

Market snapshot



Equities - India	Close	Chg. %	CYTD.%
Sensex	64,364	0.4	5.8
Nifty-50	19,231	0.5	6.2
Nifty-M 100	39,587	0.7	25.6
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	4,358	0.9	13.5
Nasdaq	13,478	1.4	28.8
FTSE 100	7,418	-0.4	-0.5
DAX	15,189	0.3	9.1
Hang Seng	6,052	2.4	-9.7
Nikkei 225	31,950	0.0	22.4
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	88	-0.6	8.2
Gold (\$/OZ)	1,993	0.3	9.2
Cu (US\$/MT)	8,096	0.4	-3.2
Almn (US\$/MT)	2,234	1.3	-4.9
Currency	Close	Chg. %	CYTD.%
USD/INR	83.3	0.0	0.7
USD/EUR	1.1	1.0	0.2
USD/JPY	149.4	-0.7	13.9
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.3	-0.01	0.0
10 Yrs AAA Corp	7.7	-0.01	0.0
Flows (USD b)	3-Nov	MTD	CYTD
FII	0.0	-0.36	11.7
DII	0.05	0.46	19.5
Volumes (INRb)	3-Nov	MTD*	YTD*
Cash	679	657	670
F&O	1,05,857	3,06,189	2,66,413

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

State Bank of India: Another strong quarter; well positioned to sustain the growth momentum

Asset quality ratios at multi decadal best; SMA book declines to 12bp

- ❖ SBIN reported a steady quarter as net profit at INR143.3b beat our estimate, aided by lower provisions even as bank made higher provisioning towards wage revisions.
- ❖ NII grew 12.3% YoY/1.5% QoQ (3% beat), while domestic NIMs declined 4bp QoQ to 3.43%. Total revenues grew 14% YoY.
- ❖ Slippages declined to INR41b after a seasonal bump in 1Q, along with healthy recoveries/write-offs. As a result, GNPA/NNPA ratios declined to 2.55%/0.64%. RSA pool declined to INR209b (60bp of advances).
- ❖ We broadly maintain our estimates as higher wage provisioning gets offset by controlled credit costs. We estimate FY25E RoA/RoE of 1.1%/18.3%. Reiterate BUY rating with an unchanged TP of INR700 (based on 1.1x FY25E ABV + INR202 from subs).



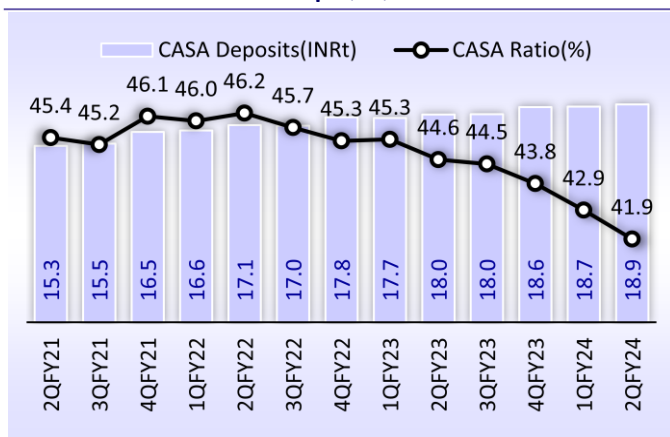
Research covered

Cos/Sector	Key Highlights
State Bank of India	Another strong quarter; well positioned to sustain the growth momentum
Bulls and Bear	Geopolitical headwinds spook the market
Titan Company	Stellar performance; momentum to continue
Other Notes	Bank of Baroda Zomato Cholaman.Inv.&Fn Interglobe Aviation Vedanta MRF Aditya Birla Cap Container Corpn. Escorts Kubota Gujarat Gas Relaxo Footwear 360 ONE Aegis Logistics NOCIL J K Cements Data Pattern Godrej Agrovet Indigo Paints AU Small Finance Biocon Raymond



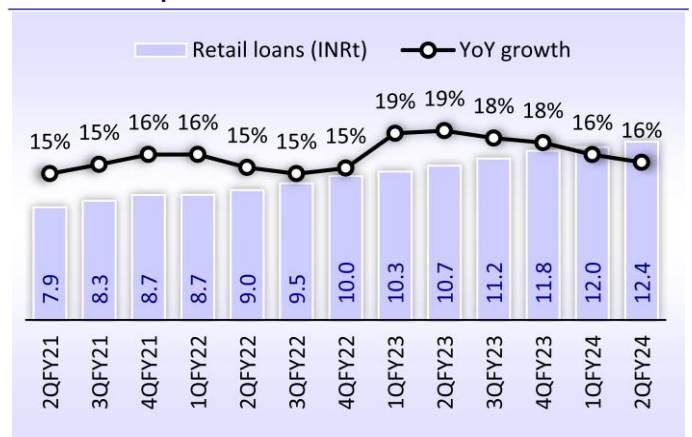
Chart of the Day: State Bank of India (Another strong quarter; well positioned to sustain the growth momentum)

CASA ratio moderated 100bp QoQ to 41.9%



Source: MOFSL, Company

Retail loans up ~15.7% YoY



Source: MOFSL, Company

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Maruti looking to enhance flexibility in production to roll out vehicles as per market demand

Maruti Suzuki India aims to enhance production flexibility to align with market demand trends. The company plans to prioritize the production of high-selling utility vehicles while reducing the output of entry-level cars.

2

Hyundai Motor India set for SUVs accounting over 60% of total sales this year: COO Tarun Garg

The company is confident in sustaining its overseas shipment momentum, despite global geopolitical concerns, as exports have increased in the last three months. The good thing has been that SUV contribution has moved to 63 per cent in October and year-to-date at 59 per cent as against industry SUV percentage of 48 per cent. So that has really helped us to outperform the industry in terms of January to October numbers.

3

DRI conducts search operation at Havells India corporate office

The Directorate of Revenue Intelligence (DRI) conducted a search operation at the corporate office of Havells India, a major electrical goods and appliances manufacturer, over alleged mis-classification in the import of heating elements.

4

Vedanta to raise \$1 billion by December end to repay bonds

The conglomerate has bond repayments of \$3.2 billion coming up over the next two years. About \$2 billion worth of bonds are slated for redemption in 2024 — half of which are due as early as January — and another \$1.2 billion in 2025

5

Adani Ports records 48% growth in cargo volumes at 37 million tonnes in Oct

This milestone also marks the first time that the port operator has managed cargo volumes exceeding 35 million metric tonnes across its various ports.

6

GreenLine to invest ₹5,000 cr to acquire LNG trucks for green logistics

Green mobility solutions provider GreenLine is planning a big-ticket expansion of its two-year-old logistics services operations, investing about ₹850 crore to add 1,000 liquefied natural gas (LNG) trucks to its fleet in this financial year.

7

Tanishq opens boutique in Singapore, plans 50 stores globally

Tanishq, a jewelry brand from the Tata Group, has plans to establish 50 boutiques worldwide in the long term.



State Bank of India

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR578 TP: INR700 (+21%) Buy

Another strong quarter; well positioned to sustain the growth momentum

Asset quality ratios at multi decadal best; SMA book declines to 12bp

- SBIN reported a steady quarter as net profit at INR143.3b beat our estimate, aided by lower provisions even as bank made higher provisioning towards wage revisions.
- NII grew 12.3% YoY/1.5% QoQ (3% beat), while domestic NIMs declined 4bp QoQ to 3.43%. Total revenues grew 14% YoY.
- Slippages declined to INR41b after a seasonal bump in 1Q, along with healthy recoveries/write-offs. As a result, GNPA/NNPA ratios declined to 2.55%/0.64%. RSA pool declined to INR209b (60bp of advances).
- We broadly maintain our estimates as higher wage provisioning gets offset by controlled credit costs. We estimate FY25E RoA/RoE of 1.1%/18.3%. **Reiterate BUY rating with an unchanged TP of INR700 (based on 1.1x FY25E ABV + INR202 from subs).**

Revenue growth steady; Asset quality improves further

- SBIN reported 8% YoY growth in net profit to INR143.3b (up 8% YoY/ down 15% QoQ) as lower provisions partly offset higher opex. NII grew 12.3% YoY (3% beat) even as margins declined 4bp QoQ to 3.43%. SBIN has guided for a further 3-5bp compression in margins over 2HFY24.
- Other income grew 22% YoY, supported by healthy treasury gains of INR20.2b. Core other income, however, rose only 4% YoY.
- SBIN increased the wage provisioning run rate for a potential hike of 14% (from 10%), effective Nov'22. This resulted in an incremental wage provisioning cost of ~INR34b in 2Q. Consequently, PPOp declined 8% YoY to INR194b, while Core PPOp declined 16% YoY.
- Advances grew ~12% YoY/3.3% QoQ, led by 16% YoY growth in retail and 23% YoY growth in the SME segment. Agri book grew 15% YoY, while corporate growth was slower at 6.6% YoY. Among retail, Xpress credit/VF grew 18%/20% YoY. Home loans, which form 54% of the retail book and 20% of the overall book, grew 13% YoY/3% QoQ. Deposits increased by 12% YoY/3.5% QoQ, while the CASA mix declined 100bp QoQ to 41.9%.
- Slippages declined to INR41b after higher slippages in 1Q due to seasonality. A decline in slippages and higher recoveries/write-offs led to a 21bp QoQ drop in GNPA ratio to 2.55% and a 7bp QoQ reduction in NNPA ratio to 0.64%. Restructured book declined to INR209b (0.6% of advances), while SMA 1/2 portfolio decreased to INR39.6b (12bp of loans).
- Subsidiaries reported mixed performance:** SBICARD clocked a PAT of INR6.03b (up 15% YoY). SBILIFE's PAT grew 1% YoY to INR3.8b. PAT of the AMC business increased by 25% YoY to INR4.7b, while SBI General reported a loss of INR110m vs. a loss of INR230m in 2QFY23.

Bloomberg	SBIN IN
Equity Shares (m)	8925
M.Cap.(INRb)/(USDb)	5159.8 / 62
52-Week Range (INR)	630 / 499
1, 6, 12 Rel. Per (%)	-3/-5/-8
12M Avg Val (INR M)	9485

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	1,448	1,597	1,821
OP	837	919	1,067
NP	502	622	692
NIM (%)	3.2	3.1	3.2
EPS (INR)	56.3	69.6	77.6
EPS Gr. (%)	58.6	23.7	11.4
ABV (INR)	311	370	435
Cons. BV (INR)	385	460	545

Ratios

RoE (%)	18.1	19.1	18.3
RoA (%)	1.0	1.1	1.1

Valuations

P/BV (x) (Cons.)	1.5	1.3	1.1
P/ABV (x)	1.2	1.0	0.9
P/E (x)	6.7	5.4	4.8

*Adjusted for subsidiaries

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	56.9	56.9	56.9
DII	24.2	24.6	25.2
FII	11.6	11.2	10.9
Others	7.3	7.2	7.0

FII Includes depository receipts

Highlights from the management commentary

- Domestic margins may contract further by 3-5bp due to a rise in deposit costs. In the loan book, the MCLR impact has already been captured in the margin compression.
- Wage provisioning has been increased to 14% from 10% earlier. SBIN provided INR34b in 2Q to cover the provisioning shortfall effective Nov'22.
- On the proposal flow, the bank has a proposal pipeline of INR3.4t and INR1.4tn pending for disbursements, totaling INR4.8tn. Accordingly, the bank expects 14% growth.

Valuation and view

SBIN delivered a steady quarter, with a beat on profitability aided by lower provisions and steady revenue growth. Opex was high due to high wage provisions, effective Nov'22, hurting PPop growth. Margins declined 4bp QoQ and the management expects a further 3-5bp compression, though the bank has levers in place (CD ratio, MCLR repricing) to maintain stable margins. Business growth was healthy, with most business segments showing traction (barring corporate portfolio). Asset quality remained robust as net NPA ratio improved further and the restructured book remained in control at 0.6%, along with lower SMA pool at 12bp of loans. We estimate SBIN to deliver FY25E RoA/RoE of 1.1%/18.3%. We reiterate our **BUY rating with an unchanged TP of INR700 (1.1x FY25E ABV + INR202 from subs)**.

Quarterly performance

(INR b)

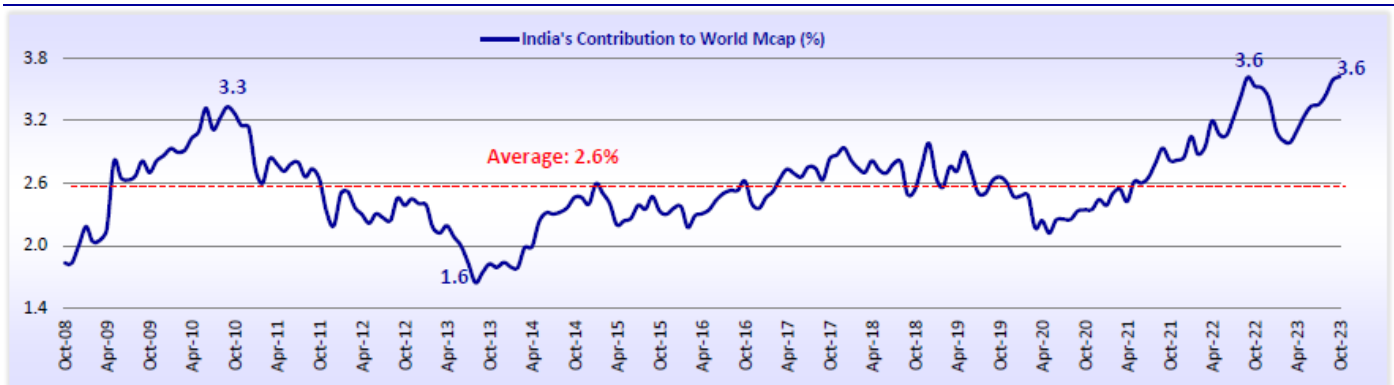
Y/E March	FY23				FY24E				FY23	FY24E	FY24E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
NII	312.0	351.8	380.7	403.9	389.0	395.0	402.0	411.2	1,448.4	1,597.2	384.3	3%
% Change (YoY)	12.9	12.8	24.1	29.5	24.7	12.3	5.6	1.8	20.0	10.3	9.2	
Other Income	23.1	88.7	114.7	139.6	120.6	107.9	102.8	144.6	366.2	476.0	97.8	10%
Total Income	335.1	440.6	495.4	543.5	509.7	502.9	504.8	555.8	1,814.6	2,073.3	482.1	4%
Operating Expenses	207.6	229.4	243.2	297.3	256.7	308.7	280.5	308.5	977.4	1,154.5	266.5	16%
Operating Profit	127.5	211.2	252.2	246.2	253.0	194.2	224.3	247.3	837.1	918.8	215.6	-10%
% Change (YoY)	-32.8	16.8	36.2	24.9	98.4	-8.1	-11.1	0.5	11.2	9.8	2.1	
Provisions	43.9	30.4	57.6	33.2	25.0	1.2	29.5	31.1	165.1	86.8	35.4	-97%
Exception items (exp)	0.0	0.0	0.0	0.0	0.0	0.0						
Profit before Tax	83.6	180.8	194.6	213.1	228.0	193.0	194.8	216.2	672.1	832.0	180.3	7%
Tax Provisions	22.9	48.2	52.5	46.1	59.1	49.7	50.3	51.4	169.7	210.5	46.9	6%
Net Profit	60.7	132.6	142.1	166.9	168.8	143.3	144.5	164.8	502.3	621.5	133.4	7%
% Change (YoY)	-6.7	73.9	68.5	83.2	178.2	8.0	1.8	-1.3	58.6	23.7	0.6	
Operating Parameters												
Deposits (INR t)	40.5	41.9	42.1	44.2	45.3	46.9	47.7	48.7	44.2	48.7	45.8	2.4%
Loans (INR t)	28.2	29.5	30.6	32.0	32.4	33.5	35.4	36.3	32.0	36.3	33.4	0.0%
Deposit Growth (%)	8.7	10.0	9.5	9.2	12.0	11.9	13.2	10.0	9.2	10.0	9.3	
Loan Growth (%)	15.8	20.8	18.6	17.0	14.9	13.3	15.6	13.5	17.0	13.5	13.3	
Asset Quality												
Gross NPA (%)	3.9	3.5	3.1	2.8	2.8	2.6	2.3	2.2	2.8	2.2	2.6	
Net NPA (%)	1.0	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.7	0.5	0.7	
PCR (%)	75.1	77.9	76.1	76.4	74.8	75.4	76.3	77.0	76.2	77.0	74.7	

E: MOFSL estimates

Strategy: Geopolitical headwinds spook the market

- Market witnesses high volatility, consolidates in Oct'23:** After achieving the milestone of 20k in Sep'23, the Nifty-50 consolidated in Oct'23. The index oscillated 1,012 points before closing 559 points (or 2.8% MoM) lower at 19,080, notably the steepest MoM decline in CY23. The global and local markets were jolted by the Israel-Palestine conflict. FII outflows have been sharp in the last two months; however, they were matched by stronger DII inflows. In Oct'23, DIIs recorded the highest inflows in the last seven months at USD3.4b. FIIs saw outflows for the second consecutive month at USD2.7b.
- All major sectors end lower in Oct'23:** PSU Banks (-6%), Telecom (-6%), Metals (-6%), Utilities (-5%), and Healthcare (-5%) were the top laggards, while Real Estate (+5%) was the only gainer.
- All major economies end lower in Oct'23:** Barring Russia (up 3% MoM), Oct'23 saw key global markets such as Korea (-8%), MSCI EM (-4%), the UK (-4%), Japan (-3%), China (-3%), Brazil (-3%), India (-3%), Indonesia (-3%), the US (-2%), and Taiwan (-2%) close lower in local currency terms. Over the last 12 months, the MSCI EM index (+8%) has outperformed the MSCI India Index (+4%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by 178%.
- Corporate earnings in line so far in 2QFY24, but remain concentrated:** Corporate earnings so far have been in line with the performance of heavyweights such as BPCL, HDFC Bank, JSW Steel, Reliance Industries and ICICI Bank, driving the overall performance. The spread of earnings has been decent, with 74% of MOFSL Universe either meeting or exceeding profit expectations. However, growth has been led by the BFSI, O&G and Automobile sectors.
- Global Economy – 3QCY24:** Global financial markets saw a risk-off scenario – equity markets sold off, bond yields rose, and the US dollar strengthened. There was some respite in Oct'23, but the risks to the global economic outlook continue to linger. To offer investors a distinctive advantage, we present a comprehensive [overview of the global economy](#), covering as many as 40 nations that collectively represented over 85% of the global GDP in CY20.
- Our view:** With the earnings outlook for Nifty and the broader MOFSL Universe remaining healthy and valuations of several sectors being at a premium to their long-period averages (Industrials, Consumer Discretionary, Mid-Caps and Small-Caps), we expect the sector rotation in Indian equities to continue. There are significant divergences in performance of large-caps vs. mid-/small-caps and across sectors. We believe that in the midst of volatility over the next couple of quarters, sector rotation could be a more important driver than the general market uptrend. Some of the sectors, which are still trading at reasonable valuations, include Banking, Auto, Healthcare and select large-cap IT stocks, in our view.
- Top ideas: Largecaps** – ICICI Bank, ITC, Bajaj Finance, L&T, HCL Tech., M&M, Titan, Avenue Supermarts, Ultratech Cement, M&M, BoB, and Zomato.
Midcaps and Smallcaps – Indian Hotels, Angel One, Lemon Tree Hotel, Ashok Leyland, Godrej Properties, MMFS, Metro Brands, Kajaria Ceramics, CreditAccess Grameen, and Craftsman Auto.

Trend in India's contribution to global M-cap (%) – at its all-time high



Source: MOSL, Company



Titan Company

Estimate changes	↔
TP change	↑
Rating change	↔

CMP: INR3,275 TP: INR3,900 (+19%) Buy

Stellar performance; momentum to continue

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	2907.1 / 34.9
52-Week Range (INR)	3352 / 2269
1, 6, 12 Rel. Per (%)	4/17/12
12M Avg Val (INR M)	2718

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	405.8	503.5	587.8
Sales Gr. (%)	40.9	24.1	16.8
EBITDA	48.8	59.6	77.7
EBITDA Margin (%)	12.0	11.8	13.2
Adj. PAT	32.7	41.0	53.4
Adj. EPS (INR)	36.8	46.1	59.9
EPS Gr. (%)	40.2	25.4	30.0
BV/Sh.(INR)	134.1	165.3	204.3

Ratios

RoE (%)	30.8	30.9	32.5
RoCE (%)	26.0	25.3	26.9
Payout (%)	27.2	28.0	35.0

Valuation

P/E (x)	89.0	71.0	54.6
P/BV (x)	24.4	19.8	16.0
EV/EBITDA (x)	59.2	48.3	36.7
Div. Yield (%)	0.3	0.4	0.6

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	52.9	52.9	52.9
DII	10.1	10.7	11.9
FII	19.1	18.5	17.0
Others	18.0	17.9	18.2

FII Includes depository receipts

- Titan Company (TTAN) reported strong sales growth of ~37% YoY in 2QFY24 (sales rose 22% in the base quarter), beating our estimates. TTAN is one of the few consumer companies in the current context that has been growing revenue at this pace for the last 5-6 quarters, despite the high base and discretionary nature of its product segments. This underscores the superior brand positioning and the prowess of its franchise, which is consistently gaining share. Comparatively, the staples companies have found it difficult to grow their revenue beyond 6-7%. TTAN achieved double-digit growth across segments. Domestic jewelry sales were robust driven by higher diamond sales, mystique collections, and a healthy double-digit growth in both buyers and average ticket size.
- The EBITDA margin contracted YoY due to a one-time gain in the base year and some changes in the product mix. However, the margin improved sequentially by 180bp led by better studded share at ~33%. Management retained its margin guidance of 12-13% for FY24.
- Management remains optimistic on the festive and wedding seasons despite the upswing in gold prices. TTAN's other businesses such as watches, wearables, and eyecare, also consistently delivered healthy performance. **We reiterate our BUY rating with a TP of INR3,900 (premised on 65x FY25E EPS) and continue to maintain TTAN as our top Consumer Discretionary idea in India.**

Beat on all fronts

- TTAN's 2QFY24 consolidated revenue grew 36.7% YoY to INR125.3b (est. INR107.1b).
- EBITDA grew 13.2% YoY to INR14.1b (est. INR12.5b) in 2QFY24.
- PBT increased 9.5% YoY to INR12.5b (est. INR11.2b) during the quarter.
- Recurring PAT came in at INR9.2b (est. INR8.5b) in 2QFY24, up 9.6% YoY.
- Consolidated gross margin contracted 430bp YoY, while it was up 120bp QoQ to 23.4% (est. 24.3%).
- The EBITDA margin contracted YoY due to a one-time gain in the base year and some changes in the product mix. As a percentage of sales, staff costs (down 60bp YoY), advertisement costs (down 30bp YoY), and other expenses (down 100bp YoY) led to 330bp contraction in EBITDA margin to 11.3% (est. 11.7%).
- **Segmental performance:** Jewelry sales jumped 38.6% YoY to INR110.8b (excluding gold ingots sales that rose 23.3% YoY to INR92.7b); while margin contracted 260bp YoY to 11%. Sales of watches jumped 31.6% YoY to INR10.9b, with an EBIT margin of 14.7% in 2QFY24.
- For 1HFY24, TTAN's net sales/EBITDA/Adj. PAT grew 31.3%/3.8%/2.8%.

Highlights from the management commentary

- The contribution from new customers is currently at 48%, with a consistent trend of ~45%. New customers often start with lower ticket sizes, below INR75,000, as they familiarize themselves with the brand. Repeat customers, on the other hand, tend to make larger purchases, contributing significantly to their lifetime value.
- Gold prices have increased by around 10% since 30th Sep'23. Despite the recent stability, customers typically wait until the last moment for festive purchases. However, management expects a surge in customers over the next 10 days, provided there are no further jumps in gold prices.
- Zoya enjoys better gross margin than Tanishq, mainly due to its intensive focus on studded business (95% share). The remaining factors contributing to higher operating leverage result in significantly elevated margin and profitability.
- The company has experienced a drop in diamond prices, particularly in higher carat solitaires, due to international demand and supply dynamics. This might lead to margin dilution over the next seven to eight months, as inventory prices influence margins.

Valuation and view

- There are no material changes to our FY24 and FY25 forecasts.
- TTAN is one of the few consumer companies that has been growing revenue at this pace despite the high base and discretionary nature of its product segments. This underscores the superior brand positioning and the prowess of its franchise. TTAN is on track to achieve the existing jewelry revenue guidance of 2.5x FY22 revenue by FY27, implying an impressive CAGR of 20%. With a current market share of ~7% in a sizable ~INR5t market, there is significant headroom for growth.
- The gradual recovery in the studded ratio is expected to support improved gross margin in the future. Its healthy growth outlook, favorable industry trends, and a strong balance sheet, make it a compelling option in the discretionary sector. TTAN has an impressive track record of outperforming its peers as well as exceptional long-term growth potential, all of which justify its premium valuations. **We reiterate our BUY rating with a TP of INR3,900 (premised on 65x FY25E EPS) and continue to maintain it as our Top Consumer Discretionary idea in India.**

Consolidated Quarterly Performance

Y/E March	(INR b)											
	FY23				FY24E				FY23	FY24	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		(%)
Net Sales	94.4	91.6	116.1	103.6	119.0	125.3	141.4	117.8	405.8	503.5	107.1	17.0
YoY change (%)	171.9	22.3	15.7	32.9	26.0	36.7	21.8	13.7	40.9	24.1	16.9	
Gross Profit	24.1	25.3	27.7	25.1	26.4	29.3	37.1	32.7	102.2	125.4	26.0	
Margin (%)	25.5	27.6	23.9	24.3	22.2	23.4	26.2	27.7	25.2	24.9	24.3	
EBITDA	12.0	12.5	13.5	10.9	11.3	14.1	18.3	16.0	48.8	59.6	12.5	13.0
EBITDA growth %	773.0	28.8	-6.6	24.3	-5.9	13.2	35.9	46.7	42.5	22.3	0.2	
Margin (%)	12.7	13.6	11.6	10.5	9.5	11.3	12.9	13.6	12.0	11.8	11.7	
Depreciation	1.0	1.1	1.1	1.2	1.3	1.4	1.2	1.1	4.4	5.0	1.2	
Interest	0.7	0.6	0.8	1.0	1.1	1.4	1.0	1.2	3.0	4.7	0.8	
Other Income	0.4	0.6	0.9	1.1	1.1	1.2	1.0	1.1	3.1	4.5	0.7	
PBT	10.7	11.4	12.4	9.9	10.0	12.5	17.2	14.8	44.5	54.4	11.2	11.6
Tax	2.8	3.1	3.3	2.5	2.5	3.4	4.2	3.4	11.7	13.4	2.7	
Rate (%)	26.3	26.9	26.7	25.5	24.6	26.9	24.2	23.2	26.4	24.6	24.2	
Adjusted PAT	7.9	8.4	9.1	7.4	7.6	9.2	13.0	11.3	32.7	41.0	8.5	7.6
YoY change (%)	#	30.3	-9.9	11.0	-4.3	9.6	42.6	54.0	40.2	25.4	1.8	

E: MOFSL Estimates



Bank of Baroda

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR204 TP: INR240 (+18%) Buy

High other income boosts earnings; margins down 20bp QoQ

Asset quality robust

Bloomberg	BOB IN
Equity Shares (m)	5178
M.Cap.(INRb)/(USD\$b)	1053.9 / 12.7
52-Week Range (INR)	220 / 144
1, 6, 12 Rel. Per (%)	-5/4/31
12M Avg Val (INR M)	4484

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	413.6	445.3	504.8
OP	268.6	313.0	364.1
NP	141.1	172.8	204.1
NIM (%)	3.2	3.0	3.0
EPS (INR)	27.3	33.4	39.4
EPS Gr. (%)	94.0	22.5	18.1
BV/Sh. (INR)	183	211	244
ABV/Sh. (INR)	165	194	226

Ratios

RoE (%)	15.3	16.4	16.8
RoA (%)	1.0	1.1	1.2

Valuations

P/E(X)	7.5	6.1	5.2
P/BV (X)	1.1	1.0	0.8
P/ABV (X)	1.2	1.0	0.9

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	64.0	64.0	64.0
DII	16.0	16.0	18.9
FII	12.4	12.3	8.9
Others	7.6	7.7	8.2

FII Includes depository receipts

- Bank of Baroda (BOB) reported a mixed quarter as PPOp grew 33% YoY (13% beat) aided by higher other income (49% beat) though margins declined 20bp QoQ to 3.07%.
- Business growth was healthy, with loan growth of 19% YoY (4% QoQ) and deposits growth of 15% YoY (4% QoQ). Loan growth was led by healthy growth in retail segments. CASA ratio moderated 45bp QoQ to 39.9%.
- Asset quality improved despite high slippages at INR47.5b (led by aviation account). GNPA/NNPA ratios yet improved to 3.32%/0.76%, while PCR moderated 88bp QoQ. SMA 1/2 was under control at 22bp of loans.
- Due to the restrictions imposed by RBI on BOB World, the bank was not able to provide certain services to new customers but multiple channels were available to them to do their transactions and therefore the impact was minimized. Deposits in all the segments and overall business remained healthy. The bank has taken significant actions in terms of compliance and expects the Ban to be lifted in the near term.
- We maintain our earnings estimates and expect FY25E RoA/RoE of 1.2%/16.8%. **We reiterate our Buy rating on the stock.**

Business growth healthy; PCR declines 88bp QoQ to ~77.6%

- 2Q PAT grew 28% YoY to INR42.5b (6% beat), led by high other income. NII grew 6% YoY to INR108b (3% miss) as margins declined 20bp QoQ to 3.07%.
- Other income grew 128% YoY to INR41.7b (49% beat), led by 32% YoY growth in fee income, healthy treasury profits of INR4.78b (vs. losses last year) and a robust recovery from TWO at INR12.3b (>100% YoY growth). Opex grew 17% YoY (up 8% QoQ, 3% beat). C/I ratio rose 118bp QoQ to 47% in 2QFY24.
- PPOp grew 33% YoY to INR80.2b (13% beat), while core PPOp grew 20% YoY. Provisions grew 33% YoY to INR21.6b (21% higher than MOSLe).
- Advances grew 4% QoQ (up 19% YoY). Among segments, Retail loans grew 5.2% QoQ (22% YoY), while Corporate book grew 1.4% QoQ. In retail, Personal loans grew 16% QoQ (up 67% YoY) and Gold loans grew 15% QoQ (up 65% YoY). Deposits increased by 15% YoY (4% QoQ). Domestic CASA ratio moderated 45bp QoQ to 39.9%.
- On the asset quality front, slippages rose to INR47.5b (~2.3% annualized). However, due to healthy recoveries, GNPA/NNPA ratios improved 18bp/2bp QoQ to 3.32%/0.76%. PCR moderated 88bp QoQ to ~77.6%. Total SMA 1/2 was under control at 22bp of loans.
- RoA stood at 1.14%, while reported RoE stood at 19.7%.

Highlights from the management commentary

- In the retail book, home loans grew 16% YoY, Auto loans grew 21% YoY, Personal loans grew 67% YoY and Gold loans grew 65% YoY.
- About 52% of the book is linked to MCLR and less than 30% of the book is yet to be re-priced. MCLR, if realigned, will lead to higher yields on advances.
- FY24 NIM is expected to be ~3.15%. Rising COD could dent margins.
- BOB has maintained its RoA guidance at >1% for FY24 and expects C/I ratio to be ~45% by end of FY24.

Valuation and view

BOB reported a mixed quarter characterized by robust fee income even as margins compressed further by 20bp QoQ to 3.07%. Business growth was healthy at 19% YoY, aided by strong traction across segments. The CASA mix saw a slight moderation. Fee income growth is a focus area and will help offset the persistent softness in NII growth. The bank reported a surge in recoveries from written-off accounts and has guided for continued traction in 2HFY24 as well. Asset quality continued to improve with NNPA at 0.76%, while lower SMA book provides further comfort on asset quality. **We maintain our earnings estimates and expect FY25E RoA/RoE of 1.2%/16.8%. We value the stock at INR240 (1.1x FY25E ABV) and reiterate our BUY rating.**

Quarterly performance

(INR b)

	FY23				FY24E				FY23	FY24E	FY23E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	Est	
Net Interest Income	88.4	101.7	108.2	115.2	110.0	108.3	111.3	115.7	413.6	445.3	111.2	-3%
% Change (YoY)	12.0	34.5	26.5	33.8	24.4	6.4	2.9	0.4	26.8	7.7	9.3	
Other Income	11.8	18.3	35.5	34.7	33.2	41.7	36.1	39.4	100.3	150.4	28.0	49%
Total Income	100.2	120.0	143.7	149.9	143.2	150.0	147.4	155.1	513.8	595.7	139.2	8%
Operating Expenses	54.9	59.7	61.4	69.2	64.9	69.8	72.1	75.8	245.2	282.7	68.0	3%
Operating Profit	45.3	60.3	82.3	80.7	78.2	80.2	75.3	79.2	268.6	313.0	71.2	13%
% Change (YoY)	-19.2	6.4	50.1	43.3	72.8	33.0	-8.5	-1.8	20.0	16.5	18.1	
Provisions	16.8	16.3	24.0	14.2	19.5	21.6	18.3	16.9	71.4	76.3	17.8	21%
Profit before Tax	28.4	44.0	58.3	66.5	58.8	58.6	57.0	62.4	197.3	236.8	53.4	10%
Tax	6.7	10.9	19.8	18.8	18.1	16.1	14.4	15.4	56.2	63.9	13.3	20%
Net Profit	21.7	33.1	38.5	47.8	40.7	42.5	42.7	46.9	141.1	172.8	40.0	6%
% Change (YoY)	79.4	58.7	75.4	168.5	87.7	28.4	10.7	-1.7	94.0	22.5	20.9	
Operating Parameters												
Deposit (INR b)	10,327	10,902	11,495	12,037	11,999	12,496	12,962	13,529	12,037	13,529	12,474	
Loan (INR b)	7,996	8,366	8,907	9,410	9,635	9,980	10,398	10,821	9,410	10,821	9,819	
Deposit Growth (%)	10.9	13.6	17.5	15.1	16.2	14.6	12.8	12.4	15.1	12.4	14.4	
Loan Growth (%)	19.6	20.6	21.7	21.1	20.5	19.3	16.7	15.0	21.1	15.0	17.4	
Asset Quality												
Gross NPA (%)	6.3	5.3	4.5	3.8	3.5	3.3	3.1	3.0	3.8	3.0	3.5	
Net NPA (%)	1.6	1.2	1.0	0.9	0.8	0.8	0.7	0.6	0.9	0.6	0.7	
PCR (%)	75.9	79.1	78.8	77.2	78.5	77.6	78.4	79.3	76.7	79.3	78.9	



Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR117 TP: INR135 (+16%) Buy

Another quarter of strong beat; Blinkit continues to surprise

Medium-term visibility remains strong; reiterate BUY

Bloomberg	ZOMATO IN
Equity Shares (m)	8579
M.Cap.(INRb)/(USDb)	1002.4 / 12
52-Week Range (INR)	120 / 44
1, 6, 12 Rel. Per (%)	12/77/81
12M Avg Val (INR M)	5736

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
GOV	263.5	325.2	407.1
Net Sales	70.8	116.8	166.6
Change (%)	68.9	65.1	42.5
EBITA	-12.1	-0.2	6.8
EBITA margin (%)	-17.1	-0.2	4.1
Adj. PAT	-9.7	2.4	8.8
PAT margin (%)	-13.7	2.1	5.3
RoE (%)	-5.40	1.23	4.36
RoCE (%)	-8.57	-3.16	0.15
EPS	-1.19	0.28	1.02
EV/ Sales	13.2	8.4	5.8
Price/ Book	4.8	5.1	4.8
P/E	NA	415.5	113.5

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	0.0	0.0	0.0
DII	13.0	9.9	38.8
FII	56.5	56.5	27.9
Others	30.4	33.6	33.3

FII Includes depository receipts

- Zomato delivered another good quarter, with 2QFY24 revenue growth of 18% QoQ (INR28.5b) beating our estimates of 11% growth. Growth was led by Blinkit, up 31.5% QoQ. The food delivery business also outperformed, with revenue growth of +12.7% QoQ on the back of strong order volume.
- Adj. EBITDA margin at 3.0% missed our estimate of 3.6%, partly due to lower profitability in Gold customer orders (40% of total GOV). The management expects further expansion in margins, as the gap between Gold and non-Gold customers narrows with scale, helping it move toward food delivery adj. EBITDA margin of 4-5% of GOV. Zomato continues to expect a break-even in Blinkit in 1QFY25 despite maintaining a high pace of new store addition.
- The performance of food delivery and quick commerce businesses was promising. With the company expecting strong growth for both Blinkit and food delivery in 3QFY24, we expect Zomato to deliver a strong 65% YoY growth in FY24. Zomato should deliver a revenue CAGR of 32%/116% in food delivery/quick commerce verticals over FY23-25, helping it grow its consolidated adj. revenue by 53% over the same period.
- The company was successful in increasing its take rate by a sharp 70bp QoQ in food delivery with the introduction of platform fee and continued traction in ad monetization. While we expect the pace of the take rate increase to start moderating now, advertisements remain a potential driver of further upside on take rate and profitability of the business.
- Blinkit's contribution margin turned positive in 2Q on the back of strong growth. Strong revenue growth should drive significant margin leverage, given the fact that competitive pressure in quick commerce has eased considerably over the last few quarters due to a funding crunch for smaller peers. We now estimate Zomato to turn positive on reported EBITDA by 3QFY24 (earlier 4QFY24) and deliver 4.1% EBITDA margin in FY25. As a result, Zomato should report PAT of INR2.4b/INR8.8b in FY24/FY25.
- We remain positive about the long-term growth opportunity for Zomato and do not expect competition to intensify further despite the entry of ONDC in the space. Our DCF-based valuation of INR135 suggests a 16% upside from the current price. We **reiterate our BUY** rating on the stock.

Good topline performance; margin in-line

- Zomato reported 2QFY24 net revenue of INR28.5b (+17.9% QoQ/71% YoY), above our estimate of +11% QoQ. Excluding Blinkit, net revenue grew 15% QoQ/54% YoY.
- Consolidated reported operating loss was stable at INR470m with -1.7% EBITDA margin (vs. -2.0% in 1Q and our expectation of -0.5%). Adjusted EBITDA margin was up 80bp QoQ to 3.0% (est. 3.6%).
- Blinkit broke even on contribution margin in 2Q, reporting a contribution margin of 1.3% (-0.7% in 1Q).

- Food delivery revenue (excluding delivery charges) grew 12.7% QoQ/36% YoY, (est. 3.0% QoQ) on strong demand, Gold contribution and Cricket World Cup impact, despite adverse seasonality. GOV (food) of INR79.8b grew 9.0% QoQ (est. 3.6% QoQ). Monthly transacting users grew 5% QoQ. Contribution margin improved to 6.6% (6.4% in 1Q), helped by a higher take rate (19.4%, +70bp QoQ).
- Hyperpure revenue grew 21% QoQ in 2QFY24.
- Blinkit 2Q GOV was up 29% QoQ (low 1Q base due to store closures). Strong improvements in both orders and AOV in 2Q.
- PAT at INR360m (est. flat PAT) vs. INR20m in 1QFY24; net cash at INR118b.

Key highlights from the management commentary

- The management suggested that a majority of the long-term growth will be driven by an increase in Monthly Transacting Customers (MTCs).
- Though ESOP costs increased during the quarter, the management maintained the guidance of INR4.5b of ESOP costs for FY24.
- For Blinkit, the management is confident of strong growth in 3QFY24 and suggests that the growth should be similar to current quarter.

Valuation and view

- The food delivery business is still in a nascent stage in India with a long runway for growth. With a dominant market share and strong growth in the food delivery business and Hyperpure, we expect Zomato to report a strong 53% adj. revenue CAGR over FY23-25.
- We now estimate Zomato to turn positive on reported EBITDA by 3QFY24 (earlier 4QFY24) and deliver 4.1% EBITDA margin in FY25.
- We value the business using a DCF methodology, assuming 4% terminal growth rate and 12.5% cost of capital. **We maintain our BUY rating with a TP of INR135**, implying 16% potential upside.

Consolidated quarterly performance

Y/E march	FY23				FY24				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY23	FY24E	Estimate	Var.
											2QE	(%/bp)
Revenue (net of delivery)	14,139	16,613	19,482	20,560	24,160	28,480	30,860	33,347	70,794	1,16,846	26,815	6.2
YoY Change (%)	67.4	62.2	75.2	69.7	70.9	71.4	58.4	62.2	68.9	65.1	61.4	1000bp
Inventory of traded goods	2,538	3,123	3,900	4,391	5,620	6,740	7,098	7,602	13,952	27,059	6,328	
Employee Expenses	3,489	3,813	3,950	3,398	3,380	4,170	4,197	4,498	14,650	16,245	4,022	
Delivery expenses	5,724	5,903	6,549	7,193	8,100	9,190	9,983	10,580	25,369	37,853	8,790	
Gross Profit	2,388	3,774	5,083	5,578	7,060	8,380	9,583	10,667	16,823	35,689	7,675	9.2
Margins (%)	16.9	22.7	26.1	27.1	29.2	29.4	31.1	32.0	23.8	30.5	29	80bp
Advertisement and sales promotion	2,776	2,997	3,479	3,022	3,140	3,550	3,857	4,058	12,274	14,606	3,218	
Others	2,685	3,891	5,266	4,810	4,400	5,300	5,555	6,011	16,652	21,266	4,559	16.3
EBITDA	-3,073	-3,114	-3,662	-2,254	-480	-470	170	597	-12,103	-183	-102	NA
Margins (%)	-21.7	-18.7	-18.8	-11.0	-2.0	-1.7	0.6	1.8	-17.1	-0.2	-0.4	-130bp
Depreciation	416	1,067	1,548	1,338	1,300	1,280	1,389	1,406	4,369	5,375	1,368	
Interest	49	119	161	158	180	160	160	160	487	660	180	
Other Income	1,678	1,695	1,734	1,705	1,810	2,120	2,162	2,206	6,812	8,298	1,720	
PBT before EO expense	-1,860	-2,605	-3,637	-2,045	-150	210	784	1,237	-10,147	2,080	70	NA
Extra-Ord expense	0	0	0	1	0	0	0	0	1	0	0	
PBT	-1,860	-2,605	-3,637	-2,044	-150	210	784	1,237	-10,146	2,080	70	NA
Tax	0	-97	-171	-168	-170	-150	0	0	-436	-320	77	
Rate (%)	0.0	3.7	4.7	8.2	113.3	-71.4	NA	0.0	4.3	NA	110.0	
MI & Profit/Loss of Asso. Cos.	-3	0	0	6	0	0	0	0	3	0	0	
Reported PAT	-1,857	-2,508	-3,466	-1,882	20	360	784	1,237	-9,713	2,400	-7	NA
Adj PAT	-1,857	-2,508	-3,466	-1,883	20	360	784	1,237	-9,714	2,400	-7	NA
YoY Change (%)	-45.4	-42.3	-8.5	-46.5	-101.1	-114.4	-122.6	-165.7	-35.5	-124.7	-99.7	NA
Margins (%)	-13.1	-15.1	-17.8	-9.2	0.1	1.3	2.5	3.7	-13.7	2.1	0.0	NA



Cholamandalam Inv. & Finance

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR1,134 TP: INR1,420 (+25%) Buy

Earnings in line; NIM to expand further in 2HFY24

Acknowledgement of stress in partnership-led unsecured loans

- CIFIC's 2QFY24 PAT grew 35% YoY to INR7.6b (in line), while NII increased by 35% YoY to ~INR20.2b (in line).
- Opex rose 43% YoY to ~INR9.5b (in line), and the cost-to-income ratio increased by ~1pp YoY to ~40% (vs. ~39% in 2QFY23). The opex ratio remained elevated in 2QFY24 due to inherent seasonality in 2Q and annual increments and promotions given to employees effective from July.
- GS3/NS3 declined ~10bp each QoQ to 3.0%/1.6%, while S3 PCR increased by ~2pp QoQ to ~47%. Annualized credit costs remained stable YoY at 1.3%.
- Although GS3 in new businesses deteriorated to 1.4% (vs. 1.0% in 1QFY24), it is not alarming. CIFIC also increased S3 PCR on new businesses to 63% (vs. 59% in 1Q). The management acknowledged stress build-up in unsecured loans originated through partnerships (GS3: ~4%) and said that corrective actions have already been initiated to improve asset quality in this loan book.
- New businesses contributed ~23.5% of disbursements in 2QFY24. Despite relatively higher credit costs in new businesses, higher yields in these segments (CSEL and SBPL) will be RoA accretive from FY25 onward.
- NIM expanded ~10bp QoQ as borrowing costs declined ~5bp and yields expanded. We expect NIM to further expand in 2HFY24. We model NIM of ~6.9% in FY24 and expect it improve to 7.2%/7.3% in FY25/FY26.
- We estimate a CAGR of 23%/27%/31% in disbursement/AUM/PAT over FY23-FY26. CIFIC has levers on cost ratios and business AUM growth to deliver healthy RoA/RoE of ~2.8%/22% in FY26. We believe in CIFIC's ability to sustain profitable growth in this franchise. Maintain BUY with a revised TP of INR1,420 (based on 4.3x Sep'25 BVPS).
- **Key Risks:** 1) Higher delinquencies and credit costs in new businesses, particularly CSEL; and 2) deep cyclicality in the vehicle finance business even though the management is making efforts to reduce this cyclicality.

Bloomberg	CIFIC IN
Equity Shares (m)	820
M.Cap.(INRb)/(USDb)	952.3 / 11.4
52-Week Range (INR)	1284 / 658
1, 6, 12 Rel. Per (%)	-8/22/43
12M Avg Val (INR M)	1688

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Total Income	97.7	129.7	160.3
PPP	60.2	83.5	105.6
PAT	35.2	47.8	60.5
EPS (INR)	42.0	57.0	70.6
EPS Gr. (%)	29	36	24
BV (INR)	234	288	373

Valuations

NIM (%)	6.9	7.2	7.3
C/I ratio (%)	38.3	35.6	34.1
RoAA (%)	2.6	2.7	2.8
RoE (%)	20.8	21.8	21.5
Payout (%)	6.0	4.4	4.2

Ratios

P/E (x)	27.1	19.9	16.1
P/BV (x)	4.9	3.9	3.0
Div. Yield (%)	0.2	0.2	0.3

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	51.4	51.5	51.5
DII	20.0	20.4	21.9
FII	21.5	20.9	18.7
Others	7.0	7.3	7.9

FII Includes depository receipts

Key highlights from the management commentary

- The management has guided for FY24 credit costs of ~1.0-1.2% across cycles and said that it expects asset quality improvements in vehicle finance and LAP in 2HFY24.
- Traditional channels account for ~75% of the CSEL mix and partnership-led channel account for ~25% (INR22b). Partnership-led business is protected by FLDG. The management guided unsecured loans at ~10% of total AUM.

Valuation and view

- The vulnerable asset pool (Stage 2 + 3) declined ~40bp QoQ to 6.2% despite 2Q being a seasonally weak quarter. The improvement in the 30+dpd pool is likely to be driven by organic collections without any extraordinary write-offs.
- CIFIC is a franchise equipped to deliver strong AUM growth with benign credit costs (relative to peers), translating into sustainable RoE of ~22% across economic cycles.

- The stock trades at 3.4x Sep'25E P/BV. We believe that these premium valuation multiples will sustain as investors keep gaining more confidence in its execution capability in new product lines and that it will be able to successfully tide over the sectoral stress in personal loans. **Maintain BUY.**

Quarterly Performance

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E	2QFY24E	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	45,919	49,867	1,20,822	1,76,483	42,225	0
Interest Expenses	11,309	13,404	15,433	17,342	20,071	22,052	23,750	25,166	57,488	91,039	21,958	0
Net Interest Income	14,814	14,888	15,983	17,649	18,421	20,153	22,169	24,700	63,334	85,443	20,268	-1
YoY Growth (%)	16.9	17.3	17.2	29.0	24.3	35.4	38.7	40.0	20.2	34.9	36.1	
Other Income	1,587	2,085	2,334	2,952	2,845	3,514	2,867	3,027	8,958	12,253	2,934	20
Total Income	16,401	16,974	18,317	20,601	21,265	23,667	25,036	27,727	72,292	97,696	23,201	2
YoY Growth (%)	20.3	21.9	23.4	32.0	29.7	39.4	36.7	34.6	23.8	35.1	36.7	
Operating Expenses	5,797	6,611	7,520	7,870	7,867	9,461	9,768	10,367	27,799	37,463	9,098	4
Operating Profit	10,604	10,363	10,797	12,731	13,399	14,206	15,268	17,360	44,494	60,233	14,104	1
YoY Growth (%)	6.8	18.4	13.4	39.6	26.4	37.1	41.4	36.4	18.0	35.4	36.1	
Provisions & Loan Losses	2,986	2,782	1,589	1,140	3,723	3,998	3,200	1,786	8,497	12,707	3,950	1
Profit before Tax	7,617	7,581	9,208	11,591	9,675	10,208	12,068	15,575	35,997	47,526	10,154	1
Tax Provisions	1,961	1,947	2,365	3,063	2,415	2,583	3,102	4,210	9,335	12,309	2,609	-1
Net Profit	5,657	5,634	6,843	8,528	7,260	7,625	8,967	11,365	26,662	35,217	7,544	1
YoY Growth (%)	73.1	-7.1	30.6	23.7	28.3	35.3	31.0	33.3	24.2	32.1	33.9	
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	7.7	7.6	6.9	7.8		
Spread	7.3	6.7	6.7	6.7	6.3	6.6	6.7	6.9	6.3	6.4		
NIM	7.5	7.0	7.0	7.0	6.7	6.7	6.9	7.1	7.1	6.9		
C/I ratio	35.3	38.9	41.1	38.2	37.0	40.0	39.0	37.4	38.5	38.3		
Credit cost	1.5	1.3	0.7	0.5	1.3	1.3	1.0	0.5	0.9	1.0		
Tax rate	25.7	25.7	25.7	26.4	25.0	25.3	25.7	27.0	25.9	25.9		
Balance Sheet Parameters												
Disbursements (INR b)	133	146	176	210	200	215	235	258	665	909		
Growth (%)	266.7	68.0	68.4	65.3	50.2	47.3	33.7	23.0	87.5	36.6		
AUM (INR b)	819	877	955	1,065	1,148	1,242	1,337	1,437	1,065	1,437		
Growth (%)	20.8	25.2	31.3	38.5	40.1	41.7	40.0	34.9	38.5	34.9		
AUM mix (%)												
Vehicle finance	67.6	65.7	64.2	62.9	61.9	60.7			62.9	59.4		
Home Equity	21.6	21.5	20.9	20.3	19.9	19.9			20.3	19.8		
Home loans & Others	10.8	12.8	14.9	16.9	18.2	19.4			8.9	11.4		
Borrowings (INR b)	739	793	893	974	1,081	1,195			974	1,358		
Growth (%)	17.0	27.3	35.7	40.7	46.3	50.6			40.7	39.5		
Asset Quality Parameters												
GS 3 (INR B)	34.1	33.8	33.7	32.2	35.5	37.2			32.2	34.2		
GS 3 (%)	4.2	3.8	3.5	3.0	3.1	3.0			3.0	2.4		
NS 3 (INR B)	20.2	19.8	19.9	17.4	19.4	19.6			17.4	17.8		
NS 3 (%)	2.5	2.3	2.1	1.7	1.7	1.6			1.7	1.3		
PCR (%)	40.7	41.5	41.0	46.0	45.4	47.3			46.0	48.0		
Vehicle finance AUM mix(%)												
LCV	21.0	21.4	20.9	21.0	20.8	20.7			21.0			
Cars & MUV	18.9	19.4	19.9	20.2	20.7	21.2			18.9			
3W & SCV	4.6	4.5	4.4	4.2	4.0	3.9			4.6			
Used CV	27.4	27.1	26.9	26.6	26.7	26.9			27.4			
Tractor	9.6	9.2	9.0	8.4	8.1	7.8			9.6			
HCV	7.2	7.0	6.7	7.1	6.9	6.7			7.2			
CE	6.4	6.4	6.5	6.7	6.6	6.5			6.4			
Two wheeler	4.9	5.2	5.7	5.8	6.1	6.4			4.9			

E: MOFSL estimates



InterGlobe Aviation

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR2,509 TP: INR2,800 (+12%) Neutral

Profitability continues despite seasonality

Bloomberg	INDIGO IN
Equity Shares (m)	385
M.Cap.(INRb)/(USDb)	968 / 11.6
52-Week Range (INR)	2746 / 1676
1, 6, 12 Rel. Per (%)	5/10/33
12M Avg Val (INR M)	2228
Free float (%)	36.8

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	544.5	664.1	718.1
EBITDAR	68.1	178.4	165.8
NP	-3.2	90.2	84.8
EPS (INR)	-8.2	233.8	220.0
Growth (%)	Loss	LP	-5.9
BV/Sh (INR)	-164.0	70.6	291.2

Ratios

Net D:E	-3.6	6.1	1.0
RoE (%)	5.1	-502.1	122.0
RoCE (%)	11.0	39.9	29.0
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	-305.0	10.7	11.4
P/BV (x)	-15.3	35.5	8.6
Adj.EV/EBITDAR(x)	17.5	6.6	6.8
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	1.4	8.3	6.7

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	63.2	67.8	71.9
DII	13.3	10.5	7.8
FII	20.3	19.8	18.1
Others	3.2	2.0	2.2

FII Includes depository receipts

- InterGlobe Aviation (IndiGo) posted a PAT of INR1.9b (v/s our estimated net loss of INR9.6b) in 2QFY24 driven by lower-than-expected fuel costs and supplementary rentals. Revenue passenger kilometers (RPK) were at 29.4b. Passenger load factor (PLF) was at 83.3% with available seat kilometers (ASK) of 35.3b (est. of 34.3b) and yield of INR4.4 (v/s est. of INR4.3) in 2QFY24.
- Supplemental rentals were down QoQ due to provisions of a reversal of ~INR1.5b taken by the company during 2QFY24. Rentals are likely to rebound to 1QFY24 levels from 3Q onwards. Currently, over 40 aircraft of IndiGo are grounded due to P&W engine issues. P&W has now identified a new issue with powder metal, and an incremental number of engines will be removed for inspections from Jan'24 onwards, thereby hurting operating fleet further.
- That being said, according to **our airfare tracker**, the 30-day domestic forward prices for IndiGo are up by 30% QoQ and the 15-day prices are up by 37% QoQ in 3QFY24 to date. Management highlighted that it has made adjustments to the base fare after introducing the fuel surcharge and would continue to have it to offset the increases in ATF prices in the past 3-4 months. Demand has remained stable, with IndiGo serving 26.3m passengers in 2Q and it is on track to raise this to 100m in FY24 from 85m in FY23.
- To harness the expected demand growth, the company plans to increase its fleet size to 350 in FY24 from 306 in FY23, while also adding 10-15 new destinations (both domestic and international). The long-term guidance of doubling the capacity stays intact, with the management highlighting that it would be difficult to give a number for FY25 because of the P&W-related issues. Management would prefer to wait and watch on this as of now.
- Due to the outperformance in 2QFY24, we raise our EBITDA/PAT estimates by 9%/13% for FY24, while keeping our FY25E broadly unchanged. While we remain positive on the industry as a whole, IndiGo would have to navigate through various challenges in the near to medium term. Reiterate Neutral with a TP of INR2,800 (premised on 7.5x FY25E EV/EBITDAR).

Beat on steady demand for air travel, sequential decline in PLF and yield

- IndiGo's yield stood at INR4.4 vs. our estimate of INR4.3 (and INR5.1 in 2QFY23). RPK was at 29.4b (our est. of 28.7b, +34% YoY), with PLF at 83.3%. ASK was at 35.3b (our est. of 34.3b, +27% YoY) during the quarter.
- Thus, revenue stood at INR149b (+7% est., +20% YoY). EBITDAR stood at INR23.9b (est. of INR11.3b) with EBITDA at INR22b (our est. of INR9.4b). The company has paid an IGST of INR927m in 2QFY24 on re-import of a repaired aircraft, which is under dispute right now.
- PAT was at INR1.9b vs. our est. loss of INR9.6b. Depreciation charge was higher by INR692m on reassessment of estimated useful life for 14 CEO aircraft from 20 years to 13-16 years, and consequent residual value.

- Free cash was at INR180b in 2QFY24 vs. INR82b in 2QFY23. Capitalized lease liability stood at INR455b with a total debt of INR494b in 2QFY24.
- For 1HFY24, revenue was at INR316b (+25% YoY), EBITDA was at INR71.6b (+10x YoY) and PAT stood at INR32.8b (loss of INR26.5b in 1HFY23). PLF improved to 85.9% (79.3% in 1HFY23) with average yield at INR4.8 (-7% YoY)

Valuation and View

- IndiGo is working to increase its international presence through strategic partnerships (codeshare agreement with Turkish Airlines) and loyalty programs. The company's loyalty program subscriber base has increased 4.5 times from FY21 levels. The company also plans to add more routes and strengthen its own network of international routes it is operating.
- Management has been taking several preemptive measures to increase its global brand awareness, as it expects to capture a bigger share of growth from its international market in the coming years (due to the lower base right now). However, competition in the sector is expected to intensify with the resurgence of Air India and the entry of a new player (Akasa Air).
- While we remain positive on the industry as a whole, IndiGo would have to navigate through various challenges in the near to medium term. Reiterate Neutral with a TP of INR2,800 (premised on 7.5x FY25E EV/EBIDTAR).

Standalone Quarterly performance

Y/E March	(INR b)											
	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	(%)	
Net Sales	128.6	125.0	149.3	141.6	166.8	149.4	191.8	156.0	544.5	664.1	139.9	7%
YoY Change (%)	327.5	122.8	60.7	76.5	29.8	19.6	28.4	10.2	110.0	22.0	12.0	
EBITDAR	6.6	0.7	31.8	28.9	51.6	23.9	72.1	30.7	68.1	178.4	11.3	111%
Margin (%)	5.2	0.6	21.3	20.4	30.9	16.0	37.6	19.7	12.5	26.9	8.1	
Net Rentals	0.7	0.5	0.7	1.4	1.9	2.0	2.0	2.1	3.3	8.0	2.0	-1%
EBITDA	6.0	0.3	31.1	27.5	49.7	22.0	70.1	28.7	64.8	170.4	9.4	135%
Margin (%)	4.6	0.2	20.9	19.4	29.8	14.7	36.5	18.4	11.9	25.7	6.7	
Depreciation	11.7	12.4	13.4	13.5	14.0	15.5	15.6	16.1	51.0	61.2	14.2	
Interest	6.6	7.3	8.3	9.2	9.5	10.2	10.3	10.3	31.3	40.4	9.6	
Other Income	1.6	3.5	4.8	4.4	4.8	5.6	5.6	5.4	14.3	21.4	4.8	
PBT	-10.7	-15.9	14.2	9.2	30.9	1.9	49.8	7.6	-3.2	90.2	-9.6	LP
Reported PAT	-10.7	-15.9	14.2	9.2	30.9	1.9	49.8	7.6	-3.2	90.2	-9.6	LP
EPS	-27.7	-41.2	36.8	23.8	80.2	4.9	129.4	19.8	-8.2	234.2	-25.0	LP
YoY Change (%)	Loss	Loss	1,004.1	LP	LP	LP	251.1	-16.9	LP	LP	Loss	
Operational Data												
ASK (b)	27.5	27.7	28.8	30.4	32.7	35.3	35.5	35.7	114.4	139.1	34.3	3%
YoY Change (%)	146%	75%	25%	49%	19%	27%	23%	17%	63%	22%	24%	0%
Load factor (%)	79.6	79.1	85.1	84.2	88.7	83.3	92.4	87.7	82.1	88.0	83.7	0%
RPK (b)	21.9	21.9	24.5	25.6	29.0	29.4	32.8	31.3	93.9	122.4	28.7	2%
YoY Change (%)	232%	96%	34%	64%	32%	34%	34%	22%	82%	30%	31%	0%
Yield (INR/RPK)	5.24	5.07	5.38	4.85	5.18	4.44	5.18	4.40	5.14	4.80	4.31	3%
RASK	4.67	4.51	5.19	4.66	5.10	4.23	5.41	4.38	4.76	4.77	4.08	4%
CASK	5.06	5.08	4.69	4.36	4.16	4.18	4.00	4.16	4.79	4.13	4.36	-4%
RASK less CASK	-0.39	-0.57	0.49	0.30	0.94	0.05	1.40	0.21	-0.03	0.65	-0.28	LP
CASK ex-Fuel	2.86	2.80	2.66	2.49	2.54	2.50	2.65	2.68	2.70	2.59	2.52	-1%
Fuel Cost	2.20	2.28	2.04	1.87	1.62	1.68	1.35	1.48	2.09	1.53	1.84	-8%



Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR233

TP: INR220 (-5%)

Neutral

Bloomberg	VEDL IN
Equity Shares (m)	3717
M.Cap.(INRb)/(USD\$b)	865.2 / 10.4
52-Week Range (INR)	341 / 208
1, 6, 12 Rel. Per (%)	2/-23/-30
12M Avg Val (INR M)	3197
Free float (%)	36.3

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	1,473	1,391	1,487
EBITDA	344	265	317
EBITDA margin	23.4	19.0	21.3
Attr. APAT	105	45	85
Adj. EPS (INR)	28.3	12.2	23.0
EPS Gr (%)	-46.2	-56.8	87.9
BV/Sh. (INR)	106	73	74

Ratios

Net D:E	1.1	2.2	2.2
RoE (%)	20.1	13.7	31.4
RoCE (%)	21.5	17.2	22.0
Payout (%)	358.9	322.0	97.4

Valuations

P/E (x)	8.2	19.1	10.1
P/BV	2.2	3.2	3.2
EV/EBITDA (x)	4.7	7.3	6.3
Div. Yield (%)	43.6	16.9	9.6
FCF Yield (%)	22.2	5.4	15.9

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	63.7	68.1	69.7
DII	10.7	10.1	10.4
FII	7.9	7.6	8.3
Others	17.7	14.3	11.6

FII Includes depository receipts

Healthy operational performance; focusing on debt reduction

- In 2QFY24, VEDL received a one-time revenue and EBITDA gain of INR47.6b related to the award of the final partial arbitration that VEDL has won in relation to a contract for Rajasthan Block. For a like-to-like comparison, we have adjusted 2QFY24 financials by excluding this one-time gain.
- Revenue stood at INR341b (up 6% YoY) and was 5% above our estimate of INR325b. Consolidated EBITDA stood at INR67b, in line with our estimate of INR65b. EBITDA was supported by improved operational efficiency and favorable input prices, which were partially offset by lower commodity prices and strategic hedging gains.
- Among segments, aluminum, steel and iron-ore businesses saw strong improvements in EBITDA, whereas Zinc India, Zinc International and copper verticals saw pressure on EBITDA.
- APAT stood at INR5b vs. our estimate of INR12b. Net debt stood at INR577b and net debt/EBITDA stood at 1.64x in 2QFY24 vs. 1.98x in 1QFY24.

Highlights from the management commentary

- VEDL has ~INR90b of debt that will be up for refinancing by 4QFY24 and has USD1b of debt that will be up for refinancing at HoldCo.
- HoldCo. has ~USD3.1b of debt maturing in FY25, including USD2b bonds.
- The recent arbitration case in favor of VEDL will reduce payout to the government by USD20m per quarter in the oil and gas vertical. VEDL would also receive INR10b per quarter over the next five quarter, which will increase the cash flow of the vertical.
- VEDL has earmarked ~USD150-200m as growth capex for its oil and gas vertical for drilling new wells, which should help the company manage the natural decline in fields. VEDL expects to spend ~USD1.7b as growth capex in FY24.

Valuation and view

- EBITDA performance, excluding the arbitration claim, has been largely in line with estimate. VEDL will continue to focus on debt reduction. The de-merger process is underway and is expected to be completed as per the timeline.
- We marginally reduce our FY25 EBITDA estimate by 4%, considering headwinds in the global commodity market, such as lower demand from China, a slowdown in China's real estate sector, uncertainties in the Middle East and low LME prices. **We reiterate our Neutral rating on VEDL with an SoTP-based TP of INR220.** At CMP of INR233, the stock is trading at FY25E EV/EBITDA of 6.3x and FY25E P/B multiple of 3.2x.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	Vs. Est. %
Net Sales	386	367	341	379	337	342	351	361	1,473	1,391	325	5
Change (YoY %)	35.9	20.6	0.0	-4.8	-12.7	-6.7	2.8	-4.9	11.0	-5.6		
Change (QoQ %)	-3.0	-5.1	-7.0	11.2	-11.1	1.3	2.6	2.9				
Total Expenditure	284	290	270	285	273	275	287	291	1,129	1,126		
EBITDA	102	77	71	95	64	67	64	70	344	265	65	4
Change (YoY %)	1.8	-25.7	-34.6	-30.6	-37.0	-12.7	-10.1	-26.1	-23.2	-23.1		
Change (QoQ %)	-25.2	-24.5	-8.2	33.8	-32.1	4.6	-5.4	10.0				
As % of Net Sales	26.4	21.0	20.7	24.9	19.0	19.7	18.1	19.4	23.4	19.0		
Finance cost	12	16	16	18	21	25	20	20	62	86		
DD&A	25	26	27	28	26	26	26	26	106	104		
Other Income	7	7	7	7	5	6	7	7	29	26		
PBT (before EO item)	73	41	35	56	23	22	25	30	205	100		
EO exp. (income)	0	-2	-9	13	-18	-43	0	0	2	-61		
PBT (after EO item)	73	44	44	43	41	65	25	30	203	161		
Total Tax	16.7	16.7	13.0	11.3	7.8	90.9	6	8	57.7	113		
% Tax	23.0	38.4	29.6	26.4	19.0	140.7	25.2	25.2	28.5	70.1		
Reported PAT	56	27	31	31	33	-9	19	23	145	65		
Profit from Asso.	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0.0	0		
Minority interest	11.7	10.3	6.3	13.5	6.7	8.7	5	4	42.0	25		
APAT	44	14	16	31	9	5	13	19	105	45	12	(58)
Change (YoY %)	-1.3	-69.4	-63.4	-49.5	-80.5	-65.7	-13.8	-40.4	-46.2	-56.8		
Change (QoQ %)	-28.3	-67.8	9.6	99.6	-72.4	-43.3	175.7	38.0				

Sources: MOFSL, Company

Note – 2Q FY24 financials have been adjusted by excluding one-time INR47.6 b revenue and EBITDA benefit recognized due to the award of final partial arbitration won in relation to contract for Rajasthan Block.



Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,07,723 TP: INR97,000 (-10%) Sell

EBITDA in line despite a miss on revenue

Margin for 2QFY24 likely to have peaked

Bloomberg	MRF IN
Equity Shares (m)	4
M.Cap.(INRb)/(USDb)	453.5 / 5.5
52-Week Range (INR)	107500 / 78000
1, 6, 12 Rel. Per (%)	7/7/9
12M Avg Val (INR M)	950

■ MRF's 2QFY24 performance was a mixed bag as revenue was below estimate at INR60.9b (+6% YoY; est. INR64.1b), while EBITDA was in line at INR11.3b (+2.4x YoY). However, lower RM costs led to an EBITDA margin beat. Margin stood at 18.5% (vs. est. 17.5%). We believe the 2Q margin reflects most of the tailwinds and should see some moderation in the coming quarters.

■ We tweak our FY24E/FY25E EPS by +3%/4% to factor in RM cost benefits partially offset by weaker revenue growth across categories. **Reiterate Sell** with a TP of INR97,000 (based on 18x Sep'25E EPS), as the stock trades at 20.5x FY25E EPS (in line with its 10-year LPA), which does not reflect its weakening competitive position and similar return ratios vs. its peers.

Financials & valuations (INR b)

INR b	FY23	FY24E	FY25E
Sales	230.1	251.4	268.2
EBITDA	23.9	45.1	45.9
Adj. PAT	7.7	22.6	22.3
EPS (INR)	1,814	5,331	5,258
EPS Growth (%)	14.9	194.0	-1.4
BV/Share (INR)	34,688	39,839	44,897

Ratios

RoE (%)	5.4	14.3	12.4
RoCE (%)	5.9	13.8	12.3
Payout (%)	9.6	3.4	3.8

Valuations

P/E (x)	59.4	20.2	20.5
P/BV (x)	3.1	2.7	2.4
Div. Yield (%)	0.2	0.2	0.2
FCF yield (%)	-1.2	2.5	3.1

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	27.8	27.8	27.9
DII	11.2	11.7	12.5
FII	19.6	18.8	16.5
Others	41.5	41.7	43.2

FII Includes depository receipts

Better EBITDA margin driven by lower RM costs

- MRF's 2QFY24 revenue/EBITDA/Adj. PAT increased ~6%/2.4x/4.6x YoY to NR60.9b/INR11.3b/INR5.7b. 1HFY24 revenue/EBITDA/adj. PAT grew 10%/2.4x/4x YoY.
- Revenue rose 6% YoY (vs. CEAT's revenue growth of 5.5% YoY) to INR60.9b (est. INR64.05b).
- Gross margin expanded 11.1pp YoY (+200bp QoQ) to 40.8% (vs. est. 38.5%) as against CEAT's gross margin of 43.3% in 2QFY24.
- Despite higher-than-estimated other expenses and employee costs, EBITDA margin came in at 18.5% (+10.3pp YoY/90bp QoQ; vs. est. 17.5%) as against CEAT's margin of 14.6%. EBITDA surged 2.4x YoY to INR11.3b (in line) during the quarter.
- Adj. PAT too came in line at INR5.7b (+4.6x YoY/-2% QoQ).
- The Board declared its first interim dividend of INR3/share for FY24.
- FCF came in at IN6.8b in 1HFY24 (vs. outflow of INR4.9b in 1HFY23). This was due to strong operating cash flows of INR19.8b (vs. INR8.5b in 1HFY23) despite capex being steady at INR13b similar to the last year's levels.

Valuation and view

- MRF's competitive positioning in the sector has weakened over the past few years, which reflects the dilution of pricing power in the PCR and TBR segments. This, coupled with the impact of the planned capex, should limit the expansion in return ratios. We expect MRF's return ratios to see a relatively lower uptick vs. peers over the next two years as its RoE is expected to reach 12.4% by FY25 (vs. APTY/CEAT estimated at 13.5%/17.2%).
- The stock is currently trading at 20.5x FY25E EPS, in line with its 10-year LPA, despite its weakening competitive position and similar capital efficiency as peers. **Hence, we maintain our Sell rating on the stock with a TP of INR97,000 (premised on 18x Sep'25E EPS).**

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Net Sales	55,989	57,190	55,349	57,254	63,233	60,876	61,438	61,086	2,25,782	2,46,632	64,053
YoY Change (%)	35.6	18.4	14.6	10.1	12.9	6.4	11.0	6.7	18.9	9.2	12.0
Total Expenditure	51,207	52,517	49,863	48,823	52,091	49,589	50,537	50,581	2,02,409	2,02,797	52,829
EBITDA	4,783	4,673	5,486	8,431	11,142	11,286	10,900	10,505	23,373	43,834	11,224
Margins (%)	8.5	8.2	9.9	14.7	17.6	18.5	17.7	17.2	10.4	17.8	17.5
Depreciation	2,969	3,083	3,149	3,285	3,317	3,500	3,650	3,741	12,486	14,208	3,440
Interest	635	704	802	839	780	749	760	763	2,981	3,052	800
Other Income	341	764	700	678	739	696	650	644	2,482	2,729	740
PBT before EO expense	1,519	1,650	2,235	4,985	7,783	7,734	7,140	6,645	10,389	29,304	7,724
Extra-Ord expense	0	0	0	-803	0	0	0	0	-803	0	0
PBT	1,519	1,650	2,235	5,788	7,783	7,734	7,140	6,645	11,192	29,304	7,724
Tax	395	410	543	1,682	1,969	2,015	1,814	1,674	3,030	7,472	1,947
Rate (%)	26.0	24.9	24.3	29.1	25.3	26.1	25.4	25.2	27.1	25.5	25.2
Reported PAT	1,123	1,240	1,692	4,106	5,814	5,719	5,327	4,970	8,162	21,831	5,778
Adj PAT	1,123	1,240	1,692	3,537	5,814	5,719	5,327	4,970	7,576	21,831	5,778
YoY Change (%)	-30.4	-32.4	16.0	125.6	417.6	361.3	214.8	40.5	17.0	188.2	366.0
Margins (%)	2.0	2.2	3.1	6.2	9.2	9.4	8.7	8.1	3.4	8.9	9.0

E: MOFSL Estimates



Aditya Birla Capital

Bloomberg	ABCAP IN
Equity Shares (m)	2595
M.Cap.(INRb)/(USD\$)	450 / 5.4
52-Week Range (INR)	199 / 116
1, 6, 12 Rel. Per (%)	-3/-4/38
12M Avg Val (INR M)	705

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
PBT Break-up			
NBFC	31.2	40.2	49.2
Housing	4.1	4.7	5.8
AMC	10.0	11.3	12.9
Life Insurance	2.3	2.5	2.8
Other businesses	3.2	2.8	3.0
Consol PBT	45.8	58.1	72.3
Consol PAT Post MI	28.0	36.1	45.2
Growth (%)	-	28.6	25.4
RoE (%)	12.3	13.5	14.9
Con PE	16.0	12.4	9.9
Cons. PBV	1.8	1.6	1.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	69.0	69.1	71.1
DII	8.2	7.8	8.5
FII	11.3	11.3	6.8
Others	11.5	11.8	13.6

FII Includes depository receipts

CMP: INR173

TP: INR220 (+27%)

Buy

Healthy AUM growth sustained; NIM compression in NBFC/HFC

- 2QFY24 consolidated revenue grew 22% YoY to INR88.4b and consolidated PAT (post minority) grew 44% YoY to ~INR7.1b.
- ABCL had raised equity capital of ~INR30b in Jun'23. The company further shared that it has infused equity capital of ~INR7.5b in the NBFC.
- It added ~ 72 branches in 2QFY24, taking the total branch count to 1,403. The management has exhibited great agility and a majority of its FY24 targets have already been achieved. We estimate further improvement in operating metrics in 2HFY24.

NBFC: NIMs contract QoQ; Share of SME, HNI, and Retail stable

- NBFC Loan book grew 44% YoY/9% QoQ to ~INR935.2b. Retail and SME segment AUM grew 49% YoY and comprises ~67% of the AUM mix.
- 2QFY24 disbursements grew 32% YoY to ~INR164.7b.
- NIM contracted ~10bp QoQ to ~6.8% in 2QFY24.
- Asset quality continued to improve with GS2 + GS3 assets declining ~20bp QoQ to ~5.2%. S3 PCR rose ~170bp QoQ to ~48%.
- The NBFC continued to expand its geographical reach by adding 43 branches in 2QFY24 and now has 375 branches as on Sep'23.

No significant stress seen in Personal and Consumer loans

- Personal and Consumer Loans have an average ticket size of ~INR33K and ~87% of these loans have a credit score of >700. Ticket Size <INR50K and tenor less than 30 days is <1% of the overall loan mix for Aditya Birla Finance. The company has recently begun monitoring its customers' leverage, and ~12% of them currently have leverage that is 1.5x higher than it was nine months ago.
- Consumer Loans are predominantly facilitated through digital/fintech partnerships. In cases where the portfolio quality with certain partners has been subpar, the company makes decisions to terminate those partnerships.
- ~40% of the new personal loans originate from upselling to existing consumer loan customers. The company has fine-tuned its underwriting processes, yet it has observed no early warning indicators within its personal and consumer portfolio.

Housing Finance: AUM growth healthy even as NIM moderated QoQ

- The company reported a broad-based growth in 2QFY24 across customer segments, with 52% YoY growth in disbursements to ~INR18.2b. Loan book grew 23% YoY to INR154b.
- NIM contracted ~25bp QoQ as well as YoY to ~4.9%. The mortgage market is competitive and yields could moderate a little further from here as well.
- GS2 + GS3 assets declined ~40bp QoQ to ~4.4%.

Asset Management: Increase in domestic equity share

- Quarterly average AUM (QAAUM) stood at INR3.10t in 2QFY24. Individual monthly average AUM grew 11% YoY to INR1.6t in Sep'23.
- Domestic equity mix increased to ~42% (PQ: ~40%). SIP inflows grew 4% YoY to ~INR9.7b in Sep'23. Passive AUM stood at INR284.4b, up 64% YoY.

Life Insurance: VNB margin improved and healthy 13th/61st month persistency

- Individual monthly average AUM grew 11% YoY to INR1.6t in Sep'23. Renewal premium grew 19% YoY to INR20.8b in 1HFY24.
- Net value of new business (VNB) at INR1.9b in 1HFY24 grew 30% (1HFY23: 1.5b). Net VNB margin for 1HFY24 improved ~195bp YoY to 14.2%.
- The 13th month persistency stood at 87% (vs. 86% in Sep'22 and 88% in Jun'23)

Health Insurance: Market share among SAHIs lower in 1H relative to 1Q

- GWP grew 23% YoY to ~INR15.6b in 1HFY24, with retail contribution standing at 56% in the total business. **The Health Insurance business continues to build scale with focus on expenses, even as the combined ratio in 1HFY24 rose to 119% (1QFY24: 117%).**
- Market share among standalone health insurers (SAHIs) declined ~90bp (relative to 1QFY24) to ~10.7% in 1HFY24. Net loss in 1HFY24 declined to INR1.4b (1HFY23: Net loss of ~INR1.5b).

Highlights from the management commentary

- **NBFC:** Write-offs stood at INR3.7b (PQ: INR4.2b), primarily in small-ticket unsecured loans. **Guided for** improvement in RoA to ~3% over the next couple of years, driven by the change in product mix and improvement in NIM.
- **Life Insurance:** Seen a decline in business from its largest bank partner because of the strategic shift of the partner bank to contribute higher to its own group insurance company.

Strong ABCL ecosystem a big enabler; Reiterate Buy

- ABCL has exhibited a significant improvement in operational metrics across all business segments in 1HFY24. But for some jitteriness around digital/fintech sourced consumer and personal loans, FY24 will see an uptick in growth, lower credit costs, and better return ratios.
- The asset management business is likely to churn out better profitability, driven by an improvement in revenue as well as cost rationalization. VNB margin and persistency margin in the Life Insurance business continue to improve. The drag on consolidated PAT from other segments such as Health Insurance will fall, improving the overall profitability.
- We expect a consolidated PAT CAGR of 40% over FY23-26E. The thrust on cross-selling, investments in digital, and leveraging 'One ABC' will lead to healthy return ratios, even as we build in a consolidated RoE of ~15% in FY26. We reiterate our BUY rating on the stock with our SoTP (Sep'25E)-based TP of INR220.

ABCL: SOTP - September 2024

	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
NBFC	100	321	3.9	125	57	1.6x PBV
HFC	100	47	0.6	19	9	1.5x PBV
AMC	50	73	0.9	28	13	16x Earnings
LI	51	82	1.0	31	14	1.2x EV
Health Ins	46	38	0.5	15	7	2.2x GWP
Others		5	0.1	2	1	
Target Value		565	6.9	220	100	
Current market cap.		448	6.0	173		
Upside (%)		26	15.5	27		

Source: MOFSL

Quarterly Performance

(INR M)

Y/E March	FY23				FY24		FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q		
ABFSL - NBFC arm								
Net Income	8,895	9,979	11,947	13,419	14,337	15,200	30,921	44,240
Opex	2,790	3,140	3,570	4,668	4,370	4,370	9,330	14,168
Cost to Income Ratio (%)	31.4	31.5	29.9	34.8	30.5	28.7	30.2	32.0
Operating Profits	6,105	6,839	8,377	8,751	9,967	10,830	21,591	30,072
Provisions	1,520	1,960	2,980	2,710	3,060	3,470	6,720	9,170
Profit Before Tax	4,585	4,879	5,397	6,041	6,907	7,360	14,871	20,902
Change YoY (%)	45.7	26.0	40.4	50.7	50.6	50.9	44.2	40.6
Consolidated Earnings								
Cons PBT Before JV Interest	7,034	8,451	8,510	9,425	10,258	11,141	26,230	33,420
Growth YoY %	35.4	26.6	19.5	30.2	45.8	31.8	34.6	27.4
Lending	5,301	5,636	6,182	6,868	7,752	8,330	17,404	23,987
NBFC	4,585	4,879	5,397	6,041	6,907	7,360	14,871	20,902
HFC	716	757	784	828	845	969	2,532	3,085
AMC	1,408	2,494	2,227	1,810	2,403	2,368	8,947	7,939
Life Insurance	335	557	446	628	200	424	1,749	1,965
Health Insurance	-700	-762	-649	-69	-625	-795	-3,087	-2,180
Others*	690	527	305	188	528	815	1,217	1,710
Taxes	1,900	2,110	2,140	1,960	2,460	2,840	4,690	5,340
Tax rate %	27.0	25.0	25.1	20.8	24.0	25.5	17.9	16.0
Profit After Tax	4,240	4,790	5,460	6,360	6,660	7,250	16,411	17,916
MI and Others	-60	-90	160	270	170	200	-420	-500
PAT	4,300	4,880	5,300	6,090	6,490	7,050	16,831	18,416
Growth YoY %	1.3	-5.3	-1.5	7.6	50.9	44.5	10.0	9.4
Details on lending business								
Loans (INR B)	699	774	860	944	1004	1090		
Change YoY (%)	22.2	31.1	40.0	40.2	43.7	40.7		
NBFC	578	650	730	806	859	935		
Change YoY (%)	26.1	36.1	46.6	46.0	48.5	43.9		
HFC	120	125	130	138	145	154		
Change YoY (%)	6.6	10.0	12.0	13.9	20.4	24.0		
Net Interest Margins								
NBFC	6.47	6.58	7.00	6.88	6.98	6.87		
HFC	4.77	5.13	5.35	5.03	5.11	4.88		
GNPA %								
NBFC	3.20	3.08	3.62	3.12	2.80	2.64		
HFC	2.16	3.60	3.50	3.23	2.67	2.63		
Details on Other business								
AMC Business								
QAAUM (INR B)	2,926	2,938	2,930	2,862	3,084	3,235		
Change YoY (%)	2.1	-5.8	-5.7	-6.9	5.4	10.1		
Life Ins - 13th Mt persistency	85.0	86.0	86.0	87.0	88.0	87.0		

* Others includes Health Ins, PE, AB Money and inter group adjustment; Numbers may vary from actual reporting due to difference in reporting



Container Corporation

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR714 TP: INR840 (+18%) Buy

Lower LLF provisioning drives EBITDA; volume growth set to improve

Bloomberg	CCRI IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	434.9 / 5.2
52-Week Range (INR)	829 / 555
1, 6, 12 Rel. Per (%)	2/8/-17
12M Avg Val (INR M)	873

Financial Snapshot (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	81.0	89.5	105.0
EBITDA	18.4	20.6	24.1
Adj. PAT	11.7	13.2	15.5
EBITDA Margin (%)	22.7	23.0	23.0
Adj. EPS (INR)	19.2	21.7	25.5
EPS Gr. (%)	10.2	13.2	17.2
BV/Sh. (INR)	184.6	196.1	209.6

Ratios

Net D:E	(0.3)	(0.3)	(0.4)
RoE (%)	10.6	11.4	12.6
RoCE (%)	11.0	11.8	12.9
Payout (%)	46.9	46.9	46.9

Valuations

P/E (x)	37.5	33.1	28.3
P/BV (x)	3.9	3.7	3.4
EV/EBITDA(x)	21.4	18.8	15.6
Div. Yield (%)	1.3	1.4	1.7
FCF Yield (%)	1.8	2.4	3.3

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	54.8	54.8	54.8
DII	21.6	20.6	18.0
FII	20.7	21.6	24.1
Others	2.9	3.0	3.2

FII Includes depository receipts

- Container Corporation (CCRI) reported volume growth of 8% YoY in 2QFY24. Revenues increased 11% YoY to INR21.9b in 2QFY24 (6% above our estimate). Total volumes increased 8% YoY to 1.23m TEUs with EXIM/Domestic volumes at 0.97m/0.26m TEUs (up 4%/up 26% YoY). Domestic volumes were 17% above our estimate, while EXIM volumes were largely in line with our estimate.
- Blended realization increased 3% YoY to INR17,797/TEU. EXIM/Domestic realization stood at INR14,888/INR28,605 per TEU (up 6%/down 9% YoY).
- EBITDA margin came in at 24.5% (vs. our estimate of 21.3%). Margin was down 80bp YoY. EBITDA increased ~8% YoY to INR5.4b (against our estimate of INR4.4b).
- Land License fee for 2QFY24 stood at INR850m (INR1.3b in 1QFY24). The LLF for 1HFY24 stands at INR 2.15b (compared to INR 1.91b in 1HFY23). Recently, one terminal was surrendered, and another will be partially surrendered in 3QFY24. Therefore, the LLF for FY24 and FY25 will be ~INR 4.5-4.6b. Strong operating performance led to growth of 18% YoY in PAT (31% above our estimate of INR 2.7b)
- Volumes are expected to register double-digit growth, driven by a) pick up in EXIM volumes b) continued momentum in domestic volumes and c) commissioning of the DFC from Mundra to Dadri. As EXIM volumes pick up, the margins are expected to remain strong ahead. Lower than previously estimated LLF provisioning of INR 4.5b for FY24 and FY25 would also support margins. We raise our EPS estimates for FY24/25 by ~12%/5%, factoring in higher volume growth and lower LLF provisioning. We reiterate our **BUY rating with a revised DCF-based TP of INR840.**

Highlights from the management commentary

- EXIM volumes increased due to the 1+1 scheme. Within EXIM volumes, imports continue to show strength and are expected to remain steady throughout the remainder of FY24, while exports are weaker due to geopolitical factors.
- For FMCG cargo, the company has ordered 1,000 containers with a height of 12 ft. (height of normal container is ~8.6 feet). Of these, 180 containers have already been received. The FMCG sector will be a key focus area, and trials have been conducted with certain clients. Increased FMCG share is expected to lead to improved domestic business, with a projected 25% YoY growth in domestic volumes for FY24.
- The DFC connecting Mundra to Dadri became operational in May'23. This development allowed the company to redirect a significant portion of its business from road to rail.
- CCRI's market share at various ports in 1HFY24 stood as follows: JNPT - 60%, Mundra - 36%, Pipavav - 45%.

Valuation and view

- EXIM volumes are expected to improve, driven by higher imports ahead. The domestic volumes, on the other hand, are expected to continue growth momentum with overall market growing and newer commodities being transported via rail. These were earlier transported only by roads. The services offered by CCRI, including first-mile and last-mile connectivity, are also contributing significantly to gaining traction. Lastly, the Company is providing competitive pricing on certain routes to ensure volume growth momentum continues.
- We expect 12% volume CAGR over FY23-25. The EBITDA margins are expected to be in the 23-24% range in FY24 and FY25, while the LLF is expected to be about INR4.5b. The stock trades at 15.6x FY25E EV/EBITDA. We reiterate our BUY rating on CCRI with a DCF-based TP of INR840.

Standalone quarterly snapshot

Y/E March	FY23				FY24E				FY23	FY24E	FY24	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var.
Net Sales	19,783	19,707	19,884	21,660	19,193	21,904	23,965	24,463	81,034	89,526	20,674	6
YoY Change (%)	9.4	8.0	3.6	6.0	-3.0	11.1	20.5	12.9	6.7	10.5	4.9	
EBITDA	4,723	4,986	4,264	4,447	3,916	5,372	5,584	5,680	18,421	20,553	4,395	22
Margins (%)	23.9	25.3	21.4	20.5	20.4	24.5	23.3	23.2	22.7	23.0	21.3	
YoY Change (%)	9.0	16.9	-6.4	7.7	-17.1	7.7	31.0	27.7	6.6	11.6	-11.9	
Depreciation	1,312	1,341	1,357	1,531	1,378	1,486	1,422	1,370	5,541	5,655	1,420	
Interest	139	143	142	146	141	147	133	129	570	550	140	
Other Income	629	520	1,136	955	815	1,025	823	628	3,240	3,290	823	
PBT before EO expense	3,901	4,022	3,901	3,725	3,212	4,764	4,851	4,810	15,550	17,637	3,658	30
Extra-Ord expense	0	0	0	13	0	0	0	0	13	0	0	
PBT	3,901	4,022	3,901	3,713	3,212	4,764	4,851	4,810	15,537	17,637	3,658	
Tax	988	994	936	928	771	1,187	1,223	1,211	3,847	4,392	922	
Rate (%)	25.3	24.7	24.0	25.0	24.0	24.9	25.2	25.2	24.8	24.9	25.2	
Reported PAT	2,913	3,028	2,965	2,785	2,441	3,577	3,629	3,599	11,691	13,246	2,736	31
Adj PAT	2,913	3,028	2,965	2,785	2,441	3,577	3,629	3,584	11,703	13,246	2,736	31
YoY Change (%)	14.3	14.7	3.5	8.4	-16.2	18.1	22.4	28.7	10.2	13.2	-9.6	
Margins (%)	14.7	15.4	14.9	12.9	12.7	16.3	15.1	14.6	14.4	14.8	13.2	



Escorts Kubota

Estimate changes	↔
TP change	↑
Rating change	↔

CMP: INR3,076 TP: INR3,000 (-2%) Neutral

Bloomberg	ESCORTS IN
Equity Shares (m)	123
M.Cap.(INRb)/(USDb)	339.9 / 4.1
52-Week Range (INR)	3440 / 1808
1, 6, 12 Rel. Per (%)	0/49/46
12M Avg Val (INR M)	948

Financials & Valuations (INR b)

INR Billion	2023	2024E	2025E
Sales	84.3	93.5	103.5
EBITDA	7.8	13.0	15.0
EBITDA Margin (%)	7.4	12.1	12.8
Adj. PAT	6.8	11.1	13.0
EPS (INR)	51.3	90.9	106.3
EPS Gr. (%)	-22.9	77.0	17.0
BV/Sh. (INR)	620	750	846

Ratios

RoE (%)	8.6	12.8	13.3
RoCE (%)	11.5	17.4	18.0
Payout (%)	14.5	8.8	9.4

Valuations

P/E (x)	59.9	33.9	29.0
P/BV (x)	5.0	4.1	3.6
EV/EBITDA (x)	47.9	27.6	23.3
Div. Yield (%)	0.2	0.3	0.3
FCF yield (%)	0.1	3.8	3.0

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	67.7	67.7	72.9
DII	9.4	9.9	7.7
FII	8.6	7.6	6.4
Others	14.4	14.9	13.0

FII Includes depository receipts

Better gross margins offset by other costs

FY24 tractor industry growth guidance of +/-2% YoY

- 2QFY24 results were inline as better gross margin at 32.3% (vs est. 30.5%) was offset by higher other expenses. The company has guided for flattish growth in FY24 volumes (+/-2% YoY) vis-à-vis ~4% YoY decline in 1HFY24 due to festive mismatch this year followed by erratic rainfall and high base of last year.
- We maintain our FY24E/FY25E EPS estimates. We retain our Neutral rating on the stock with a TP of INR3,000 (25x Dec'25 EPS).

Railway and CE equipment business continue margin expansion

- ESCORTS' 2QFY24 revenue/EBITDA/Adj. PAT grew ~9%/72%/65% YoY to INR20.5b/2.6b/2.35b (vs. est. INR20.4b/2.7b/2.3b). 1HFY24 revenues/EBITDA/adj.PAT grew 12%/67%/79% YoY.
- Tractor volumes declined 7% YoY, while ASP grew 3% YoY (up 1% QoQ) at INR633.1k (vs. est. INR634.9k). ESCORTS's took a price hike of 1.7% combined in 1Q and 2Q.
- Gross margin expanded 470bp YoY/210bp QoQ to 32.3% (vs est. 30.5%).
- However higher employee costs (+30bps YoY/+180bps QoQ; as a % of sales) coupled with other expenses (+150bps QoQ, as a % of sales) restricted EBITDA margin expansion which stood at 12.9% (+480bps YoY/-110bps QoQ v/s est.13.4%)
- EBITDA grew 72% YoY (-19.5% QoQ) to INR2.6b (vs est. INR2.7b).
- Further high other income led ~65% YoY growth in Adj. PAT at INR2.35b (vs est. INR2.3b).
- FCFE stood at INR4.7b (v/s outflow of INR3b in 1HFY23) led by better operating cash flow of INR5.2b (v/s outflow of INR2b in 1HFY23) and lower capex of INR502m (v/s INR972m in 1HFY23)

Highlights from the management commentary

- **Domestic demand-** FY24 volume growth to remain flattish (+/-2% growth YoY) led by festive mismatch, high base of last year and erratic rainfall. Believe 3Q growth would be slightly positive despite October being negative and 4Q would see a marginal single digit growth. Demand from commercial segment is 30-35% of overall sales and has been stable over last 18 months.
- **Construction Equipment division-** FY24 will look similar to 1H growth. Volumes grew ~72% YoY in 2QFY24. Growth driver is on track led by government's thrust on faster execution of ongoing projects coupled with higher bank credits and positive macros.
- **Railway division-** Believe to maintain double digit growth this year and next year as well. The company is trying to get into new type of rolling stocks which are being used in Vande Bharat. Also, in terms of margins the company aims to maintain it in the range of +/-100-200bp.

- **Capex guidance lowered to INR2.-2.5b for FY24** vis-à-vis earlier guidance of INR3-3.5b. However, part of the capex will move to FY25, hence it might bunch up next year.

Valuation and view

- We expect ~2% volume CAGR for tractors over FY23-25E. However, the impact of high base of FY23, reducing subsidies by state governments and the implementation of TREM-4 norms for <50HP tractors (likely in FY25) would be the key monitorables. Faster recovery in other businesses and a ramp-up in its partnership with Kubota would partially dilute the cyclical impact of the tractor industry.
- The stock trades at ~33.9x/29x consolidated FY24E/25E EPS, at a premium to its 10-year average of ~15x, driven by an improvement in operating parameters as well as the Kubota partnership. Moreover, this also reflects possible opportunities arising from Kubota's parentage viz agri implements, exports, component supplies, etc, as most of these opportunities will become relevant only beyond FY25E. We retain our **Neutral** stance on the stock with a TP of INR3,000.

Standalone Quarterly Performance

Y/E March	(INR M)										
	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3QE	4Q	1Q	2Q	3QE	4QE			2QE
Net Sales	20,149	18,835	22,637	21,830	23,277	20,462	25,086	24,684	83,450	93,509	20,359
YoY Change (%)	20.5	12.2	15.6	16.8	15.5	8.6	10.8	13.1	16.0	12.1	8.1
Total Expenditure	18,133	17,308	20,733	19,471	20,008	17,829	21,467	21,207	75,645	80,511	17,631
EBITDA	2,016	1,527	1,903	2,358	3,269	2,633	3,618	3,478	7,804	12,998	2,728
Margins (%)	10.0	8.1	8.4	10.8	14.0	12.9	14.4	14.1	9.4	13.9	13.4
Depreciation	364	365	376	380	402	407	415	423	1,484	1,646	410
Interest	26	23	26	28	27	24	28	32	103	110	28
Other Income	354	776	913	763	945	950	925	950	2,806	3,770	775
PBT	1,981	1,187	2,414	2,470	3,786	3,152	4,100	3,973	8,051	15,011	3,065
Rate (%)	25.6	26.1	22.8	24.9	25.3	25.4	25.3	25.2	24.6	25.3	25.2
Adj. PAT	1,475	1,425	1,864	2,039	2,828	2,350	3,063	2,973	6,802	11,214	2,294
YoY Change (%)	-20.4	-19.4	-7.5	0.8	91.8	64.9	64.3	45.8	-11.2	64.8	61.0
Margins (%)	7.3	7.6	8.2	9.3	12.1	11.5	12.2	12.0	8.2	12.0	11.3

E: MOFSL Estimates



Gujarat Gas

Estimate changes

TP change

Rating change



Bloomberg	GUJGA IN
Equity Shares (m)	688
M.Cap.(INRb)/(USD\$)	288.7 / 3.5
52-Week Range (INR)	539 / 397
1, 6, 12 Rel. Per (%)	0/-17/-25
12M Avg Val (INR M)	633

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	167.6	156.2	166.5
EBITDA	23.9	18.1	21.1
PAT	15.3	10.5	12.8
EPS (INR)	22.2	15.3	18.6
EPS Gr. (%)	17.8	-31.1	22.1
BV/Sh.(INR)	101.6	112.3	125.4

Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	24.2	14.3	15.7
RoCE (%)	31.6	19.4	21.3
Payout (%)	30.0	30.0	30.0

Valuations

P/E (x)	18.9	27.4	22.5
P/BV (x)	4.1	3.7	3.3
EV/EBITDA (x)	11.8	15.5	13.0
Div. Yield (%)	1.6	1.1	1.3
FCF Yield (%)	4.5	1.4	2.6

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	60.9	60.9	60.9
DII	20.1	20.3	20.1
FII	3.8	4.5	5.0
Others	15.2	14.4	14.0

FII Includes depository receipts

CMP: INR419

TP: INR485 (+16%)

Buy

Higher-than-expected margin drives beat

- Gujarat Gas (GUJGA)'s 2QFY24 EBITDA, at INR5b, beat our estimate due to 39% higher-than-estimated EBITDA/scm. The 2Q EBITDA/scm was at INR5.8. Total volumes, at 9.3mmscmd, came in line with our estimate.
- Morbi volumes stood flat sequentially at ~4mmscmd in 2QFY24, and management expects the volumes to remain at similar levels over the next few months. The total market size of Morbi stood at ~8.0-8.5mmscmd.
- GUJGA aims to strike a balance between volume growth and margins. The company targets to improve its volume by 10% YoY while also maintaining EBITDA/scm in the INR4.5-INR5.5 range.
- We cut our revenue estimate by 7% and EBITDA/PAT estimates by 9% each for FY25 as we rationalize our estimates taking into account the slow near-term growth in Morbi and updated medium-term volume growth guidance.
- GUJGA's long-term volume growth prospects remain robust, with the addition of new industrial units and expansion of existing units. Hence, we **reiterate our BUY rating** on the stock with a TP of INR485 (based on 26x FY25E EPS). A poor ceramic outlook or a sustained discount of propane/LPG to natural gas can pose a key risk to GUJGA.

Volumes in line; EBITDA/scm rises to INR5.8

- Total volumes stood at 9.3mmscmd (in line with our estimate of 9.7mmscmd). CNG volumes at 2.6mmscmd rose 13% YoY, aided by investments in CNG infrastructure and favorable government policies. PNG I/C volumes stood at 6mmscmd (+30% YoY).
- The company added 221 commercials and 61 new industrial customers during the quarter. Cumulative volume stood at ~83,000scmd. The company has a signed volume of 542,000scmd yet to be commissioned.
- PNG domestic volumes were at 0.7mmscmd (+1% YoY). The company added ~53,000 new domestic customers during the quarter.
- Gross margin stood at INR9.2/scm (down from INR13/scm in 2QFY23). EBITDA/scm came in at INR5.8 (est. of INR4.2). Thus, EBITDA was at INR5b (est. of INR3.7b, -23% YoY) during the quarter.
- PAT was at INR3b (est. of INR2b, -26% YoY) in 2QFY24.
- **For 1HFY24**, revenue stood at INR76b (-17% YoY), EBITDA was at INR8.8b (-29% YoY) and PAT stood at INR5.1b (-35% YoY). EBITDA/scm was at INR5.2 (-35% YoY) with total volumes at 9.3mmscmd (+7% YoY).
- GUJGA's 1HFY24 EBITDA was 46% of our full-year estimate for FY24.

Valuation and view

- The capex guidance stands at INR10-12b annually over the next two years and will be split equally among new GAs, old GAs and CNG. The company will be adding ~60-70 new CNG stations annually over the next two years.

- The company's long-term volume growth prospects remain robust, with the addition of new industrial units and expansion of existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and the newly acquired areas in Rajasthan.
- **We reiterate our BUY rating on the stock with a TP of INR485, valuing it at 26x FY25E EPS.** A poor ceramic outlook or a sustained discount of propane/LPG to natural gas can pose a key risk to GUJGA.

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	51,701	39,765	36,843	39,286	37,815	38,454	39,529	40,396	1,67,594	1,56,195	37,221	3%
YoY Change (%)	71.7	9.7	-28.4	-15.9	-26.9	-3.3	7.3	2.8	1.8	-6.8	-6.4	
EBITDA	6,066	6,427	5,823	5,603	3,880	4,966	4,584	4,623	23,920	18,053	3,736	33%
Margin (%)	11.7	16.2	15.8	14.3	10.3	12.9	11.6	11.4	14.3	11.6	10.0	
Depreciation	1,032	1,064	1,093	1,094	1,151	1,179	1,216	1,241	4,283	4,787	1,194	
Interest	136	131	76	61	74	78	69	54	404	274	69	
Other Income	190	185	320	318	239	298	251	266	1,013	1,054	230	
PBT	5,089	5,418	4,974	4,766	2,894	4,007	3,551	3,595	20,247	14,046	2,704	48%
Tax	1,278	1,379	1,261	1,074	743	1,029	895	869	4,992	3,535	681	
Rate (%)	25.1	25.4	25.4	22.5	25.7	25.7	25.2	24.2	24.7	25.2	25.2	
Reported PAT	3,811	4,039	3,713	3,692	2,151	2,978	2,656	2,726	15,255	10,511	2,022	47%
Adj. PAT	3,811	4,039	3,713	3,692	2,151	2,978	2,656	2,726	15,255	10,511	2,022	47%
YoY Change (%)	-20.0	64.6	204.5	-18.5	-43.6	-26.3	-28.5	-26.2	17.8	-31.1	-49.9	
Total volume (mmscmd)	9.8	7.6	7.3	8.9	9.2	9.3	9.5	9.7	8.4	9.4	9.7	-4%
CNG	2.4	2.3	2.4	2.5	2.6	2.6	2.7	2.8	2.4	2.7	2.7	-3%
PNG – Industrial/Commercial	6.8	4.6	4.2	5.5	6.0	6.0	6.1	6.1	5.3	6.0	6.3	-5%
PNG – Households	0.6	0.7	0.7	0.8	0.6	0.7	0.8	0.8	0.7	0.7	0.7	0%
EBITDA (INR/scm)	6.8	9.2	8.7	7.0	4.6	5.8	5.2	5.2	7.9	5.2	4.2	39%



Relaxo Footwears

Estimate change	
TP change	
Rating change	

Bloomberg	RLXF IN
Equity Shares (m)	249
M.Cap.(INRb)/(USD b)	225.9 / 2.7
52-Week Range (INR)	974 / 748
1, 6, 12 Rel. Per (%)	1/1/-9
12M Avg Val (INR M)	123

Financials & Valuations (INR b)

INRb	FY23	FY24E	FY25E
Net Sales	27.8	30.5	35.7
Gross Profit	14.5	17.5	20.5
EBITDA	3.4	4.7	6.2
Adj. PAT	1.5	2.4	3.4
Gross Margin (%)	52.1	57.5	57.5
EBITDA Margin (%)	12.1	15.3	17.4
Adj. EPS (INR)	6.2	9.8	13.7
EPS Gr. (%)	-33.6	57.3	40.8
BV/Sh. (INR)	74.5	81.9	92.2

Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	8.5	12.5	15.8
RoCE (%)	8.4	11.8	14.7
RoIC (%)	9.5	14.3	19.0

Valuations

P/E (x)	146.1	92.9	66.0
EV/EBITDA (x)	66.9	47.9	35.7
EV/Sales (X)	8.1	7.3	6.2
Div. Yield (%)	0.3	0.3	0.4
FCF Yield (%)	1.0	1.4	1.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	71.3	71.3	70.8
DII	8.5	8.3	7.4
FII	3.2	2.9	3.1
Others	17.0	17.5	18.7

FII Includes depository receipts

CMP: INR907 **TP: INR825 (-9%)** **Neutral**

Revenue soft; moderation in RM costs doubles PAT

- Relaxo Footwears (Relaxo) posted a soft 7% YoY revenue growth (in line), but improvement in gross margin (GM) translated into 54%/2x YoY surge in EBITDA/PAT (5%/14% beat) in 2QFY24. Price cuts taken in the last couple of quarters improved its competitive edge and drove healthy volume growth (+23% YoY); while moderating RM prices supported its margins.
- Price reduction, clearing of old high-price inventories, moderating RM prices, and renewed focus on sports footwear (with the introduction of a new range) should bolster its improving growth outlook. We largely retain our estimates and model a revenue/PAT CAGR of 13%/49% over FY23-25. Relaxo has a strong cash generation capability with a historically healthy 20%+ RoE. However, the stock – trading at 66x FY25E P/E – appears expensive. **Hence, we reiterate our Neutral rating.**

Revenue/PAT up 7%/2x YoY (in line/14% beat)

- Relaxo's revenue grew 7% YoY to INR7.2b (in line), led by 23% YoY volume growth (due to open footwear), while ASP reduced 15% YoY as the company has taken price cuts in the last couple of quarters.
- A stabilization of raw material prices, combined with a notable expansion in sales volume, has led to an improvement in margins.
- GP grew 26% YoY to INR4.1b (7% beat) and margin expanded 900bp YoY to 57.9% during the quarter.
- EBITDA jumped 54% YoY to INR915m (5% beat) and margin improved 400bp YoY to 12.8%. Although margin was below the pre-Covid level (16.8% in 2QFY20), it is demonstrating an upward trend (12.1% in FY23).
- PAT doubled YoY to INR442m (14% beat) and margin expanded 280bp YoY to 6.2%.

Management commentary

- Management expects double-digit revenue growth in 2HFY24 with 14%+ margin, which will improve the ROCE/ROE going forward.
- The company can attain INR10b of closed footwear revenue in the next 2-3 years, given the huge opportunity. The premiumization play would continue from the Sparx category by opening a retail channel.
- The past 2-3 years were very challenging for the industry due to: a) inflation, b) unprecedented rain, and c) geopolitical conflicts. The closed footwear has shown nominal growth of 3-4% YoY in 1HFY24; whereas open footwear has reported 20%+ volume growth.
- Since the RM prices have now cooled off, the company's focus will be on expanding the distribution channel rather than price cuts. There are 100k MBO outlets in India while the company is present in only 65k MBO.

Valuation and view

- A gradual recovery in rural areas, gross margin improvement, and the introduction of Sparx shoes at aggressive price points should help Relaxo gain market share in the closed footwear segment. These can act as positive catalysts for the stock.
- The company has reduced its ASP, which should now sustain its market share gains from unorganized players.
- Overtime, a) recovery in the open footwear category, b) product mix-led ASP improvement, and c) increasing mix of closed footwear – particularly in the S&A wear – are anticipated to drive a positive outlook.
- We largely retain our estimates and model a revenue/PAT CAGR of 13%/49% over FY23-25.
- We ascribe a P/E of 60x on FY25E EPS to arrive at our TP of INR825. The stock is trading at 66x FY25E P/E and appears expensive. **Hence, we reiterate our Neutral rating on the stock.**

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		2QE	Var (%)	
Gross Sales	6,672	6,697	6,810	7,649	7,388	7,153	7,616	8,308	27,827	30,465	7,460	-4
YoY Change (%)	34.2	-6.3	-8.4	9.6	10.7	6.8	11.8	8.6	4.9	9.5	11.4	
Total RM Cost	3,063	3,422	3,199	3,660	3,151	3,013	3,206	3,577	13,343	12,947.8	3,603	-16
Gross Profit	3,609	3,275	3,611	3,990	4,237	4,140	4,410	4,730	14,484	17,518	3,857	7
Margins (%)	54.1	48.9	53.0	52.2	57.4	57.9	57.9	56.9	52.1	57.5	51.7	618
Total Expenditure	5,810	6,102	6,088	6,470	6,313	6,238	6,466	6,787	24,470	25,804	6,587	-5
EBITDA	861	594	722	1,180	1,076	915	1,150	1,520	3,358	4,661	873	5
Margins (%)	12.9	8.9	10.6	15.4	14.6	12.8	15.1	18.3	12.1	15.3	11.7	109
Depreciation	298	305	320	328	346	369	377	335	1,251	1,427	353	5
Interest	69	41	41	41	45	47	47	41	192	180	45	6
Other Income	42	57	44	43	73	105	40	-32	186	186	40	164
PBT before EO expense	536	304	406	854	758	604	766	1,112	2,100	3,239	515	17
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	536	304	406	854	758	604	766	1,112	2,100	3,239	515	17
Tax	149	80	105	221	195	162	191	262	555	810	129	26
Rate (%)	27.8	26.3	25.8	25.9	25.7	26.8	25.0	23.6	26.4	25.0	25.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	387	224	301	633	563	442	574	850	1,545	2,430	387	14
Adj PAT	387	224	301	633	563	442	574	850	1,545	2,430	387	14
YoY Change (%)	24.9	-67.3	-57.1	0.6	45.6	97.0	91.0	34.3	-33.6	57.3	72.3	
Margins (%)	5.8	3.3	4.4	8.3	7.6	6.2	7.5	10.2	5.6	8.0	5.2	100

E: MOFSL Estimates



360ONE WAM

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	360ONE IN
Equity Shares (m)	356
M.Cap.(INRb)/(USD\$b)	190.8 / 2.3
52-Week Range (INR)	570 / 395
1, 6, 12 Rel. Per (%)	8/21/9
12M Avg Val (INR M)	249

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Net Revenues	15.6	17.4	20.6
Opex	7.2	8.6	9.3
Core PBT	8.5	8.8	11.3
PAT	6.6	7.5	9.3
EPS	18.5	20.9	26.0
EPS Grw (%)	13.5	13.3	24.3
BV	87.2	91.4	96.6

Ratios

PBT margin (bp)	31.6	28.8	30.7
PAT margin (bp)	24.5	24.3	25.1
RoE (%)	21.6	23.4	27.7
Div. Payout (%)	67.2	80.0	80.0

Valuations

P/E (x)	28.1	24.9	20.0
P/BV (x)	6.0	5.7	5.4
Div. Yield (%)	2.4	3.2	4.0

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	20.8	21.5	23.2
DII	6.4	3.8	3.1
FII	61.9	63.9	23.0
Others	10.9	10.8	50.8

FII Includes depository receipts

CMP: INR533 TP: INR660 (+24%) Buy

Profitability in line; yields on ARR assets decline

- 360ONE's total revenue grew 12% YoY to INR4.3b in 2QFY24, in line with our estimate, mainly driven by a 41% QoQ jump in TBR income (36% beat) to INR1.16b. However, ARR income fell 4% QoQ to INR3.1b (10% miss).
- Total opex grew 19% YoY to ~INR2.1b (7% beat) as employee costs rose 21% YoY (9% above our estimate). Total ESOP stood at INR90m (up 78% YoY and up 29% QoQ).
- The cost-to-income ratio rose ~320bp YoY to 50.1% (est. 46.6%).
- PAT grew 7% YoY to INR1.9b (broadly in line). For 1HFY24, revenue/PAT grew 10%/12% YoY to INR8.3b/INR3.7b.
- Total AUM grew 24% YoY to INR4.13t as the company continued to focus on scaling up ARR assets. ARR AUM rose 31% YoY at INR2t.
- The board has approved an interim dividend of INR4 per share.
- We broadly maintain our estimates for FY24/FY25. **We retain our BUY rating with a one-year TP of INR660 (based on 25x Mar'25E EPS).**

ARR asset yields decline

- On a closing AUM basis, ARR assets grew 31% YoY to INR2.02t. TBR assets increased by 18% YoY to INR2.1t.
- AUM for 360ONE plus (IIFL ONE) grew 70% YoY and 18% QoQ to INR554b, led by a sharp rise in non-discretionary AUM (+132% YoY and +28% QoQ) to INR356b. However, discretionary AUM declined 3% YoY and 4% QoQ to INR98b.
- Retentions on ARR assets stood at 64bp in 2QFY24 vs. 77bp in 2QFY23 and 73bp in 1QFY24. Retentions on ARR assets for wealth management stood at 61bp (vs. 76bp in 2QFY23) and for asset management segment they stood at 71bp (vs. 79bp in 2QFY23).
- Retentions in IIFL-ONE declined to 19bp (31bp in 2QFY23) as retentions on non-discretionary AUM fell to 17bp (29bp in 2QFY23).
- Retentions in AIF declined to 87bp (101bp in 2QFY23) as retentions on Private Equity AUM declined to 96bp (113bp in 2QFY23).

Highlights from the management commentary

- The management expects strong momentum in 360ONE Plus (erstwhile IIFL One) over the next three to four quarters. 360ONE is currently undergoing a firm-wide strategic initiative to drive the conversion of mandates to regular retentions. It is expected to be completed over the next six to nine months.
- The company recorded net flows of ~INR100b in NDPMS in the last few quarters. The realization of yields happens with a lag of about two to three quarters. 360ONE expects ~65-70% of new flows to move into the fee mandate and earn around 35bp. However, if incremental net flows remain strong, then realizations can drop further.

Valuation and view: Decent 2Q performance; reiterate BUY

Over the past decade, 360ONE has evolved into one of the best wealth management franchises in India. It has become one of the largest alternate asset managers with unique product offerings. With 360ONE plus (IIFL-ONE), the company is looking to change the way wealth management is offered in India, by focusing on recurring revenue rather than the traditional approach of transaction-based revenue. Incremental focus areas for growth are: 1) launch of a digital-first HNI platform (INR50-250m), 2) geographical expansion, and 3) global business. **We retain our BUY rating with a revised TP of INR620 (based on 25x Mar'25E EPS).**

Quarterly performance

INR m

Y/E March	FY23				FY24				FY23	FY24E	2QFY24E	Act. Vs Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Net Revenues	3,747	3,825	4,150	3,929	4,060	4,270	4,366	4,713	15,649	17,408	4,306	-1	12%	5%
Change (%)	32.2	21.7	9.7	-7.1	8.4	11.6	5.2	19.9	11.9	11.2	12.6			
ARR Assets Income	3,017	2,843	3,053	2,797	3,240	3,110	3,266	3,567	10,495	13,183	3,456	-10	9%	-4%
TBR Assets Income	730	982	1,097	1,132	820	1,160	1,100	1,146	5,154	4,226	850	36	18%	41%
Operating Expenses	1,670	1,794	1,863	1,850	2,090	2,140	2,172	2,175	7,184	8,577	2,005	7	19%	2%
Change (%)	9.1	3.7	-16.1	-21.3	25.1	19.3	16.6	17.5	-8.4	19.4	11.8			
Cost to Income Ratio (%)	44.6	46.9	44.9	47.1	51.5	50.1	49.7	46.1	45.9	49.3	46.6	356bps	321bps	-136bps
Operating Profits	2,077	2,031	2,286	2,079	1,970	2,130	2,194	2,538	8,465	8,832	2,301	-7	5%	8%
Change (%)	59.3	43.7	46.4	10.7	-5.1	4.9	-4.1	22.1	37.7	4.3	13.3			
Other Income	-60	225	-54	-78	290	140	100	70	37	600	50			
Profit Before Tax	2,017	2,255	2,232	2,001	2,260	2,270	2,294	2,608	8,502	9,432	2,351	-3	1%	0%
Change (%)	33.6	19.1	12.7	-6.6	12.1	0.7	2.7	30.3	13.1	10.9	4.3			
Tax	449	512	517	447	403	408	528	642	1,924	1,981	541	-24	-20%	1%
Tax Rate (%)	22.2	22.7	23.2	22.3	17.8	18.0	23.0	24.6	22.6	21.0	23.0	-469bps		16bps
PAT	1,568	1,744	1,715	1,554	1,857	1,862	1,766	1,966	6,578	7,451	1,811	3	7%	0%
Change (%)	34.2	21.5	12.0	-6.2	18.4	6.8	3.0	26.5	13.8	13.3	3.8			
PAT Margins (%)	41.9	45.6	41.3	39.6	45.7	43.6	40.5	41.7	42.0	42.8	42.0	155bps	-200bps	-214bps
Key Operating Parameters (%)														
AUM (INR B)	3,147	3,333	3,447	3,408	3,827	4,125	4,241	4,363	3,408	3,827	3,936	5	24%	8%
Change (%)	33.8	29.9	31.2	30.2	21.6	23.8	23.0	28.0	30.2	12.3	18.1			
ARR Assets	1,429	1,550	1,665	1,672	1,904	2,025	2,141	2,263	1,672	1,904	2,012	1	31%	6%
TBR Assets	1,718	1,783	1,782	1,737	1,923	2,100	2,100	2,100	1,737	1,923	1,923	9	18%	9%
Yield on AUM - Calculated (%)	0.52	0.47	0.49	0.46	0.45	0.43	0.42	0.44	0.46	0.45	0.44			
ARR Assets	0.84	0.76	0.76	0.67	0.72	0.63	0.63	0.65	0.67	0.72	0.71			
TBR Assets	0.20	0.22	0.25	0.26	0.18	0.23	0.21	0.22	0.26	0.18	0.18			



Aegis Logistics

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR283 **TP: INR320 (+13%)** **Neutral**

Outlook intact amid stable performance

Bloomberg	AGIS IN
Equity Shares (m)	351
M.Cap.(INRb)/(USD\$b)	99.4 / 1.2
52-Week Range (INR)	411 / 280
1, 6, 12 Rel. Per (%)	-12/-34/-14
12M Avg Val (INR M)	269

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	86.3	90.4	101.4
EBITDA	7.3	8.0	8.7
Adj. PAT	5.1	4.6	5.1
Adj. EPS (INR)	14.6	13.2	14.5
EPS Gr.%	43.7	-9.8	10.1
BV/Sh.INR	100.6	109.2	118.7

Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	18.0	12.6	12.8
RoCE (%)	17.8	13.1	13.0
Payout (%)	43.6	35.0	35.0

Valuation

P/E (x)	19.3	21.4	19.5
P/BV (x)	2.8	2.6	2.4
EV/EBITDA (x)	12.5	11.4	10.3
Div. Yld (%)	2.1	1.7	1.9
FCF Yld (%)	-1.9	2.6	3.2

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	58.1	58.1	58.1
DII	4.6	3.7	3.4
FII	18.9	18.3	15.5
Others	18.5	19.9	23.0

FII Includes depository receipts

- Aegis Logistics (AGIS) reported in-line EBITDA of INR2.1b, though its revenue was down 43% YoY due to reduced sourcing volumes and lower LPG prices in 2QFY24. However, management does not expect any significant impact of this on the company's profit level.
- Throughput volumes surpassed the milestone of 1mmt in a single quarter for the first time in 2QFY24. Management expects throughput volumes to grow 20% YoY in FY24 driven by the ramp-up of Kandla terminal.
- A capex program of INR45b has been planned for the JV over 2023-27, which would be funded via internal accruals, debt, and some cash injections by shareholders. However, such a high and ambitious capex will burden AGIS' balance sheet, with the focus shifting away from the LPG business, which may elevate uncertainty.
- Additionally, competition from oil marketing companies as well as private players makes the ramp-up in LPG throughput challenging.
- The stock currently trades at 19.5x FY25E EPS of INR14.5. We value the stock at 22x FY25E EPS to arrive at our TP of INR320. **We maintain our Neutral rating on the stock.**

EBITDA in-line but beat on PAT

- Revenue was below our est. at INR12.3b (our est. of INR22.9b, -43% YoY).
- EBITDA was in-line with our est. at INR2.1b (+24% YoY).
- Reported PAT, at INR1.3b, was 11% above our est. (+36% YoY) due to higher-than-estimated other income of INR444m (vs. INR374m in 1QFY24) and lower tax rate.
- **For 1HFY24**, revenue stood at INR33.4b (-24% YoY), EBITDA jumped 28% YoY to INR4b. PAT was at INR2.4b (+23% YoY)

Segmental performance

- Liquids division revenue stood at INR1.2b (+10% YoY) and EBIT was at INR593m (+20% YoY) in 2QFY24.
- Gas division revenue was at INR11.2b (-45% YoY) and EBIT stood at INR1.4b (+37% YoY) for the quarter.

Valuation and view – maintain Neutral

- Construction of India's largest cryogenic LPG terminal with a capacity of 80,000MT at Mangalore is currently underway. Liquid capacity expansions of 50,000CBM at Kochi and 70,000CBM at Mangalore are also likely to be commissioned towards the end of FY24.
- With already increased penetration of LPG, the threat of PNG-domestic over the long term becomes credible. Industrial demand for LPG has several operational difficulties, and natural gas is always preferred if it is economical. Hence, long-term growth for the company remains a concern.
- The stock currently trades at 19.5x FY25E EPS of INR14.5. We value the stock at 22x FY25E EPS to arrive at our TP of INR320. **We maintain our Neutral rating on the stock.**

Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	22,355	21,505	20,867	21,545	21,005	12,349	23,452	33,566	86,272	90,372	22,959	-46%
YoY Change (%)	229.7	238.5	71.9	2.4	-6.0	-42.6	12.4	55.8	86.3	4.8	6.8	
EBITDA	1,466	1,686	2,161	2,026	1,959	2,083	2,002	1,976	7,339	8,020	2,016	3%
Margin (%)	6.6	7.8	10.4	9.4	9.3	16.9	8.5	5.9	8.5	8.9	8.8	8.1
Depreciation	289	334	344	292	333	341	351	364	1,258	1,389	347	
Interest	103	254	272	254	298	266	249	183	882	995	249	
Other Income	861	180	192	637	374	444	339	199	1,870	1,356	336	
PBT before EO expense	1,935	1,279	1,738	2,117	1,702	1,920	1,742	1,628	7,068	6,992	1,755	9%
Extra-Ord expense	621	0	0	0	0	0	0	0	621	0	0	
PBT	1,314	1,279	1,738	2,117	1,702	1,920	1,742	1,628	6,448	6,992	1,755	9%
Tax	240	268	309	524	375	420	438	410	1,341	1,643	442	
Rate (%)	18.2	21.0	17.8	24.7	22.0	21.9	25.2	25.2	20.8	23.5	25.2	
MI & P/L of Asso. Cos.	41	77	175	185	169	230	173	144	477	716	169	36%
Reported PAT	1,034	934	1,253	1,409	1,158	1,270	1,130	1,074	4,630	4,633	1,144	11%
YoY Change (%)	131.4	-1.1	23.2	48.7	-24.9	36.0	-9.8	-23.7	43.7	-9.8	22.5	
Margin (%)	6.9	4.3	6.0	6.5	5.5	10.3	4.8	3.2	6.0	5.1	5.0	5.3



Estimate changes
TP change
Rating change



Bloomberg	NOCIL IN
Equity Shares (m)	167
M.Cap.(INRb)/(USDb)	35.9 / 0.4
52-Week Range (INR)	255 / 199
1, 6, 12 Rel. Per (%)	-4/-9/-18
12M Avg Val (INR M)	141

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	16.2	15.5	17.1
EBITDA	2.5	2.0	2.6
PAT	1.5	1.3	1.7
EPS (INR)	8.9	7.5	10.2
EPS Gr. (%)	-15.5	-15.6	35.9
BV/Sh.(INR)	92	97	104

Ratios

Net D:E	-0.0	-0.1	-0.2
RoE (%)	10.0	7.9	10.2
RoCE (%)	9.4	7.5	9.6
Payout (%)	33.6	33.6	33.6

Valuations

P/E (x)	24.2	28.6	21.1
P/BV (x)	2.3	2.2	2.1
EV/EBITDA (x)	14.2	17.0	12.7
Div. Yield (%)	1.4	1.2	1.6
FCF Yield (%)	6.9	5.0	4.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	33.8	33.8	33.8
DII	3.6	4.7	5.1
FII	6.4	5.4	4.5
Others	56.2	56.0	56.6

FII Includes depository receipts

CMP: INR215 TP: INR205 (-5%) Downgrade to Neutral

Uncertain outlook; lack of guidance on optimum utilization

- NOCIL's EBITDA/kg stood at INR34.3 in 2QFY24, down 34% YoY, in line with our estimate. However, sales volumes increased 9% YoY to 12.9tmt. Management believes that there could be some positive volume growth in FY24. Realization was up at INR273/kg, down 17% YoY.
- Management highlighted that aggressive dumping persisted in 2Q, driven by a lack of domestic demand in China and export markets where China typically supplies rubber chemicals. Aggressive pricing negatively impacted the company's performance in the quarter, leading to lower realizations.
- Demand from the latex industry still remains subdued with the industry operating at 50% of peak levels observed in CY21 and part of CY22. There is high competition from Chinese players in this industry as well. Latex volumes, which typically accounted for 30% of NOCIL's export volumes, have now decreased to 12-15%.
- **Optimal capacity utilization for the expanded capacity is uncertain due to an uncertain global macro environment.** Due to the underperformance in 1H and bleak outlook in the near to medium term, we cut our FY24 EBITDA estimate by 8% and revenue/ EBITDA/ PAT estimate by 5%/ 13%/ 10% for FY25.
- The stock has underperformed since our initiation and with earnings likely to be weaker going ahead, we downgrade the stock to neutral. We have also cut our target multiple from 25x to 20x. The stock is trading at ~21x FY25E EPS of INR10.2 and ~13x FY25E EV/EBITDA. Our target price is at INR205.

In-line EBITDA and margin; PAT beat on higher 'other income'

- Revenue came in at INR3.5b (vs. est. INR3.4b, down 10% YoY). Gross margin stood at 43.4% in 2QFY24 (vs. 47.1% in 2QFY23).
- EBITDA stood at INR441m (vs. est. INR435m, down 28% YoY). EBITDAM was at 12.6% (vs. 15.8% in 2QFY23).
- PAT was at INR269m (vs. est. INR220m, down 25% YoY), due to higher-than expected 'other income' at INR49m.
- **For 1HFY24**, revenue stood at INR7.5b (down 17% YoY), EBITDA at INR984m (down 40% YoY) and PAT at INR605m (down 40% YoY).
- EBITDAM was at INR13.2% (down 500bp YoY). 1HFY24 EBITDA was at 45% of our full-year FY24 estimate.

Operational details

- Sales volumes stood at ~12.9tmt (up 5% from our estimate, up 9% YoY). Volumes in the export market slowed down due to recessionary trends with domestic volumes.
- Realization was at INR273/kg (down 17% YoY) with EBITDA/kg at INR34.3 (down 34% YoY). The decline in realization occurred due to the challenging external environment.

Valuation and view

- No new capacity is planned for the next few years. Going forward, the company will focus only on maintenance capex. The initial assumption of full utilization was predicated on the expectation that increased demand would drive higher volumes. However, this scenario is not anticipated in the near to medium term.
- We estimate a revenue/ EBITDA/ PAT CAGR of 3%/2%/7% over FY23-25 with subdued demand from the international market, mainly in the latex segment and from the tyre market in the European region. Volumes are likely to be tepid in the near to medium term with CAGR estimate of 6% over FY23-25.
- The stock has underperformed since our initiation and with earnings likely to be weaker going ahead, **we downgrade the stock to Neutral**. We have also cut our target multiple from 25x to 20x. The stock is trading at ~21x FY25E EPS of INR10.2 and ~13x FY25E EV/EBITDA. Our target price is at INR205.

Standalone - Quarterly Earning Model

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gross Sales	5,089	3,892	3,257	3,927	3,967	3,509	3,876	4,154	16,166	15,506	3,409	3
YoY Change (%)	47.7	3.8	-16.2	-15.1	-22.1	-9.9	19.0	5.8	2.9	-4.1	-12.4	
Gross Margin (%)	46.4%	47.1%	46.1%	40.6%	42.7%	43.4%	43.6%	44.0%	45.1%	43.4%	42.5%	0.9
EBITDA	1,019	615	367	490	544	441	489	526	2,490	1,999	435	1
Margin (%)	20.0	15.8	11.3	12.5	13.7	12.6	12.6	12.7	15.4	12.9	12.8	-0.2
Depreciation	134	136	138	136	126	127	128	131	544	513	136	
Interest	3	3	3	3	4	3	3	2	12	12	3	
Other Income	3	12	26	32	48	49	52	53	73	202	28	
PBT before EO expense	885	487	251	384	461	360	410	446	2,007	1,677	324	11
PBT	885	487	251	384	461	360	410	446	2,007	1,677	324	11
Tax	229	128	64	100	125	91	103	103	520	422	104	
Rate (%)	25.8	26.2	25.4	26.1	27.2	25.3	25.1	23.1	25.9	25.2	32.0	
Reported PAT	656	359	188	284	336	269	307	343	1,487	1,255	220	22
YoY Change (%)	39.4	17.7	-37.2	-58.6	-48.8	-25.2	63.4	21.0	-15.5	-15.6	-38.8	
Margin (%)	12.9	9.2	5.8	7.2	8.5	7.7	7.9	8.3	9.2	8.1	6.5	1.2
Operational parameters												
Total Volume Sold (mt)	15,289	11,846	10,935	13,770	13,466	12,859	13,089	13,204	51,840	52,618	12,247	5
Implied Realization (INR/kg)	333	329	298	285	295	273	296	315	312	295	278	-2
EBITDA (INR/kg)	66.6	51.9	33.6	35.6	40.4	34.3	37.3	39.9	48.0	38.0	35.5	-3

J K Cement

Conference Call Details



Date: 7th November 2023

Time: 16:00 IST

Dial-in details:

+ 91 22 6280 1143

+ 91 22 7115 8044

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	97.2	113.8	124.3
EBITDA	13.1	19.2	21.7
Adj. PAT	4.3	7.0	8.3
EBITDA Margin (%)	13.5	16.9	17.5
Adj. EPS (INR)	55.2	90.1	107.2
EPS Gr. (%)	(38.0)	63.3	18.9
BV/Sh. (INR)	607	677	759
Ratios			
Net D:E	0.7	0.7	0.5
RoE (%)	9.5	14.0	14.9
RoCE (%)	7.0	9.7	10.4
Payout (%)	27.7	22.2	23.3
Valuations			
P/E (x)	56.8	34.8	29.2
P/BV (x)	5.2	4.6	4.1
EV/EBITDA(x)	20.5	14.0	12.2
EV/ton (USD)	152	131	120
Div. Yield (%)	0.5	0.6	0.8
FCF Yield (%)	(1.9)	2.0	4.9

CMP: INR3,132

Buy

Performance above estimate; EBITDA/t at INR1,029 (Consol.)

- J K Cement (JKCE)'s consolidated EBITDA at INR4.7b was higher than our estimate of INR4.1b in 2QFY24. EBITDA beat was led by higher-than-estimated white cement volume and lower freight cost. EBITDA/t came in at INR1,029 (est. INR931). Adj. PAT stood at INR1.8b (est. INR1.2b).
- Consolidated grey/white cement volumes stood at 3.9mt/0.60mt, up 22%/19% YoY. Grey cement realization up 3% YoY (in line with our estimate) while, white cement realization declined 7% YoY (5% below our estimate).
- We have a BUY rating on the stock;** we would review our assumptions post the conference call.

Opex/t declined 5% YoY; OPM at 17% (est. 15.5%)

- JKCE's consolidated revenue/EBITDA/adj. PAT stood at INR27.5b/INR4.7b/INR1.8b (up 23%/49%/60% YoY and up 4%/14%/49% vs. our estimate). Sales volumes stood at 4.54mt (up 24% YoY). Blended realization stood at INR6,068/t (declined 1% YoY; 1% above our estimates) in 2QFY24. Other operating income jumped 59% YoY/9% QoQ to INR897m in 2QFY24.
- Opex/t declined 5% YoY (1% below our estimate), led by a 7% (each) decline in variable/freight costs. Employee cost/t was down 4% YoY while, other expenses/t was up 5% YoY. OPM was up 3pp YoY to 17% (est. 15.5%) and EBITDA/t was up 20% YoY to INR1,029.
- In 1HFY24, revenue grew 22% YoY, led by 22% volume growth and 3% drop in realization. EBITDA grew 22% YoY to INR8.75b and OPM remained flat YoY at ~16%. Adj. PAT grew 10% YoY. CFO in 1HFY24 increased 2.9x YoY to INR7.2b, primarily due to lower WC requirements. Capex stood at INR5.1b vs. INR9.6b in 1HFY23. Consolidated net debt stood at INR30.4b vs. INR29.1b as of Mar'23. Net debt to EBITDA stood at 2.1x vs. 2.2x in FY23.

Highlights from the management commentary

- Greenfield expansion of 1.5mtpa at Ujjain, Madhya Pradesh (grinding unit) is expected to be commissioned in Nov-Dec'23. The capex YTD for this project stood at INR2.3b. Meanwhile, for the Prayagraj (Uttar Pradesh) GU with a capacity of 2mtpa, civil work has commenced, and the capex YTD stands at INR610m.
- Lower freight cost were achieved by a) reducing lead distance by 7-8km; 2) engaging in clinker swapping agreements with other companies; 3) benefiting from the waiver of busy season surcharge by Indian railways for Aug-Sep'23, and 4) minimizing clinker transfer to grinding units.
- JKCE's blended ratio stood at 69% and trade mix stood at 69% (up 3pp QoQ). Premium products sale, as a percentage of trade sale, stood at 13% (up 2% QoQ). JKCE's green energy/thermal substitution rate (TSR) stood at 48%/14.2% vs. 44%/13.9% in FY23.

Valuation and view

- JKCE is expanding its capacity in Central India and setting up Greenfield grinding units at Ujjain and Prayagraj with a capacity of 1.5mtpa/2mtpa.
- The stock trades at 12.2x FY25E EV/EBITDA. We have a **BUY** rating on the stock; however, we would like to review our assumptions post the con-call on 5th Nov'23 at 4:00 pm.

Standalone quarterly performance

Y/E March									(INR b)			
	FY23				FY24				FY24	Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	22.7	22.4	24.4	27.8	27.6	27.5	28.6	31.1	26.4	4	23	(0)
YoY Change (%)	32.4	18.0	20.0	18.1	21.7	23.1	17.5	12.1	18.1			
Total Expenditure	18.7	19.2	21.9	24.3	23.5	22.9	23.5	25.2	22.3	2	19	(3)
EBITDA	4.0	3.1	2.5	3.5	4.1	4.7	5.1	5.9	4.1	14	49	15
Margin (%)	17.8	14.0	10.2	12.6	14.8	17.0	17.9	19.0	15.5	149	294	220
Depreciation	1.1	1.1	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1	29	2
Interest	0.7	0.7	0.8	1.0	1.1	1.2	1.1	1.1	1.1	4	72	5
Other Income	0.2	0.1	0.2	0.4	0.3	0.3	0.3	0.3	0.3	(4)	123	(7)
PBT before EO expense	2.5	1.5	0.7	1.6	2.0	2.4	2.9	3.7	1.9	27	59	25
Extra-Ord. expense	-	-	-	-	0.2	-	-	-	-			
PBT	2.5	1.5	0.7	1.6	1.8	2.4	2.9	3.7	1.9	27	59	35
Tax	0.9	0.4	0.3	0.5	0.7	0.7	1.1	1.1	0.7			
Profit from associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-			
Rate (%)	35.8	27.6	46.2	30.5	37.2	26.9	37.2	28.6	37.2			
Reported PAT	1.6	1.1	0.4	1.1	1.1	1.8	1.8	2.6	1.2	49	60	57
Adj. PAT	1.6	1.1	0.4	1.1	1.2	1.8	1.8	2.6	1.2	49	60	45
YoY Change (%)	(15.3)	(26.1)	(73.2)	(43.1)	(23.7)	59.8	371.4	134.3	7.6			

E: MOFSL estimates

Per tonne analysis (INR/t)

	6,149	6,138	5,879	5,947	5,968	6,068	6,027	5,931	6,018	1	(1)	2
Net realization	6,149	6,138	5,879	5,947	5,968	6,068	6,027	5,931	6,018	1	(1)	2
Sales Volume (mt)	3.7	3.6	4.1	4.7	4.6	4.5	4.7	5.3	4.4	3	24	(2)
RM Cost	968	1,009	995	975	1,003	1,010	990	967	980	3	0	1
Employee Expenses	425	419	386	360	397	403	398	380	424	(5)	(4)	1
Power and Fuel	1,399	1,581	1,680	1,659	1,493	1,396	1,273	1,292	1,393	0	(12)	(6)
Freight and Handling Outward	1,252	1,270	1,250	1,264	1,262	1,182	1,270	1,268	1,255	(6)	(7)	(6)
Other Expenses	1,012	997	971	941	932	1,048	1,020	899	1,035	1	5	12
Total Expenses	5,055	5,277	5,282	5,199	5,087	5,039	4,951	4,806	5,087	(1)	(5)	(1)
EBITDA	1,094	861	597	748	881	1,029	1,077	1,125	931	11	20	17

Data Patterns

BSE SENSEX 64,364
S&P CNX 19,231

CMP: INR1,921

Neutral

Conference Call Details



Date: 6th November '23

Time: 11:00am IST

Dial-in details:

[click here](#)

Strong operating performance

Performance in 2QFY24

- Consolidated revenue stood at INR1,083m (up 23% YoY, up 21% QoQ)
- Consolidated EBITDA stood at INR408m (up 35% YoY, up 46% QoQ)
- Consolidated EBITDA margin came in at 37.6% (up 340bp YoY, up 660bp QoQ)
- Adj. PAT stood at INR338m (up 61% YoY, up 31% QoQ)
- For 1HFY24, Revenue/EBITDA/Adj. PAT grew 26%/33%/69% YoY to INR2b/INR686m/INR596m.

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	684	882	1,118	1,851	897	1,083	1,398	2,443	4,535	5,821
YoY Change (%)	NA	136.8	88.8	322.2	31.2	22.9	25	32	45.9	28.4
Total Expenditure	471	580	648	1,117	619	676	847	1,346	2,816	3,487
EBITDA	213	302	470	734	278	408	551	1,098	1,718	2,334
Margins (%)	31.1	34.2	42.1	39.6	31	37.6	39.4	44.9	37.9	40.1
Depreciation	20	21	21	22	28	31	34	37	84	130
Interest	16	12	21	28	17	23	24	31	77	94
Other Income	17	19	19	38	116	108	19	40	92	284
PBT before EO expense	194	287	446	721	349	463	513	1,070	1,649	2,394
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	194	287	446	721	349	463	513	1,070	1,649	2,394
Tax	52	76	113	168	91	125	129	269	409	614
Rate (%)	26.7	26.6	25.4	23.3	25.9	27	25.2	25.2	24.8	25.6
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	142	211	333	554	258	338	384	800	1,240	1,780
Adj PAT	142	211	333	554	258	338	384	800	1,240	1,780
YoY Change (%)	NA	104.4	158.5	517.9	81.4	60.5	15.2	44.6	32.2	43.6
Margins (%)	20.8	23.9	29.8	29.9	28.8	31.2	27.5	32.8	27.3	30.6

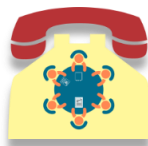
Godrej Agrovet

BSE SENSEX
64,364

S&P CNX
19,231

CMP: INR472
Neutral

Conference Call Details


Date: 6th November '23

Time: 3:30pm IST

Dial-in details:
[click here](#)

In-line operating performance

Performance in 2QFY24

- Godrej Agrovet's consolidated revenue grew 5% YoY to INR25.7b (est. in line).
- EBITDA margins expanded 170bp YoY to 7.8% (est.7.6%). EBITDA stood at INR2b, up 34% YoY (est. in line).
- Adj. PAT grew 47% YoY to INR1.1b (est. INR1b).
- 1HFY24 Rev/EBITDA/Adj. PAT grew 3%/26%/37% YoY to INR50.8b/INR3.9b/INR2.1b.

Segmental performance

- Animal feed biz revenue grew ~2% YoY to INR12.4b. EBIT margin expanded 60bp YoY to 4.6%. EBIT stood at INR571m, up 16% YoY.
- Palm oil biz revenue grew 10.5% YoY to INR4.5b. EBIT margin contracted 80bp YoY to 15.4%. EBIT stood at INR687m, down 5% YoY.
- Crop protection biz revenue grew 2% YoY to INR3.8b. EBIT margins expanded 120bp YoY to 17.1%. EBIT stood at INR649m, up 10% YoY.
- Dairy biz revenue grew 8% YoY to INR3.9b. Operating profit stood at INR29m in 2QFY24 vs. operating loss of INR118m in 2QFY23.
- Poultry and processed food biz grew ~4% YoY to INR2.4b. Operating profit stood at INR149m in 2QFY24 vs. operating loss of INR103m in 2QFY23.

Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	25,099	24,453	23,235	20,950	25,102	25,709	24,977	23,621	93,737	99,409	25,600	0
YoY Change (%)	25.9	13.5	11.8	0.7	0.0	5.1	7.5	12.8	12.9	6.1	4.7	
Total Expenditure	23,483	22,950	21,872	20,204	23,173	23,694	23,591	22,635	88,509	93,094	23,650	
EBITDA	1,616	1,503	1,363	746	1,929	2,014	1,385	986	5,228	6,315	1,950	3
Margins (%)	6.4	6.1	5.9	3.6	7.7	7.8	5.5	4.2	5.6	6.4	7.6	
Depreciation	449	461	469	476	528	529	532	535	1,855	2,124	530	
Interest	216	257	249	270	295	279	255	260	991	1,089	260	
Other Income	77	88	76	126	115	112	100	127	367	455	90	
PBT before EO expense	1,028	873	721	127	1,222	1,318	698	318	2,749	3,557	1,250	
Extra-Ord expense	0	0	-708	0	0	0	0	0	-708	0	0	
PBT	1,028	873	1,429	127	1,222	1,318	698	318	3,457	3,557	1,250	
Tax	279	219	334	-8	353	369	176	80	823	978	315	
Rate (%)	27.1	25.1	23.4	-6.6	28.9	28.0	25.2	25.2	23.8	27.5	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	-77	-64	-69	-175	-202	-104	-76	-193	-385	-575	-70	
Reported PAT	827	718	1,164	310	1,071	1,053	599	431	3,019	3,153	1,005	
Adj PAT	827	718	640	310	1,071	1,053	599	431	2,495	3,153	1,005	5
YoY Change (%)	-22.0	-34.3	-17.8	-74.6	29.5	46.7	-6.5	38.9	-40.6	26.4	40.1	
Margins (%)	3.3	2.9	2.8	1.5	4.3	4.1	2.4	1.8	2.7	3.2	3.9	

Indigo Paints

BSE SENSEX 64,364 S&P CNX 19,231

CMP:INR1,464

Conference Call Details



Date: 06th November 2023

Time: 11:00am IST

Dial-in details:

+91 22 6280 1144

+91 22 7115 8045

[Diamond Pass](#)

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	10.7	13.0	16.0
Sales Gr. (%)	18.5	21.5	23.0
EBITDA	1.8	2.4	3.2
EBIT Margin (%)	16.9	18.5	20.1
Adj. PAT	1.2	1.6	2.2
Adj. EPS (INR)	24.3	32.8	45.2
EPS Gr. (%)	37.5	34.8	37.9
BV/Sh.(INR)	163.2	189.4	225.5

Ratios

RoE (%)	16.2	18.6	21.8
RoCE (%)	15.9	18.3	21.5

Valuation

P/E (x)	60.2	44.7	32.4
P/BV (x)	9.0	7.7	6.5
EV/EBITDA (x)	37.4	27.8	20.4
Div. Yield (%)	0.2	0.4	0.6

Sales in line; miss on PAT due to lower operating margin

Consolidated performance

- Net sales grew 15% YoY to INR2,790m (est. INR2,902m) in 2QFY24.
- Gross margin expanded ~380bp YoY to 45.6%. As a percentage of sales, high employee costs (up 190bp YoY to 9.1%) and 'other expenses' (up 70bp YoY to 21.3%) restricted EBITDA margin (+120bp YoY) to 15.1% only (est. 17.6%).
- EBITDA grew 24.8% YoY to INR421m (est. INR511m).
- PBT increased 18.6% YoY to INR335m (est. INR433m).
- Adj. PAT rose 22.1% YoY to INR253m (est. INR321m).
- For 1HFY24**, net sales/EBITDA/Adj. PAT grew 21.6%/32.1%/38.6% YoY.

Consolidated Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	2,240	2,426	2,813	3,255	2,884	2,790	3,488	3,879	10,733	13,041	2,902	-3.8%
Change (%)	43.6	23.7	6.0	12.9	28.8	15.0	24.0	19.2	18.5	21.5	19.6	
Raw Material/PM	1,228	1,414	1,580	1,731	1,519	1,519	1,876	2,115	5,952	7,029	1,593	
Gross Profit	1,012	1,012	1,233	1,524	1,365	1,271	1,611	1,764	4,781	6,012	1,309	-2.8%
Gross Margin (%)	45.2	41.7	43.8	46.8	47.3	45.6	46.2	45.5	44.5	46.1	45.1	
EBITDA	353	338	406	717	491	421	680	816	1,815	2,408	511	-17.5%
Margin (%)	15.7	13.9	14.4	22.0	17.0	15.1	19.5	21.0	16.9	18.5	17.6	
Change (%)	74.9	44.5	4.9	33.4	39.2	24.8	67.7	13.7	33.5	32.7	51.2	
Interest	4	3	3	4	5	6	4	1	14	15	3	
Depreciation	84	85	87	87	101	113	103	93	343	410	102	
Other Income	5	32	38	28	38	32	28	20	101	118	27	
PBT	269	282	353	654	423	335	602	741	1,558	2,101	433	-22.7%
Tax	70	74	91	168	108	81	157	195	402	542	112	
Effective Tax Rate (%)	26.0	26.4	25.7	25.6	25.6	24.3	26.1	26.4	25.8	25.8	25.9	
Adjusted PAT	199	208	263	487	310	253	445	546	1,156	1,559	321	-21.0%
Change (%)	71.5	53.2	8.1	40.7	55.9	22.1	69.4	12.1	37.5	34.8	54.5	

E: MOFSL Estimates



AU Small Finance Bank

BSE SENSEX 64,364 S&P CNX 19,231

CMP: INR669

TP: INR780 (+17%)

Buy



Stock Info

Bloomberg	AUBANK IN
Equity Shares (m)	667
M.Cap.(INRb)/(USDb)	447.2 / 5.4
52-Week Range (INR)	795 / 548
1, 6, 12 Rel. Per (%)	-4/-9/2
12M Avg Val (INR M)	1223
Free float (%)	74.5

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	44.3	52.3	67.5
PPoP	20.2	25.8	34.3
PAT	14.3	17.0	22.6
NIM (%)	5.6	5.2	5.5
EPS (INR)	22.0	25.5	33.9
EPS Gr. (%)	22.3	15.7	33.1
BV/Sh. (INR)	159	184	218
ABV/Sh. (INR)	157	181	215

Ratios			
RoE (%)	15.8	14.8	16.8
RoA (%)	1.8	1.7	1.8

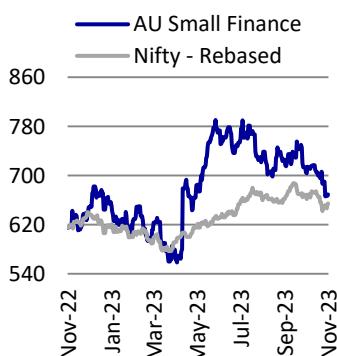
Valuations			
P/E(X)	30.1	26.1	19.6
P/BV (X)	4.2	3.6	3.0
P/ABV (X)	4.2	3.7	3.1

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	25.5	25.5	25.6
DII	19.6	19.3	21.3
FII	41.7	41.6	38.5
Others	13.3	13.6	14.6

FII Includes depository receipts

Stock Performance (1-year)



AUBANK merger with Fincare SFB: Analyst meet takeaways

Merger to enable steady growth while ensuring regulatory compliance

We attended AUBANK's analyst meet wherein the management highlighted its rationale for merger with Fincare SFB and the outlook for the merged entity as bank aspires to reach a balance sheet of INR2t over next three years. The merger will improve the bank's geographical diversification and improve AU's branch presence across the country. New business verticals like MFI and Gold Loans will improve its lending yields and open new avenues for growth. Moreover, since Fincare is a rural-focused SFB with 85% of its advances qualifying under the priority sector (56% of MFI and 30% of overall book being SMF eligible), the merger will enable AUBANK to not only meet its PSL target, but also generate PSLC income in the long run. While its execution prowess to consummate the merger will be vital, we believe that the merger will enable AUBANK to further strengthen its position and deliver all-round growth. **We reiterate BUY on the stock with a TP of INR780 (3.6x FY25E BV of standalone bank).**

Gearing for the next leap; Aiming for INR2t loan book over next 3 years

The merger with Fincare SFB will add 16% to AUBANK's loan book and we estimate the merged entity to have a balance sheet of INR1.25t by the end of FY24. Over the next three years, the bank expects the size of its balance sheet to cross INR2t, supported by an increase in the customer base and a wider geographical reach after the merger. The merger will enable AUBANK to more than double its touchpoint count to 2,334, with almost 150 branches to be added by the time the merger is completed in 4QFY24. AUBANK has not yet expanded in the southern region and will benefit from Fincare's much stronger presence in the region, with a 28% share of total touchpoints of the merged entity. Overall the bank will expand its reach from four states currently to nine states, with more than 100 touch points in each state (vs. four currently).

Business mix to diversify; merged entity to see steady growth

The consolidation of two SFBs, a first of its kind, will add new business segments to AUBANK's product offerings. It will diversify the bank's loan book and provide new avenues for growth as AUBANK strengthens its leadership position in the SFB space. The bank's overall business mix will become much more diversified, with concentration of wheels reducing from 32% to 27.4% and new segments MFI/Gold forming 7.5%/1.6% of the merged loan book. AUBANK aims to maintain a healthy growth rate in these newly acquired businesses, while it intends to keep the MFI mix below 10% from 7.5% post-merger.

Merger to aid PSL compliance; mix of SMF to increase

SFBs have a stringent requirement for Priority sector assets at 75% of ANBC, of which Agri mix requirement is 18%, Micro enterprise at 10% and weaker sections at 12%. The recent increase in the PSL sub-category of small and marginal farmers (SMFs) to 10% by FY24 from 8% in FY21 has been one of the most challenging requirements to comply with. AUBANK was compelled to buy PSL certificates in 1Q due to a shortfall in the SMF category, which the bank did not really appreciate as it goes against the basic objective of an SFB, which is to promote financial inclusion. Since Fincare is a rural-focused SFB with 94% of the book being rural by value and 85% of advances qualifying under the Priority sector (56% of MFI and 30% of overall book is SMF eligible), it will enable AUBANK to not only meet the PSL target, but also help to generate PSLC income in the long run. Moreover, with sustained growth in the newly acquired business verticals, the merger will help AUBANK deliver a 25-27% CAGR in loans while complying with PSL requirements.

Cost ratios to remain at ~60% in near term; FY27 to be a turning point

AUBANK has been making significant investments in delivering sustainable growth across business verticals, building on technological capabilities and expanding the branch network. Thus, its cost ratio is high at ~63%. While the merger will support its geographical diversification and enable the bank to scale up both existing and new product segments, the improvement in cost ratios will be gradual as the bank continues to invest in building the franchise. The cost-to-income ratio is thus likely to remain at ~60% over the next few years. However, we believe that FY27 will be a turning point — when incidentally the bank completes 10 years of operations as well. The pick-up in core-fee growth on the back of improved product offerings, higher cross-selling opportunities, healthy distribution income and potential benefits from AD-1 license will boost revenue growth and improve cost ratios. The bank highlighted the following points about merger-related costs:

- INR650-700m of stamp duty expenses to be paid by AUBANK
- INR1b to be kept as retention costs, with 80% for cash benefits to be paid over time and 20% for ESOPs.
- Plans to keep another INR1b as a buffer toward tech integration (INR500m) and miscellaneous provisions (INR500m).

Asset quality ratios steady; merged entity has Net NPA ratio of 0.6%

AUBANK has followed rigorous underwriting practices with in-house origination and collection teams in order to maintain robust asset quality in a segment that is prone to vulnerabilities. Fincare has also cleaned up its balance sheet over the recent past and reported 3.2% annualized RoA in 1HFY24 with net NPA ratio of 0.8%. The MFI segment has been on the mend and the growth/asset quality dynamics have improved considerably. Further, Fincare has maintained a fairly diversified distribution, with state-wise capping of MFI loans at 15% and district capping at 2%, thus eliminating the concentration risk. The balance ~45% of non-MFI Fincare book has the same asset quality standards as AUBANK, with Fincare following a similar or conservative provisioning policy compared to AUBANK. We thus expect the merged entity's asset quality to remain steady, though we will keep an eye on any negative surprises after the merger.

RoA trajectory to remain intact; return ratios expected to improve

AUBANK has been reporting RoA of 1.7%, which we believe will recover gradually to ~2% over FY25E/FY26E. The management suggested that while the merger is RoA

accretive, it will not affect the RoA trajectory of the standalone bank in the near term. We believe that given strong return ratios of the microfinance and gold segments and even the small business loans (where Fincare operates at a much higher yield), AUBANK will benefit from the RoA-accretive merger over the medium term. We believe the bank's execution capability will play an important role in maintaining robust asset quality metrics while delivering sustainable growth/RoA to its stakeholders. We are optimistic about a smooth execution, given the management's execution prowess and track record over the past few decades.

Valuation and view

In the first round of consolidation in SFBs, AUBANK is merging with Fincare SFB. The merger is EPS, BV, and RoA accretive and will enable AUBANK to diversify its loan book and gain access to the rural-dominated MFI portfolio as the segment will form ~7.5% of total loans. The bank will also benefit from Fincare's geographical presence with a strong foothold in southern India. The merger will also reduce some margin pressure and improve the bank's compliance with sub-segmental PSL targets. While the bank's execution prowess in consummating the merger while delivering robust growth and profitability will be vital, we believe that the merger will enable AUBANK to further strengthen its position and deliver all-round growth with a more diversified balance sheet and near pan-India presence. **We reiterate Buy on the stock with a TP of INR780 (3.6x FY25E BV of standalone bank).**

Transaction values Fincare SFB at 2.2x P/BV; implies 11% equity dilution for AUBANK

	Total
AUBANK O/s shares, mn	668.2
Fincare O/s shares, mn	220.8
Swap ratio	579:2000
New shares of AUBANK to be issued, mn	73.5
Revised shares of AUBANK post deal completion, mn	741.7
Dilution in current equity base	11.0%
AUBANK CMP, INR	669
Value of new shares, INRm	49,158.1
1HFY24 PAT for Fincare, INRm	2,190
FY24E P/E	11.2
Fincare Networth post primary infusion of INR7b	22,390
P/B	2.2

Source: MOFSL, Company

AUBANK's post-merger loan mix in absolute terms

	AUBANK	Fincare SFB	Proforma merged
Loan mix, INR m			
Wheels	2,07,443	-	2,07,443
SBL	1,85,983	19,922	2,05,905
Commercial assets	1,48,266	-	1,48,266
Home loan	50,723	14,968	65,691
Microfinance	-	56,816	56,816
Gold loans	-	10,963	10,963
Others	57,876	2,741	60,616
Gross advances	6,50,290	1,05,410	7,55,700

Source: MOFSL, Company

AUBANK's post-merger loan mix in percentage terms

	AUBANK	Fincare SFB	Proforma merged
Loan mix (%)			
Wheels	31.9	0.0	27.5
SBL	28.6	18.9	27.2
Commercial assets	22.8	0.0	19.6
Home loan	7.8	14.2	8.7
Microfinance	0.0	53.9	7.5
Gold loans	0.0	10.4	1.5
Others	8.9	2.6	8.0
Gross advances	100	100	100

Source: MOFSL, Company



Biocon

BSE SENSEX 64,364
S&P CNX 19,231

CMP: INR225 **TP: INR220 (-2%)** **Neutral**



Bloomberg	BIOS IN
Equity Shares (m)	1200
M.Cap.(INRb)/(USDb)	266.2 / 3.2
52-Week Range (INR)	295 / 192
1, 6, 12 Rel. Per (%)	-16/-13/-23
12M Avg Val (INR M)	988
Free float (%)	39.4

Financials Snapshot (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	111.7	147.7	170.8
EBITDA	25.1	35.7	47.3
Adj. PAT	7.5	9.0	16.1
EBIT Margin (%)	12.5	14.2	18.6
Cons.			
Adj. EPS (INR)	6.3	7.5	13.4
EPS Gr. (%)	-14.6	19.9	77.6
BV/Sh. (INR)	148.9	154.2	163.7

Ratios

Net D:E	0.9	0.9	0.9
RoE (%)	5.7	5.0	8.4
RoCE (%)	4.0	4.1	5.7
Payout (%)	29.3	29.3	29.3

Valuations

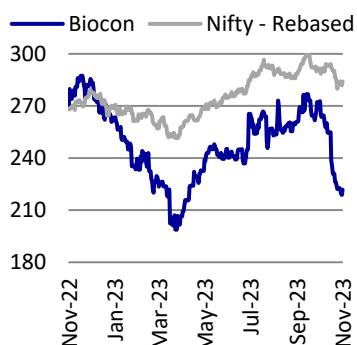
P/E (x)	34.7	28.9	16.3
EV/EBITDA (x)	24.7	18.0	13.8
Div. Yield (%)	0.4	0.9	1.5
FCF Yield (%)	4.3	3.4	7.5
EV/Sales (x)	5.6	4.4	3.8

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	60.6	60.6	60.6
DII	14.1	12.6	7.8
FII	8.4	10.0	16.4
Others	16.9	16.8	15.2

FII Includes depository receipts

Stock Performance (1-year)



Enhanced efforts needed to improve biosimilars outlook

- Biocon (BIOS) has delivered 22%/25% revenue/EBITDA CAGR over FY18-23, led by robust traction in biosimilars and research services. However, earnings CAGR have been lower at 15% over FY18-23 due to increased financial leverage and depreciation.
- While BIOS continues to work on enhancing its biosimilar (49% of FY23 sales) pipeline and expand the reach of commercialized products, regulatory issues at its sites may prolong the approval process for potential filed products. Also, the competitive scenario seems intense for products under development.
- Syngene (SYNG; 28% of FY23 sales) is not only broadening its research services on biologics, but also adding capacities in API/biological manufacturing. We expect operating leverage to gradually pick up over the medium term.
- In addition to the base portfolio of immunosuppressants/statins in the generics segment (23% of FY23 sales), BIOS is building capabilities as well as capacities toward formulation/API in areas of peptides, high potent APIs and synthetic APIs
- We cut our earnings estimate by 23%/9% for FY24/FY25, factoring in a) delay in biosimilar approvals, b) reduced guidance in SYNG, and c) elevated finance costs. We value BIOS on a SOTP basis (15x EV/EBITDA for 70% stake in Biocon Biologics (BBL), 54% stake in Syngene, and 10x EV/EBITDA for generics business) to arrive at a price target of INR220. We reiterate our Neutral stance on the stock, given limited upside from its current levels.

Biosimilars – Regulatory constraints/competition lowering growth outlook

- BIOS journey has been phenomenal in the biosimilar space with 44% sales CAGR over FY18-23, led by commercialization of products in developed/emerging markets as well as addition of Viatris business.
- However, we expect the growth trajectory to moderate with competition building up at a faster rate in pipeline products (b-Denosumab/b-Ustekinumab). With respect to b-Denosumab, peers such as Samsung Bioepis have already completed Phase III clinical trials; Celltrion is expected to complete trials in Nov'23; and Enzene Biosciences is expected to complete trials in Aug'24. BIOS is expected to complete Phase III clinical trials by Jun'24.
- For b-Ustekinumab, five peers have already completed clinical trials till Nov'22, while BIOS is expected to complete clinical trials soon.
- Also, enhanced efforts to resolve regulatory issues at Malaysia/Bengaluru site would keep potential approvals (b-Bevacizumab/b-Insulin Aspart) under check.
- Accordingly, we expect 13% sales CAGR to INR103b in the biologics segment over FY24-26.

Syngene – Steady execution; operating leverage to pick up gradually

- SYNG has undergone a significant investment phase (USD398m) over the past five years. These investments were made in research services, the Mangalore API plant, and the Bengaluru biologic manufacturing site.
- Further, the EBITDA CAGR of 15% over FY18-23, along with a YoY growth of 20% for 1HFY24, falls short of the revenue CAGR of 17.5% and 22% YoY for the same period. This is attributed to the expansion of commercial teams, expenses related to new facilities, and increased automation initiatives implemented across the business.
- With robust order book, gradual pick-up in capacity utilization, we expect 19% sales CAGR in SYNG research services to INR45b over FY23-25.

Generics – Efforts underway for product development/adding capacities

- The Generics segment has witnessed healthy revenue growth rate (16% YoY in 1HFY24) compared to 12% CAGR over FY18-23. This is on the back of pick up in formulation/API sales, coupled with market share gains in the base portfolio of immune-suppressants/statins.
- BIOS has been investing in developing products in the fields of peptides, high-potency drugs, and injectables. Additionally, the company has been expanding its capacities to meet growing demand.
- Particularly, the peptide API facility is expected to provide commercial benefits FY24 onwards.
- New launches/additional contracts in the formulation segment and increased volume off-take in API would drive 17% revenue CAGR over FY23-25 to INR36b.

Maintain Neutral

- We cut our earnings estimate by 23%/9% for FY24/FY25 factoring in a) delay in biosimilar approvals, b) reduced guidance in SYNG, and c) elevated finance cost. We value BIOS on a SOTP basis (15x EV/EBITDA for 70% stake in Biocon Biologics (BBL), 54% stake in Syngene, and 10x EV/EBITDA for generics business) to arrive at a price target of INR220.
- BIOS continues to enhance its outlook across key segments. However, the implementation of remediation measures at biosimilar sites, slow ramp-up in capacity utilization for Syngene plants, and the gestation period associated with investments in the generics segment are currently limiting the outlook for the next 12-24 months.
- Also, given limited upside from its current levels, we reiterate our Neutral stance on the stock.

Raymond

BSE SENSEX	S&P CNX
64,364	19,231
Bloomberg	RW IN
Equity Shares (m)	67
M.Cap.(INRb)/(USD\$)	124.7 / 1.5
52-Week Range (INR)	2240 / 1093
1, 6, 12 Rel. Per (%)	5/12/42
12M Avg Val (INR M)	676

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Net Sales	82.1	88.6	98.9
EBITDA	12.0	12.8	14.5
PAT	6.3	7.6	8.8
EPS (INR)	94.4	114.2	132.3
GR. (%)	44.5	20.9	15.8
BV/Sh (INR)	435	698	830
ROE (%)	23.9	20.2	17.3
RoCE (%)	17.5	15.7	14.1
RoIC (%)	20.2	17.9	17.5
P/E (X)	19.7	16.3	14.1
P/BV (X)	4.3	2.7	2.2
EV/EBITDA (X)	11.2	10.1	8.5
Div Yield (%)	0.2	0.0	0.0

CMP: INR1863

TP: INR 2600 (+40%)

Buy

Accelerating engineering business toward high growth

Forays into Aerospace, defense, EV through MPPL

Acquisition of MPPL and consolidation of Engineering biz

- Raymond acquired a 59.25% stake in Maini Precision Products Limited (MPPL) for INR6.8b at a valuation of 12x EV/EBITDA on FY23. The acquisition was funded through a combination of Equity (12%), external debt (50%), and Raymond's debt (37%). The acquisition is concluded through Ring Plus Aqua Limited (RPAL), a subsidiary of JK Files and Engineering Ltd. MPPL has significant presence in the international market (70% of revenue from exports). Raymond plans to consolidate JK Files, RPAL, and MPPL businesses to establish a new subsidiary ("Newco"), in which Raymond Ltd. will hold 66.3%. Mr Gautam Maini, the founder of MPPL, will lead the engineering business under this new structure.

Scalable Combined Engineering Business 'Newco'

- The consolidated proforma revenue/EBITDA stands at INR16.2b/INR2.2b for FY23, with margins at 13.6%, which is currently margin dilutive (Raymond engineering business margins stands at 14.1%). However, the company anticipates improvement as EBITDAM is expected to increase by 250-300bp at a consolidated level due to cost synergies and higher aerospace margins compared to the auto component business. Additionally, the company forecasts high teen revenue growth and a more than 20% increase in EBITDA for the next four years. MPPL has an existing working capital debt of INR2.9b and with the addition of new debt amounting to INR6b, the total gross debt reaches INR8.9b, carrying an interest rate of ~9.5%. The company does not anticipate any major capex requirements, and hence, the generated FCF is expected to cover both the interest and principal repayments. As per the company valuers, the EV of the Newco stands at around INR13b.

Raymond Transformation journey – 3biz generating SH value

- In its transformation journey, Raymond has taken affirmative actions, including selling the FMCG business, demerging the Lifestyle Business, and shaping the Real Estate Business. This acquisition is a strategic move aimed at fostering the growth of the Engineering business. Raymond Group will maintain three distinct vectors of growth, ensuring shareholder value creation for each of the businesses: Lifestyle, Real Estate, and Engineering. Furthermore, the group will remain net cash positive after the completion of the transaction.

Valuation and view

- The value of the engineering business (INR9.7b) remains largely unchanged post acquisition, as the major part of debt is internally transferred (INR2.6b) and added to the overall Raymond value (refer Exhibit 5).
- The stock has doubled in the last one year; it is yet trading at a P/E and EV/EBITDA of 14x and 9x on FY25E, respectively. Our SOTP-based model values the real estate business at FY25E EV/EBITDA of 5x on embedded EBITDA, assuming pre-sales of INR20b and 25% EBITDA margin, and arrives at a valuation of INR25b (i.e., INR380/share). Engineering business is valued at EV/EBITDA of 7x on FY25E, arriving at a value of INR150/share. Adjusting for the same, the Lifestyle business is trading at a P/E of 14x. Subsequently, we assign a P/E of 22x on FY25E to the Lifestyle business, arriving at a value of INR2,070/share. **The combined value of Real estate, Engineering, and Lifestyle business works out to be INR2,600/share.**

Exhibit 1: Lifestyle business - Valuation on FY25 (INR m)

INR	FY25E
EBITDA	9,382
PAT	6,218
EPS	93
PE Ratio	22
Per share value	2,070

Source: Company, MOFSL

Exhibit 2: Real estate business - Valuation on FY25 (INR m)

INR m	FY25E
Pre-sales	20,162
Margin	25%
EV/ EBITDA	5.0x
EV= Equity	25,203
No of shares	67
Per share value	380

Source: Company, MOFSL

Exhibit 3: Engineering business - Valuation on FY25 (INR m)

INR m	FY25E
EBITDA	1,418
EV/ EBITDA	7.0x
EV= Equity	9,927
No of shares	67
Per share value	150

Source: Company, MOFSL

Exhibit 4: Valuation on FY25 (INR)

INR	Valuation
Lifestyle Valuation	2,070
Real estate Valuation	380
Engineering Valuation	150
Consol value	2,600
CMP	1,863
Upside	40%

Source: Company, MOFSL

Exhibit 5: Engineering business post merger

Engineering valuation	FY25E	EV/EBITDA	INRm
Newco EBITDA	2,815	7	19,704
less: debt			(8,870)
Equity value			10,834
Raymond stake	66.30%		7,183
Add: Raymond debt			2,550
Raymond value in Engineering business			9,733
No of shares			67
Value post merger			150

Source: MOFSL, Company

Exhibit 6: Combined financial performance

Engineering business	FY23 INRm	Sales mix	MPPL business	FY23 INRm	Sales mix	Combined business	FY23 INRm	Sales mix
Revenue	8,720		Revenue	7,500		Revenue	16,220	
EBITDA	1,230		EBITDA	970		EBITDA	2,200	
<i>margin</i>	14.1%		<i>margin</i>	12.9%		<i>margin</i>	13.6%	
Tool & Hardware	4,970	57%	Aerospace	1,725	23%	Aerospace	1,725	11%
Auto component	3,750	43%	Auto component	5,775	77%	Auto component	9,525	59%
Total	8,720	100%	Total	7,500	100%	Tool & Hardware	4,970	31%
						Total	16,220	100%
Geographic mix			Geographic mix			Geographic mix		
Domestic	4,273	49%	Domestic	2,250	30%	Domestic	6,523	40%
Export	4,447	51%	Export	5,250	70%	Export	9,697	60%
Total	8,720	100%	Total	7,500	100%	Total	16,220	100%
Manufacturing plant	6		Manufacturing plant	11				
Exporting countries	65		Exporting countries	25		Manufacturing plants	17	

Source: MOFSL, Company

Exhibit 7: MPPL acquisition - valuation

Valuation	INR m
Funding for 59.25% stake	6,820
Stake taken	59.25%
Value of MPPL (100%)	11,511
Revenue of MPPL	7,500
EBITDA of MPPL	970
EV/EBITDA	11.9x

Source: MOFSL, Company

Exhibit 8: MPPL acquisition - source of funding

Source of funding	INR m	%
Internal Accrual of MPPL (Equity)	850	12%
External Debt	3,420	50%
Raymond Internal Debt	2,550	37%
Total funding	6,820	100%

Source: MOFSL, Company

Exhibit 9: NEWCO, an engineering entity structure

	Shareholding
Raymond Ltd	66.3%
RPAL Non-controlling interest	5.2%
MPPL Group	28.5%
Total	100.0%
	INR m
EV (as per Raymond valuer)	13,000
Debt (exhibit 10)	8,870
Equity (b/f)	4,130

Source: MOFSL, Company

Exhibit 10: Gross debt calculation of Newco

Total debt of NewCo	INR m
New debt	5,970
Old WC debt of MPPL	2,900
Total debt	8,870

Source: MOFSL, Company

Exhibit 11: List of customers of MPPL

Sr. No.	Customer Name	Age of relationship	Industry	Geographies supplied
1.	Bosch Limited	48	Automotive PV, CV & Agriculture	India, Europe
2.	A material handling company	10+	Material handling	Europe
3.	An American automotive manufacturer	10+	Automotive – PV	North America, Europe
4.	Eaton Vehicle Group	20	Aerospace & Automotive – CV	Asia Pacific, India, Europe, North America
5.	Danfoss	20	Hydraulics & Industrial	Asia Pacific, India, Europe, North America
6.	Volvo Powertrain – Sweden	19	Automotive – CV	Asia Pacific, India, Europe, North America
7.	Safran Aircraft Systems	17	Aerospace & Defence	Asia Pacific, Europe, North America
8.	A European Clean Powertrain manufacturer	10+	Automotive – CV	Europe
9.	Parker Aerospace	15	Aerospace	North America
10.	A European aerospace engine components manufacturer	10+	Aerospace	Europe
11.	A European precision components manufacturer	10+	Automotive – CV	Europe
12.	Safran HAL Aircraft Engines	14	Aerospace & Defence	India
13.	Eaton Aero	14	Aerospace	Europe and North America
14.	KSPG Automotive India Private Limited	13	Automotive – PV	India
15.	An American aerospace engine manufacturer	10+	Aerospace & Defence	Asia Pacific, India, Europe, North America
16.	BorgWarner Morse Systems India Private Limited	12	Automotive – PV	India, Europe, South America
17.	Turbo Energy Private Limited	12	Automotive – PV	India
18.	A European aerospace system components manufacturer	10+	Aerospace	Europe
19.	An American industrial tools manufacturer	10+	Power tools	Asia Pacific, India, Europe, North America
20.	An India automotive manufacturer	10+	Automotive -PV	India
21.	An American automatic transmission manufacturer	10+	Automotive – PV	North America, India
22.	Marshall Aerospace and Defence Group	10	Defence	Europe



Cholamandalam Investment: New business will go up to 20% of the overall AUM; Arun Selvan, MD

- Return on interest margin level is lower
- New business will go up to 20% of the overall AUM
- Expect improvement in cost of funds & yields
- Overall, would like to keep opex to average assets at 3

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Sapphire Foods: There are demand headwinds in the QSR market; Sanjay Purohit, Group CEO

- There are demand headwinds in the QSR market
- Pizza category slowdown is a temporary phase
- Internal target is 5-7% SSSG
- Will calibrate KFC expansion around 20% restaurant margin
- Will double store footprint in 4 years instead of 3 years now

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Godrej Properties: Have significant launch pipeline in the H2 of FY24; Pirojsha Godrej, Executive Chairperson

- Have significant launch pipeline in the 2nd half of FY24
- We might exceed our guidance in terms of sales in FY24
- Priority is to bring projects added in last few years, to the market
- Prices have been higher by 13-17% in some projects in NCR
- Collections will cross Rs. 10,000 cr in FY24

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Dr Lal Pathlabs: Price increase is one of the reasons for margin expansion; Om Manchanda, CEO

- Price increase is one of the reasons for the margin expansion
- Margin will be around 26% for the co
- Seeing a steady rise in value and volume
- Would like to move back to volume growth of 8% CAGR
- Looking at low double-digit growth in revenue in FY24

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Suzlon: Confirmed order book at 1.6GW, H2FY24 execution will be better; Amit Uplenchwar, Director

- Clarifies company is not on the block
- Interest costs will fall even further from here on
- Confirmed order book at 1.6GW, H2FY24 execution will be better

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Automobiles																
Amara Raja Ener.	Neutral	621	660	6	42.7	48.7	53.7	42.7	14.1	10.3	12.7	11.6	1.8	1.6	14.9	14.8
Apollo Tyres	Buy	384	500	30	17.1	28.5	32.4	69.1	66.4	13.9	13.5	11.8	1.4	1.2	13.3	13.5
Ashok Ley.	Buy	168	225	34	4.5	9.3	12.0	7,586.2	106.5	29.0	18.1	14.0	4.7	3.7	28.8	29.3
Bajaj Auto	Neutral	5359	5225	-3	214.2	276.1	309.0	16.7	28.9	11.9	19.4	17.3	5.4	5.0	29.3	29.9
Balkrishna Inds	Neutral	2541	2500	-2	52.1	71.1	95.6	-29.3	36.4	34.4	35.7	26.6	5.9	5.2	17.3	20.7
Bharat Forge	Buy	1031	1260	22	11.6	29.9	39.8	-46.4	157.3	33.0	34.5	25.9	6.1	5.1	19.2	21.6
Bosch	Neutral	19525	18550	-5	483.0	592.1	704.6	17.0	22.6	19.0	33.0	27.7	4.8	4.4	15.3	16.7
CEAT	Buy	2128	2950	39	51.9	162.9	186.7	164.4	213.9	14.6	13.1	11.4	2.1	1.8	17.6	17.2
Craftsman Auto	Buy	4901	5800	18	117.6	186.0	224.9	54.8	58.2	20.9	26.3	21.8	5.9	4.8	25.2	24.3
Eicher Mot.	Neutral	3430	3600	5	106.5	143.0	162.4	73.7	34.2	13.6	24.0	21.1	5.3	4.5	23.9	23.1
Endurance Tech.	Buy	1667	2000	20	34.7	51.7	62.3	0.4	49.3	20.4	32.2	26.8	4.7	4.1	15.4	16.2
Escorts Kubota	Neutral	3077	3000	-2	51.3	90.9	106.3	-22.9	77.0	17.0	33.9	29.0	4.1	3.6	12.8	13.3
Exide Ind	Buy	256	300	17	10.6	12.2	15.1	7.5	14.4	24.5	21.1	16.9	1.8	1.7	8.6	9.9
Hero Moto	Buy	3091	3850	25	145.6	201.0	213.2	17.7	38.0	6.1	15.4	14.5	3.3	3.0	22.8	21.7
M&M	Buy	1469	1770	21	64.9	86.1	93.9	51.6	32.8	9.1	17.1	15.6	3.4	2.9	21.8	20.3
CIE Automotive	Buy	481	575	19	18.1	22.5	27.1	69.3	24.3	20.6	21.4	17.8	3.1	2.8	15.6	16.6
Maruti Suzuki	Buy	10272	12300	20	271.8	450.8	470.7	111.7	65.9	4.4	22.8	21.8	4.4	3.4	19.0	15.3
MRF	Sell	107726	97000	-10	1,813.6	5,331.35	2,581.1	14.9	194.0	-1.4	20.2	20.5	2.7	2.4	14.3	12.4
Samvardh. Motherson	Buy	91	115	27	2.3	4.2	4.8	90.0	83.1	14.4	21.4	18.7	2.5	2.3	12.2	12.8
Motherson Wiring	Buy	58	70	20	1.1	1.4	1.8	4.3	26.8	27.7	41.8	32.7	15.5	12.4	41.3	42.2
Sona BLW Precis.	Neutral	549	565	3	6.8	8.9	11.6	16.9	31.0	29.8	61.6	47.5	12.1	10.3	21.1	23.4
Tata Motors	Buy	648	750	16	2.2	44.4	44.5	-107.6	1,963.5	0.2	14.6	14.6	4.1	3.2	32.1	24.1
TVS Motor	Neutral	1599	1500	-6	30.4	45.1	53.0	60.7	48.3	17.5	35.4	30.2	9.6	7.5	30.7	28.0
Tube Investments	Buy	3200	3630	13	40.5	59.2	71.2	7.4	46.0	20.3	54.1	44.9	12.5	10.1	25.8	25.0
Aggregate								127.3	86.0	9.7	20.9	19.0	4.2	3.5	20.1	18.5
Banks - Private																
AU Small Finance	Buy	669	780	17	22.0	25.5	33.9	22.3	16	33.1	26.3	19.7	3.6	3.1	14.8	16.8
Axis Bank	Buy	989	1150	16	71.4	79.3	95.9	68.0	11	20.8	12.5	10.3	1.8	1.6	16.8	16.6
Bandhan Bank	Neutral	217	250	15	13.6	20.7	26.1	1,644.5	52	26.2	10.5	8.3	1.6	1.4	16.0	17.9
DCB Bank	Neutral	114	130	14	14.9	17.8	21.3	61.7	18.8	20.1	6.4	5.3	0.7	0.6	12.3	13.2
Equitas Small Fin.	Buy	98	115	17	4.9	7.4	9.0	106.8	51.5	22.7	13.3	10.9	1.9	1.6	14.9	16.0
Federal Bank	Buy	144	170	18	14.3	16.1	18.8	54.8	12.7	16.6	8.9	7.7	1.2	1.1	14.6	14.9
HDFC Bank	Buy	1484	1950	31	79.3	83.5	101.5	18.6	5.3	21.5	17.8	14.6	2.6	2.2	15.1	16.4
ICICI Bank	Buy	933	1120	20	45.8	57.0	65.5	36.0	24.6	14.9	16.4	14.3	2.8	2.4	18.6	18.3
IDFC First Bk	Neutral	83	95	15	3.8	4.7	6.1	1,452.3	24.2	29.1	17.6	13.6	1.7	1.5	10.8	11.9
IndusInd	Buy	1450	1700	17	96.0	118.3	146.8	54.7	23.2	24.1	12.3	9.9	1.8	1.5	15.6	16.8
Kotak Mah. Bk	Neutral	1734	1900	10	75.9	91.6	104.9	28.6	20.7	14.5	18.9	16.5	2.7	2.3	15.0	14.6
RBL Bank	Neutral	229	265	16	14.7	21.8	28.4	-	48.0	30.5	10.5	8.0	0.9	0.9	9.3	11.2
SBI Cards	Buy	747	900	20	23.9	25.7	35.1	39.3	7.5	36.5	29.1	21.3	5.9	4.7	22.3	24.5
Aggregate								40.4	28.6	20.4	16.3	13.5	2.5	2.1	15.2	15.8
Banks - PSU																
BOB	Buy	204	240	18	27.3	33.4	39.4	94.0	22.5	18.1	6.1	5.2	1.0	0.8	16.4	16.8
Canara Bank	Buy	387	440	14	58.5	80.6	92.6	78.1	37.8	14.9	4.8	4.2	0.8	0.7	18.2	17.6
Indian Bank	Buy	430	460	7	42.4	65.3	76.9	27.7	54.0	17.7	6.6	5.6	1.0	0.9	17.9	18.0
Punjab Natl. Bank	Neutral	75	75	0	2.3	5.8	9.1	-29.2	154.0	58.0	12.9	8.2	0.8	0.7	6.2	9.0
SBI	Buy	578	700	21	62.4	78.1	89.5	57.3	25	14.5	7.4	6.5	1.3	1.1	19.1	18.3
Union Bank (I)	Buy	105	125	20	12.3	19.0	22.2	56.1	54	17.2	5.5	4.7	0.9	0.7	16.9	17.5
Aggregate								58.4	34	18	6.9	5.9	1.1	0.9	15.6	16.1
NBFCs																
AAVAS Financiers	Neutral	1457	1700	17	54.4	63.3	78.4	20.4	16.4	23.8	23.0	18.6	3.1	2.6	14.2	15.2



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Aditya Birla Cap	Buy	173	220	27	8.5	10.8	13.9	20.5	27.3	28.6	16.0	12.4	1.8	1.6	12.3	13.5
Angel One	Buy	2815	2550	-9	107.5	137.6	160.7	42.5	28.0	16.8	20.5	17.5	8.1	6.4	45.3	40.8
Bajaj Fin.	Buy	7420	9600	29	190.4	240.1	309.8	63.4	26.1	29.0	30.9	23.9	6.0	4.9	22.7	22.6
Cams Services	Buy	2389	2950	24	58.1	68.8	84.9	-0.8	18.5	23.3	34.7	28.2	13.0	11.2	40.1	42.7
Can Fin Homes	Neutral	771	840	9	46.7	55.6	63.2	31.9	19.2	13.7	13.9	12.2	2.4	2.0	18.6	17.8
Cholaman.Inv.&F n	Buy	1135	1420	25	32.4	42.0	57.0	24.0	29.4	35.8	27.0	19.9	4.9	3.9	20.8	21.8
CreditAccess	Buy	1675	1670	0	52.0	93.4	112.7	127.1	79.7	20.7	17.9	14.9	4.0	3.2	25.4	23.9
Fusion Micro	Buy	616	720	17	38.6	55.8	73.8	1,367.7	44.7	32.2	11.0	8.3	2.1	1.7	21.5	22.8
HDFC Life Insur.	Neutral	622	700	13	6.3	7.7	9.0	10.7	22.1	17.3	80.7	68.8	2.8	2.4	19.2	18.8
Home First Fin.	Buy	915	1100	20	25.9	34.4	41.9	20.5	32.6	21.9	26.6	21.8	3.9	3.3	15.5	16.4
ICICI Pru Life	Buy	520	600	15	5.6	7.3	8.3	7.4	28.7	15.0	71.7	62.3	1.8	1.5	17.9	18.4
ICICI Lombard	Buy	1362	1600	17	35.2	41.5	50.9	36.0	18.0	22.5	32.8	26.8	5.7	5.0	18.4	19.8
ICICI Securities	Under Review	642	-	-	34.9	46.0	50.9	-18.6	32.0	10.7	13.9	12.6	6.1	5.2	47.8	44.9
360 ONE WAM	Buy	532	660	24	18.5	20.9	26.0	13.5	13.3	24.3	25.4	20.4	5.8	5.5	23.4	27.7
IndoStar	Buy	159	195	22	16.5	8.4	17.6	-130.6	-49.0	108.0	18.9	9.1	0.7	0.6	3.6	7.1
L&T Fin Holdings	Buy	141	170	21	6.5	9.6	11.7	51.2	46.4	22.3	14.7	12.0	1.5	1.4	10.6	12.0
Life Insurance Corp.	Buy	608	850	40	57.5	25.2	29.0	800.2	-56.2	15.1	24.1	21.0	0.6	0.5	13.9	13.7
LIC Hsg Fin	Buy	462	550	19	52.5	82.2	84.1	26.4	56.4	2.3	5.6	5.5	0.8	0.7	15.7	14.3
Manappuram Fin.	Buy	140	180	29	17.7	25.4	29.4	12.9	43.2	15.8	5.5	4.8	1.0	0.9	20.3	19.8
MAS Financial	Buy	914	1100	20	36.8	45.6	57.0	27.6	24.1	24.9	20.0	16.0	3.0	2.5	15.8	17.0
Max Financial	Neutral	890	900	1	9.2	13.4	15.7	13.2	46.1	17.0	66.2	56.6	2.0	1.6	20.7	19.9
M&M Fin.	Buy	258	330	28	16.1	15.3	22.5	100.6	-5.1	47.6	16.9	11.5	1.8	1.6	11.1	15.1
Muthoot Fin	Neutral	1324	1290	-3	86.5	106.6	121.4	-12.2	23.2	13.8	12.4	10.9	2.2	1.9	18.8	18.5
Piramal Enterp.	Buy	985	1280	30	74.9	104.5	88.3	7.5	39.5	-15.5	9.4	11.2	0.7	0.7	7.6	6.3
PNB Housing	Buy	730	950	30	61.9	58.2	69.4	24.9	-6.1	19.2	12.5	10.5	1.3	1.1	11.6	11.4
Poonawalla Fincorp	Buy	348	450	29	7.7	12.9	18.8	102.0	66.7	45.4	26.9	18.5	3.2	2.8	13.5	16.2
Repco Home Fin	Neutral	410	375	-8	47.3	57.6	61.2	54.7	21.6	6.3	7.1	6.7	0.9	0.8	13.4	12.6
Spandana Sphoorty	Buy	919	1100	20	1.7	71.1	90.1	-82.7	3,974.6	26.6	12.9	10.2	1.8	1.5	15.1	16.3
Shriram Finance	Buy	2014	2325	15	159.7	195.8	222.8	42.0	22.6	13.8	10.3	9.0	1.5	1.3	15.8	15.9
SBI Life Insurance	Buy	1328	1570	18	17.2	20.1	23.2	14.2	16.6	15.5	66.2	57.4	2.4	1.9	22.2	21.4
Star Health Insu	Buy	546	730	34	10.6	16.2	22.0	-158.5	52.4	35.7	33.7	24.8	4.2	3.6	13.4	15.7
Aggregate								74.3	5.4	21.0	17.7	14.7	2.7	2.4	15.3	16.1
Chemicals																
Alkyl Amines	Neutral	2169	2100	-3	44.7	42.5	60.0	1.6	-5.0	41.3	51.1	36.1	8.3	7.0	17.3	21.1
Atul	Neutral	6451	6110	-5	169.0	135.9	174.6	-15.0	-19.6	28.4	47.5	37.0	3.8	3.5	8.3	9.8
Clean Science	Neutral	1342	1340	0	27.8	22.0	29.8	29.2	-20.8	35.3	61.0	45.0	11.9	9.8	21.1	23.8
Deepak Nitrite	Neutral	2023	2080	3	62.5	58.4	83.2	-20.1	-6.6	42.6	34.7	24.3	5.8	4.8	17.9	21.5
Fine Organic	Sell	4246	3730	-12	192.6	117.6	106.6	135.6	-38.9	-9.4	36.1	39.8	7.0	6.0	21.3	16.2
Galaxy Surfact.	Buy	2829	3285	16	107.5	100.8	109.5	45.0	-6.2	8.7	28.1	25.8	4.6	4.1	17.6	16.7
Navin Fluorine	Neutral	3538	3460	-2	75.7	67.5	98.9	42.6	-10.8	46.4	52.4	35.8	7.1	6.1	14.4	18.3
NOCIL	Neutral	215	205	-5	8.9	7.5	10.2	-15.5	-15.6	35.9	28.6	21.0	2.2	2.1	7.9	10.2
Vinati Organics	Buy	1726	2130	23	44.6	42.2	53.3	32.1	-5.2	26.1	40.9	32.4	6.9	5.8	18.1	19.4
Aggregate								10.1	-16.1	29.1	41.1	31.9	5.7	4.9	13.8	15.5
Cement																
Ambuja Cem.	Neutral	421	450	7	12.7	13.5	11.8	18.2	6.2	-12.1	31.2	35.5	2.7	2.2	15.0	10.7
ACC	Neutral	1860	2150	16	52.6	91.4	110.9	-47.6	73.7	21.3	20.3	16.8	2.2	2.0	11.6	12.6
Birla Corp.	Buy	1294	1480	14	4.7	44.9	66.6	-91.4	858.9	48.2	28.8	19.4	1.6	1.5	5.7	7.9
Dalmia Bhar.	Buy	2075	2800	35	36.5	45.1	64.4	-16.5	23.4	42.8	46.0	32.2	2.4	2.3	5.3	7.2
Grasim Inds.	Buy	1895	2380	26	98.4	95.8	99.0	-11.8	-2.6	3.3	19.8	19.1	2.5	2.4	5.2	3.9
India Cem	Sell	208	150	-28	-15.2	-6.1	6.1	-	Loss	LP	NM	34.0	1.2	1.1	-3.4	3.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
1,301.2																
J K Cements	Buy	3132	3640	16	55.2	90.1	107.2	-38.0	63.3	18.9	34.8	29.2	4.6	4.1	14.0	14.9
JK Lakshmi Ce	Buy	747	790	6	30.5	38.8	48.2	-15.2	27.2	24.2	19.3	15.5	2.7	2.4	15.2	16.4
Ramco Cem	Neutral	987	940	-5	14.5	22.8	31.2	-41.8	56.7	36.9	43.3	31.6	3.2	3.0	7.7	9.7
Shree Cem	Neutral	25944	24310	-6	325.3	500.8	579.3	-48.3	53.9	15.7	51.8	44.8	4.7	4.4	9.5	10.2
Ultratech	Buy	8518	10090	18	175.4	256.4	311.5	-10.6	46.2	21.5	33.2	27.3	4.1	3.6	12.9	14.0
Aggregate								-21.0	28.4	17.8	29.9	25.4	3.1	2.7	10.2	10.5
Consumer																
Asian Paints	Neutral	2978	3100	4	44.2	54.5	61.6	32.6	23.2	13.0	54.6	48.3	16.8	15.1	31.7	32.9
Britannia	Neutral	4548	4680	3	80.3	88.6	103.8	27.6	10.3	17.2	51.3	43.8	30.7	27.7	60.0	66.5
Colgate	Neutral	2104	2020	-4	38.9	44.9	50.4	1.1	15.3	12.5	46.9	41.7	33.3	33.3	71.1	79.9
Dabur	Buy	535	660	23	9.6	11.3	13.0	-6.9	17.4	15.5	47.4	41.1	9.4	8.6	21.0	21.9
Emami	Buy	510	640	26	17.6	20.6	22.7	-8.2	17.1	10.3	24.7	22.4	9.1	8.0	38.0	38.1
Godrej Cons.	Buy	1021	1150	13	17.2	19.5	25.2	-2.0	13.6	29.4	52.3	40.4	7.1	6.7	14.0	17.1
HUL	Buy	2509	3015	20	42.7	44.8	50.3	13.2	5.1	12.1	55.9	49.9	12.3	13.0	21.4	25.3
ITC	Buy	434	535	23	15.1	16.6	19.0	23.5	10.0	14.7	26.1	22.8	7.6	7.2	29.8	32.4
Indigo Paints	Buy	1465	2025	38	24.3	32.8	45.2	37.5	34.8	37.9	44.7	32.4	7.7	6.5	18.6	21.8
Jyothy Lab	Neutral	363	345	-5	6.3	8.9	10.3	46.2	39.7	16.3	41.0	35.2	7.9	7.3	20.1	21.5
Marico	Buy	528	640	21	10.1	11.5	12.3	6.3	13.5	7.6	46.1	42.8	15.8	15.0	36.5	35.9
Nestle	Neutral	23985	23900	0	247.9	298.3	367.7	3.1	20.3	23.3	80.4	65.2	94.7	85.3	155.0	137.6
Page Inds	Neutral	37407	39730	6	512.2	583.0	709.4	6.5	13.8	21.7	64.2	52.7	25.6	21.4	39.8	40.6
Pidilite Ind.	Neutral	2453	2400	-2	25.2	36.8	43.6	7.3	45.9	18.5	66.7	56.2	15.1	13.2	24.2	25.0
P&G Hygiene	Neutral	17545	16940	-3	188.9	257.9	307.8	4.7	36.5	19.4	68.0	57.0	55.3	46.3	84.8	88.5
Tata Consumer	Buy	913	1040	14	11.7	14.6	19.4	10.3	25.1	32.9	62.6	47.1	4.9	4.5	8.2	9.8
United Brew	Sell	1613	1365	-15	12.5	18.5	27.5	-10.0	48.8	48.3	87.0	58.7	10.1	9.2	12.0	16.4
United Spirits	Neutral	1071	910	-15	12.7	14.4	17.2	-4.5	13.0	19.8	74.6	62.3	11.4	11.3	15.4	18.2
Varun Beverages	Buy	952	1090	15	11.5	15.6	19.3	115.8	35.1	24.0	61.1	49.3	17.9	13.5	33.7	31.3
Aggregate								15.2	15.6	14.0	44.9	39.4	11.7	11.2	26.1	28.4
EMS																
Avalon Tech	Buy	498	730	47	9.1	11.7	18.4	-16.9	29.5	56.5	42.4	27.1	5.3	4.4	13.3	17.8
Cyient DLM	Buy	637	870	36	4.0	8.7	16.2	-20.2	117.5	86.8	73.3	39.2	5.2	4.6	11.8	12.5
Data Pattern	Neutral	1921	2270	18	22.1	30.7	43.8	22.3	38.7	42.7	62.5	43.8	8.1	6.8	13.8	16.9
Kaynes Tech	Buy	2361	3100	31	16.4	28.8	44.3	81.3	76.0	53.7	81.9	53.3	12.2	9.9	16.1	20.5
Syrma SGS Tech.	Buy	510	700	37	6.7	8.7	13.1	28.6	29.4	49.4	58.4	39.1	5.3	4.7	9.5	12.7
Aggregate								36.0	51.3	53.6	65.4	42.6	7.3	6.2	11.1	14.6
Healthcare																
Alembic Phar	Neutral	726	720	-1	21.9	30.6	34.3	-37.6	40.0	12.1	23.8	21.2	2.9	2.6	12.9	13.0
Alkem Lab	Neutral	3809	3460	-9	106.0	123.5	155.3	-23.2	16.4	25.8	30.9	24.5	4.5	3.9	15.3	17.0
Ajanta Pharma	Buy	1826	2030	11	49.2	61.4	73.3	-10.0	24.7	19.4	29.8	24.9	5.8	5.0	21.2	21.6
Apollo Hospitals	Buy	5155	5900	14	48.2	73.0	108.7	-29.3	51.5	49.0	70.6	47.4	10.0	8.3	15.7	19.2
Aurobindo	Neutral	854	910	7	38.4	49.5	55.6	-12.9	28.8	12.3	17.3	15.4	1.7	1.5	10.3	10.5
Biocon	Neutral	225	220	-2	6.3	7.5	13.4	-14.6	19.9	77.6	29.8	16.8	1.5	1.4	5.0	8.4
Cipla	Buy	1206	1450	20	37.8	47.4	53.4	6.8	25.7	12.5	25.4	22.6	3.7	3.2	14.6	14.3
Divis Lab	Neutral	3350	3430	2	64.9	66.2	86.5	-41.2	2.0	30.7	50.6	38.7	6.4	5.7	13.1	15.5
Dr Reddy's	Neutral	5261	5400	3	244.7	296.7	308.8	39.2	21.2	4.1	17.7	17.0	3.2	2.7	19.5	17.2
ERIS Lifescience	Neutral	874	950	9	27.8	33.9	35.5	-5.8	22.1	4.6	25.7	24.6	4.7	4.1	19.7	17.8
Gland Pharma	Buy	1512	1950	29	50.4	54.7	64.7	-31.4	8.4	18.3	27.6	23.4	2.8	2.5	10.7	11.3
Glenmark	Neutral	746	770	3	28.5	38.3	48.8	-17.5	34.5	27.3	19.5	15.3	2.1	1.9	11.3	12.9
GSK Pharma	Neutral	1407	1440	2	35.9	36.3	40.9	6.0	0.9	12.9	38.8	34.4	11.5	10.4	29.7	30.3
Global Health	Buy	807	840	4	12.1	16.2	19.4	53.7	33.1	19.7	49.9	41.7	7.8	6.7	16.7	17.3
Granules India	Buy	352	410	17	21.6	21.7	28.4	30.6	0.6	30.7	16.2	12.4	2.6	2.1	17.0	18.8
IPCA Labs	Neutral	969	860	-11	20.8	23.4	33.4	-42.8	12.7	42.7	41.4	29.0	3.9	3.5	9.7	12.6
Laurus Labs	Buy	364	460	26	14.8	9.1	16.9	-4.3	-38.2	84.5	39.8	21.6	4.4	3.7	11.6	18.7
Lupin	Sell	1186	870	-27	8.6	28.9	35.4	-55.0	235.7	22.4	41.0	33.5	3.9	3.5	10.0	11.0
Max Healthcare	Buy	579	650	12	11.6	14.3	16.4	27.5	23.6	14.7	40.4	35.2	5.9	5.1	15.9	15.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Piramal Pharma	Buy	105	115	10	-0.6	1.4	3.0	-120.6	LP	112.1	73.7	34.8	1.6	1.5	2.5	4.9
Solara Active Pharma	Buy	340	420	23	-6.2	-3.6	11.3	-59.4	Loss	LP	NM	30.0	0.8	0.8	-0.9	2.8
Sun Pharma	Buy	1141	1310	15	35.8	39.4	46.6	14.4	10.3	18.2	28.9	24.5	4.3	3.7	15.8	16.4
Torrent Pharma	Neutral	1960	2050	5	37.2	50.1	66.3	8.3	34.7	32.4	39.1	29.6	8.0	4.0	23.3	26.9
Zydus Lifesciences	Neutral	585	640	9	22.4	30.7	30.4	3.9	36.8	-1.0	19.1	19.3	2.9	2.6	16.4	14.1
Aggregate								-4.1	22.0	19.3	29.2	24.5	3.8	3.4	13.2	13.9
Infrastructure																
G R Infraproject	Buy	1150	1485	29	88.1	85.2	99.8	11.5	-3.3	17.2	13.5	11.5	1.8	1.6	14.6	14.8
IRB Infra	Neutral	34	33	-4	1.2	1.5	1.7	99.2	23.9	14.4	23.3	20.4	1.5	1.4	6.5	7.1
KNR Constructions	Buy	268	315	18	14.7	15.5	17.3	15.1	5.1	11.3	17.3	15.5	2.4	2.1	14.8	14.3
Aggregate											18.3	16.0	1.7	1.5	9.3	9.7
Logistics																
Adani Ports	Buy	795	1010	27	30.9	36.2	45.9	10.9	17.2	26.8	22.0	17.3	3.3	2.9	16.1	18.0
Blue Dart Express	Buy	6569	7540	15	154.4	141.9	220.8	-11.1	-8.1	55.6	46.3	29.8	10.7	8.5	24.8	31.8
Concor	Buy	717	840	17	19.2	21.7	25.5	10.2	13.2	17.2	33.0	28.1	3.7	3.4	11.4	12.6
Mahindra Logistics	Neutral	352	330	-6	3.7	-1.7	12.4	49.7	PL	LP	NM	28.3	4.7	4.2	-2.2	15.7
Transport Corp.	Buy	817	930	14	41.6	46.8	57.6	10.7	12.5	23.1	17.4	14.2	3.1	2.6	19.0	19.5
TCI Express	Buy	1327	1700	28	36.4	39.1	48.7	8.1	7.6	24.5	33.9	27.2	7.1	5.8	22.8	23.5
VRL Logistics	Buy	675	825	22	18.8	20.5	33.0	6.4	9.0	60.9	32.9	20.5	5.4	4.6	17.4	24.2
Aggregate											24.7	19.3	3.6	3.2	14.7	16.5
Media																
PVR Inox	Neutral	1609	1700	6	-24.8	50.4	63.0	-63.9	LP	25.0	31.9	25.5	2.0	1.9	6.5	7.6
Sun TV	Buy	652	720	10	42.5	45.7	49.1	1.8	7.5	7.4	14.3	13.3	2.6	2.4	18.3	18.2
Zee Ent.	Buy	275	300	9	4.8	7.0	9.9	-59.0	46.9	41.4	39.4	27.9	2.4	2.3	6.2	8.4
Aggregate								-11.3	43.0	18.0	22.9	19.4	2.4	2.2	10.3	11.4
Metals																
Coal India	Buy	312	340	9	45.6	34.8	36.0	61.8	-23.8	3.5	9.0	8.7	2.8	2.4	31.5	28.1
Hindalco	Buy	475	570	20	45.3	45.4	48.6	-26.2	0.3	6.9	10.4	9.8	1.3	1.2	13.7	12.9
Hind. Zinc	Neutral	299	290	-3	24.9	19.6	26.6	7.7	-21.2	35.8	15.3	11.2	7.4	5.3	55.3	54.9
JSPL	Buy	597	730	22	36.4	50.9	73.8	-57.7	39.8	44.9	11.7	8.1	1.4	1.2	12.5	16.0
JSW Steel	Neutral	746	780	5	14.7	49.6	77.2	-83.4	237.5	55.6	15.0	9.7	2.4	2.0	17.0	22.6
Nalco	Neutral	93	90	-3	8.3	7.6	9.4	-48.2	-9.4	24.6	12.3	9.9	1.2	1.2	10.3	12.1
NMDC	Buy	160	170	7	16.5	18.6	19.3	-48.5	12.6	4.0	8.6	8.2	1.8	1.6	22.6	20.8
SAIL	Neutral	85	85	1	4.8	7.6	10.2	-84.0	58	33.7	11.1	8.3	0.6	0.6	5.6	7.2
Tata Steel	Neutral	117	115	-2	7.1	5.9	11.8	-78.5	-16	98.7	19.7	9.9	1.6	1.4	7.7	15.0
Vedanta	Neutral	233	230	-1	28.3	12.2	23.0	-46.2	-57	87.9	19.0	10.1	3.2	3.2	13.7	31.4
Aggregate								-46.4	-5.7	33.2	12.6	9.5	1.9	1.7	14.9	17.7
Oil & Gas																
Aegis Logistics	Neutral	283	320	13	14.6	12.8	14.5	43.7	-12.7	13.6	22.1	19.5	2.6	2.4	12.2	12.8
BPCL	Neutral	361	380	5	9.4	119.7	47.1	-81.9	1,170.3	-60.6	3.0	7.7	1.1	1.0	41.7	14.2
Castrol India	Buy	134	160	19	8.2	8.2	8.9	7.5	0.0	8.2	16.3	15.0	6.4	5.9	41.3	41.0
GAIL	Buy	124	140	13	8.1	11.4	13.4	-48.5	41.2	17.4	10.9	9.3	1.2	1.1	12.8	13.7
Gujarat Gas	Buy	419	485	16	22.2	15.3	18.6	17.8	-31.1	22.1	27.5	22.5	3.7	3.3	14.3	15.7
Gujarat St. Pet.	Buy	266	325	22	16.8	17.6	18.2	-3.5	5.3	3.4	15.1	14.6	1.5	1.4	10.3	10.0
HPCL	Neutral	258	275	7	-49.2	104.0	51.6	-195.7	LP	-50.4	2.5	5.0	0.8	0.8	39.2	15.9
IOC	Buy	96	115	20	8.5	31.3	13.5	-54.5	268.3	-57.0	3.1	7.1	0.8	0.8	28.4	10.9
IGL	Sell	400	350	-13	20.6	25.7	25.9	9.9	24.5	1.0	15.6	15.4	3.4	2.9	23.3	20.2
Mahanagar Gas	Buy	1039	1310	26	80.0	120.6	81.9	32.3	50.7	-32.1	8.6	12.7	2.1	1.9	26.5	15.9
MRPL	Neutral	110	110	0	15.1	22.5	14.3	-11.4	49.0	-36.2	4.9	7.7	1.5	1.3	34.7	18.2
Oil India	Buy	303	370	22	62.8	48.0	50.1	75.2	-23.6	4.3	6.3	6.1	0.9	0.8	14.5	13.9
ONGC	Buy	190	220	16	30.4	49.3	45.5	-5.8	62.3	-7.7	3.9	4.2	0.8	0.7	20.9	17.1
PLNG	Neutral	196	225	15	21.6	21.6	18.7	-3.4	0.1	-13.3	9.1	10.5	1.8	1.6	20.5	16.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)		
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	
Reliance Ind.	Buy	2319	2760	19	98.6	103.1	118.8	14.2	4.6	15.2	22.5	19.5	1.7	1.6	8.2	8.7	
Aggregate								-19.6	78.0	-17.3	9.7	11.7	1.4	1.3	14.7	11.1	
Real Estate																	
Brigade Enterpr.	Buy	669	720	8	12.1	25.3	32.6	42.2	108.8	28.9	26.5	20.5	3.7	3.1	14.8	16.5	
DLF	Neutral	595	585	-2	11.4	14.5	21.5	69.7	26.8	48.7	41.2	27.7	2.6	2.4	9.1	12.4	
Godrej Propert.	Buy	1784	2015	13	22.4	24.8	43.9	77.2	10.8	77.3	72.1	40.6	5.0	4.5	7.2	11.5	
Oberoi Realty	Neutral	1232	1200	-3	52.4	42.2	48.6	81.9	-19.4	15.2	29.2	25.3	3.3	2.9	11.9	12.2	
Macrotech Devel.	Buy	849	900	6	16.0	15.2	24.9	27.9	-4.9	63.9	56.0	34.2	5.9	5.2	11.0	16.2	
Mahindra Litespace	Buy	490	575	17	3.0	0.5	7.5	168.4	-82.7	1,348.6	952.2	65.7	4.2	3.9	0.4	6.2	
Sobha	Buy	767	750	-2	10.8	16.7	42.8	-39.8	53.9	156.8	46.1	17.9	2.8	2.5	6.3	14.6	
Prestige Estates	Buy	780	900	15	19.2	25.0	23.5	58.5	30.2	-6.3	31.2	33.3	2.7	2.5	9.0	7.8	
Phoenix Mills	Neutral	2003	1850	-8	40.9	53.9	75.8	207.5	32.0	40.6	37.1	26.4	3.8	3.4	10.9	13.6	
Aggregate								49.4	23.9	43.3	42.7	29.8	4.0	3.5	9.3	11.9	
Retail																	
Avenue Supermarts	Buy	3646	4500	23	36.7	41.8	58.2	59.4	13.9	39.3	87.2	62.6	12.1	10.1	15.5	18.2	
Aditya Birla Fashion	Neutral	216	195	-10	-0.7	-4.5	-3.9	-45.7	Loss	Loss	NM	NM	5.0	5.5	-11.8	-9.4	
Bata India	Neutral	1576	1490	-5	25.1	28.3	36.8	213.3	12.6	30.3	55.8	42.8	11.2	8.9	22.4	23.2	
Barbeque-Nation	Neutral	648	690	7	3.9	4.5	9.4	-159.6	15.0	107.4	143.3	69.1	6.0	5.5	4.2	8.0	
Campus Activewe.	Buy	270	335	24	3.8	5.2	6.5	-8.6	35.0	26.6	52.3	41.3	11.6	9.1	22.3	22.0	
Devyani Intl.	Buy	186	250	35	2.3	2.0	2.8	18.9	-14.6	41.2	92.9	65.8	19.2	14.9	22.6	25.5	
Jubilant Food.	Buy	507	610	20	6.1	5.6	7.5	-7.6	-7.6	33.7	89.9	67.2	13.9	15.2	15.4	22.5	
Metro Brands	Buy	1244	1350	9	13.3	13.4	18.5	70.7	1.0	37.8	92.6	67.2	18.6	15.8	22.0	26.0	
Raymond	Buy	1870	2600	39	94.4	114.2	132.3	44.5	20.9	15.8	16.4	14.1	2.7	2.3	20.2	17.3	
Relaxo Footwear	Neutral	907	825	-9	6.2	9.8	13.7	-33.6	57.3	40.8	92.9	66.0	11.1	9.8	12.5	15.8	
Restaurant Brands	Buy	113	135	19	-4.9	-2.2	0.5	14.8	Loss	LP	NM	238.0	7.6	7.3	-13.5	3.1	
Sapphire Foods	Buy	1307	1670	28	17.0	17.8	27.0	134.6	4.7	51.7	73.5	48.5	6.1	5.4	8.6	11.8	
Shoppers Stop	Neutral	630	735	17	14.5	16.7	26.4	-269.2	14.8	58.4	37.8	23.9	14.4	9.0	46.5	46.3	
Titan Company	Buy	3273	3900	19	36.8	46.1	59.9	40.2	25.4	30.0	71.0	54.6	19.8	16.0	30.9	32.5	
Trent	Buy	2195	2330	6	11.1	20.1	27.8	835.7	80.3	38.4	109.4	79.0	22.0	17.0	24.2	26.0	
V-Mart Retail	Buy	1710	2340	37	-4.3	-33.1	38.1	-167.4	Loss	LP	NM	44.9	3.9	3.6	NM	8.4	
Vedant Fashions	Neutral	1303	1250	-4	17.7	18.4	22.5	36.2	4.3	22.2	70.7	57.8	19.6	16.3	29.2	29.8	
Westlife Foodworld	Neutral	816	850	4	7.2	8.7	12.4	-	6,783.9	21.9	42.6	93.5	65.6	18.1	14.2	21.5	24.3
Aggregate								57.1	16.8	38.4	82.8	59.8	13.7	11.6	16.6	19.5	
Technology																	
Cyient	Buy	1660	1980	19	52.4	70.7	88.3	9.6	35.1	24.8	23.5	18.8	4.9	4.4	21.6	24.7	
HCL Tech.	Buy	1266	1410	11	54.8	58.1	65.9	10.0	6.0	13.5	21.8	19.2	5.3	5.4	24.2	27.9	
Infosys	Buy	1389	1660	20	57.6	61.1	69.2	9.8	6.2	13.1	22.7	20.1	7.6	7.6	33.5	37.8	
LTI Mindtree	Neutral	5132	5350	4	151.8	165.2	205.8	13.7	8.9	24.5	31.1	24.9	7.8	6.6	27.1	28.5	
L&T Technology	Buy	4230	5210	23	110.5	123.1	148.9	22.1	11.4	21.0	34.4	28.4	8.5	7.4	25.5	27.9	
Mphasis	Neutral	2209	2290	4	86.9	88.2	109.0	15.8	1.4	23.7	25.1	20.3	4.8	4.4	20.3	23.0	
Coforge	Neutral	5081	4840	-5	130.6	146.5	186.4	17.7	12.2	27.3	34.7	27.3	8.6	7.3	26.7	28.9	
Persistent Sys	Neutral	6279	5430	-14	124.4	148.7	187.1	36.2	19.5	25.8	42.2	33.6	10.1	8.4	26.5	28.1	
TCS	Buy	3351	4060	21	115.3	126.9	145.1	10.9	10.1	14.3	26.4	23.1	13.9	14.4	52.1	61.3	
Tech Mah	Neutral	1133	1040	-8	57.3	44.1	54.7	-8.6	-23.0	24.1	25.7	20.7	3.5	3.4	13.8	16.8	
Wipro	Neutral	384	418	9	20.7	19.6	23.1	-5.5	-5.5	18.2	19.6	16.6	2.7	2.6	13.8	16.1	
Zensar Tech	Neutral	505	520	3	14.4	25.8	25.6	-21.6	79.9	-0.8	19.5	19.7	3.5	3.2	18.8	17.0	
Aggregate								7.0	5.4	15.3	25.6	22.2	7.6	7.5	29.8	33.8	
Telecom																	
Bharti Airtel	Buy	931	1070	15	13.6	20.5	30.7	115.5	50.4	50.1	45.5	30.3	4.9	4.2	12.4	14.9	
Indus Towers	Neutral	188	170	-10	8.9	18.9	19.4	-62.3	111.8	2.9	10.0	9.7	1.9	1.6	21.5	18.2	



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Vodafone Idea		14			-10.2	-10.4	-8.0	3.1	Loss	Loss	NM	NM	-0.4	-0.3	NM	NM
Tata Comm	Neutral	1705	1630	-4	60.7	46.4	55.2	17.1	-23.5	19.0	36.7	30.9	19.3	12.9	66	50.2
Aggregate								Loss	Loss	LP	-58	744.3	22.4	22.0	-38.9	3.0
Others																
APL Apollo Tubes	Buy	1544	1930	25	23.1	32.9	51.9	15.2	42.1	57.9	46.9	29.7	11.3	8.5	26.9	32.6
BSE	Neutral	1800	1380	-23	15.7	53.2	51.1	-16.1	239.0	-3.9	33.8	35.2	9.3	8.6	27.5	24.4
Coromandel Intl	Buy	1072	1300	21	68.5	65.7	72.7	31.5	-4.1	10.8	16.3	14.7	3.3	2.8	22.3	20.8
EPL	Buy	190	270	42	7.2	9.6	12.8	6.3	33.5	33.5	19.7	14.7	2.8	2.5	14.7	18.0
Godrej Agrovet	Neutral	472	480	2	13.0	17.0	21.2	-39.9	30.8	24.5	27.8	22.3	3.7	3.4	13.6	15.8
Havells India	Buy	1272	1580	24	17.2	21.2	27.1	-10.1	23.5	27.8	60.0	47.0	10.7	9.3	17.8	19.8
Indiamart Inter.	Buy	2592	3250	25	46.4	50.1	67.0	-4.5	8.1	33.6	51.7	38.7	6.9	6.1	14.1	16.7
Indian Hotels	Buy	393	480	22	7.0	8.6	10.2	-485.5	22.1	18.1	45.7	38.7	6.1	5.4	14.3	14.8
Interglobe	Neutral	2508	2615	4	-8.2	233.8	220.0	-94.9	LP	-6	11	11.4	35.6	8.6	-502.1	122.0
Info Edge	Neutral	4245	4200	-1	31.8	58.2	65.6	-6.7	83.1	12.7	72.9	64.7	4.7	4.4	6.2	13.2
Kaveri Seed	Buy	621	700	13	46.6	54.4	60.8	27.9	16.8	11.8	11.4	10.2	2.2	1.9	21.2	19.9
Kajaria Ceramics	Buy	1255	1580	26	21.4	28.8	36.3	-11.1	34.7	26.1	43.6	34.6	7.9	7.1	18.8	21.6
Lemon Tree Hotel	Buy	109	135	24	1.5	1.9	3.2	-255.5	27.4	64.1	56.6	34.5	8.5	6.8	16.2	21.9
MCX	Neutral	2546	1830	-28	29.2	24.6	76.4	3.8	-15.9	210.9	103.7	33.3	8.6	8.2	8.4	25.2
One 97	Buy	904	1160	28	-28.0	-12.8	4.5	-24.1	Loss	LP	NM	201.9	4.5	4.5	-6.3	2.3
Qess Corp	Neutral	423	400	-5	11.5	19.0	33.5	-35.3	66.0	76.1	22.2	12.6	1.8	1.6	10.8	17.7
PI Inds.	Buy	3490	4560	31	80.9	105.6	126.8	45.7	30.6	20.0	33.0	27.5	6.1	5.1	20.3	20.2
SIS	Buy	430	490	14	23.2	25.5	35.5	19.7	9.8	39.0	16.9	12.1	1.1	0.9	15.0	17.9
SRF	Neutral	2253	2000	-11	76.2	53.6	80.6	24.8	-29.6	50.2	42.0	28.0	5.8	5.0	14.6	19.2
Tata Chemicals	Neutral	959	1080	13	91.6	78.1	66.6	84.8	-14.7	-14.8	12.3	14.4	1.1	1.1	9.7	7.7
Team Lease Serv.	Buy	2387	3080	29	65.1	78.0	110.0	189.8	19.8	41.0	30.6	21.7	4.3	3.6	14.6	17.5
Trident	Buy	35	45	29	0.9	1.0	1.5	-45.8	11.1	55.3	36.5	23.5	3.7	3.2	11.0	15.1
Voltas	Buy	835	1000	20	11.5	14.8	20.9	-24.8	29.1	41.3	56.5	40.0	4.8	4.4	8.4	10.9
UPL	Neutral	551	590	7	58.5	49.9	59.5	-7.8	-14.7	19.2	11.0	9.3	0.9	0.8	13.2	13.8
Zomato	Buy	116	135	16	-1.2	0.3	1.0	-28.0	LP	266.0	416.9	113.9	5.1	4.9	1.2	4.4



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.4	-1.8	5.8
Nifty-50	0.5	-1.5	6.5
Nifty Next 50	1.0	-0.7	4.3
Nifty 100	0.6	-1.4	5.1
Nifty 200	0.6	-1.6	7.6
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	0.6	0.3	21.0
Amara Raja Ener.	0.5	-3.5	19.5
Apollo Tyres	-0.8	3.3	34.2
Ashok Leyland	-0.1	-5.2	13.7
Bajaj Auto	1.0	7.0	42.3
Balkrishna Inds	0.2	1.0	34.2
Bharat Forge	-0.1	-4.9	20.3
Bosch	0.3	4.0	17.9
CEAT	-0.1	-0.7	41.0
Craftsman Auto	1.9	5.5	56.3
Eicher Motors	2.7	2.3	-6.7
Endurance Tech.	4.3	5.9	21.9
Escorts Kubota	0.7	-1.5	52.8
Exide Inds.	-0.7	-1.5	55.4
Hero Motocorp	1.2	2.4	16.7
M & M	0.0	-4.4	10.0
CIE Automotive	2.9	1.2	61.3
Maruti Suzuki	-0.3	-0.7	11.2
MRF	-2.5	-0.5	18.8
Sona BLW Precis.	1.3	-6.3	17.7
Motherson Sumi	-1.5	-5.4	40.4
Motherson Wiring	-0.6	-8.8	0.4
Tata Motors	1.7	4.4	55.6
TVS Motor Co.	1.9	4.5	40.9
Tube Investments	1.9	6.2	11.6
Banks-Private	0.7	-2.3	6.1
AU Small Fin. Bank	0.4	-5.0	8.9
Axis Bank	0.6	-5.0	14.4
Bandhan Bank	1.1	-14.3	-7.0
DCB Bank	-0.2	-8.4	1.8
Equitas Sma. Fin	-2.2	-11.5	40.4
Federal Bank	1.4	-4.8	4.6
HDFC Bank	0.5	-1.6	-1.6
ICICI Bank	1.5	-0.7	2.8
IDFC First Bank	0.6	-12.1	44.8
IndusInd Bank	-0.7	1.0	26.3
Kotak Mah. Bank	-0.3	0.4	-8.8
RBL Bank	3.1	-10.5	69.6
SBI Cards	0.4	-6.2	-9.9
Banks-PSU	0.6	-6.1	44.6
BOB	2.0	-6.4	37.6
Canara Bank	-0.2	0.8	31.3
Indian Bank	1.0	-2.5	71.0
Punjab Natl.Bank	0.7	-10.2	81.0
St Bk of India	1.1	-4.1	-1.2
Union Bank (I)	-1.3	-6.8	93.9
NBFCs	0.5	-1.9	4.2
Angel Broking	6.2	52.4	77.2

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.7	-1.5	9.8
Nifty Midcap 100	0.7	-2.5	24.5
Nifty Smallcap 100	1.2	1.2	33.4
Nifty Midcap 150	0.7	-2.4	23.6
Nifty Smallcap 250	1.0	-0.4	30.4
Aditya Birla Capital Ltd	0.2	-4.2	44.6
Bajaj Fin.	-0.5	-7.0	4.1
Cholaman.Inv.&Fn	-3.7	-9.5	49.5
Can Fin Homes	0.4	0.9	48.1
Cams Services	5.6	-5.0	-3.3
CreditAcc. Gram.	2.4	25.3	71.4
Fusion Microfin.	2.2	4.8	
Home First Finan	0.2	10.0	25.0
Indostar Capital	0.1	-6.0	0.3
L&T Fin.Holdings	4.9	4.3	71.0
LIC Housing Fin.	3.1	-3.1	25.0
M & M Fin. Serv.	2.9	-14.2	17.4
Muthoot Finance	1.0	7.4	25.3
Manappuram Fin.	2.3	-6.5	32.9
MAS Financial Serv.	0.3	-0.8	0.9
ICICI Sec	2.8	4.5	23.4
360 One	-3.4	6.3	15.5
PNB Housing	-0.1	-1.6	108.7
Repco Home Fin	2.3	3.2	88.0
Shriram Finance	3.0	4.8	62.4
Spandana Sphoort	5.9	13.4	48.4
Insurance			
HDFC Life Insur.	0.5	-1.8	14.1
ICICI Pru Life	-0.9	-6.9	0.2
ICICI Lombard	-0.6	4.4	16.9
Life Insurance	0.3	-5.8	-2.8
Max Financial	1.3	-0.4	23.7
SBI Life Insuran	-1.1	2.9	4.2
Star Health Insu	-0.5	-8.1	-23.3
Chemicals			
Alkyl Amines	1.3	-4.7	-28.2
Atul	4.3	-7.6	-23.6
Clean Science	-2.3	-4.7	-15.8
Deepak Nitrite	1.1	-4.6	-12.8
Fine Organic	0.4	-12.8	-32.1
Galaxy Surfact.	-0.6	7.1	-1.2
Navin Fluo.Intl.	1.8	-7.4	-21.3
NOCIL	-1.1	-5.1	-11.3
Vinati Organics	1.4	-7.9	-11.1
Cement			
Ambuja Cem.	0.3	-2.6	-22.0
ACC	-0.2	-8.6	-24.3
Birla Corp.	1.4	2.6	34.0
Dalmia Bhar.	-0.2	-12.6	25.4
Grasim Inds.	-0.1	-1.3	8.6
India Cem	-0.1	-10.7	-14.9
J K Cements	0.6	-1.9	11.5
JK Lakshmi Ce	10.5	13.1	29.6
Ramco Cem	-0.9	7.3	37.4

Note: Sectoral performance are of NSE/BSE Indices



Company	1 Day (%)	1M (%)	12M (%)
Shree Cem	0.3	1.3	13.8
Ultratech	0.8	2.6	26.7
Consumer	0.6	1.1	16.2
Asian Paints	0.8	-6.0	-5.2
Britannia	0.3	1.0	21.1
Colgate-Palm.	-0.9	6.4	32.5
Dabur	1.0	-3.3	-3.7
Emami	-0.5	-4.8	6.6
Godrej Cons.	3.0	2.8	22.7
HUL	0.9	1.6	-1.5
ITC	0.5	-1.5	22.5
Indigo Paints	2.2	-3.6	-10.2
Jyothy Lab	0.7	-2.1	83.7
Marico	-1.2	-8.3	-2.1
Nestle	-0.5	7.5	17.5
Page Inds	-0.4	-4.4	-24.5
Pidilite Ind.	1.1	1.2	-7.1
P&G Hygiene	-1.6	-1.4	25.3
Tata Consumer	0.3	4.8	19.8
United Brew	-0.1	3.3	-2.9
United Spirits	1.3	7.3	19.9
Varun Beverages	2.8	2.5	60.1
EMS			
Kaynes Tech	0.1	-1.3	
Avalon Tech	1.0	-16.2	
Syrma SGS Tech.	-2.8	-17.4	79.5
Cyient DLM	-0.7	-7.1	
Data Pattern	3.1	-9.7	36.3
Healthcare	0.3	-2.6	9.8
Alembic Phar	0.5	-8.0	10.5
Alkem Lab	0.4	6.6	15.5
Apollo Hospitals	5.4	0.7	17.3
Ajanta Pharma	-0.2	1.9	35.5
Aurobindo	-0.2	-6.0	53.0
Biocon	1.2	-17.7	-19.7
Zydus Lifesci.	1.2	-4.3	33.3
Cipla	-0.2	2.0	3.7
Divis Lab	0.2	-10.0	-11.4
Dr Reddy's	-1.4	-3.6	14.7
ERIS Lifescience	1.0	-3.9	19.9
Gland Pharma	1.3	-10.4	-18.1
Glenmark	-0.6	-11.4	76.6
Global Health	-1.3	7.9	
Granules	3.0	-1.3	-7.1
GSK Pharma	1.1	-10.5	3.2
IPCA Labs	-0.6	3.7	6.8
Laurus Labs	0.6	-8.3	-23.8
Lupin	1.5	1.1	66.6
Max Healthcare	-0.6	-2.4	25.1
Piramal Pharma	-1.8	2.5	-38.8
Solara Active	0.1	-2.8	-20.6
Sun Pharma	0.7	0.0	9.3
Infrastructure	0.6	-0.9	17.9
Torrent Pharma	1.7	4.3	16.0

Company	1 Day (%)	1M (%)	12M (%)
G R Infraproject	2.1	-4.1	-5.8
IRB Infra.Devl.	1.6	12.0	48.3
KNR Construct.	1.2	-5.4	14.1
Logistics			
Adani Ports	2.7	-4.3	-4.6
Blue Dart Exp.	2.1	-3.5	-9.9
Container Corpn.	4.6	0.1	-10.3
Mahindra Logis.	0.4	-9.4	-36.2
Transport Corp.	1.5	3.1	20.7
TCI Express	0.4	-8.0	-25.6
VRL Logistics	1.1	-7.3	14.0
Media	1.4	-1.1	9.1
PVR INOX	-0.1	-6.0	-9.5
Sun TV	2.0	4.9	19.8
Zee Ent.	2.2	4.5	3.0
Metals	0.5	-4.7	6.8
Hindalco	0.2	-1.0	15.8
Hind. Zinc	1.6	-2.6	4.6
JSPL	1.3	-14.7	27.3
JSW Steel	1.7	-3.1	9.7
Nalco	-0.4	-3.6	31.1
NMDC	-0.3	7.7	44.2
SAIL	-0.2	-7.4	4.4
Tata Steel	-0.7	-8.4	15.0
Vedanta	1.6	0.9	-23.2
Oil & Gas	0.9	-0.4	-4.6
Aegis Logistics	-2.2	-13.9	-7.4
BPCL	0.3	5.9	18.5
Castrol India	-0.7	-2.8	9.3
GAIL	1.4	-0.2	36.7
Gujarat Gas	2.7	-1.3	-18.8
Gujarat St. Pet.	1.4	-6.3	18.3
HPCL	0.9	1.2	22.0
IOC	0.9	6.6	39.6
IGL	2.8	-13.3	-4.5
Mahanagar Gas	0.4	-6.3	17.1
MRPL	5.4	15.1	100.0
Oil India	1.0	3.2	55.5
ONGC	2.0	2.9	39.3
PLNG	0.5	-18.1	-6.3
Reliance Ind.	0.0	0.1	-0.3
Real Estate	2.5	11.3	45.7
Brigade Enterpr.	6.4	14.8	34.5
DLF	3.1	10.6	54.9
Godrej Propert.	4.0	14.7	42.7
Mahindra Life.	1.2	-10.7	20.4
Macrotech Devel.	-0.1	7.8	77.6
Oberoi Realty Ltd	1.7	7.0	32.2
Sobha	2.6	10.1	23.7
Phoenix Mills	1.4	10.2	30.8
Prestige Estates	4.4	26.2	76.0
Retail			
Aditya Bir. Fas.	0.1	-0.3	-38.9
Avenue Super.	0.1	-2.0	-13.0



Company	1 Day (%)	1M (%)	12M (%)
Bata India	0.2	-2.6	-14.0
Campus Activewe.	-0.4	-7.7	-51.5
Barbeque-Nation	0.5	-11.1	-41.0
Devyani Intl.	0.7	-15.2	1.2
Jubilant Food	1.1	-6.2	-16.7
Metro Brands	3.6	-1.7	49.3
Raymond	3.3	3.5	48.7
Relaxo Footwear	-0.3	-0.4	-2.7
Restaurant Brand	0.9	-9.3	-6.5
Sapphire Foods	-0.9	-8.1	-10.2
Shoppers St.	-0.6	-8.2	-19.4
Titan Co.	2.3	2.4	18.5
Trent	0.3	6.7	42.1
V-Mart Retail	2.7	-14.3	-42.7
Vedant Fashions	-0.4	-2.4	-9.6
Westlife Food	1.3	-15.3	7.5
Technology	0.6	-3.0	6.9
Cyient	-1.0	-2.3	127.1
HCL Tech.	-0.6	2.2	21.2
Infosys	1.4	-3.1	-9.3
LTIMindtree	2.3	-1.5	6.1
L&T Technology	0.5	-7.4	16.8
Mphasis	1.0	-7.1	11.1
Coforge	0.5	-0.5	34.0
Persistent Sys	1.0	9.7	67.4
TCS	-0.3	-4.6	4.5
Tech Mah	1.6	-6.8	7.6
Wipro	0.0	-5.4	-1.3
Zensar Tech	1.3	-4.7	133.8
Telecom	0.1	-2.1	16.5
Bharti Airtel	0.7	0.6	13.7
Indus Towers	-0.9	-1.3	0.3
Idea Cellular	0.0	14.6	60.8
Tata Comm	-0.7	-10.4	34.1
Utilities	0.4	-3.3	-8.5
Coal India	1.0	6.9	26.7
NTPC	-0.4	-2.8	31.5
Power Grid Corpn	0.6	2.4	19.5

Company	1 Day (%)	1M (%)	12M (%)
Others			
APL Apollo Tubes	-1.1	-5.9	41.3
BSE	1.6	38.7	203.6
Coromandel Intl	1.3	-6.5	8.9
EPL Ltd	-0.4	-0.3	23.9
Indiamart Inter.	1.0	-10.1	9.8
Godrej Agrovet	1.4	-3.0	-6.0
Havells	0.4	-8.4	5.3
Indian Hotels	0.7	-4.9	15.6
Interglobe	0.7	3.7	39.2
Info Edge	2.7	3.3	8.1
Kajaria Ceramics	-0.6	-6.8	19.0
Kaveri Seed	2.3	2.2	29.9
Lemon Tree Hotel	0.7	-7.8	16.8
MCX	4.9	30.1	69.4
One 97	-1.9	3.1	40.6
Piramal Enterp.	0.8	-6.2	10.0
PI Inds.	2.3	2.2	7.5
Quess Corp	0.4	-0.4	-22.8
SIS	0.2	-3.6	4.8
SRF	0.7	-0.1	-11.8
Tata Chemicals	0.0	-6.5	-15.3
Team Lease Serv.	0.1	-9.7	-16.5
Trident	0.3	-6.2	-0.7
Voltas	0.2	-4.4	-3.0
UPL	1.8	-9.3	-24.2
Zomato Ltd	8.3	10.6	87.3

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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

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