

**Market snapshot**



Equities - India	Close	Chg .%	CYTD.%
Sensex	66,801	-1.2	9.8
Nifty-50	19,901	-1.2	9.9
Nifty-M 100	40,544	-0.3	28.7
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	4,402	-0.9	14.7
Nasdaq	13,469	-1.5	28.7
FTSE 100	7,732	0.9	3.8
DAX	15,782	0.7	13.3
Hang Seng	6,182	-0.9	-7.8
Nikkei 225	33,024	-0.7	26.6
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	96	-0.6	17.6
Gold (\$/OZ)	1,930	-0.2	5.8
Cu (US\$/MT)	8,282	-0.2	-1.0
Almn (US\$/MT)	2,214	1.7	-5.8
Currency	Close	Chg .%	CYTD.%
USD/INR	83.1	-0.2	0.4
USD/EUR	1.1	-0.3	-0.4
USD/JPY	148.3	0.5	13.1
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.2	-0.02	-0.2
10 Yrs AAA Corp	7.6	-0.06	-0.1
Flows (USD b)	20-Sep	MTD	CYTD
FII	-0.4	-1.15	16.3
DII	-0.07	1.16	14.5
Volumes (INRb)	20-Sep	MTD*	YTD*
Cash	954	971	661
F&O	4,75,649	3,35,453	2,57,597

Note: Flows, MTD includes provisional numbers.



**Today's top research idea**

**Hindalco: Capacity expansion and shift to high value-added downstream products to drive profitability**

- ❖ Hindalco (HNDL) plans to incur a capex of USD4.4b over the next five years for several projects, including FRP capacity expansion in USA, upstream expansion at Utkal, special alumina business capacities and downstream aluminum capacities, among others.
- ❖ Over USD3b of capex is allocated to the USA region. About 80% of the organic growth capex in India (USD1.1b) will be allocated to the downstream business. We believe HNDL is adding downstream capacities at the right time to capture the robust growth opportunities. Despite near-term headwinds due to a slowdown in China and its impact on non-ferrous prices, the long-term outlook remains positive.
- ❖ We reiterate our BUY rating on the stock with our SOTP-based TP of INR550.



**Research covered**

Cos/Sector	Key Highlights
Hindalco	Capacity expansion and shift to high value-added downstream products to drive profitability
Oil & Gas	CGDs navigating through turbulent waters
EcoScope	India's Quarterly Economic Outlook: 2QFY24; Upgrade real GDP growth forecast for FY24 again
Capital Market	Continued traction in Cash ADTO



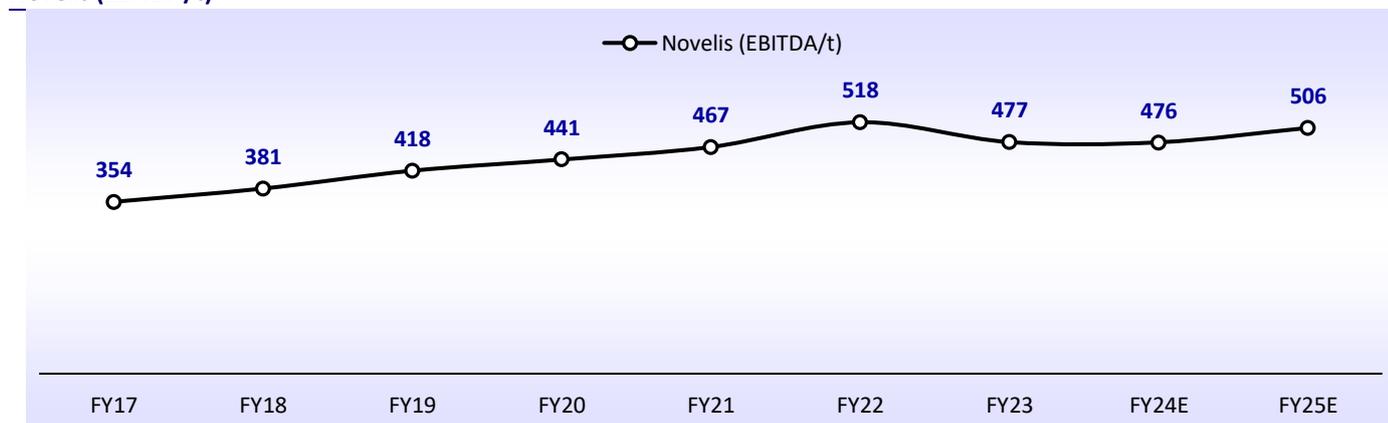
**Piping hot news**

**US Federal Reserve leaves rates unchanged, sees tighter policy through 2024**  
Fed policymakers at the median still see the central bank's benchmark overnight interest rate peaking this year in the 5.50%-5.75% range, just a quarter of a percentage point above the current range.



**Chart of the Day: Hindalco (Capacity expansion and shift to high value-added downstream products to drive profitability)**

Novelis (EBITDA/t)



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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



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1

### US Federal Reserve leaves rates unchanged, sees tighter policy through 2024

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2

### Trade unions call for 3-day strike in Coal India over wages

CIL's supplies to the power sector during August 2023 were higher than the committed quantity.

3

### PFC, SJVN tie up for ₹1.18 trillion investment in RE, thermal projects

An MoU was signed for providing financial support to various projects, including massive renewable energy ventures totaling 12,178 MW capacity, along with a 660 MW thermal generation project

4

### Dharani Sugars' promoter gets another chance to win it back

The Supreme Court had stayed a liquidation order of the sugar maker given by the National Company Law Tribunal (NCLT). The National Company Law Appellate Tribunal, too, had upheld the NCLT order.

5

### Pharma companies must adopt revised quality norms: Government

"The idea is to bring in quality and reduce manufacturing of those drugs which are not of standard quality. A need has been felt to revisit and implement GMP at par with global standards. A notification will be put up soon," said a senior government official.

6

### Manipal acquires 84% stake in AMRI for ₹2,300 crore

Temasek-backed Manipal Health Enterprises Ltd has acquired an 84% stake in Emami Group's AMRI Hospitals for around ₹2,300 crore, a person in the know said.

7

### CCI approves certain shareholding in TVS Credit Services Limited

The TVS Credit Services Limited is primarily engaged in providing two-wheeler loans, used car loans, new and used tractor loans, used commercial vehicle loans, MSME loans, consumer durable loans and personal loans in India.



# Hindalco

BSE SENSEX  
66,801

S&P CNX  
19,901



### Stock Info

Bloomberg	HNDL IN
Equity Shares (m)	2247
M.Cap.(INRb)/(USDb)	1074.8 / 12.9
52-Week Range (INR)	509 / 359
1, 6, 12 Rel. Per (%)	6/7/2
12M Avg Val (INR M)	3061
Free float (%)	65.4

### Financials Snapshot (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	2,232	2,055	2,092
EBITDA	227	232	226
Adj. PAT	101	95	100
EBITDA Margin (%)	10	11	11
Cons. Adj. EPS (INR)	45	43	45
EPS Gr. (%)	-26	-6	6
BV/Sh. (INR)	311	351	393

### Ratios

Net D:E	0.5	0.4	0.3
RoE (%)	16.3	12.9	12.1
RoCE (%)	11.0	10.0	9.5
Payout (%)	7.7	8.2	7.8

### Valuations

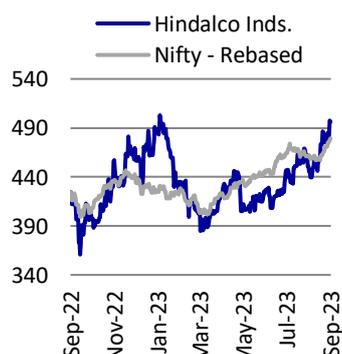
P/E (x)	10.6	11.2	10.6
P/BV (x)	1.5	1.4	1.2
EV/EBITDA(x)	6.3	6.0	5.9
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	8.8	7.0	9.1

### Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	34.6	34.6	34.6
DII	26.3	26.5	21.5
FII	30.3	30.3	25.1
Others	8.7	8.6	18.8

FII Includes depository receipts

### Stock Performance (1-year)



**CMP: INR478**

**TP: INR550 (+15%)**

**Buy**

## Capacity expansion and shift to high value-added downstream products to drive profitability

- Hindalco (HNDL) plans to incur a capex of USD4.4b over the next five years for several projects, including FRP capacity expansion in USA, upstream expansion at Utkal, special alumina business capacities and downstream aluminum capacities, among others.
- Over USD3b of capex is allocated to the USA region. About 80% of the organic growth capex in India (USD1.1b) will be allocated to the downstream business.
- HNDL expects Novelis's EBITDA/t to touch USD525 by 4QFY24.
- We believe HNDL is adding downstream capacities at the right time to capture the robust growth opportunities. Despite near-term headwinds due to a slowdown in China and its impact on non-ferrous prices, the long-term outlook remains positive.
- We reiterate our BUY rating on the stock with our SOTP-based TP of INR550.

## EBITDA guidance for Novelis kept unchanged at USD525/t

- As headwinds from channel destocking of beverage cans are over, HNDL expects EBITDA/t to touch USD525 by 4QFY24 for Novelis.
- For Novelis, we assume EBITDA/t at USD476/t for FY24E and USD506/t for FY25E.

## Coal linkages to drive cost synergies

- HNDL's total coal requirement is around 16mt, which is currently fulfilled either by its own mines, linkages (~41%), e-auctions (~53%) or imports.
- Chakla mine, which has PRC of around 4.5mt, is progressing as per timelines. The box cut is expected to come on stream by Oct'24 and the mine is expected to be fully operational in FY26E.
- Once operational, it will reduce the company's dependency on procurement of coal from external sources.
- HNDL has also been declared as a preferred bidder for Meenakshi West mine at a ~33% premium, which has PRC of 6-7mt.

## HNDL on track to enhance its capacities

- HNDL has undertaken a capex program of USD4.4b spread over five years.
- Out of the total capex, USD3.3b is allocated for growth projects for Novelis and USD1.1b for Indian operations.

### Novelis:

- USD2.7-2.8b would be invested toward setting up a 600kt low-carbon recycling and rolling facility at Bay Minette, USA.
- Bay Minette facility, which will cater to North America's beverage can sheet requirements, is expected to commence production in FY26.

- Recently, Novelis has entered into a long-term agreement with Ball Corp. With this contract, Novelis has now secured the entire beverage can sheet capacity from this new facility.
- Novelis is investing around USD365m to set up a 240kt automotive focused sheet ingot recycling facility at Guthrie (USA).

#### **India (alumina and aluminum):**

- HNDL is setting up a 34kt Silvassa extrusion facility. Two out of three presses have already been commissioned and the full capacity is expected to come on stream in FY24.
- HNDL is also setting up 170kt FRP casting and cold rolling facility at Aditya and Hirakud, along with coated aluminum AC fin project at Taloja.
- To capture the growing EV market, HNDL is setting up a 6.5kt battery enclosure facility and a 24kt battery foil mill, which are likely to commence production in FY24E and FY26E, respectively.
- HNDL is expanding its upstream alumina capacity at Utkal refinery, which will augment its current capacity by 350kt to 2.6mt by FY24E end.

#### **Global and domestic demand scenario**

##### **Aluminum:**

- Global aluminum production for 2QCY23 (1QFY24) was up 1% YoY to 17.3mt and consumption rose 2% YoY to 17.7mt, mainly led by higher demand from China. Domestic aluminum consumption in 1QFY24 grew 14% YoY to 1.14mt.
- Domestic aluminum demand is expected to double from 4.5mt to 9mt over the next decade, driven by robust demand from EV, packaging, automotive, transportation, infrastructure, construction, consumer durables and industrial sectors.

##### **Copper:**

- Global copper production during 2QCY23 (1QFY24) grew 3% YoY to 6.2mt and consumption improved 6% YoY to 6.7mt, a deficit of 0.5mt. Market demand in India was relatively better at 190kt (up 10% YoY).
- Global demand for refined copper is expected to increase by 2% YoY in CY23 (CY22 global consumption 24.9mt) and demand for refined copper in the domestic market is expected to reach pre-Covid levels of 790kt in CY23. Domestic copper demand is expected to more than double to 2mt by FY33.

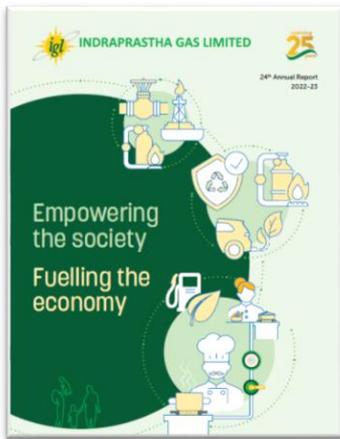
#### **Valuation and view: Healthy balance sheet; reiterate Buy**

- The company's Indian operation had a net debt-to-EBITDA (NE) ratio of 0.22x as of 1QFY24 and is well on way to be net debt free. Novelis's NE ratio stands at 2.69x and consolidated NE ratio stands at 1.73x; in the long term, the company plans to keep it below 2x.
- HNDL has a strong balance sheet and all the incremental capex will be funded via internal accruals.
- We reiterate our BUY rating on the stock with our SOTP-based TP of INR550.

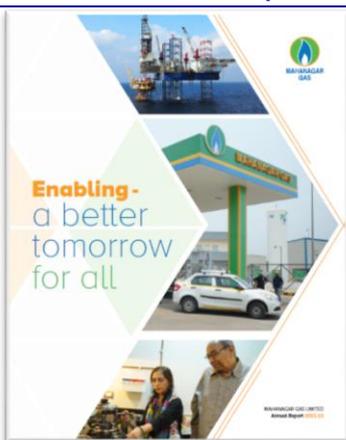


# Oil & Gas

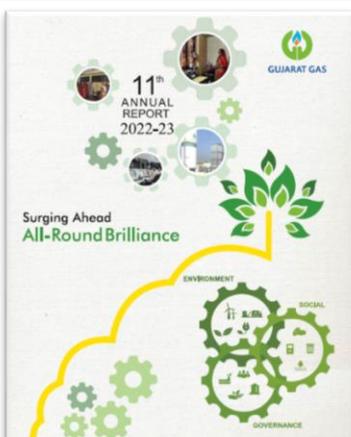
## IGL Annual Report



## MAHGL Annual Report



## GUJGA Annual Report



## CGDs navigating through turbulent waters

### Key business perspectives from the annual reports of GUJGA, IGL and MAHGL

- The onset of Russia-Ukraine war sent spot LNG prices soaring to a peak of USD54/mmBtu in Aug'22. Domestic APM prices also reached USD8.6/mmBtu during the Oct'22-Mar'23 period. As a result, CNG turned expensive in a few cities as compared with dirtier alternate fuels such as petrol and diesel.
- In order to encourage the shift to CNG (a cleaner fuel), the government had constituted the Kirit Parikh Committee to relook into the pricing mechanism of domestic APM gas. On 6th Apr'23, the Union Cabinet granted approval for the implementation of the recommendations put forth by the Kirit Parikh Committee for pricing of natural gas.
- Under the new pricing mechanism, natural gas produced from legacy fields will be priced at 10% of the Indian crude basket's price, subject to dynamic floor and ceiling prices of USD4/mmBtu and USD6.5/mmBtu respectively. We glanced through the annual reports of the three CGDs and below are the key takeaways from the same.

### CGDs continue to witness customer additions despite high gas prices

- IGL added 0.31m new PNG connections, taking its total number of consumers to 2.37m. MAHGL also added 0.14m domestic customers, its highest ever addition during a fiscal year, taking its total household count to 1.51m. Comparatively, GUJGA added 0.18m domestic customers, taking the total number to 1.93m.
- **GUJGA's addition of new CNG stations stood at 102. For IGL, the same stood at 81, while MAHGL added only 24 CNG stations. At the end of FY23, GUJGA's total CNG stations stood at 808, while that of IGL and MAHGL stood at 792 and 313, respectively.**
- GUJGA services 4,360 industrial and 14,390 commercial customers. IGL services around 3,913 industrial and 5,108 commercial consumers. MAHGL services 4,558 Commercial and Industrial consumers.
- In terms of pipeline infrastructure, GUJGA remains way ahead of the other two, with a total network of 35,650km (MDPE/steel), while IGL and MAHGL has a total network of 22,500km and 6,535km, respectively.

### MAHGL and GUJGA witnessed margin expansion; IGL witnessed contraction

- IGL's gross margin fell to INR12.6/scm in FY23 from INR13/scm in FY22. On the other hand, MAHGL saw an improvement in gross margin to INR14.9/scm in FY23 from INR13.8/scm in FY22, while GUJGA's gross margins improved to INR11.4/scm in FY23 from INR7.8/scm in FY22.
- IGL's EBITDA/scm declined to INR6.9/scm in FY23 from 7.4/scm in FY22, due to gas cost more than doubling to INR35.4/scm. MAHGL also witnessed a similar surge in gas cost; however, EBITDA/scm increased to INR9.5/scm in FY23 from INR8.4/scm in FY22, as it was able to pass on the increased cost to end customers. **Despite GUJGA's gas cost/scm rising by ~26% YoY in FY23, EBITDA/scm increased ~47% YoY to INR11.4 due to price hikes implemented by the company.**

- GUJGA is pre-dominantly focused on the Industrial segment, while both IGL and MAHGL are CNG-focused players in the CGD space. Volumes for GUJGA declined 22% YoY to 8.4mmscmd in FY23, while volumes for IGL and MAHGL saw an increase of 16% and 14%, respectively. Volumes for IGL and MAHGL stood at 8.1mmscmd and 3.4mmscmd, respectively.

### GUJGA remains our preferred pick among CGDs; reiterate sell on IGL

- The new pricing mechanism is negative for CGDs since it raises the gas cost to USD6.5/mmBtu as long as the Indian crude basket is above USD65/mmBtu. It also raises the minimum APM cost to USD4/mmBtu. Under the previous regime, if there were no geopolitical risks, CGDs would have witnessed lower prices.
- **GUJGA:** The company's long-term volume growth prospects remain robust, with the addition of new industrial units and the expansion of existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and newly acquired areas in Rajasthan. We reiterate our BUY rating on the stock with a TP of INR550, valuing it at 26x FY25E EPS.
- **MAHGL:** The company has set up an SPV with Baidyanath LNG to install 5-6 LNG stations over the next 12-18 months. The company has also signed an MoU with BMC for the establishment of a compressed biogas plant having a capacity of 1000mt/d. The stock trades at 12.9x FY25E EPS of INR80.3. We value it at 16x FY25E EPS to arrive at a TP of INR1,285. We reiterate our BUY rating on MAHGL, owing to its cheaper valuations.
- **IGL:** Almost half of the incremental volume over the next two years is likely to be contributed from the industrial segment, which would not only pressure IGL's EBITDA/scm, but also make it more volatile. Buses account for ~20% of the company's CNG volumes (DTC/DIMTS buses accounting for half of it), while taxis and three wheelers account for 30% of the volumes. Hence, aggressive EV policies by the Delhi government may challenge volume growth in the medium-to-long term. Additionally, the loss of potential volumes from Faridabad and Gurugram GAs due to the PNGRB's order in Apr'23 is also negative. Hence, we **reiterate our Sell rating** on the stock valuing it at 14x FY25E adj. EPS and adding the value of investments at a 25% holding company discount to arrive at our TP of INR335.

### Peer comparison – valuation snapshot

Oil & Gas	Reco	TP (INR)	EPS (INR)			P/E (x)			P/BV (x)			EV/EBITDA (x)			ROE (%)		
			FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
GUJGA	Buy	550	22.2	17.3	21.2	20.1	25.8	21.1	4.4	3.9	3.5	12.5	14.8	12.3	24.2	16.1	17.5
MAHGL	Buy	1,285	80.0	104.1	80.3	13.0	10.0	12.9	2.5	2.2	2.0	8.5	6.4	7.7	20.4	23.1	15.9
IGL	Sell	335	20.6	22.7	21.3	22.4	20.4	21.7	4.6	4.0	3.5	14.6	12.7	13.6	20.6	20.8	17.1

Source: MOFSL

## India's Quarterly Economic Outlook: 2QFY24

### Upgrade real GDP growth forecast for FY24 again

- For the past nine months, the fears of slowdown have been totally unfounded. India's real GDP growth was better than expected (at 6.1% YoY) in 4QFY23 and then improved in line with expectations (at 7.8% YoY) in 1QFY24. Not only India, the US economy too has been much more resilient than our predictions at the beginning of the year.
- It is then no surprise that we have to revise our growth forecasts upward yet again in this version of the Quarterly Economic Outlook (QEO). We upgrade India's real GDP growth projection to 6.0% YoY for FY24 from 5.6% YoY anticipated in Jun'23 (and vs. 5.2% YoY in Mar'23). We, however, keep it broadly unchanged at 5.4% for FY25E (projected at 5.5% in Jun'23). Further, nominal GDP growth forecast is also kept unchanged at 7.8% for FY24, since higher real growth is entirely offset by a cut in GDP deflator forecast. It is likely to improve ~10% for FY25, slightly lower than earlier projection.
- After lower-than-expected retail inflation in Apr-May'23, CPI inflation has been much higher in 2QFY24 led by vegetables, pulses and spices. Accordingly, we raise our CPI inflation projection to 5.6% for FY24 (from 4.3% earlier) with a slight upward revision in FY25 (to 5.3% from 5.0% earlier). Nevertheless, it is very likely that the RBI will keep interest rates unchanged in CY23. The next rate action could be a cut, initiated by the US growth slowdown in 1QCY24 (or 4QFY24). Without a growth slowdown, there is no reason for any rate action in CY24 as well.
- Lastly, rising crude oil prices and upward revisions in growth forecasts have pushed up our current account deficit (CAD) projection. India's CAD is projected at 1.3% of GDP each in FY24 and FY25, vs. 0.6%/0.9% of GDP forecasted in Jun'23. Consequently, INR is expected to weaken only in 4QFY24 when growth slowdown could materialize. We continue to expect INR to average 83.1/84.6 per USD in FY24/FY25, lower than our earlier projections.

### Changes in our economic forecasts since Jun'23

**Real GDP growth:** Due to better real GDP growth in [4QFY23](#) and [1QFY24](#), we upgrade our forecast to 6.0% for FY24 (from 5.6% anticipated in Jun'23) and keep it unchanged at 5.4% for FY25 (from 5.5% anticipated in Jun'23). However, with downward revision in GDP deflator, the nominal GDP growth forecast is kept unchanged at 7.8% for FY24, and ~10% (from 10.5%) for FY25.

**CPI inflation and interest rates:** Due to higher inflation in 2QFY24 led by vegetables, pulses and spices, we raise our CPI inflation projection to 5.6% for FY24 (from 4.3% earlier) with a slight upward revision in FY25 (to 5.3% from 5.0% earlier). The next rate action could be a cut in CY24 due to growth slowdown.

**External trade and INR:** India's CAD is projected at 1.3% of GDP each in FY24 and FY25, compared to 0.6%/0.9% of GDP forecasted in Jun'23. We continue to expect INR to average 83.1/84.6 per USD in FY24 and FY25, lower than our earlier forecasts.

The next rate action could be a cut in CY24 due to growth slowdown.

### Exhibit 1: Forecasts of key macroeconomic variables for the Indian economy

Macro indicators	Unit	FY21	FY22	FY23	FY24 forecasts			FY25 forecasts		
					MOFSL Jun'23	MOFSL Sep'23	Consensus (SPF#)	MOFSL Jun'23	MOFSL Sep'23	Consensus (SPF#)
Nominal GDP <sub>MP</sub>	YoY (%)	(1.4)	18.4	16.3	7.8	7.8	...	10.5	9.9	...
Real GDP <sub>MP</sub>	YoY (%)	(5.8)	9.1	7.0	5.6	6.0	6.1	5.5	5.4	6.5
Consumer price index	YoY (%)	6.2	5.5	6.6	4.3	5.6	5.2	5.0	5.3	4.7
Repo rate (year-end)	p.a. (%)	4.0	4.0	6.5	6.25	6.25	6.5	5.25	5.25	...
USD:INR (average)	unit	74.2	74.5	80.4	82.9	83.1	81.5	84.1	84.6	...
Current a/c deficit	% of GDP	(0.9)	1.2	1.8	0.6	1.3	1.4	0.9	1.3	1.5
Combined fiscal deficit	% of GDP	13.2	9.4	8.5	8.2	8.6	8.7	7.5	7.8	8.2

# 83<sup>rd</sup> round: Responses received during 12<sup>th</sup> and 31<sup>st</sup> July, 2023

Source: Central Statistics Office (CSO), Reserve Bank of India (RBI), MOFSL



# Capital Market Monthly

## Capital Market Tracker

### Continued traction in Cash ADTO; NSE active client addition increases for two consecutive months

#### Traction continues in cash ADTO and additions in demat accounts

After the Nifty-50 hitting an all-time high in Jul'23, capital market sentiment remained upbeat in Aug'23 as well. Overall ADTO volume was flat MoM at INR307t, with flat F&O ADTO and continued traction in cash ADTO. Overall retail ADTO was flat MoM at INR108t as retail F&O ADTO was flat MoM. However, retail cash ADTO grew 4% MoM to INR327b. Demat account additions stood at 3.1m (up ~4% MoM) in Aug'23 vs. average 2.1m monthly additions in FY23. Further, the number of active users on NSE increased for the second consecutive month to 32.7m in Aug'23 from 31.9m in Jul'23. ANGELONE, which relies heavily on income from the F&O segment, recorded steady daily orders.

#### Highest incremental demat account additions since Jan'22

- The total number of demat accounts increased to 127m in Aug'23. New account additions increased 4.1% MoM to 3.1m additions in Aug'23 vs. 3m additions in Jul'23 and average 2.1m monthly additions in FY23.
- In Aug'23 CDSL continued to gain market share in terms of the total number of demat accounts and also on an incremental demat basis. On a YoY basis, NSDL lost 260bp/810bp market share in total/incremental demat accounts.

#### NSE active client addition increases for two consecutive months

- The number of active user clients at NSE increased by 2.5% MoM to 32.7m in Aug'23. Currently, the top five discount brokers account for 60.8% of total NSE active clients, down from 61.2% in Jul'23.
- Performance of key discount brokers:
  - Zerodha reported a 0.5% MoM increase in its client count to 6.4m, with a ~40bp decline in market share to 19.4%.
  - ANGELONE reported a 2.4% MoM increase in its client count to 4.7m, with a marginal decline in market share to 14.2%.
  - Upstox reported a 0.6% MoM increase in its client count to 2.2m, with a ~10bp decline in market share to 6.6%.
  - Groww reported a 4.1% MoM increase in its client count to 6.2m, with a ~30bp rise in market share to 19%.
- Performance of key traditional brokers:
  - ISEC reported a 2.6% MoM decline in its client count to 2.0m, with a ~30bp decline in market share to 6%.
  - IIFL Sec reported a 3% MoM decline in its client count to 0.4m, with a marginal decline in market share to 1.3%.

#### Continued traction in cash ADTO

- Total ADTO surged 131% YoY (flat MoM) to INR308t as F&O ADTO was flat MoM (up 1% MoM). Cash ADTO saw continued traction (up 8% MoM).
- Retail cash ADTO increased by 4% MoM to INR327b, whereas retail F&O ADTO was flat MoM at INR108t in Aug'23.

#### Key statistics

Parameter	Aug'23	YoY (%)	MoM (%)
Demat A/c (m)	127	26	3
NSE Active (m)	33	-13	3
<b>ADTO (INR t)</b>			
Overall	308	131	1
- F&O	307	131	1
- Cash (INR b)	834	31	8
<b>Retail Total (INR t)</b>			
- Retail F&O	108	93	1
- Retail Cash (INR b)	327	4	4

Source: MOFSL, NSE, BSE, CDSL, NSDL

**Commodities volume surged 23% MoM**

- Total volumes on MCX surged 23% MoM to INR23.5t in Aug'23; OPTFUT volumes rose 28% MoM to INR20t. With OPTFUT ADTO jumping by 23% MoM to INR 889b, overall ADTO volumes grew 18% MoM to INR1.07t.
- There was a marginal dip in FUTCOM ADTO volumes (-2% MoM). Futures ADTO on gold declined 32% MoM, whereas futures ADTO on Natural gas/Crude oil increased by 15%/22% MoM.
- Options ADTO volumes increased mainly on account of 30%/40% MoM increase in Crude oil/Natural gas ADTO.

**Primary market: In Aug'23, an amount of INR43b was raised via 5 IPOs.**

**Uno Minda: Expect EV Contribution To Increase In Overall Product Portfolio; Sunil Bohra, Grp CFO & CEO**

- Have built a complete EV 2-wheeler and EV 3-wheeler as a demo 50.18
- EVs as a contribution to overall revenue is 11-12%
- Kit value in EV products is 3x higher than ICE engines
- No exposure to PV segment in US, total US exposure is 3-4% of topline
- EV revenues to be in excess of ₹2,500 cr by FY26

[→ Read More](#)**REC: Dip In Margin Is Due To Cautious Stance On Asset Quality; Ajoy Choudhury, Director-Finance**

- Would like to have NIM at 3.5%
- Expect cost of borrowing to decline by 10-15 bps going ahead
- Expect AUM to grow at 15% in FY24
- Base load will come from thermal & a bit from hydro power
- Thermal power of 5 GW will come in next 2-3 years
- Will resolve stressed assets worth Rs. 7,000 cr in FY24

[→ Read More](#)**Sai Silks Kalamandir: IPO Proceeds To Repay Debt Of ₹50 Crore; Prasad Chalavadi, Founder & MD**

- Core product on which people like to spend during occasions is sarees
- Strategy for the company is to grow in a cluster model
- Have opened one store in Tamil Nadu, will open one more in December
- Payback period for new stores along with inventory will be 16-17 months
- Current debt levels at 300 cr, want to repay only Rs 50 cr
- Pre-COVID revenue was going at 10-15% CAGR

[→ Read More](#)**RR KABEL: Have Planned ₹500 Cr Of Capex, Of Which ₹150 Cr Is For FY24 & ₹350 Cr Is For FY25; Shreegopal Kabra, Promoter & MD**

- Cannot comment on TPG holding, but currently they have a lock-in period of 6 month
- Can maintain margin at current level
- FMEG business will breakeven at Rs .1,100- 1,200 cr of revenue next FY
- Have planned 500 cr of capex, Rs 150 cr of which is in FY24 & ₹350 cr in FY25
- Cable business is more margin accretive in the export business

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

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

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