV/Share (Rs)	142.7	162.3	190.9
Ratios			
Net D/E	0.4	0.3	0.2
RoE (%)	10.8	16.1	20.2
RoCE (%)	8.5	12.4	16.9
Payout (%)	20.0	20.0	20.0
Valuations			
P/E (x)	70.0	42.1	29.0
P/BV (x)	7.2	6.4	5.4
EV/EBITDA (x)	44.0	27.8	19.8
Div Yield (%)	0.3	0.5	0.7

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	74.9	74.9	75.0
DII	3.2	3.6	4.1
FII	21.1	20.5	19.4
Others	0.8	1.1	1.5

CMP: INR1,034 TP: INR1,295 (+25%) Buy

Bengaluru foray off to a promising start

Delivers a healthy P&L performance

- Macrotech Developers (LODHA) achieved sales of INR34b (7% below our estimate), up 12% YoY but down 4% QoQ. Pre-sales for 9MFY24 stood at INR103b, up 14% YoY. The residential business generated bookings of INR32b in 3Q (up 5% YoY) and INR99b in 9MFY24 (up 16% YoY).
- Sales volumes for 3Q rose 4% YoY to 2.6msf. Blended realization was flat YoY but declined 8% QoQ due to lower contributions from the South and Central Mumbai projects.
- Its first project in Bengaluru fetched a strong response, as 80% of the inventory was sold within the first week. It contributed INR6.6b to the overall sales. The realization was also superior at INR12k/sf vs. INR8-9k/sf prevailing in the micro-market
- LODHA reported its highest-ever revenue of INR29.3b, up 65% YoY/68% QoQ and in line with our estimate. EBITDA (excluding other income) jumped 116% YoY/112% QoQ to INR8.8b, as margin improved 700bp YoY/600bp QoQ to 30%. LODHA exited the UK business and recognized an exceptional loss of INR1b, and hence, PAT growth moderated 25% YoY to INR5b.

Net debt flat sequentially; full-year BD guidance achieved

- Collections were flat YoY at INR26b and OCF stood at INR10b (excluding proceeds from the UK), down 28% YoY/18% QoQ.
- During the quarter, LODHA acquired three new projects in South & Central Mumbai, with a cumulative GDV of INR60b. During 9MFY24, the company achieved a BD of INR203b – higher than the full-year guidance of INR175b.
- LODHA generated INR14b of surplus cash, which was largely utilized for new project acquisitions. Hence, net debt was flat QoQ at INR67.5b, with a net D/E of 0.5x. With significant investments towards BD already done, management reiterated its guidance of reducing debt levels to 1x of OCF by FY24-end.

Palava set to benefit from the improving infrastructure

- The operationalization of key infrastructure projects will significantly improve the attractiveness of Palava as a residential and warehousing destination.
- In 3QFY24, the company concluded a land transaction at the highest-ever realizationof INR65m/acre – higher by 2.5x since CY21, and management believes it will gradually increase to INR100m/acre.
- From FY25E, LODHA plans to launch premium projects at Palava as the ecosystem is now ready, and hence, while the LfL price growth will remain below wage growth, the overall realization improvement in Palava will be higher due to the offering of premium projects going forward.
- The company is aiming to generate sales of USD1b+ over the next few years vs. its current run-rate of INR30b.

Key concall highlights

- **Fund Raise:** LODHA's current cash flow run-rate and the B/S strength are sufficient to achieve its targeted growth over the medium term. However, if any inorganic opportunities arise that complement the internal growth targets, it is prudent to raise the required capital to capture the same. Hence, the Board has passed an enabling resolution to raise equity capital of up to INR50b.
- Funds will only be raised if it comes across opportunity, which will enable it to grow beyond the targeted growth rate of 20% or if it improves the longevity of growth that the company can deliver.
- **Bengaluru:** Preference for premium housing has been growing at a rapid pace in the city, as the share of homes with INR15m+ ticket size is at 25% currently vs. 10% a few years back.
- LODHA will continue to focus on premium and luxury segments and is targeting to achieve INR30-35b annual sales over the next few years.
- **Annuity business:** The avenues for rental income are FMS business, the Warehousing/logistics business, and selective office/retail assets. The rental income would be INR15b by FY30E – 25% will be from FMS, 30% from warehousing and balance from office/retail.

Valuation and view: on track to deliver consistent performance; retain BUY

- We trim our FY24E bookings by 5% to factor in lower-than-expected bookings in 3Q. With a strong launch pipeline of 4.4msf worth INR63b for 4QFY24, LODHA remains on track to achieve its annual bookings guidance of INR145b.
- Overall, LODHA has been delivering a steady performance across its key parameters of pre-sales, cash flows, business development, profitability, and return ratios over the last two years. As it prepares itself to capitalize on the strong growth and consolidation opportunities, we expect this consistency in operational performance to continue.
- Further, its low leverage of 0.5x of equity can provide firepower to target aggressive growth given an opportunity. Our terminal growth rate of 5% in our DCF-based methodology is the least it can achieve in the long term, leaving further headroom for re-rating.
- **Reiterate BUY with an unchanged TP of INR1,295, indicating 25% upside potential.**

Financial Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	(%/bp)
Gross Sales	**26,758**	**17,654**	**17,738**	**32,554**	**16,174**	**17,496**	**29,306**	**37,262**	**94,704**	**1,00,238**	**28,067**	**4**
YoY Change (%)	67	-17	-14	-5	-40	-1	65	14	2.6	5.8	58.2	
Total Expenditure	22,091	13,414	13,701	24,837	12,874	13,335	20,479	29,493	74,042	76,181	21,277	
EBITDA	**4,667**	**4,240**	**4,038**	**7,717**	**3,300**	**4,161**	**8,827**	**7,769**	**20,661**	**24,057**	**6,789**	**30**
Margins (%)	17.4	24.0	22.8	23.7	20.4	23.8	30.1	20.8	21.8	24.0	24.2	
Adj. EBITDA (as per co.)	**9,030**	**5,250**	**5,700**	**9,800**	**4,600**	**5,500**	**10,800**	**7,769**	**29,780**	**28,669**	**6,789**	**59**
Margins (%)	33.7	29.7	32.1	30.1	28.4	31.4	36.9	20.8	31.4	28.6	24.2	
Depreciation	196	219	217	296	240	293	333	212	928	1,078	280	
Interest	1,193	1,249	1,176	1,172	1,241	1,231	1,168	1,327	4,791	4,967	1,260	**-7**
Other Income	0	-42	1,286	163	544	55	281	285	1,408	1,165	227	**24**
PBT before EO expense	**3,278**	**2,730**	**3,931**	**6,412**	**2,363**	**2,692**	**7,607**	**6,515**	**16,350**	**19,177**	**5,477**	**39**
Extra-Ord expense	0	-11,774	0	0	0	0	1,049	0	-11,774	-1,049	0	
PBT	**3,278**	**-9,044**	**3,931**	**6,412**	**2,363**	**2,692**	**6,558**	**6,515**	**4,576**	**18,128**	**5,477**	**20**
Tax	559	270	-119	-1,080	556	624	1,439	1,913	-370	4,532	1,369	
Rate (%)	17.0	-3.0	-3.0	-16.8	23.5	23.2	21.9	29.4	-0.1	0.3	25.0	
Minority Interest & P/L of Asso. Cos.	6	16	0	58	15	40	67	33	80	155	24	
Reported PAT	**2,713**	**-9,330**	**4,050**	**7,434**	**1,792**	**2,028**	**5,052**	**4,569**	**4,866**	**13,441**	**4,083**	**24**
Adj PAT (as per co.)	**1,200**	**3,670**	**3,000**	**7,500**	**1,700**	**2,100**	**5,700**	**4,569**	**15,370**	**14,069**	**4,083**	**40**
YoY Change (%)	-2	28	8	31	42	-43	90	-39	21.9	-8.5	36.1	
Margins (%)	4.5	20.8	16.9	23.0	10.5	12.0	19.4	12.3	16.2	14.0	14.5	490bp

Marico

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	MRCO IN
Equity Shares (m)	1290
M.Cap.(INRb)/(USDb)	668.4 / 8
52-Week Range (INR)	595 / 463
1, 6, 12 Rel. Per (%)	-6/-21/-21
12M Avg Val (INR M)	796

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	96.5	104.9	113.9
Sales Gr. (%)	-1.2	8.7	8.6
EBITDA	20.3	22.4	24.7
EBITDA Margin. %	21.0	21.4	21.7
Adj. PAT	14.6	16.3	18.1
Adj. EPS (INR)	11.3	12.7	14.1
EPS Gr. (%)	12.3	11.8	10.9
BV/Sh.(INR)	30.4	31.6	33.3
Ratios			
RoE (%)	37.9	40.9	43.3
RoCE (%)	34.9	37.6	39.6
Payout (%)	92.6	90.8	88.9
Valuations			
P/E (x)	45.5	40.7	36.7
P/BV (x)	17.0	16.3	15.5
EV/EBITDA (x)	32.1	28.9	26.2
Div. Yield (%)	2.0	2.2	2.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	59.4	59.4	59.5
DII	10.0	9.8	10.3
FII	25.8	26.0	25.2
Others	4.9	5.0	5.1

FII Includes depository receipts

CMP: INR516 TP: INR625 (+21%) Buy

Performance in line; volume recovery sluggish

- Marico (MRCO) reported an in-line revenue growth with a marginal beat on EBITDA. Domestic revenue was flat owing to the impact of price cuts and an unchanged volume trend. A sequential improvement was noted in urban areas, while the rural recovery was slow. However, the demand environment remained muted during the quarter.
- Domestic revenue is likely to improve in the ensuing quarters owing to a gradual volume recovery and a low price cut impact. We model an 8% revenue CAGR during FY24-26 for the domestic business.
- Gross margin hit a 23-quarter high of 51.3% in 3QFY24, driven by softer input costs. Consequently, management raised its EBITDA margin guidance by ~250bp to 21% for FY24. We model a 21-22% EBITDA margin during FY24-26, as we build a similar GM of 51% while assuming normalization in Ad spending.
- We value the stock based on 45x Dec'25E EPS to arrive at our **TP of INR625. We reiterate our BUY rating on MRCO.** It remains a play on rural recovery.

In-line show; volume to recover gradually

Consolidated

- MRCO's consolidated net sales declined marginally by 1.9% YoY to INR24.2b (est. INR24.2b) in 3QFY24.
- EBITDA/PBT/Adj. PAT grew 12.5%/11.7%/16.8% YoY to INR5.1b/INR5.0b/ INR3.8b (est. INR5.1b/INR4.8b/INR3.6b) during the quarter.
- **Domestic volumes grew 2% YoY** (est. +3%).
- Consolidated gross margin expanded 630bp YoY/80bp QoQ to 51% (est. 50%) in 3QFY24.
- As a percentage of sales, higher staff costs (up 130bp to 7.8%), A&P expenses (up 125bp to 10.2%) and other expenditure (up 100bp to 12.1%), led EBITDA margin expansion of 270bp YoY to 21.2% in 3QFY24 (est. 20.9%).
- **In 9MFY24,** net sales declined 2% YoY, while EBITDA/adj. PAT grew 11.8%/ 16.3% YoY.

Highlights from the management commentary

- During the quarter, demand trends remained steady, and there was no apparent improvement from the previous quarter. FMCG volume growth, on a four-year CAGR basis, remained in low single digits.
- The mass home and personal care categories closely followed the subdued rural demand, while packaged foods led due to higher urban salience and penetration-driven growth.
- Rural demand remained subdued, while urban demand maintained its modest growth path.
- GT faced low growth, rising costs, and challenges in profitability and liquidity.
- Despite an increased brand-building investments in both core and new businesses, the gross margin is likely to expand by 450-500bp in FY24.
- Management expects an EBITDA margin expansion of ~250bp YoY in FY24.

Valuation and view

- We keep our FY24/FY25 EPS estimates unchanged.
- MRCO's core portfolio has seen pressure from weak demand and price cuts. The company has initiated several steps to recover the volume, but the overall demand environment is not conducive. We believe once rural demand picks up, the traditional categories will bounce back to their normalized growth rate.
- The company has been consistent in delivering double-digit EBITDA growth and a better scorecard for MRCO. We model a 10% EPS CAGR during FY24-26E.
- The stock has been under pressure due to a consistent delay in demand recovery. We value the stock based on 45x Dec'25E EPS to arrive at our **TP of INR625**. **We reiterate our BUY rating on the stock.**

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Domestic volume growth (%)	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	2.0	1.8	2.5	3.0	
Net Sales	**25,580**	**24,960**	**24,700**	**22,400**	**24,770**	**24,760**	**24,220**	**22,749**	**97,640**	**96,499**	**24,206**	0.1%
YoY Change (%)	1.3	3.2	2.6	3.7	-3.2	-0.8	-1.9	1.6	2.4	-1.2	-2.0	
COGS	14,060	14,070	13,600	11,780	12,390	12,260	11,800	11,027	53,510	47,477	12,151	
Gross Profit	**11,520**	**10,890**	**11,100**	**10,620**	**12,380**	**12,500**	**12,420**	**11,721**	**44,130**	**49,021**	**12,055**	3.0%
Gross margin (%)	45.0	43.6	44.9	47.4	50.0	50.5	51.3	51.5	45.2	50.8	49.8	
Other Expenditure	6,240	6,560	6,540	6,690	6,640	7,530	7,290	7,286	26,030	28,746	6,996	
% to Sales	24.4	26.3	26.5	29.9	26.8	30.4	30.1	32.0	26.7	29.8	28.9	
EBITDA	**5,280**	**4,330**	**4,560**	**3,930**	**5,740**	**4,970**	**5,130**	**4,436**	**18,100**	**20,276**	**5,059**	1.4%
Margins (%)	20.6	17.3	18.5	17.5	23.2	20.1	21.2	19.5	18.5	21.0	20.9	
YoY Change (%)	9.8	2.4	5.8	13.6	8.7	14.8	12.5	12.9	7.7	12.0	10.9	
Depreciation	360	370	390	430	360	390	420	422	1,550	1,592	406	
Interest	100	150	140	170	170	200	190	190	560	750	175	
Other Income	170	190	400	680	460	380	430	464	1,440	1,734	340	
PBT	**4,990**	**4,000**	**4,430**	**4,010**	**5,670**	**4,760**	**4,950**	**4,287**	**17,430**	**19,667**	**4,818**	2.7%
Tax	1,220	930	1,100	960	1,310	1,160	1,090	1,462	4,210	4,750	1,166	
Rate (%)	24.4	23.3	24.8	23.9	23.1	24.4	22.0	34.1	24.2	24.2	24.2	
Minority Interest	60	60	50	30	90	70	30	-481	-200	-291	50	
Adjusted PAT	**3,710**	**3,010**	**3,280**	**3,020**	**4,270**	**3,530**	**3,830**	**3,307**	**13,420**	**15,208**	**3,602**	6.3%
YoY Change (%)	4.2	-2.6	5.8	20.3	15.1	17.3	16.8	9.5	4.7	13.3	9.8	

E: MOFSL Estimates

APL Apollo Tubes

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	APAT IN
Equity Shares (m)	277
M.Cap.(INRb)/(USDb)	425 / 5.1
52-Week Range (INR)	1806 / 1047
1, 6, 12 Rel. Per (%)	0/-11/11
12M Avg Val (INR M)	1242

Financials & Valuations (INR b)

Y/E Mar	2024E	2025E	2026E
Sales	182.7	236.4	297.8
EBITDA	12.8	17.9	23.6
PAT	8.0	12.0	16.5
EBITDA (%)	7.0	7.6	7.9
EPS (INR)	28.7	43.2	59.3
EPS Gr. (%)	23.9	50.8	37.3
BV/Sh. (INR)	132.0	169.3	222.6
Ratios			
Net D/E	0.1	-0.2	-0.3
RoE (%)	23.9	28.7	30.3
RoCE (%)	20.9	26.1	29.4
Payout (%)	17.4	13.9	10.1
Valuations			
P/E (x)	52.7	35.0	25.5
EV/EBITDA (x)	33.0	23.0	16.9
Div Yield (%)	0.3	0.4	0.4
FCF Yield (%)	1.1	2.6	3.6

Shareholding pattern (%)

As on	Dec-23	Sep-23	Dec-22
Promoter	29.6	29.7	31.2
DII	13.8	12.7	10.4
FII	29.3	28.7	24.3
Others	27.4	31.6	34.1

Note: FII includes depository receipts

CMP: INR1,531 TP: INR1,770 (+16%) Buy

Subdued volumes due to channel destocking

Earnings in line with our estimate

- APL Apollo Tubes (APAT) reported muted sales volume at 604KMT (flat YoY, down 11% QoQ) in 3QFY24, led by channel de-stocking in anticipation of steel price corrections (down 12% from the peak level). However, EBITDA grew ~2% YoY to ~INR2.8b, led by 3% YoY growth in EBITDA/MT on account of an improved value-added product (VAP) mix at ~59% in 3QFY24 v/s 56% in 3QFY23.
- **We largely maintain our FY24/FY26 earnings estimates but reduce our FY25 estimates by 12% in anticipation of a slow ramp-up of new capacities. We value the stock at 32x Dec'25E EPS to arrive at a TP of INR1,770. Reiterate BUY.**

Improving gross margins support operating performance in a volatile environment

- Consolidated revenue declined 3% YoY/10% QoQ to INR41.8b (est. INR42.3b) in 3QFY24, led by subdued volumes (flat YoY/down 11% QoQ to 604KMT) and a decline in realization (down 3% YoY/up 1% QoQ to INR69,200/MT).
- Gross profit/MT grew 6% YoY and 2% QoQ to INR9,812, led by a decline in raw material prices and improved VAP share. VAP mix stood at 59% in 3QFY24 vs. 56% in 3QFY23 and 55% in 2QFY24, underpinned by a gradual ramp-up of the Raipur plant.
- EBITDA/MT grew 3% YoY but declined 4% QoQ to INR4,631 in 3QFY24. EBITDA grew 2% YoY (declined 14% QoQ) to INR2.8b (in line).
- Adjusted PAT declined 2% YoY/18% QoQ to INR1.65b (in line).
- Net debt as of Dec'23 increased to INR4b vs. INR2.4b as on Mar'23.
- For 9MFY24, revenue/EBITDA/adj. PAT grew 14%/31%/28% YoY to INR133.5b/INR9.1b/INR5.6b.

Highlights from the management commentary

- **Demand scenario**: Volume off-take was softer due to a delay in the commissioning of new plants (Raipur and Dubai), weak demand in the building material segment, and volatile steel prices. APAT has witnessed a recovery in demand in Dec'23 and Jan'24.
- **Guidance**: The management has maintained its sales volume target of ~5MMT by FY26 (with ~70% share of VAPs). It expects to grow revenue by ~20-25% p.a. which can further accelerate provided tailwinds within the industry.
- **Exports:** APAT targets to increase exports to ~1MMT by FY26 (~0.5 MMT in Dubai and ~0.5MMT exports from India). It plans to open warehouses in four key international locations.

Valuation and view

- The incremental capacity from upcoming plants and debottlenecking, along with the addition of high-margin products from the Raipur unit, should result in strong volume growth and margin expansion going ahead.
- We expect a CAGR of 36%/52%/60% in revenue/EBITDA/PAT over FY23-26. We value the stock at 32x Dec'25E EPS to arrive at our TP of INR1,770. Reiterate BUY.

Consolidated - Quarterly Earning (INRm)

Y/E March	FY23				FY24				FY23	FY24	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Gross Sales	**34,386**	**39,692**	**43,271**	**44,311**	**45,449**	**46,304**	**41,778**	**49,180**	**1,61,660**	**1,82,711**	**42,308**	**-1**
YoY Change (%)	35.7	28.7	34.0	5.1	32.2	16.7	-3.5	11.0	23.8	13.0	-2.2	
Total Expenditure	32,446	37,373	40,543	41,082	42,377	43,054	38,982	45,533	1,51,444	1,69,946	39,518	
EBITDA	**1,939**	**2,319**	**2,729**	**3,229**	**3,072**	**3,250**	**2,795**	**3,647**	**10,216**	**12,765**	**2,790**	**0**
Margins (%)	5.6	5.8	6.3	7.3	6.8	7.0	6.7	7.4	6.3	7.0	6.6	
Depreciation	294	276	345	468	409	413	471	500	1,383	1,793	480	
Interest	100	136	186	249	271	266	285	240	671	1,063	250	
Other Income	83	116	93	180	217	196	150	210	472	773	200	
PBT before EO expense	**1,629**	**2,023**	**2,290**	**2,692**	**2,608**	**2,767**	**2,190**	**3,117**	**8,633**	**10,682**	**2,260**	
PBT	**1,629**	**2,023**	**2,290**	**2,692**	**2,608**	**2,767**	**2,190**	**3,117**	**8,633**	**10,682**	**2,260**	
Tax	422	521	598	673	672	738	535	784	2,215	2,729	569	
Rate (%)	25.9	25.7	26.1	25.0	25.8	26.7	24.4	25.2	25.7	25.6	25.2	
Reported PAT	**1,207**	**1,502**	**1,692**	**2,018**	**1,936**	**2,029**	**1,655**	**2,332**	**6,419**	**7,952**	**1,691**	
Adj PAT	**1,207**	**1,502**	**1,692**	**2,018**	**1,936**	**2,029**	**1,655**	**2,332**	**6,419**	**7,952**	**1,691**	**-2**
YoY Change (%)	-28.4	2.8	32.3	14.3	60.5	35.1	-2.2	15.6	3.7	23.9	0.0	
Margins (%)	3.5	3.8	3.9	4.6	4.3	4.4	4.0	4.7	4.0	4.4	4.0	

Indraprastha Gas

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	IGL IN
Equity Shares (m)	700
M.Cap.(INRb)/(USDb)	293.4 / 3.5
52-Week Range (INR)	516 / 376
1, 6, 12 Rel. Per (%)	0/-20/-23
12M Avg Val (INR M)	915

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	135.1	137.5	140.3
EBITDA	25.1	24.8	26.7
Adj. PAT	18.1	17.2	18.5
Adj. EPS (INR)	25.9	24.6	26.4
EPS Gr. (%)	25.2	-4.9	7.3
BV/Sh.(INR)	119.3	136.5	155.0
Ratios			
Net D:E	-0.3	-0.3	-0.3
RoE (%)	23.4	19.2	18.1
RoCE (%)	22.6	18.6	17.6
Payout (%)	30.0	30.0	30.0
Valuation			
P/E (x)	16.2	17.0	15.8
P/BV (x)	3.5	3.1	2.7
EV/EBITDA (x)	10.6	10.6	9.8
Div. Yield (%)	1.9	1.8	1.9
FCF Yield (%)	2.1	2.5	3.1

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	45.0	45.0	45.0
DII	27.7	26.2	24.7
FII	17.9	20.9	21.8
Others	9.4	7.7	8.5

FII Includes depository receipts

CMP: INR419 **TP: INR350 (-16%)** **Sell**

Weaker-than-expected margins lead to miss

- Indraprastha Gas' (IGL) EBITDA came in below our est. at INR5.6b in 3QFY24, primarily due to lower-than-expected EBITDA/scm of INR7.2 (vs. our est. of INR8.5). Volumes increased 4% YoY to 8.5mmscmd.
- EBITDA/scm declined 14% sequentially, primarily on account of APM gas allocation declining 78% in 3QFY24 from 87% in 2QFY24. The management expects APM allocation to decline over the long run as APM production has remained stagnant over the past few years despite a significant increase in demand from priority sectors.
- The company is focusing on converting ICE dumpers in its GAs to CNG in order to drive volume growth since dumpers consume ~80-100kg of CNG per day. The company may also consider launching schemes similar to MAHGL's CNG Mahotsav to drive further growth. However, the company would focus on setting up adequate infrastructure before launching such schemes.
- The company is also taking measures to convert long-haul state buses to CNG. Uttar Pradesh has agreed to commission 60 long-haul CNG buses, while Uttarakhand has agreed to commission 45 busses and Rajasthan has initiated a pilot project of 20 CNG buses.
- We expect IGL's volumes to register a CAGR of 7% over FY24-26, as against an 11% CAGR over FY16-23, owing to multiple headwinds. We value the stock at 12x Dec'25E adj. EPS of INR25 and add value of JV at 25% holding company discount to arrive at our TP of INR350. We reiterate our Sell rating.

Volumes in line with expectations

- **Total volumes were in line with our estimate at 8.48mmscmd (up 4% YoY)**
  - CNG volumes at 6.33mmscmd (up 4% YoY) and PNG volumes at 2.15mmscmd (up 5% YoY)
- **EBITDA/scm came below our est. at INR7.2 (vs. our est. of INR8.5 and INR8.6 in 2QFY24)**
  - Gross margin came in at INR12.9/scm (vs. INR14.1/scm in 2QFY24)
  - Opex came in at INR5.7/scm (vs. INR5.5 in 2QFY24)
  - Resulting EBITDA was below our estimate at INR5.6b (our est. of INR6.7b, up 32% YoY)
- PAT was below est. at INR3.9b (est. of INR4.6b, up 41% YoY)
- **IGL's share in CUGL and MNGL added INR858m to its consol. profit (up 54% YoY) in 3QFY24.**
- **For 9MFY24,** EBITDA was up 18% YoY to INR18.6b, with **EBITDA/scm of INR8.1 (up 14% YoY).** PAT was up 22% YoY to INR13.7b.
  - Total volumes were up 4% YoY at 8.33mmscmd, with CNG at 6.25mmscmd (up 4% YoY) and PNG at 2.08mmscmd (up 4% YoY).
  - IGL's share in CUGL and MNGL added INR2.6b to its consol. profit (up 40% YoY).

Valuation and view

- We anticipate a sluggish volume growth trajectory in the near to medium term, as PNG supply growth faces constraints.
  - I/C PNG volume growth is expected to come to a standstill amid competition from alternative fuels
  - The D-Haryana segment has witnessed stagnant volume growth over the past few quarters due to limited investment and an ongoing dispute.
  - The single unit nature of landed house in Delhi/new geographical areas (unlike skyscrapers in Delhi) makes it difficult to maintain high volume growth rates in D-PNG.
- These three categories account for 2mmscmd (~25% of volumes) and are a drag on growth. As such, while IGL's volumes registered a CAGR of 11% over FY16-23, we are building in 7% CAGR over FY24-26. Lastly, we believe EBITDA/scm may remain under pressure, owing to reduction in APM allocation.
- We value the stock at 12x FY25E adj. EPS of INR25 and add value of JV at 25% holding company discount to arrive at our TP of INR350 and **reiterate our sell rating on the stock**.

Standalone Quarterly performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
Net Sales	**31,939**	**35,540**	**37,108**	**36,872**	**34,070**	**34,585**	**35,562**	**30,878**	**141,459**	**135,095**	**33,626**	**6%**
Change (%)	154.0	94.1	67.5	53.3	6.7	-2.7	-4.2	-16.3	83.5	-4.5	-9.4	
EBITDA	**6,175**	**5,275**	**4,285**	**4,663**	**6,424**	**6,569**	**5,641**	**6,449**	**20,398**	**25,083**	**6,650**	**-15%**
EBITDA (INR/scm)	8.6	7.1	5.7	6.3	8.6	8.6	7.2	8.0	6.9	8.1	8.5	-15%
Change (%)	62.1	-0.5	-8.8	-6.8	4.0	24.5	31.7	38.3	8.4	23.0	55.2	
Depreciation	857	914	925	938	989	1,022	1,018	1,156	3,634	4,186	1,047	-3%
Interest	24	31	26	26	24	25	18	24	106	90	25	
Other Income	307	1,100	557	654	457	1,340	550	492	2,619	2,838	537	2%
PBT before EO	**5,602**	**5,430**	**3,891**	**4,354**	**5,867**	**6,862**	**5,155**	**5,760**	**19,277**	**23,645**	**6,115**	**-16%**
Tax	1,394	1,269	1,109	1,057	1,483	1,514	1,235	1,698	4,827	5,549	1,539	-20%
Rate (%)	24.9	23.4	28.5	24.3	25.3	22.1	23.9	29.5	25.0	23.5	25.2	
PAT	**4,209**	**4,162**	**2,783**	**3,298**	**4,384**	**5,348**	**3,921**	**4,062**	**14,450**	**18,095**	**4,576**	**-14%**
PAT (INR/scm)	5.9	5.6	3.7	4.4	5.9	7.0	5.0	5.1	4.9	5.7	5.9	-14%
Change (%)	72.3	3.9	-9.8	-8.8	4.2	28.5	40.9	23.2	9.9	25.2	64.5	
Gas volumes (mmscmd)												
CNG	5.93	6.09	6.07	6.11	6.17	6.25	6.33	6.34	6.05	6.27	6.33	0%
PNG	1.96	2.00	2.05	2.14	2.03	2.06	2.15	2.50	2.04	2.18	2.17	-1%
Total	**7.89**	**8.09**	**8.12**	**8.26**	**8.20**	**8.30**	**8.48**	**8.83**	**8.09**	**8.45**	**8.50**	**0%**

Vedant Fashions

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	MANYAVAR IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	268.5 / 3.2
52-Week Range (INR)	1488 / 1043
1, 6, 12 Rel. Per (%)	-13/-22/-28
12M Avg Val (INR M)	260

Financials & Valuations Consol (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	13.5	13.8	16.5
EBITDA	6.7	6.7	8.0
Adj. PAT	4.3	4.1	5.3
EBITDA Margin (%)	49.5	48.5	48.6
Adj. EPS (INR)	17.7	17.0	21.7
EPS Gr. (%)	36.2	(3.8)	27.4
BV/Sh. (INR)	55.9	65.8	78.4
Ratios			
Net D:E	(0.4)	(0.5)	(0.5)
RoE (%)	34.6	27.1	29.1
RoCE (%)	29.6	24.6	26.2
Payout (%)	50.9	40.0	40.0
Valuations			
P/E (x)	62.9	65.3	51.3
EV/EBITDA (x)	40.6	40.5	33.5
EV/Sales (X)	20.1	19.6	16.3
Div. Yield (%)	0.8	0.6	0.8
FCF Yield (%)	1.8	1.7	2.1

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	75.0	75.0	84.9
DII	13.7	14.9	9.7
FII	7.7	6.7	3.4
Others	3.5	3.2	2.0

FII Includes depository receipts

CMP: INR1,106 TP: INR1,200 (+9%) Neutral

Demand softness persists

- Vedant Fashions' PAT/EBITDA growth remained soft at 5%/8% YoY (10%/8% miss) as subdued revenue growth persisted despite the festive period. Revenue growth of 7% YoY was mainly supported by footprint addition; same store sales declined 2.1% YoY in 3QFY24.
- Given the weak outlook and soft management commentary, we have cut revenue/PAT by 5%/3% for 25, factoring in revenue/PAT CAGR of 10%/11% over FY23-25, mainly driven by footprint expansion. The stock is trading at valuations of ~51x P/E on FY25E after the recent correction. However, concerns around demand revival would remain a key monitorable for any re-rating. We reiterate our Neutral stance on the stock with a TP of INR1,200, valuing it at 45x P/E on FY26.

EBITDA/PAT up 8%/5% (miss), dragged by soft revenue growth

- Consolidated revenue grew 7% YoY to INR4.7b (6% miss) in 3QFY24, mainly led by footprint additions.
- Sales to customers reported a growth of 11% YoY and stood at INR6,504m.
- The reported SSSG for 3QFY24 declined 2.1%, given that the month of Oct'23 was adversely impacted by "Shraddh".
- Gross profit grew 5% YoY to INR3.4b (8% miss), with gross margin at 71.7% (vs. 73.3% estimated). Gross margin (including Job Work) remained flat YoY at 67.8%.
- Employee costs declined 10% YoY to INR138m, while other expenses remained flat YoY at INR842m (~10% below our estimates each).
- As a result, EBITDA grew 8% YoY to INR2.4b (8% miss), dragged by lower revenue and GM, offset by robust control measures implemented. The EBITDA margin expanded YoY and stood at 51%.
- Depreciation/Finance costs grew 37%/50% YoY, while 'other income' increased 55% YoY.
- Consequently, PAT rose 5% YoY to INR1.6b (10% miss) during the quarter.
- For 9MFY24, revenue reported a marginal decline of 1% to INR10b, while EBITDA declined 4% YoY to INR4.8b. PAT declined 7% YoY and stood at INR3b.
- SSSG for 9MFY24 declined 12.7% as the period saw significantly reduced number of wedding dates, general slowdown adversely impacting consumer sentiments, and a higher base effect of the last year.

Highlights from the management commentary

- Sales was adversely affected by weaker performance in Oct'23 and from the latter half of Dec'23 (mainly in Tier 2 and below cities); however, festive sales grew 30.7% on a YoY basis.
- Early trends from Jan'24 suggest continued softness in demand; however, improved demand traction is expected in 4QFY24, primarily driven by the increased prevalence of wedding dates during the period.
- Within emerging brands, the company will look to open another 2-3 stores for Twamev in addition to the flagship store for Mohey.
- The company is now looking to enter the South Indian market by introducing a new format and re-calibrating merchandising strategies to align with the specific demands within the region.

Valuation and view

- Manyavar has successfully achieved scale within the growing Men's celebration and occasion wear market. This accomplishment is challenging to replicate.
- While the company has a healthy growth runway through the expansion of Manyavar's footprint and the introduction of Mohey (women's celebration wear) and Twamev (premium celebration wear) in the upcoming quarters, weak consumption remains a concern.
- The stock, owing to a weaker revenue trajectory, witnessed in the past couple of quarters has corrected ~25%, and is now trading at 51x P/E and 33.5x EV/EBITDA on FY25 basis, which we feel is fairly priced, given the observed slowdown in consumption. Recovery within the demand and scaling up of emerging brands would remain a key catalyst for the stock to move going ahead.
- We are building a revenue/PAT CAGR of 10%/11% over FY23-25 on the back of steady footprint addition.
- We ascribe a P/E of 45x on FY26E EPS and arrive at a TP of INR1,200. We reiterate our Neutral stance on the stock.

Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	**3,250**	**2,469**	**4,414**	**3,416**	**3,116**	**2,183**	**4,745**	**3,715**	**13,549**	**13,759**	**5,062**	**-6.3**
YoY Change (%)	103.1	23.5	14.7	15.3	-4.1	-11.6	7.5	8.7	30.2	1.5	14.7	
Total Expenditure	1,619	1,315	2,170	1,737	1,635	1,255	2,324	1,872	6,841	7,086	2,440	-4.8
EBITDA	**1,631**	**1,154**	**2,245**	**1,679**	**1,482**	**928**	**2,420**	**1,843**	**6,708**	**6,673**	**2,622**	**-7.7**
EBITDA margins (%)	50.2	46.7	50.9	49.1	47.5	42.5	51.0	49.6	49.5	48.5	51.8	
Change YoY (%)	135.6	26.6	17.2	16.6	-9.1	-19.6	7.8	9.8	189.6	98.7	16.8	
Depreciation	264	249	251	274	299	325	344	351	1,038	1,319	329	4.8
Interest	78	77	75	84	94	107	112	115	315	428	114	-2.1
Other Income	71	97	100	134	150	151	155	156	402	612	151	2.3
PBT before EO expense	**1,359**	**925**	**2,019**	**1,454**	**1,238**	**648**	**2,119**	**1,532**	**5,758**	**5,537**	**2,331**	**-9.1**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
Tax	351	235	516	366	319	161	542	388	1,467	1,409	587	-7.7
Rate (%)	25.8	25.4	25.5	25.2	25.7	24.8	25.6	25.3	25.5	25.5	25.2	1.5
Reported PAT	**1,009**	**690**	**1,504**	**1,089**	**919**	**487**	**1,577**	**1,144**	**4,291**	**4,128**	**1,743**	**-9.5**
Adj PAT	**1,009**	**690**	**1,504**	**1,089**	**919**	**487**	**1,577**	**1,144**	**4,291**	**4,128**	**1,743**	**-9.5**
YoY Change (%)	123	30	18	23	-9	-29	5	5	36	-4	16	

E: MOFSL Estimates

30 January 2024
3QFY24 Results Update | Sector: Financials

Piramal Enterprises

Bloomberg	PIEL IN
Equity Shares (m)	239
M.Cap.(INRb)/(USDb)	198.6 / 2.4
52-Week Range (INR)	1140 / 630
1, 6, 12 Rel. Per (%)	-5/-28/-14
12M Avg Val (INR M)	1679

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
PPOP	27.0	35.4	49.1
PAT	-15.7	17.5	24.5
PAT (ex-exceptional)	11.6	17.5	24.5
EPS	-70	78	109
EPS Gr. (%)	-	-	41
BV/Sh. (INR)	1,202	1,318	1,395
RoA (%)	-1.9	1.9	2.1
RoE (%)	-5.4	6.2	8.1
Valuation			
P/E (x)	-	11.4	8.1
P/BV (x)	0.7	0.7	0.6
Dividend yield (%)	3.4	3.6	4.1

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	46.2	46.2	43.5
DII	13.0	12.1	8.1
FII	17.7	20.2	31.7
Others	23.1	18.1	16.7

FII Includes depository receipts

CMP: INR884 TP: INR1,100 (+25%) Buy

Strong retail momentum; legacy book continues to run down

Retail AUM grew 54% YoY with retail mix improving to ~64%

- PIEL reported 3QFY24 net loss of ~INR23.8b (vs. ~INR482m profit in 2Q). Reported PAT included provisions of ~INR35.4b on AIFs. The management exuded confidence in the full recovery of its AIF investments.
- Normalized PAT (excluding exceptional and one-off items was flat QoQ at ~INR1.2b. PPOP (excl. dividend income and one-offs) grew ~30% QoQ to ~INR2.6b. Opex/AUM remained broadly stable at ~3.8%.
- NII declined ~20% YoY (but grew ~11% QoQ) to INR8.3b. Other income included interest income of ~INR640m from income tax refunds in 3QFY24, but the core fee income trajectory continued to improve.
- Annualized net credit cost stood at ~1.6% in 3QFY24 (vs. 1.2% in 2Q). Total ECL provisions improved by ~30bp QoQ to 4.3% of total AUM.
- Total AUM grew 6% QoQ and 9% YoY, excluding the impact of AIF provisions. Wholesale 2.0 AUM grew 24% QoQ to INR55.6b, while Wholesale 1.0 AUM declined 47% YoY to INR187b.
- Total SRs declined ~6% since 1QFY24, led by cash realization of ~INR9.1b. As resolution processes continue, SR portfolio will continue to decline in the near term.
- PIEL announced sale of Shriram Investments Holdings for ~INR14.4b to Shriram Ownership Trust. The transaction is expected to close in 4QFY24. PIEL still has stake in general insurance (beneficial interest basis, ~13.3% stake) and life insurance (beneficial interest basis, 14.9% stake) businesses of Shriram Group. We believe that PIEL will continue to monetize its non-core assets and utilize the proceeds for acquisition opportunities in the lending business.
- We estimate a ~25% AUM CAGR over FY23-26, including a ~43% CAGR in Retail AUM over the same period. Its core business (excluding one-offs and exceptional) is showing signs of improvement. **Reiterate our BUY rating on the stock with a revised TP of INR1,100 (based on Mar'26E SOTP).**

Highlights from the management commentary

- Guided for credit costs of 1.7%-2.0% and opex to AUM to moderate to ~3%
- Fintech business is being done at 14.0-14.5% IRR and ~90% of fintech business is largely protected by FLDG. Business done through partnerships has better economics, but PIEL will continue to invest in further scaling up its own distribution/origination channels.

Valuation and view

- Over the past two years, PIEL has strengthened its balance sheet by running down its wholesale loan book; has improved texture of its borrowings (driving lower cost of borrowings); and has fortified itself against contingencies with ECL provisions at 4.3% of AUM.

- PIEL is cognizant of sectoral stress in personal loans and has only ~10% of its unsecured consumer loans book in the <INR50k ticket size segment. Product diversification within Retail will help PIEL deliver strong growth and reduce concentration risks. We expect PIEL to deliver ~2.1% RoA and 8% RoE in FY26. We acknowledge that PIEL possesses pockets of value: a) deferred tax assets relating to the time of DHFL acquisition, b) recoveries from written-off exposures, and c) recoveries from the completely provided for AIF exposures.
- We value the lending business at 0.7x FY26E P/BV. **We reiterate our BUY rating on the stock with a revised TP of INR1,100 (premised on Mar'26 SOTP).**

Quarterly Performance (INR m)

Y/E March	FY23				FY24			FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Interest Income	20,392	18,437	20,062	19,206	17,251	17,783	19,307	78,097	74,955
Interest Expenses	10,514	10,129	9,733	10,035	10,439	10,500	11,178	40,412	45,626
Net Interest Income	**9,878**	**8,307**	**10,329**	**9,171**	**6,812**	**7,283**	**8,129**	**37,685**	**29,329**
YoY Growth (%)	*65.6*	*34.2*	*13.7*	*-17.9*	*-31.0*	*-12.3*	*-21.3*		
Other operating income	585	500	12,254	-582	11,739	4,150	5,450	12,757	23,911
Other Income	231	625	555	113	208	119	706	1,524	1,501
Total Income	**10,694**	**9,433**	**23,138**	**8,702**	**18,759**	**11,552**	**14,284**	**51,966**	**54,742**
YoY Growth (%)	*58.6*	*37.4*	*130.2*	*-31.1*	*75.4*	*22.5*	*-38.3*		
Operating Expenses	4,415	5,411	5,587	6,735	9,061	6,641	6,970	22,148	30,074
Operating Profit	**6,278**	**4,022**	**17,551**	**1,967**	**9,698**	**4,911**	**7,314**	**29,818**	**24,668**
YoY Growth (%)	*35.1*	*-15.7*	*152.4*	*-76.0*	*54.5*	*22.1*	*-58.3*		
Provisions & Loan Losses	902	32,567	16,958	4,035	3,090	4,385	5,995	54,461	56,649
Profit before Tax	**5,376**	**-28,545**	**594**	**-2,068**	**6,609**	**526**	**1,319**	**-24,643**	**-31,981**
Tax Provisions	1,454	-6,938	-34,319	22	1,732	107	-9,575	-39,781	455
PAT (before associate income)	**3,922**	**-21,608**	**34,913**	**-2,090**	**4,877**	**419**	**10,894**	**15,137**	**-32,435**
Associate Income	1,493	1,721	541	131	211	707	728	3,886	2,400
PAT (before exceptional)	**5,415**	**-19,887**	**35,454**	**-1,959**	**5,088**	**1,125**	**11,622**	**19,023**	**-30,035**
Exceptional items	76,140	4,523	0	0	0	-643	-35,398	80,663	-27,320
Profit from Discontinued operations								-	-
PAT (after exceptional)	**81,555**	**-15,364**	**35,454**	**-1,959**	**5,088**	**482**	**-23,776**	**99,686**	**-57,355**
Key Parameters (Calc., %)									
Yield on loans	11.7	10.9	12.4	11.9	10.6	11.0	11.4	13	12
Cost of funds	8.8	8.8	8.4	8.7	8.6	8.6	8.7	7.7	8.7
Spread	2.9	2.1	4.0	3.2	2.0	2.4	2.7	5.3	2.9
NIM	4.6	4.6	6.5	5.8	4.3	4.7	4.9	6.3	4.6
C/I ratio	41	57	24	77	48	57	49	43	55
Tax rate	27	24			26	20	-726	161	-1
Balance Sheet Parameters									
Retail Disbursements (INR m)	24,590	39,730	51,110	68,280	57,070	62,460	76,920	1,83,710	2,82,814
Total AUM (INR b)	646	638	649	640	639	669	708	640	639
Growth (%)	39	-3	7	0	8	11	4	0	8
AUM mix (%)									
Wholesale	66	61	57	57	66	66	66	50	50
Retail	34	39	43	43	34	34	34	50	50
Asset Quality Parameters									
GS 3 (INR m)	23,620	22,100	42,640	20,550	14,840	15,290	14,240	20,550	14,840
GS 3 (%)	3.7	3.7	4.0	3.8	2.8	2.7	2.4	3.8	2.8
NS 3 (INR m)	10,800	7,350	13,970	10,380	7,720	8,170	6,450	10,380	7,720
NS 3 (%)	1.8	1.3	1.7	1.9	1.5	1.5	1.1	1.9	1.5
PCR (%)	54.3	66.7	67.2	49.5	48.0	46.6	54.7	49.5	48.0
Total ECL (%)	6.2	8.6	10.0	6.2	4.4	4.0	4.3	6.2	4.4

E: MOFSL estimates

Craftsman Automation

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	CRAFTSMA IN
Equity Shares (m)	21
M.Cap.(INRb)/(USDb)	98.7 / 1.2
52-Week Range (INR)	5514 / 2699
1, 6, 12 Rel. Per (%)	-14/-11/22
12M Avg Val (INR M)	197

Consol. Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	31.8	46.6	52.9
EBITDA	6.8	9.4	11.1
Adj. PAT	2.5	3.5	4.2
EPS (INR)	117.6	165.7	198.2
EPS Gr. (%)	54.8	40.9	19.6
BV/Sh. (INR)	652	804	984
Ratios			
RoE (%)	19.7	22.8	22.2
RoCE (%)	14.3	17.2	17.0
Payout (%)	9.6	8.4	9.1
Valuations			
P/E (x)	39.7	28.2	23.6
P/BV (x)	7.2	5.8	4.8
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	2.7	2.3	3.8

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	55.0	55.0	58.8
DII	17.2	17.3	15.8
FII	12.5	12.7	9.3
Others	15.3	15.7	16.1

FII Includes depository receipts

CMP: INR4,674 TP: INR5,395 (+15%) Buy

Weakness in underlying industries dents overall performance

Weak FY25 outlook as growth in underlying industries to remain flat

- CRAFTSMA reported weak 3QFY24 results across the board as lower revenue at INR8.2b (vs. est. INR8.6b) impacted overall profitability. Moreover, the management remains cautious about the FY25 growth outlook as most of the underlying industries are expected to witness flat growth YoY.
- To factor in weak growth, we cut FY24E/25E EPS by 11%/15%. While the near-term industry outlook remains weak, we expect the company to continue to outperform the underlying industry, led by superior capabilities, the addition of new capacities, and expected benefits of import substitution. Reiterate our **BUY** rating on the stock with a TP of INR5,395 (premised on 22x Dec'25E consolidated EPS).

Revenue for powertrain segment declined 4% YoY

- Consol. revenues grew 51%/39%/42% YoY to INR11.3b/INR2.2b/INR0.7b in 3QFY24 (vs. est. INR12.1b/INR2.5b/INR1b). The quarter included financials of DR Axion (DRAIPL), which were not part of 3QFY23.
- In 9MFY24, revenue/EBITDA/adj. PAT grew 52%/37%/44% YoY.
- Gross margin declined 280bp YoY to 46.8% (vs. est. 46.6%). Due to higher operating expenses, EBITDA margin declined 160bp YoY (down 70bp QoQ) to 19.5% (vs. est. 20.7%).
- Adj. PAT missed our estimate due to lower other income at INR35m (vs. est. INR50m) and a high tax rate at 27.6% (vs. est. 26.5%).
- **Segmental performance:** Revenue for Al products/Industrial grew 27%/ 16% YoY, but auto powertrain revenue (~35% contribution) declined 4% YoY. PBIT margin improved 950bp/50bp YoY to 13.4%/6.2% for Al products/industrial, while it declined for auto powertrain by 660bp YoY to 18.2%. Value add for the segments stood at INR2.37b/0.97b/0.73b respectively.
- **DR Axion- 3QFY24 performance (derived)-** Revenue came in at INR3.2b (~38% of consol. revenue; vs. est. INR3.5b). EBITDA stood at INR650m (~30% of consol. EBITDA; vs. est. 631m), with margin at 20% (vs. est. 18.1%).
- Current net D/E stands at 0.86x and debt/EBITDA at 1.6x.

Highlights from the management interaction

- **Powertrain-** The management has guided for high single-digit growth in FY25 as end-user industries are likely to witness flat growth. However, it should see healthy double-digit growth in FY26.
- **Aluminum Casting**- Expects the division (including DR Axion) to grow by high teens in FY25. With the new facility coming up, FY26 growth should be over 20%.

- **Industrials-** Expects the storage segment to grow by ~15% in FY25 on a low base. The storage division's turnover stood at INR2.61b (vs. INR2.71b) due to lower investments in the warehouse industry. It is expected to recover in FY26. The company is now looking for backward integration by doing castings of more critical parts of windmill gearbox housing. The company is at an advanced stage of negotiations and should get LoA in the next few months with a sizable order.
- **Setting up new plants for increasing capacity and adding new products**
  - **Kothavadi-** This is a 50-acre campus and it will house all three segments. The size of the foundry is ~2k ton. Construction activity is in line with the timeline and the company is looking to fast track the start-up production process, which was earlier expected in 24-36 months.
  - **NCR-** Making a composite unit in the vicinity of the National Capital Region (NCR) for major customers in the auto sector and for the storage solutions segment. The company has already progressed with two clients and is under discussions with two more.

Valuation & view

- While the near-term demand outlook seems to be muted, we believe the company will continue to outperform the underlying industries. Its track record of creating and gaining market leadership organically is uncommon in the auto component industry. This has enabled the company to deliver a good balance of strong growth and superior capital efficiency.
- We estimate a CAGR of 25%/24%/30% in consolidated revenue/EBITDA/PAT over FY23-26. We reiterate our **BUY** rating on the stock with a TP of INR5,395 (premised on 22x Dec'25E consolidated EPS).

Quarterly (Consol) **(INR Million)**

	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Net operating income	**6,758**	**7,713**	**7,490**	**9,804**	**10,376**	**11,791**	**11,297**	**13,087**	**31,826**	**46,551**	**12,103**
Change (%)	56.6	35.6	35.8	49.8	53.5	52.9	50.8	33.5	44.2	46.3	61.6
RM/Sales (%)	47.8	51.2	50.4	54.3	52.5	53.2	53.2	53.6	51.2	53.2	53.4
Staff Cost (% of Sales)	8.4	7.4	7.8	6.2	6.5	6.1	6.8	6.0	7.3	6.3	6.0
Other Exp. (% of Sales)	19.6	19.3	20.6	20.3	20.4	20.6	20.6	19.9	20.0	20.3	19.9
EBITDA	**1,634**	**1,701**	**1,583**	**1,884**	**2,142**	**2,375**	**2,202**	**2,687**	**6,836**	**9,406**	**2,509**
EBITDA Margins (%)	24.2	22.1	21.1	19.2	20.6	20.1	19.5	20.5	21.5	20.2	20.7
Non-Operating Income	13	17	46	49	37	47	35	62	125	181	50
Interest	254	233	296	419	424	416	442	489	1202	1771	430
Depreciation	532	547	538	599	683	668	703	683	2216	2737	680
Minority Int/Share of Profit	0	0	-2	-1	62	97	82	104	21	358	88
PBT after EO items	**861**	**939**	**797**	**916**	**1,011**	**1,241**	**1,010**	**1,473**	**3,522**	**4,722**	**1,361**
Eff. Tax Rate (%)	35.5	35.4	35.3	12.4	26.3	23.8	27.6	25.9	29.5	25.9	26.5
Rep. PAT	**556**	**606**	**516**	**802**	**745**	**945**	**731**	**1,092**	**2,484**	**3,500**	**1,001**
Change (%)	143.3	22.7	40.2	56.2	34.0	56.0	41.7	36.1	54.8	40.9	94.0
Adj. PAT	**556**	**606**	**516**	**802**	**745**	**945**	**731**	**1,092**	**2,484**	**3,500**	**1,001**
Change (%)	143.3	22.7	40.2	56.2	34.0	56.0	41.7	36.1	54.8	40.9	94.0

E: MOFSL Estimates

Restaurant Brands Asia

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	RBA IN
Equity Shares (m)	495
M.Cap.(INRb)/(USDb)	56.7 / 0.7
52-Week Range (INR)	138 / 84
1, 6, 12 Rel. Per (%)	2/-11/-20
12M Avg Val (INR M)	287

Financials & Valuations (INR b)

Y/E March (INR b)	FY24E	FY25E	FY26E
Sales	24.7	30.2	36.5
Sales growth (%)	20.1	22.3	21.0
EBITDA	2.5	3.6	5.0
Margins (%)	10.2	11.9	13.6
Adj. PAT	-1.7	-0.5	0.4
Adj. EPS (INR)	-3.4	-0.9	0.8
EPS Growth (%)	N/M	N/M	L/P
BV/Sh.(INR)	13.7	12.8	13.6
Ratios			
RoE (%)	-22.1	-7.0	6.1
RoCE (%)	-2.1	3.4	7.7
Valuations			
P/E (x)	N/M	N/M	141.7
P/BV (x)	8.3	8.9	8.4
EV/EBITDA (x)	26.7	19.3	14.2
pre Ind-AS EV/EBITDA (x)	104.7	43.9	23.7
EV/Sales (x)	2.7	2.3	1.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	15.4	15.4	40.8
DII	23.7	22.2	9.8
FII	26.9	29.9	27.8
Others	34.1	22.1	21.6

FII Includes depository receipts

CMP: INR114 TP: INR140 (+23%) Buy

India outshines amid tough macros; Indonesia loss narrows

- RBA's India business posted 20%/48% YoY growth in revenue/EBITDA (in line) in 3QFY24. Store addition was healthy (added 38 stores), with SSSG at 2.6% (est. 3.5%). Amid a tough demand environment, most QSR brands are expected to post muted growth metrics (SSSG, ADS). We believe RBA's performance is better than its peers'. As the near-term industry demand outlook remains weak, RBA has lowered its SSSG guidance for FY24 to 3% from 6%; however, it has retained 8% SSSG guidance for the medium term.
- Despite a deceleration in growth metrics, RBA could improve Restaurant EBITDA margin (pre IND AS) to 12%, up 180bp on YoY and 150bp on QoQ. We do not expect such margin improvements for peers in 3Q.
- Indonesia business revenue rose 1% YoY (miss) to INR1.6b, largely due to store adds. Indonesia EBITDA loss narrowed to INR24m (est. loss INR76m and INR181m/INR72m in 3QFY23/2QFY24).
- We maintain our BUY rating on the stock.

Decline in Indonesia loss led to EBITDA beat

India business posted 20%/48% YoY growth in revenue/EBITDA (in line)

- India business revenue grew 20% YoY (in line) to INR4.5b, led by 16% YoY store adds and 2.6% SSSG (est. 3.5%).
  - India business ADS improved 2% YoY but declined 7% QoQ to INR115k.
  - The company added 38 stores and closed 1 store in 3QFY24 in India, taking the total count to 441 stores.
  - RBA increased the BK Café store count in India to 334 from 275 in FY23 (76% of total BK stores), generating ADS of INR14k (12% of total ADS).
- India GP rose 22% YoY (in line) to INR3b and margins rose 70bp YoY/30bp QoQ to 67.1%, which could be due to lower RM costs and a better product mix.
- India ROM increased 41% YoY to INR543m and margins expanded 180bp YoY to 12.2%. Due to controlled GM&A, pre-IndAS EBITDA jumped 2x YoY to INR302m and margins rose 260bp YoY to 6.8%.
- India EBITDA increased by 48% YoY to INR708m, with margins at 15.9%.
- India loss narrowed to INR64m from INR112m/INR93m in 3QFY23/2QFY24.

Consol. business posted 15%/2.3x YoY growth in revenue/EBITDA (6% miss/12% beat)

- Consol. revenue grew 15% YoY to INR6b (6% miss), impacted by weak revenue growth in Indonesia business.
  - Indonesia business revenue rose 1% YoY to INR1.6b, largely due to store adds (16% miss).
    - ✓ **ADS declined 1% YoY/7% QoQ to IDR17.8m.**
- RBA added total 50 stores in 3QFY24, which included 37 BK stores in India and 13 Popeyes stores in Indonesia. The total store count went up to 628 (441/187 India BK/Indonesia stores).

- Consol. GP grew 16% YoY to INR3.9b, while margins rose 80bp YoY/20bp QoQ to 64.4%.
  - Indonesia GP grew 1% YoY to INR900m, while margins declined 50bp YoY/60bp QoQ to 56.7%.
- A lower-than-expected Indonesia EBITDA loss led to a 12% beat in consol. EBITDA.
  - Consol. EBITDA jumped 2.3x YoY to INR684m and margins expanded 730bp YoY/290bp QoQ to 15.3%.
  - ✓ **Indonesia** EBITDA loss narrowed to INR24m (est. loss INR76m and INR181m/INR72m in 3QFY23/2QFY24).
  - ✓ **RBA achieved breakeven in Restaurant EBITDA in 3Q through cost optimization.**
- As a result, the consol. loss narrowed to INR399m from INR559m in 3QFY23 (vs. est. loss INR458m).
  - Indonesia loss stood at INR335m vs. INR447m loss in 3QFY23 and est. loss INR417m.

Key takeaways from the management commentary

- An increase in India restaurant traffic boosted SSSG. RBA has been seeing healthy traffic for the last three quarters.
- The management has maintained its GP margin guidance of 67% for FY24 and aims to achieve 69% by FY27.
- It has cut SSSG guidance by 300bp to 3% for FY24.
- Indonesia business was impacted by geopolitical headwinds (Israel-Palestine war). ADS declined 24% in 3QFY24, which was slowly building up and resulted in a 7% decline QoQ.
- The company is using a single-price menu strategy for its delivery business at attractive pricing and has increased its visibility on the platform. As a result, traffic in the delivery channels jumped almost 40%.

Valuation and view

- With an aggressive store addition outlook (18% CAGR), RBA is well placed to deliver a strong domestic growth. BK Café is likely to be a key growth driver going ahead. Along with rapid revenue growth, RBA is geared up to deliver EBITDA margin expansion, driven by a dine-in recovery, the addition of BK Café, and cost-saving initiatives.
- The near-term demand outlook looks weak, which may create pressure on growth metrics and margins during this phase.
- As more and more stores mature, improving contribution of new stores in the network would also support the margin recovery. Indonesia business should also witness a healthy revenue growth and margin expansion in the years ahead.
- We retain our BUY rating on RBA with our SoTP-based TP of INR140, premised on a Mar'26E EV/EBITDA (pre-Ind AS 116) of 35x/10x for its India/Indonesia business.

Bharat Electronics

BSE SENSEX	S&P CNX
71,942	21,738

CMP: INR191 Neutral

Conference Call Details

Date: 31st January 2024
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	205.5	236.6	271.2
Sales Gr. (%)	16.5	15.1	14.6
EBITDA	46.9	54.0	61.9
EBITDA Margin (%)	22.8	22.8	22.8
Adj. PAT	34.4	38.6	44.0
Adj. EPS (INR)	4.7	5.3	6.0
EPS Gr. (%)	14.4	12.1	14.2
BV/Sh.(INR)	21.4	24.5	28.1
Ratios			
RoE (%)	22.0	21.5	21.5
RoCE (%)	23.6	23.0	23.0
Payout (%)	41.3	41.3	41.3
Valuations			
P/E (x)	40.7	36.3	31.8
P/BV (x)	8.9	7.8	6.8
EV/EBITDA (x)	28.7	24.7	21.3
Div. Yield (%)	1.0	1.1	1.3

Mixed set of numbers; gross margin boosts EBITDAM

- BEL's revenue of INR41.4b (+0.1%/4% YoY/QoQ) came in below our estimate of INR51.4b owing to weaker-than-expected execution. Revenue growth has not kept up with order inflow growth in recent quarters, despite an expected INR4b revenue spillover from 2QFY24.
- EBITDA grew 23% YoY to INR10.4b aided by better-than-expected gross margin (48.3%; ~680bp YoY expansion). This led to a ~470bp EBITDA margin expansion to 25.4% (management has maintained its full-year guidance of ~21-23%).
- Though revenue growth was below estimates and stood at just 4% for 9MFY24 vs. management's FY24 guidance of 12-15%, BEL's PAT of INR8.9b (+49% YoY) beat our estimates. This was backed by lower-than-expected depreciation, lower effective tax rate, and higher other income (+288% YoY) during the period.
- Order inflow stood at INR272b for 9MFY24 vs. INR37.3b for 9MFY23, mainly due to the upfronting of ordering before the model code of conduct comes into force. This took the order book to INR762b (+52% YoY, 4.2x TTM revenue).

Standalone Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**31,128**	**39,458**	**41,310**	**64,566**	**35,108**	**39,933**	**41,367**	**89,105**	**1,76,462**	**2,05,514**	**51,378**	**(19)**
Change (%)	90.4	7.8	11.8	2.1	12.8	1.2	0.1	38.0	15.2	16.5	24.4	
EBITDA	**5,134**	**8,558**	**8,535**	**18,248**	**6,644**	**10,044**	**10,494**	**19,693**	**40,475**	**46,875**	**11,560**	**(9)**
Change (%)	716.8	(0.1)	3.8	16.4	29.4	17.4	23.0	7.9	22.3	15.8	35.4	
As of % Sales	16.5	21.7	20.7	28.3	18.9	25.2	25.4	22.1	22.9	22.8	22.5	
Depreciation	941	1,042	1,008	1,088	1,013	1,004	998	1,555	4,079	4,570	1,276	(22)
Interest	10	17	97	23	11	15	5	117	148	148	61	(92)
Other Income	1,597	750	575	678	1,417	1,705	2,232	(1,535)	3,600	3,818	348	541
PBT	**5,781**	**8,249**	**8,004**	**17,815**	**7,038**	**10,729**	**11,723**	**16,486**	**39,849**	**45,976**	**10,571**	**11**
Tax	1,466	2,138	2,017	4,161	1,729	2,606	2,790	4,447	9,782	11,572	2,664	
Effective Tax Rate (%)	25.4	25.9	25.2	23.4	24.6	24.3	23.8	27.0	24.5	25.2	25.2	
Reported PAT	**4,315**	**6,111**	**5,987**	**13,654**	**5,308**	**8,123**	**8,933**	**12,039**	**30,067**	**34,403**	**7,907**	**13**
Change (%)	3,769.5	(0.2)	2.6	19.6	23.0	32.9	49.2	(11.8)	28.0	14.4	32.1	
Adj PAT	**4,315**	**6,111**	**5,987**	**13,654**	**5,308**	**8,123**	**8,933**	**12,039**	**30,067**	**34,403**	**7,907**	**13**
Change (%)	**3,769.5**	**(0.2)**	**2.6**	**19.6**	**23.0**	**32.9**	**49.2**	**(11.8)**	28.0	14.4	32.1	

BPCL

BSE SENSEX	S&P CNX
71,942	21,738

Conference Call Details

Date: 30th January 2024
Time: 1200 hours IST
Dial-in details:
+91 22 6280 1259
+91 22 7115 8160

CMP: INR493 — Neutral

Performance in line with our estimates

- BPCL's refining throughput was in line with our estimate at 9.9mmt (+5% YoY) during the quarter.
  - Reported GRM was higher than our estimate at USD13/bbl (vs. our estimate of USD11.7/bbl and USD18.5/bbl in 2QFY24).
- Marketing volumes excluding exports were in line with our estimate at 12.9mmt (+1% YoY).
  - Marketing margin (including inv.) was higher than our estimate at INR3.6/lit (vs. INR5.9/lit in 2QFY24).

- BPCL's resultant EBITDA was in line with our estimate at INR62.8b, as higher employee benefit expenses were offset by higher refining and marketing margins for the quarter.
- The reported PAT was in line with our estimate at INR34b in 3QFY24.

- BPCL's debt position improved to INR160.2b at the end of 3QFY24 vs. INR225.7b at the end of 2QFY24.

- **For 9MFY24,** BPCL posted an EBITDA of INR351b (vs. INR14.9b in 9MFY23), with adj. PAT at INR224.5b (vs. a net loss of INR46.1b in 9MFY23).
  - Marketing sales volume, excluding exports, increased 5% YoY to 37.9mmt, with a marketing margin at INR6.3/lit (vs. marketing loss of INR2.9/lit in 9MFY23).
  - The refining throughput was up 6% YoY to 29.6mmt, with reported GRM at USD14.7/bbl (vs. USD20.1/bbl in 9MFY23).
- The 9MFY24 EBITDA stood at 84% of our FY24 estimate, while PAT was 88% of our FY24 estimate.

- BPCL had a cumulative negative net buffer of INR8487.4m as of 31st Mar'23 due to the under-recovery on LPG cylinders. The same has been recognized as part of the revenue upon its recovery during 9MFY24.

Standalone - Quarterly Earnings Model (INR b)

Y/E March	FY23				FY24				Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	3QAct	(%)	(%)	(%)
Net Sales	**1,210.5**	**1,148.1**	**1,191.6**	**1,181.1**	**1,129.8**	**1,029.9**	**1,003.5**	**1,154.9**	**15%**	**-3%**	**12%**
YoY Change (%)	70.7	50.3	25.3	13.3	-6.7	-10.3	-15.8	-3.1			
EBITDA	**-49.0**	**20.2**	**43.8**	**111.5**	**158.1**	**130.1**	**63.2**	**62.8**	**-1%**	**43%**	**-52%**
Forex loss	9.6	5.9	1.4	-1.9	-0.2	1.0	0.3	0.5			
Depreciation	16.1	15.6	15.8	16.0	16.1	16.0	16.5	18.2			
Interest	6.2	8.1	9.8	8.1	6.8	7.7	8.4	5.0			
Other Income	4.4	5.6	4.5	5.4	4.7	7.7	5.7	6.8			
PBT before EO expense	**-76.5**	**-3.8**	**21.3**	**94.8**	**140.1**	**113.1**	**43.7**	**45.8**	**5%**	**115%**	**-60%**
Extra-Ord expense	0.0	0.0	0.0	13.6	0.0	0.0	0.0	0.0			
PBT	**-76.5**	**-3.8**	**21.3**	**81.2**	**140.1**	**113.1**	**43.7**	**45.8**	**5%**	**115%**	**-60%**
Tax	-13.9	-0.7	1.7	16.4	34.6	28.1	11.0	11.8			
Rate (%)	18.2	19.1	7.8	20.2	24.7	24.8	25.2	25.8			
Reported PAT	**-62.6**	**-3.0**	**19.6**	**64.8**	**105.5**	**85.0**	**32.7**	**34.0**	**4%**	**73%**	**-60%**
Adj PAT	**-62.6**	**-3.0**	**19.6**	**75.6**	**105.5**	**85.0**	**32.7**	**34.0**	**4%**	**73%**	**-60%**
YoY Change (%)	PL	PL	-30.7	202.4	LP	LP	66.7	73.4			
Margin (%)	-5.2	-0.3	1.6	5.5	9.3	8.3	3.3	2.9			
Key Assumptions											
Refining throughput (mmt)	9.7	8.8	9.4	10.6	10.4	9.4	9.5	9.9	4%	5%	5%
Reported GRM (USD/bbl)	27.5	16.8	15.9	20.6	12.6	18.5	11.7	13.0	12%	-18%	-30%
Marketing sales volume excld exports (mmt)	11.8	11.4	12.8	12.9	12.8	12.2	12.8	12.9	1%	1%	6%
Marketing GM incld inv (INR/litre)	-9.1	-0.6	1.1	2.9	9.3	5.9	3.2	3.6	13%	219%	-40%

Vodafone Idea

BSE SENSEX	S&P CNX
71,942	21,738

Conference Call Details

Date: 29th Jan 2024
Time: 02:30pm IST

Financials & Valuations (INR b)

INR b	FY23	FY24E	FY25E
Net Sales	422	428	458
EBITDA	168	172	201
Adj. PAT	-293	-313	-237
EBITDA Margin (%)	39.9	40.3	43.9
Adj. EPS (INR)	-10.2	-10.9	-8.2
EPS Gr. (%)	3.1	7.0	-24.5
BV/Sh. (INR)	-23.2	-32.9	-40.3
Ratios			
Net D:E	-3.3	-2.4	-2.1
RoE (%)	NM	NM	NM
RoCE (%)	-3.9	-3.6	-2.4
Payout (%)	0.0	0.0	0.0
Valuations			
EV/EBITDA (x)	18.7	19.0	16.9
P/E (x)	-1.4	-1.3	-1.8
P/B (x)	-0.6	-0.4	-0.4
Div. Yield (%)	0.0	0.0	0.0

CMP: INR15 — Neutral

Controlled costs result in 4% EBITDA growth sequentially

Subscriber loss continues

- VIL's revenue was flat QoQ to INR107b (in line) as 2% QoQ subscriber loss (4.6m loss) was offset by 2% QoQ ARPU growth.
- Reported EBITDA grew 2% QoQ to INR43.5b (in line), led by a drop in network expenses (by 90bp QoQ) and a decrease in roaming and access charges (by 70bp QoQ). These were offset by a rise in subscriber addition costs (up 50bp QoQ) during the quarter.
  - EBITDA margin improved 80bp QoQ to 40.8%.
- Pre-Ind-AS EBITDA grew 4% QoQ to INR21.4b (in line) and margin improved 80bp QoQ to 20.1%
- Adj. net loss declined to INR77b from INR87b in 2QFY24 due to higher EBITDA
  - VIL reported a gain of INR7.6b from the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) ruling.
- **Net debt remained high at INR2.1t.** Out of this, the Spectrum and AGR debt accounted for 97%, while the market debt declined INR18b to INR61b.
- **Capex** spending remained at INR3.3b in 3Q and INR13b in 9MFY24. Bharti/ RJio's annual network capex has been at INR280b/INR400b, significantly above VIL's, despite having a higher capacity.
- The 9MFY24 revenue/Pre-Ind-AS EBITDA/PAT rose 1%/was flat/up 3% YoY.

Key operating metrics

- VIL's subscriber loss (since last 21 quarters) of 4.6m in 3QFY24 (vs. average 4m loss in the last eight quarters) to 215.2m
  - Active subscribers too declined 3.1m (vs. average 4.1m loss in the last eight quarters) to 196.7m
  - The churn was higher at 4.3% (vs. 4.1% in 2QFY24).
  - Data subscribers were flat QoQ to 137.4m
  - 4G subscribers grew 0.9m QoQ to 125.6m
- ARPU grew 2% QoQ to INR145 led by improving subscriber mix, 4G subscriber additions, and a change in the entry-level plan.
- Data traffic declined 2% QoQ to 6b GB. Data usage/subscribers declined 2% QoQ to 14.6GB.
- MOU (min/sub/month) stood flat QoQ to 614min.

Liquidity position

- The Group's financial performance has hit its ability to generate CF. The net WC (excluding ST borrowings, lease liability, accrual towards litigation) stood negative at INR206b.
- **Debt payable by Dec'24 is INR54b** and total net debt stands at INR2.1t.
- As of 30th Dec'23, INR27.7b has been classified as the current maturity of LT liabilities on account of not meeting certain covenant clauses.

Consolidated - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	(%)
Revenue	**104**	**106**	**106**	**105**	**107**	**107**	**107**	**107**	**422**	**428**	**107**	**-0.7**
YoY Change (%)	13.7	12.8	9.3	2.9	2.4	1.0	0.5	1.9	9.5	1.4	-1.4	
Total Expenditure	61	65	64	63	65	64	63	63	254	255	64	-1.6
EBITDA	**43**	**41**	**42**	**42**	**42**	**43**	**44**	**44**	**168**	**172**	**43**	**0.7**
YoY Change (%)	16.7	6.1	9.5	-9.4	-4.0	4.5	4.1	5.4	4.9	2.4	0.8	
Depreciation	58	57	59	57	56	57	56	60	230	229	58	-2.7
Net Finance Costs	58	60	63	49	64	65	65	54	230	248	54	19.8
PBT before EO expense	**-73**	**-76**	**-80**	**-64**	**-78**	**-79**	**-77**	**-70**	**-293**	**-305**	**-69**	**-12.9**
Extra-Ord expense	0	0	0	0	0	0	-8	0	0	0	0	
PBT	**-73**	**-76**	**-80**	**-64**	**-78**	**-79**	**-70**	**-70**	**-293**	**-305**	**-69**	**-1.9**
Tax	0.0	0.0	0.0	0.0	0.0	8.2	0.0	0.0	0.0	8.2	0.0	
Rate (%)	-0.1	-0.1	0.0	0.1	0.0	-10.3	0.0	0.0	0.0	-2.7	0.0	
Reported PAT	**-73**	**-76**	**-80**	**-64**	**-78**	**-87**	**-70**	**-70**	**-293**	**-313**	**-69**	**-1.9**
Adj PAT	**-73**	**-76**	**-80**	**-64**	**-78**	**-87**	**-77**	**-70**	**-293**	**-313**	**-69**	**-12.9**
YoY Change (%)	-2.7	6.3	10.7	-2.3	7.4	15.0	-3.1	9.6	3.1	7.0	10.1	

E: MOSL Estimates

Petronet LNG

BSE SENSEX	S&P CNX
71,942	21,738

CMP: INR263 — Buy

Conference Call Details

Date: 30th January 2024
Time: 11:15am IST
Dial-in details:
+91-22-6280 1143

Adjusted EBITDA below expectations despite strong utilisation

- Revenue stood at INR147.5b (up 7% YoY).
- EBITDA stood at INR17.1b (est. INR12.5b, up 2% YoY); adjusted EBITDA (ex of use-or pay charges) stood at INR 11bn and was below our estimates.
- Reported PAT stood at INR11.9b (est. INR8.2b, up 1% YoY); adjusted PAT was below our expectations at INR 5.8bn partly due to strong 125% rise in other expenses q-q
- The sharp rise in other expenses was likely led by receivables related provisioning; we await more details in the conference call today.
- Total volumes stood at 232Tbtu (est. of 214.6Tbtu, up 39% YoY).
  - Dahej Utilization stood at 99% (up 28.9pp YoY) and Kochi utilization stood at 22% (up 160bp YoY).
- Income related to "Use or Pay charges" (UoP) amounting to INR6.1b for CY23 was recorded in 3QFY24 under 'other operating income'. This income was generated from lower capacity utilization by the company's customers.
  - Balance confirmation against UoP dues of INR8.5b for CY22 and INR4.2b for CY21 is yet to be received. PLNG has approved a recovery mechanism of UoP dues for CY21 and CY22 pursuant to in-principle agreement with the customers.
  - The management is in the process of implementing the same with the customers, including obtaining bank guarantees to secure the UoP dues.
- **For 9MFY24**, revenue stood at INR389b (up 15% YoY) with EBITDA at INR41b (up 5% YoY). PAT stood at INR28b (up 7% YoY). 9MFY24 EBITDA stood at 79% of our FY24 estimate.

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	3QAct	(%)	(%)	(%)
Net Sales	**142.6**	**159.9**	**157.8**	**138.7**	**116.6**	**125.3**	**132.3**	**147.5**	**11%**	**-7%**	**18%**
YoY Change (%)	65.9	47.8	25.2	24.3	-18.3	-21.6	-16.1	-6.5			
EBITDA	**10.6**	**11.7**	**16.8**	**9.4**	**11.8**	**12.1**	**12.5**	**17.1**	**36%**	**2%**	**40%**
Margin (%)	7.5	7.3	10.6	6.8	10.1	9.7	9.5	11.6			
Depreciation	1.9	1.9	1.9	1.9	1.9	1.9	2.1	2.0			
Interest	0.8	0.8	0.8	0.9	0.7	0.7	0.8	0.7			
Other Income	1.4	0.9	1.8	1.5	1.5	1.6	1.4	1.6			
PBT before EO expense	**9.4**	**9.9**	**15.9**	**8.2**	**10.6**	**11.0**	**11.0**	**16.0**	**45%**	**1%**	**45%**
PBT	**9.4**	**9.9**	**15.9**	**8.2**	**10.6**	**11.0**	**11.0**	**16.0**	**45%**	**1%**	**45%**
Tax	2.4	2.5	4.1	2.0	2.7	2.8	2.8	4.1			
Rate (%)	25.2	25.1	25.5	24.9	25.6	25.8	25.2	25.5			
Reported PAT	**7.0**	**7.4**	**11.8**	**6.1**	**7.9**	**8.2**	**8.2**	**11.9**			
Adj PAT	**7.0**	**7.4**	**11.8**	**6.1**	**7.9**	**8.2**	**8.2**	**11.9**	**44%**	**1%**	**46%**
YoY Change (%)	10.3	-9.6	3.2	-18.1	12.7	9.9	-30.2	0.9			
Margin (%)	4.9	4.7	7.5	4.4	6.8	6.5	6.2	8.1			
Key Assumptions											
Total Volumes (Tbtu)	208.0	192.0	167.0	184.0	230.0	223.0	214.6	232.0	8%	39%	4%
Dahej utilization (%)	89%	82%	70%	77%	98%	95%	91%	99%	7.4%	28.9%	3.6%
Kochi utilization (%)	19%	16%	21%	21%	21%	21%	21%	22%	1.7%	1.6%	1.6%

Mahindra Logistics

BSE SENSEX	S&P CNX
71,942	21,738

Conference Call Details

Date: 30th January 2024
Time: 2:30 PM IST
Dial-in details:
+91 22 6280 1309

Financials & Valuations (INR b)

Y/E MARCH	2024E	2025E	2026E
Sales	57.1	68.7	83.9
EBITDA	2.6	3.4	4.4
Adj. PAT	-0.2	0.6	1.4
EBITDA Margin (%)	4.5	4.9	5.2
Adj. EPS (INR)	-3.0	9.1	19.2
EPS Gr. (%)	-182.2	-400.3	111.4
BV/Sh. (INR)	73.0	79.5	96.2
Ratios			
Net D:E	0.7	0.4	-0.1
RoE (%)	-4.0	11.9	21.9
RoCE (%)	28.5	11.9	18.6
Payout (%)	-82.9	27.6	13.1
Valuations			
P/E (x)	-145.2	48.3	22.9
P/BV (x)	6.0	5.5	4.6
EV/EBITDA(x)	12.8	9.3	6.5
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	1.1	5.4	8.8

CMP: INR438 — Neutral

Weak operating performance

Earnings snapshot: 3QFY24

- Revenue grew ~5% YoY to INR13.9b in 3QFY24, 6% below our estimates
- EBITDA margin came in at 3.7% (vs. our estimate of 4.4%) in 3QFY24 (down 100bp YoY and down 20bps QoQ). EBITDA decreased 17% YoY to INR522m, 19% below our estimate.
- The company reported Adjusted Net loss of INR 212m in 3QFY24 vs. APAT of INR 14m in 3QFY23 (our PAT estimate of INR 3m loss).
- Supply Chain management recorded revenues of ~INR 13.1b (up 3.9% YoY) and EBIT loss of INR 99m.
- Enterprise Mobility Services (EMS) reported revenues of INR 839m (up 29% YoY) and EBIT of ~INR 4m.

Other business highlights:

- On February 28, 2022, MLL entered into a Share Purchase Agreement to acquire up to 43,972 equity shares and subscribe up to 63,200 Series A Compulsorily Convertible Cumulative Preference Shares of Zipzap Logistics Private Limited (Whizzard). This acquisition will be carried out in tranches, and upon completion, it would result in MLL holding up to 60% of the Share Capital of Whizzard on a fully diluted basis. In terms of the above-mentioned Transaction Agreements, on December 22, 2023, MLL further acquired 22,645 equity shares and subscribed to 31,600 CCCPS. Consequently, Whizzard had become the subsidiary of MLL with effect from December 22, 2023. In accordance with Ind AS 103- 'Business Combination', MLL has re-measured previously held equity interest in Whizzard at the fair value as of the acquisition date. The resulting gain of INR38m on re-measurement is recognized as an 'exceptional item' in the results.

Quarterly snapshot — INR m

Y/E March (INR m)	FY23				FY24E			FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	vs Est
Net Sales	**11,999**	**13,263**	**13,296**	**12,725**	**12,932**	**13,648**	**13,972**	**51,283**	**57,104**	**14,849**	**(6)**
YoY Change (%)	35.9	28.4	17.0	16.9	7.8	2.9	5.1	23.8	11.4	11.7	
EBITDA	**657**	**676**	**627**	**637**	**666**	**536**	**522**	**2,598**	**2,552**	**646**	**(19)**
Margins (%)	5.5	5.1	4.7	5.0	5.2	3.9	3.7	5.1	4.5	4.4	
YoY Change (%)	61.8	43.8	38.4	23.8	1.4	-20.7	-16.8	41.0	-1.8	3.0	
Depreciation	409	436	498	553	545	518	515	1,895	2,109	522	
Interest	89	107	150	169	178	165	164	516	720	180	
Other Income	31	34	56	38	62	66	23	159	222	50	
PBT	**190**	**167**	**36**	**-46**	**6**	**-82**	**-96**	**345**	**-55**	**-6**	
Tax	53	47	19	-48	89	73	68	71	167	-2	
Rate (%)	28.1	28.5	53.0	104.3	1,556.1	-89.2	-71.4	20.6	-304.5	25.2	
Share of associates/ Minority Interest	-1	3	-3	-10	-3	-5	-10	-11	6	2	
Reported PAT	**135**	**122**	**14**	**-8.2**	**-85.5**	**-159**	**-174**	**263**	**-216**	**-3**	
Adj PAT	**135**	**122**	**14**	**-8.2**	**-85.5**	**-159**	**-212**	**263**	**-216**	**-3**	**NM**
YoY Change (%)	310.9	132.2	-21.5	-111.1	NA	PL	PL	49.7	-182.2	-118.3	
Margins (%)	1.1	0.9	0.1	-0.1	-0.7	-1.2	-1.5	0.5	-0.4	0.0	

Telecom

4G subscriber additions pick up

Bharti continues to lose active subscribers; RJio gains on all parameters

The Telecom Regulatory Authority of India (TRAI) has released the subscriber data for Nov'23. Here are the key highlights:

- **Active subscriber base declines for Bharti but stays flat for VIL**
  - The industry reported healthy **gross subscriber additions** in Nov'23 at **3.2m MoM** (vs. +0.8m in Oct'23), to reach 1,154m. RJio and Bharti saw their subscriber base increase by 3.4m and 1.7m MoM, respectively. VIL's subscriber base loss slowed down to 1.1m MoM (vs. 2m loss in Oct'23).
  - **The active subscriber base** improved slightly by **0.5m MoM** to 1,046m (vs. a 1.4m decline in Oct'23). For the last five months, the active subscriber base has been increasing by an average of 0.4m per month. RJio continued to gain by 1.2m MoM, while Bharti continued to lose by 0.4m (vs. 1.2m Oct'23). VIL's active subscriber base was flat MoM.
  - The industry's **rural subscriber base grew 2.8m MoM** (vs. +0.6m in Oct'23) to 523m, led by RJio/Bharti's 1.5m/2.4m subs adds (vs. 1.3m/0.5m in Oct'23). VIL/BSNL continued to lose rural subscribers by 0.7m/0.4m (vs. -1.0m/-0.2m in Oct'23). RJio continued to lead in rural markets with a 38.3% share (flat MoM), followed by Bharti at 35.3% (+20bp MoM) and VIL at 20.8% (-30bp MoM).
  - **4G subscriber additions pick up:** The industry's 4G subscriber **additions pick up to 8m MoM** (vs. 2.8m in Oct'23 and 5.7m in last six months), to reach 858m (82% of active subscribers). RJio/Bharti/VIL added 3.2m/4.0m/1.0m.
- **Mobile number portability (MNP)**: Total requests for MNP have been consistently increasing, validated by a higher churn and SIM consolidation. The number of MNP requests in Nov'23 stood at 12m (vs. 12.7m in Oct'23), representing 1.1% of the total active subscribers.
- **Bharti's active subscribers declined, but 4G adds were strong.** It added 1.7m gross subscribers (vs. +0.4m in Oct'23) but lost 0.4m active subscribers (vs. -1.2m in Oct'23); hence, its active market share declined 10bp to 35.8%. The company's 4G subscriber additions picked up to 4m (vs. +0.5m in Oct'23), taking its total 4G subscriber base to 255m.
- **RJio continued to stand out,** with gross/active subscriber additions of 3.4m/1.2m MoM (vs. +3.2m/1.8m in Oct'23). Accordingly, its active market share rose to 40.5% (+10bp MoM, the highest in the industry). 4G subscriber additions stood at 3.4m MoM (vs. +3.2m in Oct'23) to reach 456m.
- **VIL subscriber loss slowed in Nove'23, with a** 1.1m MoM decline (vs. 2m decline in Oct'23) in gross subscribers to 224m. Active/4G subscriber base increased by 0.1m/1.0m MoM (vs. -1.4m/-0.8m in Oct'23) to 199m/127m. Its active market share/4G market share remained flat QoQ at 19%/14.8%.
- **Wired broadband subscribers** for the industry increased by 0.4m MoM to 37.8m in Nov'23. RJio/Bharti added 180k/110k subscribers MoM (vs. 220k/140k in Oct'23). BSNL's net subscribers increased by 50k MoM (vs. 40k in Oct'23).

Active subscriber base marginally increased in Nov'23

Active subscriber base (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	359	365	366	367	370	370	373	373	376	376	376	375	375
VIL	210	210	209	208	208	207	205	203	202	199	200	198	199
RJio	388	391	394	398	403	407	412	414	416	417	420	422	423
Top Three players	**957**	**966**	**970**	**973**	**980**	**985**	**990**	**990**	**994**	**992**	**996**	**995**	**996**
Other players	**56**	**55**	**55**	**55**	**54**	**54**	**53**	**53**	**52**	**51**	**51**	**50**	**50**
Total	**1012**	**1021**	**1025**	**1028**	**1034**	**1038**	**1043**	**1043**	**1046**	**1043**	**1047**	**1045**	**1046**

Source: TRAI, MOFSL

RJio added the highest active subscribers; Bharti lost subscribers, while VIL's subscribers remained flat

Active subscriber net adds (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	1.0	6.0	1.3	0.8	2.5	0.7	2.4	0.1	3.2	-0.4	0.6	-1.2	-0.4
VIL	-2.0	-0.1	-0.5	-0.8	-0.5	-0.8	-1.8	-2.5	-0.4	-2.9	0.4	-1.4	0.1
RJio	-3.0	3.0	3.5	3.2	5.0	4.7	4.9	2.3	1.4	1.2	3.1	1.8	1.2
Top Three players	**-4.0**	**8.8**	**4.4**	**3.2**	**7.0**	**4.6**	**5.5**	**-0.1**	**4.2**	**-2.1**	**4.1**	**-0.8**	**0.9**
Other players	**3.5**	**-0.3**	**-0.4**	**-0.4**	**-0.3**	**-0.4**	**-0.5**	**-0.5**	**-0.6**	**-0.9**	**-0.7**	**-0.6**	**-0.4**
Total	**-0.5**	**8.6**	**3.9**	**2.8**	**6.7**	**4.2**	**5.0**	**-0.5**	**3.6**	**-3.0**	**3.4**	**-1.4**	**0.5**

Source: TRAI, MOFSL

In active subscriber market share (in %), RJio retained the pole position; Bharti and VIL declined

Active subscriber market share	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	35.5	35.8	35.7	35.7	35.7	35.7	35.7	35.7	35.9	36.0	35.9	35.9	35.8
VIL	20.7	20.5	20.4	20.3	20.1	19.9	19.7	19.4	19.3	19.1	19.1	19.0	19.0
RJio	38.3	38.3	38.5	38.7	38.9	39.2	39.5	39.7	39.7	40.0	40.1	40.4	40.5
Top Three players	**94.5**	**94.6**	**94.6**	**94.7**	**94.8**	**94.8**	**94.9**	**94.9**	**95.0**	**95.1**	**95.2**	**95.2**	**95.3**
Other players	**5.5**	**5.4**	**5.4**	**5.3**	**5.2**	**5.2**	**5.1**	**5.1**	**5.0**	**4.9**	**4.8**	**4.8**	**4.7**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Gross subscribers were strong

Gross subscriber base (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	366	368	369	370	371	371	372	374	375	376	378	378	380
VIL	244	241	240	238	237	234	231	230	228	228	228	225	224
RJio	423	425	426	427	430	433	436	439	442	446	449	452	456
Top Three players	**1033**	**1033**	**1035**	**1035**	**1038**	**1038**	**1040**	**1042**	**1046**	**1050**	**1055**	**1056**	**1060**
Other players	**110**	**109**	**108**	**107**	**106**	**105**	**104**	**102**	**100**	**98**	**96**	**95**	**94**
Total	**1143**	**1143**	**1143**	**1142**	**1144**	**1143**	**1143**	**1144**	**1146**	**1148**	**1150**	**1151**	**1154**

Source: TRAI, MOFSL

In terms of gross subscribers, RJio/Bharti gained, while VIL declined

Gross subscriber net adds (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	1.1	1.5	1.3	1.0	1.0	0.1	1.3	1.4	1.5	1.2	1.3	0.4	1.7
VIL	-1.8	-2.5	-1.4	-2.0	-1.2	-3.0	-2.8	-1.3	-1.3	0.0	-0.7	-2.0	-1.1
RJio	1.4	1.7	1.7	1.0	3.1	3.0	3.0	2.3	3.9	3.2	3.5	3.2	3.4
Top Three players	**0.7**	**0.8**	**1.6**	**0.0**	**2.9**	**0.1**	**1.6**	**2.4**	**4.1**	**4.4**	**4.0**	**1.5**	**4.1**
Other players	**-1.2**	**-0.9**	**-1.5**	**-1.0**	**-0.9**	**-0.9**	**-1.5**	**-2.0**	**-1.4**	**-2.2**	**-2.3**	**-0.6**	**-0.9**
Total	**-0.6**	**-0.1**	**0.1**	**-1.1**	**2.0**	**-0.8**	**0.1**	**0.4**	**2.7**	**2.2**	**1.7**	**0.8**	**3.2**

Source: TRAI, MOFSL

Exhibit 1: RJio continued to gain market share

Gross subscriber market share (%)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	32.0	32.2	32.3	32.4	32.4	32.5	32.6	32.7	32.7	32.8	32.8	32.9	32.9
VIL	21.3	21.1	21.0	20.8	20.7	20.4	20.2	20.1	19.9	19.9	19.8	19.6	19.4
RJio	37.0	37.1	37.3	37.4	37.6	37.9	38.2	38.4	38.6	38.8	39.1	39.3	39.5
Top Three players	**90.3**	**90.4**	**90.6**	**90.6**	**90.7**	**90.8**	**90.9**	**91.1**	**91.3**	**91.5**	**91.7**	**91.7**	**91.9**
Other players	**9.7**	**9.6**	**9.4**	**9.4**	**9.3**	**9.2**	**9.1**	**8.9**	**8.7**	**8.5**	**8.3**	**8.3**	**8.1**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 2: 4G subscriber base continued to increase

MBB subscriber base (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	225	229	232	234	236	238	240	242	244	247	251	251	255
VIL	124	124	125	124	125	124	124	125	124	126	127	126	127
RJio	423	425	426	427	430	433	436	439	442	446	449	452	456
Top Three players	**772**	**777**	**783**	**785**	**791**	**795**	**800**	**805**	**811**	**818**	**826**	**829**	**838**
Other players	**21**	**22**	**22**	**21**	**21**	**21**	**21**	**20**	**20**	**21**	**21**	**21**	**20**
Total	**792**	**799**	**805**	**805**	**812**	**816**	**821**	**825**	**832**	**839**	**847**	**850**	**858**

Source: TRAI, MOFSL

Exhibit 3: 4G subscriber additions pick up

MBB subscriber net adds (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	2.2	3.8	2.8	2.2	2.0	2.3	2.1	1.3	2.9	2.6	3.6	0.5	4.0
VIL	0.3	0.2	1.1	-1.3	1.1	-1.3	0.0	1.3	-0.6	1.3	1.0	-0.8	1.0
RJio	1.4	1.7	1.7	1.0	3.1	3.0	3.0	2.3	3.9	3.2	3.5	3.2	3.4
Top Three players	**3.9**	**5.6**	**5.6**	**1.9**	**6.2**	**4.1**	**5.2**	**4.9**	**6.2**	**7.1**	**8.0**	**2.9**	**8.4**
Other players	**-0.6**	**0.6**	**0.6**	**-1.5**	**0.4**	**0.0**	**0.2**	**-0.9**	**-0.1**	**0.5**	**0.0**	**0.0**	**-0.4**
Total	**3.4**	**6.2**	**6.2**	**0.5**	**6.6**	**4.1**	**5.3**	**4.0**	**6.1**	**7.6**	**8.0**	**2.8**	**8.0**

Source: TRAI, MOFSL

Exhibit 4: 4G subscriber market share

MBB subscriber market share	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bharti	28.4	28.6	28.8	29.0	29.0	29.2	29.2	29.3	29.4	29.4	29.6	29.5	29.7
VIL	15.6	15.5	15.5	15.4	15.4	15.1	15.0	15.1	14.9	15.0	14.9	14.8	14.8
RJio	53.4	53.2	52.9	53.0	53.0	53.1	53.1	53.1	53.2	53.1	53.0	53.2	53.1
Top Three players	**97.4**	**97.3**	**97.2**	**97.4**	**97.4**	**97.4**	**97.4**	**97.5**	**97.6**	**97.5**	**97.5**	**97.5**	**97.6**
Other players	2.6	2.7	2.8	2.6	2.6	2.6	2.6	2.5	2.4	2.5	2.5	2.5	2.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 5: MNP continued to increase, leading to SIM consolidation

Mobile Number Portability (m)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Request submitted	12.0	12.5	12.4	11.2	11.7	11.0	11.5	10.9	11.8	12.7	12.7	12.7	12.0
Cumulative request submitted	771.9	784.4	796.8	808.0	819.7	830.7	842.1	853.0	864.8	877.4	890.1	902.8	914.8
% to active subscribers	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.0%	1.1%	1.2%	1.2%	1.2%	1.1%

Source: TRAI, MOFSL

Expert Speak

Defence Indigenization

Mr. Dhiraj Mathur

Mr Dhiraj Mathur who is a Senior Advisor, EY India and Independent Director, Axiscades Technology Ltd (ACTL) and was also a Partner, National Aerospace & Defence (A&D) practice of PwC India till March 2019. He highlighted the vast scope of indigenisation that the Indian market offers and how its potential benefits for both DPSUs as well as the private sector.

Defence Indigenization: Creating a self-reliant India

Scope for further increasing exports and reducing imports

We hosted an expert session on Defence Indigenization: Creating a self-reliant India with Mr Dhiraj Mathur who is a Senior Advisor, EY India and Independent Director, Axiscades Technology Ltd (ACTL) and was also a Partner, National Aerospace & Defence (A&D) practice of PwC India till March 2019. He highlighted the vast scope of indigenisation that the Indian market offers and how its potential benefits for both DPSUs as well as the private sector. Several items that are currently imported are getting indigenised except high-value items within the aerospace sector and a few others characterized by substantial import content.

Defence Exports from India too have increased sharply in the last few years and private companies have contributed more to exports. As high-value items secure orders for exports, it becomes a positive development for the entire domestic defence industry. This will provide scale benefits to players. Indian private players are consistently investing in R&D, along with forging technology partnerships to effectively compete with global peers. However, a lot more is required over next few years. Government is actively taking steps to streamline the order finalization process and reduce the associated timelines. However, a key risk for the sector lies in any shift in government priorities affecting defence allocation.

Key highlights of the discussion

Improving Defence budget allocation

Overall defence budget as a percentage of GDP is at ~1.5% and in order to make India self-reliant in defence, defence budget allocation should be higher than its current levels of 1.5% of GDP. The government had made a budgetary allocation of INR1.6t for defence capital expenditure for FY24 and all eyes are on how this allocation improves in the coming years. In line with the self-reliant India initiative, the share of domestic capital procurement was also enhanced to 75% of capital acquisition budget for FY24BE from 68% in FY23.

Indigenisation potential

The government's import embargo lists create an indigenisation potential of INR4-5t over the next five years. Out of the total capital allocation for the defence sector from budget, nearly 75% is allocated for domestic procurement. With the exception of limited capabilities in the aerospace sector, major OEMs and private players in Tier 1,2,3,4 are able to address vast opportunities on the components side, catering to both domestic and international markets.

Private sector benefiting more from exports

The private sector contributed to INR90b of defence exports from the total defence exports of INR150b and grew at a much faster growth rate than the overall industry. ~100 companies from India are now exporting defence-related equipment. Key bigger items that are currently exported include helicopters, fast interceptor boats, offshore patrol vessels, interceptor boats (L&T), coastal surveillance systems (BEL), simulators (Zen Technologies), 155 mm guns (Kalyani), advanced light helicopter, light torpedoes (BDL). In addition to fully formed products, India exports various components, including electronics, aero components, and engineering services. India's fully formed products still lack acceptance in developed geographies such as the US and Europe due to technology but smaller items such as bulletproof jackets and night vision equipment are being exported by big and small companies. Fully formed products are produced in limited quantities, whereas a significant volume of components is exported. Geographies such as South-East Asia and Africa show a willingness to purchase from India due to cost competitiveness, and this market is benefiting from export promotion policies. The scale for industry players will only come from exports. Ability of companies to export will also determine its sustainability in the current environment.

Imports are gradually coming down

Overall imports are also coming down and India currently imports big ticket items such as fighter aircraft, ships, aero engines, and missiles, which still cannot be made in India at a large scale even for the next few more years. Fighter aircraft imports form 25-30% of defence import bill. Ships represent another big ticket item currently reliant on imports, but there is significant potential for indigenisation. In the field of ship building, there are a lot of shipyards and indigenous capacity available from defence shipyards, private shipyards, such as L&T. Aircraft engines continue to be imported, given that only a limited number of manufacturers are involved in their production. Missiles is a big import item, but now they are also being manufactured by PSUs. Also, armoured vehicles, air defence too are still imported. On the aero side, imports are expected to persist, given the limited capabilities of Indian players in this domain. Players are building up capabilities on the naval side while for the rest of the segments, capabilities are much more as many players such as L&T, Kalyani, Tata, and Mahindra are all exploring these opportunities.

Technology tie ups

R&D spend by Indian defence players is lower than most leading countries (on a national level, even below certain global private majors). Even DPSUs have to ramp up R&D spend to come at par with global players. ~75% of the budget of DPSUs is earmarked for salaries, admin, and other overheads, leaving only ~25% for R&D. DPSUs work closely with DRDO and ISRO and have their own R&D investments too. Tier 1 and tier 2 private players have their technological tie ups with foreign players and therefore the technology gap is gradually getting addressed. However, tier 3 and tier 4 players have to continually invest in technology and R&D to meet the the specifications set by the MoD. Private players must make additional incremental investments to align themselves with the cutting-edge technology standards.

Amidst the positives, a reality check

Some of the challenges plaguing the private sector growth include the high cost of capital in India, limited ease of doing business, and a significant technological gap.

An inherent challenge lies in the preference given to DPSUs through nomination-based ordering. For perspective, >90% of BEL's order book is based on nominations, creating an uneven playing field. This leads to a chronic under-utilization of private capacity, which prolongs the payback period on their investments and leaves them with little incentive to keep investing in an industry, which is constantly evolving and innovating. Similarly, R&D and capex of PSUs are largely funded by the government, while the private sector enjoys no such privileges. Private players also need assurance on offtake of the output. Though ~25% of the defence budget has been set aside for the private sector, disbursements are yet to take place due to bureaucratic red tape. Globally, innovation has often originated from the private sector, supported by government backing.

Can the auto sector show the way?

The Indian defence sector finds itself at a crossroads similar to the automobile industry of the early 2000s, which was marked by low R&D, lack of innovation, and high reliance on imports. The industry's fortunes turned around when the market was opened up to the private sector who then teamed up with foreign OEMs for technology transfers, know-how, and product development. This in turn led to a virtuous cycle of investment, innovation, efficiency, and scale. The defence sector too seems to be heading in the same direction with the private sector tying up with foreign majors along with access to technology.

JSW Steel: Expect budget 2024 to focus on public capex and manufacturing push; Jayant Acharya, Joint MD

- Realization was up marginally in past quarter due to Oct price revision upwards
- Q4 volume will be better owing to a seasonally strong quarter and better exports
- JSW Steel interested in Vedanta Iron Ore Mines in Karnataka
- Optimistic that there will be protection from cheap steel imports

Read More

Cholamandalam Investments: Target is to bring gross NPA ratio down to 3.50% in future; Arul Selvan, President & CFO

- Asset quality may improve going ahead
- Expect asset quality to see some seasonal woes in Q1FY25
- Target is to bring gross NPA ratio down to 3.50% in future
- Will be monitoring the unsecured portfolio closely

Read More

Shriram Finance: Will be able to maintain NIMs at current levels; YS Chakravarti, MD

- Will be able to maintain NIMs at current levels, 26% of borrowings is from banks
- Increase in bank rates, will not have a significant impact on numbers
- Will be able to manage NIM of around 8.60%-8.65% for FY24
- Expect to grow at similar pace in Q4FY24

Read More

PNB: Global net interest margin is at 3.15%; Atul Goel, MD & CEO

- Global net interest margin is at 3.15% & domestic NIM at 3.3% FY24 net interest margin guidance is at 3%
- Expect NCLT recovery of Rs. 1,200 cr in FY24
- Expect loan growth to be at 12-13%
- Don't expect too much rise in COD due to re-pricing

Read More

IOB: Credit-Deposit ratio is at 78% currently; Ajay Srivastava, CEO & MD

- Credit-Deposit ratio is at 78% currently, Credit growth target is at 13-14% for next year
- CASA has been increasing, will help maintain NIM at 3.10-3.15%
- Have exceeded loan growth target for FY24
- Retail segment growth in double digit

Read More

KFin Tech: Expanding globally as a hedge to current business; Sreekanth Nadella, MD & CEO

- Margin profile expected to go above 45% mark
- Only 3% investable population is there in MFs
- Expanding globally as a hedge to current business
- More consolidation seen in registry services

Read More

Utkarsh SFB: See an uptick of 20 bps in the retail business; Govind Singh, MD & CEO

- Aiming for 27%-29% overall deposit growth YoY
- Expect slippages in Q4 to come down to Q1 levels
- RoE should be upward of 18%
- C/I ratio to remain between 54-55%

Read More

Syngene International: Q3 numbers along expected lines; Jonathan Hunt, MD & CEO

- Don't feel that US biotech funding slowdown is structural in nature
- No change in EBITDA margin guidance for current year
- US biotech funding witnessing slowdown
- Capex guidance cut to $60mn vs $80mn

Read More

Tata Tech: Expect FY25 growth to be led by aviation segment; Warren Harris, MD & CEO

- Expect margins to improve over next 12-18 months
- Expect growth in aerospace segment in FY25
- Expect Vinfast ramp down to get over in Q4
- Business mix led to margin improvement

Read More

Titagarh Rail: Expecting the Govt to focus on rail efficiencies to bolster economic growth; Umesh Chowdhary, Vice Chairman

- Will look at manufacturing subsystems & train interiors with Amber in India & EU
- Will soon launch a Vande Bharat sleeper coach
- Deal with Amber is to open avenues for them in Europe
- No production loss due to fire on plant premises

Read More

LT Foods: We are evaluating the duration of the impact of Red Sea crisis on margin; Ashwani Arora, MD

- Freight rates have increased to Europe & America
- Red sea has mainly had an impact on freight rates, evaluating pricing strategy
- Historically, have grown by double digits

Read More

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:
The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

MOFSL, it's associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:
a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
(b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.
To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:
This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification
The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	**Companies where there is interest**
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)
This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:
This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.
MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore
In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore,
as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:
The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
This report is meant for the clients of Motilal Oswal only.
Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.