

Market snapshot



Equities - India	Close	Chg .%	CY23.%
Sensex	71,060	1.0	15.7
Nifty-50	21,454	1.0	17.3
Nifty-M 100	47,423	1.8	47.8
Equities-Global	Close	Chg .%	CY23.%
S&P 500	4,869	0.1	26.7
Nasdaq	15,482	0.4	47.4
FTSE 100	7,528	0.6	0.5
DAX	16,890	1.6	19.4
Hang Seng	5,353	4.1	-23.3
Nikkei 225	36,226	-0.8	39.9
Commodities	Close	Chg .%	CY23.%
Brent (US\$/Bbl)	82	-0.2	0.9
Gold (\$/OZ)	2,014	-0.8	11.3
Cu (US\$/MT)	8,312	0.0	-0.6
Almn (US\$/MT)	2,193	0.0	-6.7
Currency	Close	Chg .%	CY23.%
USD/INR	83.1	0.0	0.5
USD/EUR	1.1	0.3	1.4
USD/JPY	147.5	-0.6	13.1
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.2	0.01	-0.1
10 Yrs AAA Corp	7.7	0.01	0.0
Flows (USD b)	24-Jan	MTD	CY23YTD
FII	-0.8	6.19	21.4
DII	0.72	2.28	22.3
Volumes (INRb)	24-Jan	MTD*	YTD*
Cash	1,455	1191	1191
F&O	3,60,671	3,83,676	3,83,676

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

PNB Housing: Disbursements weak; NIM compression leads to earnings miss

- ❖ PNB Housing (PNBHf)'s 3QFY24 PAT grew 26% YoY but declined 12% QoQ to ~INR3.4b (~15% miss) due to NIM (excluding one-offs) compression of ~20bp QoQ. Management attributed this to a combination of factors such as: 1) corporate book decline, b) loan book retention to stem BT-OUTs, and c) competitive dynamics resulting in lending at lower rates in select pockets.
- ❖ NII (excluding one-offs) declined ~1% YoY and 3% QoQ to ~INR6.2b due to a gradual shift in the mix towards retail. However, reported NII declined ~19% YoY and ~10% QoQ to INR 5.95b (11% miss). Reported PPOP declined 26% YoY to INR5b (14% miss).
- ❖ We cut our FY24 PAT estimate by ~5% to factor in the YTD performance and NIM compression. We expect PNBHF to deliver a CAGR of 18%/28% in AUM/PAT over FY24-FY26 and ~2.5%/13.5% RoA/RoE in FY26. Reiterate BUY with an unchanged TP of INR1,025 (based on 1.4x FY26E BVPS).



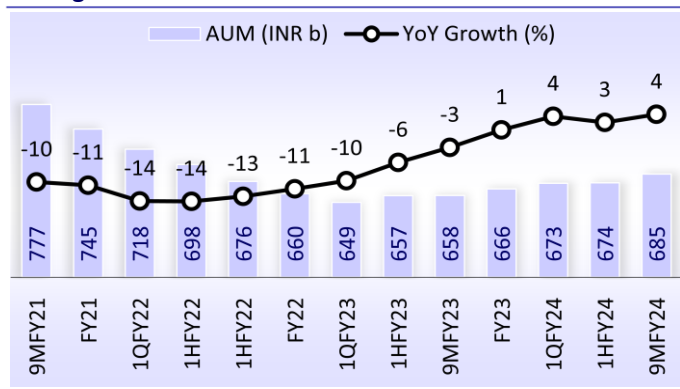
Research covered

Cos/Sector	Key Highlights
PNB Housing	Disbursements weak; NIM compression leads to earnings miss
Bajaj Auto	In line 3Q; demand recovers across segments
Tech Mahindra	Tepid 3Q; margin pickup remains key for a rerating
Pidilite Industries	Broad-based volume growth; in-line EBITDA
TVS Motor Co.	Operationally in line; high other income drives PAT beat
Other updates	Havells India Canara Bank United Spirits Indian Bank Indus Towers L&T Fin.Holdings Exide Inds. Hitachi Energy Laurus Labs Mahanagar Gas DCB Bank Mutual Funds DLF Tata Steel Balkrishna Inds Container Corpn. Dalmia Bharat Blue Dart Expres CEAT MAS Fin Indostar Capita



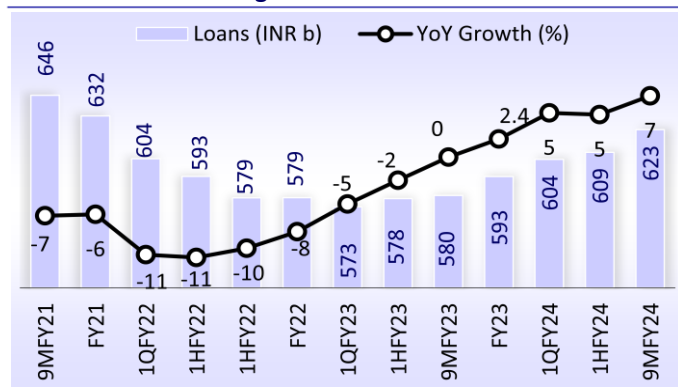
Chart of the Day: PNB Housing (Disbursements weak; NIM compression leads to earnings miss)

AUM grew 4% YoY...



Source: MOFSL, Company

...while on-book loans grew 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

Microsoft hits \$3 trillion value, cementing strength of AI rally

It briefly surpassed Apple Inc. in value — which last year became the first company to hit \$3 trillion — but subsequently dropped back below the iPhone maker

2

Zee moves NCLT after Sony terminates \$10-bn deal

The company has approached the Mumbai-bench of NCLT, "seeking directions to implement the merger scheme", Zee said in a regulatory filing.

3

Cabinet okays Rs 8500 crore for coal gasification

The Union Cabinet approves a ₹8,500 crore viability gap funding scheme for coal gasification projects. The funding will be given in three categories, including grants for government-owned projects and bids for public and private companies.

4

Export of drugs meant only for Indian market under DCGI len

The DCGI has asked all port offices to ensure that products meant for the "India market only" are not exported after receiving complaints about the unauthorised export of drugs meant for the local market

5

Edelweiss Alternatives' asset management arm raises Rs 8,000 cr for infra fund

Edelweiss Alternatives manages several funds spanning performing credit (corporate and real estate), special situations and real assets (infrastructure yield and commercial real estate), with total assets under management of about \$6.3 billion.

6

MF investors pulled out record Rs 11K crore from SIPs in Dec 2023

Intensified redemption pressure came amid profit-taking by investors after a sharp market rally

7

General and health insurers unite for 'Cashless Everywhere' facility in hospitals

General and health insurance companies, in collaboration with the General Insurance Council, have introduced the innovative 'Cashless Everywhere' program across hospitals, aiming to enhance cashless coverage nationwide



PNB Housing

Estimate changes

TP change

Rating change



Bloomberg	PNBHOUSI IN
Equity Shares (m)	260
M.Cap.(INRb)/(USDb)	223.3 / 2.7
52-Week Range (INR)	907 / 383
1, 6, 12 Rel. Per (%)	10/16/68
12M Avg Val (INR M)	489

Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY26E	FY26E
NII	24.9	30.3	36.3
OP	21.0	26.8	33.2
NP	14.6	19.0	23.7
EPS (INR)	56	73	91
EPS Gr. (%)	-9	30	25
BV/Share	577	640	718

Ratios

NIM (%)	4.1	4.3	4.4
C/I ratio (%)	24.2	22.2	21.1
RoE (%)	11.2	12.0	13.5
RoA (%)	2.1	2.4	2.5

Valuations

P/E (x)	15.3	11.7	9.4
P/BV (x)	1.5	1.3	1.2

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	28.1	28.1	32.5
DII	7.9	7.7	3.0
FII	24.7	24.8	23.6
Others	39.3	39.5	40.8

FII Includes depository receipts

CMP: INR860

TP: INR1,025 (+19%)

Buy

Disbursements weak; NIM compression leads to earnings miss

Credit cost guidance lowered for FY24-FY26

- PNB Housing (PNBHBF)'s 3QFY24 PAT grew 26% YoY but declined 12% QoQ to ~INR3.4b (~15% miss) due to NIM (excluding one-offs) compression of ~20bp QoQ. Management attributed this to a combination of factors such as: 1) corporate book decline, b) loan book retention to stem BT-OUTs, and c) competitive dynamics resulting in lending at lower rates in select pockets.
- NII (excluding one-offs) declined ~1% YoY and 3% QoQ to ~INR6.2b due to a gradual shift in the mix towards retail. However, reported NII declined ~19% YoY and ~10% QoQ to INR 5.95b (11% miss). Reported PPOP declined 26% YoY to INR5b (14% miss).
- PNBHF's 3QFY24 disbursements grew 21% YoY but declined ~1% QoQ to ~INR41.3b. Total loan book grew ~7% YoY/ 2.4% QoQ to ~INR623b. However, retail loans grew 13% YoY. We estimate a retail loan growth of ~14% in FY24.
- Management shared that it will look to improve yields by catering to the Prime, Roshni and Emerging Market customer verticals. It further targets to bring down its CoB by: 1) engaging with banks for lower spreads on MCLR loans, 2) effectively tapping the debt markets backed by potential credit rating upgrades from other CRAs, and 3) tapping into NHB borrowings. PNBHF also lowered its credit cost guidance to ~30-35bp for FY24/FY25/FY26.
- While 3QFY24 performance was indeed below expectations, we continue to believe in our thesis of a transformation in this franchise and management's ability to deliver an improvement in the RoA profile predicated on: a) visibility of a healthy retail loan growth trajectory from FY25 onwards, b) NIM improvement through levers on both yields and CoB, and c) normalization to steady-state credit cost of ~35bp. Recoveries from the written-off loan pool (if executed well) can further support improvement in profitability.
- We cut our FY24 PAT estimate by ~5% to factor in the YTD performance and NIM compression. We expect PNBHF to deliver a CAGR of 18%/28% in AUM/PAT over FY24-FY26 and ~2.5%/13.5% RoA/RoE in FY26. **Reiterate BUY with an unchanged TP of INR1,025 (based on 1.4x FY26E BVPS).**

Management has its task cut out but is equipped to deliver; Reiterate BUY

- PNBHF has levers for NIM improvement through product diversification and a potential decline in borrowing costs. Asset quality improvement has made it eligible for NHB borrowings, and a potential credit rating upgrade from other CRAs will provide it even better access to primary debt markets.
- The company trades at 1.2x FY26E P/BV, and we believe that risk-reward is favorable for a re-rating in the valuation multiple as investors re-gain confidence in the company's sustained execution in retail (both prime and affordable). Maintain BUY with an unchanged TP of INR1025 (based on 1.4x Mar'26E BVPS). Key risks: a) inability to drive NIM expansion amid aggressive competition in mortgages, and b) subsequent seasoning in the affordable loan book leading to an asset quality deterioration.

Quarterly performance

(INR m)

	FY23				FY24E				FY23	FY24E	3QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	12,987	15,975	17,136	15,892	16,669	17,029	16,795	17,404	61,991	67,897	17,488	-4
Interest Expenses	9,303	9,639	9,963	10,081	10,475	10,573	10,866	11,071	38,985	42,985	10,848	0
Net Interest Income	3,684	6,337	7,173	5,812	6,194	6,456	5,929	6,333	23,006	24,912	6,640	-11
YoY Growth (%)	-27.6	36.2	72.8	57.6	68.1	1.9	-17.3	9.0	30.9	8.3	-7.4	
Other income	1,124	868	829	485	408	765	765	818	3,306	2,756	794	-4
Total Income	4,808	7,205	8,002	6,297	6,602	7,221	6,694	7,150	26,311	27,667	7,435	-10
YoY Growth (%)	-18.5	30.6	60.2	27.2	37.3	0.2	-16.3	13.6	23.2	5.2	-7.1	
Operating Expenses	1,214	1,368	1,262	1,468	1,530	1,702	1,700	1,761	5,313	6,692	1,651	3
YoY Growth (%)	5.4	15.4	8.5	16.7	26.0	24.4	34.7	19.9	11.6	26.0	30.8	
Operating Profits	3,594	5,837	6,740	4,828	5,072	5,519	4,994	5,390	20,998	20,975	5,784	-14
YoY Growth (%)	-24.3	34.8	75.9	30.7	41.1	-5.4	-25.9	11.6	26.5	-0.1	-14.2	
Provisions	483	2,432	3,071	1,403	606	448	591	507	7,389	2,152	630	-6
Profit before Tax	3,111	3,404	3,669	3,425	4,467	5,071	4,403	4,882	13,609	18,823	5,154	-15
Tax Provisions	761	778	978	632	994	1,241	1,019	1,001	3,149	4,254	1,160	-12
Profit after tax	2,350	2,626	2,691	2,793	3,473	3,830	3,384	3,882	10,460	14,569	3,995	-15
YoY Growth (%)	-3.4	11.7	42.8	64.7	47.8	45.8	25.8	39.0	25.0	39.3	48.4	
Key Operating Parameters (%)												
Rep. Yield on loans	8.46	9.57	10.65	10.43	10.59	10.58	10.19					
Rep. Cost of funds	7.21	7.32	7.55	7.76	7.97	7.99	8.07					
Spreads	1.25	2.25	3.10	2.67	2.62	2.59	2.12					
Net Interest Margins	2.36	4.14	4.68	3.74	3.86	3.95	3.49					
Cost to Income Ratio	25.3	19.0	15.8	23.3	23.2	23.6	25.4	24.6				
Credit Cost	0.34	1.69	2.12	0.96	0.40	0.30	0.38	0.32				
Tax Rate	24.5	22.9	26.6	18.5	22.2	24.5	23.1	20.5				
Balance Sheet Parameters												
Loans (INR B)	573	578	580	593	604	609	623	651				
Change YoY (%)	-5.2	-2.4	0.3	2.4	6.2	5.2	7.4	9.9				
AUM (INR B)	649	657	658	666	673	674	685	724				
Change YoY (%)	-9.7	-5.8	-2.7	1.0	4.0	2.6	4.3	8.6				
Borrowings (Ex Assgn.) (INR B)	518	523	525	537	527	536	531	567				
Change YoY (%)	-11.1	-5.9	-2.5	0.8	3.3	2.3	1.2	5.6				
Loans/Borrowings (%)	110.5	110.5	110.5	110.5	114.6	113.6	117.4	114.9				
Off BS loans/AUM (%)	11.7	12.0	11.7	11.0	10.4	9.7	9.1	10.0				
Debt/Equity (x)	5.1	5.0	4.9	4.9	3.8	3.8	3.7					
Asset Quality Parameters (%)												
GS 3 (INR m)	36,390	35,020	28,240	22,700	22,700	10,860	10,790					
Gross Stage 3 (% on loans)	6.35	6.06	4.87	3.83	3.76	1.78	1.73					
NS 3 (INR m)	24,400	20,770	18,350	16,170	15,430	7,170	7,080					
Net Stage 3 (% on loans)	4.35	3.68	3.22	2.76	2.59	1.19	1.14					
PCR (%)	32.9	40.7	35.0	28.8	32.0	34.0	34.4					

E: MOFSL Estimates



Bajaj Auto

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR7,213 TP: INR6,775 (-6%) Neutral

In line 3Q; demand recovers across segments

Domestic 2W industry volumes to grow 8-10% YoY in coming months

- BJAUT reported an in-line performance in 3QFY24. The company reported its highest ever EBITDA margin of 20.1%, up 100bp YoY, supported by healthy volume growth in the domestic market, better realizations, and cost control.
- We maintain our FY24/FY25 estimates. We now value BJAUT at ~20x Dec'25E EPS (vs. 18x Dec'25E EPS earlier) to factor in a healthy recovery in domestic 2W volumes, a gradual pickup in exports, and its growth in the growing e2W market through products and channel expansion. **Reiterate Neutral rating with a TP of INR6,775.**

EBITDA margin expansion continues

- BJAUT's 3QFY24 revenue/EBITDA/PAT grew 30%/20%/37% YoY to INR121.1b/INR24.3b/INR20.4b. In 9MFY24, its revenue/EBITDA/PAT rose 21%/35%/32% YoY.
- Volumes grew 22% YoY with ASPs growing 6.5% YoY to INR100.9/unit (est. INR100.7k). Net sales grew 30% YoY to INR121.1b (in line) in 3Q.
- Gross margin contracted 50bp YoY/10bp QoQ to 28.9% (est. 28.8%) despite favorable FX. This was partially offset by better cost control, resulting in EBITDA growth of ~37% YoY to INR24.3b (est. INR24.2b).
- EBITDA margin rose 100bp YoY/30bp QoQ to 20.1% (est. 20.1%).
- Despite slightly lower-than-estimated other income, adj. PAT came in at INR20.4b (+37% YoY, in line).
- Cash on the balance sheet as of Dec'23 stood at INR184.4b (vs. INR173.3b as of Sep'23).

Highlights from the management commentary

- **Domestic 2W-** Retails grew 11% YoY for the industry in 3QFY24 and the management expects industry volumes to grow by 8-10% in the coming months. Festive demand was strong and it was further supported by healthy retails in Dec'23.
- **Exports-** The macro environment is uncertain due to geopolitical issues. However, the continuing devaluation of emerging market currencies has eased now. Exports currently stand at 70% of peak FY22 volumes. However, volume grew ~2% sequentially during the quarter. Africa and South Asia are dragging down the recovery.
- **Triumph-** In places like Bangalore and Kerala, BJAUT's market share has reached 20% in the category. It plans to grow its footprint beyond 100 cities, covering 50% of the market. The current capacity now stands at 10k units per month and is being increased to 20k units, with a target to reach ~30k units in 1HFY25.
- **EVs- 3W:** BJAUT currently has a presence in 23 cities and plans to expand to 50 cities in 4Q and 400 cities before the season in 2024. Capacity has already been put in position. Chetak: It aims to achieve the 15k units per month sales mark, which will be driven by new launches and network expansion.

Bloomberg	BJAUT IN
Equity Shares (m)	283
M.Cap.(INRb)/(USD\$)	2042.5 / 24.6
52-Week Range (INR)	7420 / 3611
1, 6, 12 Rel. Per (%)	13/39/77
12M Avg Val (INR M)	2289

Financials & Valuations (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	364	452	510
EBITDA	65.5	88.9	100.9
EBITDA (%)	18.0	19.7	19.8
Adj. PAT	60.6	78.5	88.0
EPS (INR)	214	277	311
EPS Gr. (%)	16.7	29.5	12.1
BV/Sh. (INR)	899	989	1,082
Ratios			
RoE (%)	23.3	29.4	30.0
RoCE (%)	21.3	27.7	27.6
Payout (%)	70.4	65.8	64.3
Valuation			
P/E (x)	33.7	26.0	23.2
P/BV (x)	8.0	7.3	6.7
Div. Yield (%)	1.9	2.4	2.8
FCF Yield (%)	2.3	3.0	3.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	54.9	55.0	55.0
DII	8.7	9.1	11.0
FII	14.7	14.4	11.8
Others	21.7	21.7	22.2

FII Includes depository receipts

Valuation and view

- Both domestic and export volumes are expected to recover in FY25 from the low base, driving a healthy earnings recovery. We expect BJAUT to benefit from market share gains over the long term, driven by: 1) the premiumization trend, 2) the opportunity in exports, and 3) the potential sizeable position in the Scooter market via EVs. However, a large part of its India profit pool (of premium motorcycle and 3Ws) is vulnerable to possible disruption from electrification.
- At ~26x/23x FY24E/FY25E consolidated EPS, the stock’s valuation fairly reflects the expected recovery as well as the risk of EVs. **We reiterate our Neutral rating with a TP of INR6,775 (based on 20x Dec’25E consolidated EPS).**

Quarterly Performance

(INR Million)

	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE
Volumes ('000 units)	934	1,151	983	860	1,027	1,054	1,201	1,155	3,928	4,438	1,201
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-8.4	22.1	34.4	(8.8)	13.0	22.1
Realization (INR/unit)	85,739	88,642	94,720	1,03,573	1,00,347	1,02,256	1,00,862	1,03,988	92,742	1,01,888	1,00,722
Growth YoY (%)	16.8	17.7	24.0	26.8	17.0	15.4	6.5	0.4	21.1	9.9	6.3
Net Sales	80,050	1,02,028	93,151	89,047	1,03,098	1,07,773	1,21,135	1,20,157	3,64,276	4,52,163	1,20,967
Change (%)	8.4	18.4	3.3	11.7	28.8	5.6	30.0	34.9	10.4	24.1	29.9
EBITDA	12,970	17,587	17,768	17,166	19,539	21,329	24,299	23,741	65,491	88,907	24,255
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.0	19.8	20.1	19.8	18.0	19.7	20.1
Other Income	3,193	3,332	2,691	2,598	3,463	3,614	3,461	3,564	11,814	14,102	3,700
Interest	43	109	85	157	121	65	121	113	395	420	100
Depreciation	673	670	740	742	835	876	881	884	2,824	3,477	880
PBT after EO	15,447	20,140	19,635	18,865	22,046	24,000	26,758	26,307	74,086	99,112	26,975
Effective Tax Rate (%)	24.0	24.0	24.0	24.0	24.5	23.5	23.7	24.8	24.0	24.1	24.2
Adj. PAT	11,733	15,300	14,914	14,329	16,648	18,361	20,419	19,781	56,276	75,209	20,447
Change (%)	10.6	31.3	22.8	16.9	41.9	20.0	36.9	38.1	20.6	33.6	37.1

Key Performance Indicators

	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q
Volumes ('000 units)	934	1,151	983	860	1,027	1,054	1,201	1,155	3,928	4,438	1,201
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-8.4	22.1	34.4	-8.8	13.0	22.1
Dom. M/Cycle Mkt Sh (%)	13.1	20.7	18.0	18.1	19.8	17.3	21.2		17.7		
Realization (INR/unit)	85,739	88,642	94,720	1,03,573	1,00,347	1,02,256	1,00,862	1,03,988	92,742	1,01,888	1,00,722
Growth YoY (%)	16.8	17.7	24.0	26.8	17.0	15.4	6.5	0.4	21.1	9.9	6.3
Cost Break-up											
RM Cost (% of sales)	72.2	73.4	70.6	69.8	71.9	71.0	71.1	71.3	71.5	71.3	71.2
Staff Cost (% of sales)	4.7	3.5	3.8	4.1	3.7	3.5	3.2	3.3	4.0	3.4	3.3
Other Cost (% of sales)	6.9	6.0	6.6	7.0	5.6	5.7	5.8	5.8	6.6	5.7	5.5
Gross Margins (%)	27.8	26.6	29.4	30.2	28.1	29.0	28.9	28.7	25.1	25.3	28.8
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.0	19.8	20.1	19.8	18.0	19.7	20.1
EBIT Margins (%)	15.4	16.6	18.3	18.4	18.1	19.0	19.3	19.0	13.9	14.4	19.3

E:MOFSL Estimates



Estimate change	↑
TP change	↔
Rating change	↔

CMP: INR144 TP: INR165 (+15%) Buy
Higher-than-estimated GRM and marketing margin drive beat

Bloomberg	IOCL IN
Equity Shares (m)	14121
M.Cap.(INRb)/(USDb)	2025.7 / 24.4
52-Week Range (INR)	152 / 76
1, 6, 12 Rel. Per (%)	15/35/54
12M Avg Val (INR M)	1814

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	8,497	10,607	11,419
EBITDA	766	478	482
Adj. PAT	457	230	221
Adj. EPS (INR)	33.2	16.7	16.1
EPS Gr. (%)	290.4	-49.6	-3.9
BV/Sh.(INR)	120.1	130.3	140.2

Ratios

Net D:E	0.8	0.7	0.7
RoE (%)	30.0	13.4	11.9
RoCE (%)	17.2	8.6	7.6
Payout (%)	43.9	38.8	38.2

Valuations

P/E (x)	4.3	8.6	9.0
P/BV (x)	1.2	1.1	1.0
EV/EBITDA (x)	4.2	6.8	6.7
Div. Yield (%)	10.1	4.5	4.3
FCF Yield (%)	20.0	8.6	9.3

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	51.5	51.5	51.5
DII	29.5	30.3	31.2
FII	8.9	7.8	7.0
Others	10.1	9.8	10.3

FII Includes depository receipts

- IOCL reported beat on our EBITDA at INR155b (up 2.9x YoY), led by better-than-expected GRM at USD13.5/bbl (vs. our est. of USD10.2/bbl) and higher marketing GM at INR4.5/lit. (vs. our estimate of INR3.1/lit).
- Refining throughput came in line with our estimate at 18.5mmt (up 4% YoY). In the marketing segment, domestic sales volumes were also in line with our estimate at 23.3mmt (up 1% YoY).
- Singapore GRM has rebounded to USD7.2/bbl in 4QFY24 till date from USD5.5/bbl in 3QFY24, which may lead to an improvement in the refining performance in the coming quarter.
- OMCs are estimated to be generating a marketing margin of INR11/8.6 per lit on petrol/diesel in 4QFY24 till date. However, margins may be affected by retail fuel price cuts in the wake of upcoming elections and/or a rise in crude oil prices due to quota management by OPEC+.
- Petchem sales volumes increased 80% YoY to 0.67mmt (0.37mmt in 3QFY23). The Petchem segment reported an EBIT loss of INR2b. Petchem margins have increased 69%/89% for PE/PP in 4QFY24'td, which may lead to an improvement in the petchem segment in the upcoming quarter.
- Owing to robust performance in 9MFY24, we increase our EBITDA/PAT estimates by 12%/16% for FY24, while keeping FY25-26 estimates broadly unchanged. The stock trades at 8.6x consolidated FY25E EPS and 1.1x FY25E P/BV. We reiterate our BUY rating on the stock, valuing it at 1.2x Dec'25E P/BV.

Throughput and marketing sales volume in line

- **Reported GRM came in above our est. at USD13.5/bbl** (our est. of USD10.2/bbl and USD17.9/bbl in 2QFY24).
- Core GRM stood at USD10/bbl (vs. USD17.4/bbl in 3QFY23 and USD16.2/bbl in 2QFY24).
- Refining throughput was in line with est. at 18.5mmt (up 2% YoY).
- Marketing margin (incl. inv.) was above our est. at ~INR4.5/lit (est. INR3.1/lit and INR5.6/lit in 2QFY24).
- Marketing volumes, excluding exports, were in line with our estimate at 23.3mmt (up 1% YoY).
- EBITDA was above our est. at INR154.9b (our est. of INR72.6b, up 2.9x YoY).
- PAT came in at INR80.6b (our est. of INR23.8b, up 18x YoY).
- IOCL revised the estimated useful life and residual value of certain assets and accounted for additional depreciation of INR6.4b in 3QFY24
- ✓ Therefore, PAT adjusted for this additional depreciation stands at INR87b.
- **In 9MFY24**, EBITDA was up 4x YoY to INR590b, with PAT at INR348b (net loss of INR18b in 9MFY23).
- Refining throughput was up 3% YoY at 55mmt, with reported GRM at USD13.3/bbl (USD21.3/bbl in 9MFY23).
- Marketing margin stood at INR6.3/lit (vs. -INR2.4/lit in 9MFY23).
- 9MFY24 EBITDA is 77% of our FY24 estimate, while PAT is 76% of our FY24 estimate.




Valuation and View

- IOCL is set to commission various projects over the next two years, driving further growth. Refinery projects, currently underway, are expected to be completed as follows: Panipat refinery (25mmtpa) by Sep'24, Gujarat refinery (18mmtpa) by Aug'24, and Baruni refinery (9mmtpa) by Dec'24.
- SG GRM has rebounded to ~USD7.2/bbl in 4QFY24 till date (from USD5.5/bbl in 3QFY24) and IOCL is likely to benefit the most among its peers due to its highest leverage in the refining segment.
- The stock trades at 8.6x consolidated FY25E EPS of INR16.7 and 1.1x FY25E P/BV. We reiterate our BUY rating on the stock, valuing it at 1.2x Dec'25E P/BV to arrive at our target price of INR165.

Standalone - Quarterly Earning

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	2242.5	2074.9	2047.4	2029.9	1975.3	1797.4	1991.0	2858.0	8394.7	8621.7	1759.7	13%
YoY Change (%)	89.0	53.2	22.8	14.5	-11.9	-13.4	-2.8	40.8	40.3	2.7	-14.1	
EBITDA	43.0	50.1	52.9	143.5	221.6	213.1	154.9	105.2	289.5	694.8	72.6	113%
Margin (%)	1.9	2.4	2.6	7.1	11.2	11.9	7.8	3.7	3.4	8.1	4.1	
Depreciation	28.5	29.6	31.0	29.5	31.5	32.8	43.4	25.5	118.6	133.2	33.3	
Forex loss	29.4	30.5	17.0	-9.9	0.0	0.0	0.0	0.0	67.0	0.0	0.0	
Interest	17.2	14.4	19.5	18.1	16.3	18.5	18.3	18.5	69.3	71.5	18.4	
Other Income	6.8	22.0	17.2	16.4	6.9	9.8	14.5	9.6	62.4	40.8	10.7	
PBT	-25.3	-2.4	2.6	122.1	180.7	171.7	107.7	70.8	97.0	530.9	31.6	241%
Tax	-5.4	0.3	-1.9	21.6	43.2	42.0	27.0	17.3	14.6	129.7	7.7	250%
Rate (%)	21.2	-11.5	-74.6	17.7	23.9	24.5	25.1	24.5	15.0	24.4	24.5	
Adj PAT	-19.9	-2.7	4.5	100.6	137.5	129.7	80.6	53.5	82.4	401.3	23.8	238%
YoY Change (%)	PL	PL	-92.4	67.0	LP	LP	1699.8	-46.9	-65.9	386.9	432.0	
Margin (%)	-0.9	-0.1	0.2	5.0	7.0	7.2	4.0	1.9	1.0	4.7	1.4	
Key Assumptions												
Refining throughput (mmt)	18.9	16.1	18.2	19.1	18.8	17.8	18.5	18.0	72.3	73.0	18.0	3%
Reported GRM	31.8	19.2	12.9	15.3	8.3	17.9	13.5	9.0	19.8	12.2	10.2	33%
Domestic sale of refined products (mmt)	23.0	21.6	23.2	23.0	23.3	21.9	23.3	23.9	90.7	92.4	23.2	1%
Marketing GM incld. inv. per litre (INR/litre)	-7.2	-0.7	0.7	2.7	8.7	5.6	4.5	4.1	-1.1	5.7	3.1	44%

Tech Mahindra

Estimate change	
TP change	
Rating change	

CMP: INR1,408 **TP: INR1,360 (-3%)** **Neutral**

Tepid 3Q; margin pickup remains key for a rerating

Clarity on business investment impact in April

Bloomberg	TECHM IN
Equity Shares (m)	919
M.Cap.(INRb)/(USDb)	1374.4 / 16.5
52-Week Range (INR)	1416 / 981
1, 6, 12 Rel. Per (%)	10/12/13
12M Avg Val (INR M)	3049

Financials & Valuations (INR b)

Y/E Mar	FY24E	FY25E	FY26E
Sales	524	560	623
EBIT Margin (%)	7.9	9.8	12.0
Adj. PAT	35.8	45.1	60.3
Adj. EPS (INR)	40.4	50.9	68.0
PAT	26.2	45.1	60.3
EPS (INR)	29.6	50.9	68.0
EPS Gr. (%)	(45.8)	72.0	33.8
BV/Sh. (INR)	322.1	330.1	340.8
RoE (%)	12.7	15.6	20.3
RoCE (%)	12.4	16.3	21.4
Payout (%)	85.0	85.0	85.0
P/E (x)	34.9	27.6	20.7
P/BV (x)	4.4	4.3	4.1
EV/EBITDA (x)	20.7	16.8	13.1
Div Yield (%)	2.4	3.1	4.1

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	35.1	35.1	35.2
DII	29.2	27.3	24.1
FII	24.6	26.2	28.0
Others	11.1	12.0	12.7

FII Includes depository receipts

- Tech Mahindra (TECHM) reported 3QFY24 revenue of USD1.57b, up 1.1% QoQ in CC terms. Adjusting for a one-time product-related revenue gain of 140bp, 3Q growth came 80bp ahead of our expectation. CME remains a weak area, declining marginally despite a low base. Enterprise growth was mixed, with Manufacturing and Retail doing well, while BFSI and Technology declined.
- TECHM had another quarter of low profitability, with 7.0% adj. EBIT margin (excluding restructuring and other one-time costs), down 30bp QoQ/500bp YoY and slightly below our estimates. Reported EBIT margin stood at 5.4%, up 70bp QoQ. 3Q TCv came in at USD381m (-40% QoQ/-52% YoY), pulling down its trailing 12m TCv/book to bill to its lowest in the last 3/5 years.
- We remain positive about the restructuring initiatives at TECHM under the new leadership. The recent steps, including right-sizing SBUs, investing in key accounts, establishing vertical delivery teams, and prioritizing employee investments, as moves in the right direction. However, we expect to see the positive impact of these actions only gradually, which can result in near-term misalignment with investor expectations, particularly in terms of profitability. With the management committing to incremental clarity post 4Q earnings, April remains the key to any view change.
- TECHM management continues to see growth headwinds in the key Communications vertical (36.5% of 3Q revenues), which is on course for double-digit decline in growth in FY24. While we are factoring in a modest growth in FY25 in this business, management commentary indicates downside risks.
- Moreover, the weak deal wins and low profitability will also add to the pressure on growth pickup in FY25, as it leaves limited flexibility to the management to be aggressive on growth opportunities. Our estimates indicate a modest 4.4% USD revenue CAGR over FY23-26E for TECHM.
- The combination of low profitability (adjusted) and elevated operational metrics (high utilization, low attrition, and low sub-contractor expense) imply limited immediate benefits from margin improvement initiatives, something which the management also indicated in its commentary. While we see 3Q as the bottom for EBIT margin, TECHM should take more than two years to reach 14%+ EBIT margins. We see FY25E/FY26E EBIT margins at 9.8%/12.0%, resulting in only 6.0% PAT CAGR over FY23-26E.
- We remain on the sidelines as we feel the current valuation fairly factors in the uncertainties around growth and margin. Our FY25/FY26 EPS estimates remain broadly unchanged post 3Q results. **We remain Neutral on the stock with a TP of INR1,360, as we roll forward to 20x FY26E EPS.**

Weak deal TCv, operational performance remains muted

- Revenue stood at USD 1.57b, up 1.1% QoQ in CC terms (including 140bp one-off revenues), above our estimate of -1.1% QoQ CC.
- IT service growth was strong 2.3% QoQ, while BPO was down 0.7% QoQ.

- CME (flat QoQ) stable after two consecutive quarters of decline; Manufacturing (+2.9%), Retail (+6.4%), and Other (+8.4%) led the growth, while BFSI (-2.0%) and Technology (-2.9%) registered weak performance.
- Adjusted EBIT margin stood at 7.0%, 30 bp QoQ below our estimates. Reported EBIT margin stood at 5.4% (up 70bp QoQ).
- Net Employee declined 4.4k QoQ vs. +2.3k in 2Q; BPO at -4.78k QoQ and software professionals at +500 QoQ
- Utilization (ex. trainees) at +200 bp QoQ at 88%; LTM attrition improved 140bp QoQ to 10%.
- NN Deal TCV was weak at USD381m, down 40.5% QoQ/down 52.1% YoY.
- Reported PAT stood at INR5.1b (up 3.2% QoQ/down 60.6% YoY).

Key highlights from the management commentary

- On the communication segment, the management indicated that it will continue to be volatile for a couple of more quarters before it sustains and delivers steady growth. It would be too early to call out any green shoots for the sector.
- Europe growth was majorly driven by the one-off revenue recorded in 3Q. Otherwise, manufacturing is doing well in the region, while it has also made significant investments to fuel incremental growth within BFSI.
- The manufacturing segment has been performing well with proactive investments around industry manufacturing and design engineering.
- Normalized EBIT margin in 3Q stood at 7%, adjusted for investments made in reorganization. The reorganization initiative also includes pruning the contracts that do not fit into the long-term strategic vision of the company.

Valuation and view

- Although 3Q performance was weak, it was better than our estimates. TECHM's high exposure to the Communications vertical offers a potential opportunity, as a broader 5G rollout is likely to result in a new spending cycle in this space.
- Near-term growth remains weak and we await greater comfort on margins. We value the stock at 20x FY26E EPS. We maintain our Neutral rating on the stock.

Quarterly performance

Y/E March	FY23				FY24				FY23	FY24E	FY24 3QE	(INR b) Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	1,633	1,638	1,668	1,668	1,601	1,555	1,573	1,594	6,607	6,323	1,534	2.5
QoQ (%)	1.5	0.3	1.8	0.0	-4.0	-2.8	1.1	1.3	10.1	-4.3	-1.4	250bp
Revenue (INR b)	127	131	137	137	132	129	131	132	533	524	128	2.5
YoY (%)	24.6	20.7	19.9	13.2	3.5	-2.0	-4.6	-3.5	19.4	-1.8	-7.0	235bp
GPM (%)	28.3	27.9	28.7	28.9	25.7	22.5	23.9	25.0	28.5	24.3	24.7	-76bp
SGA (%)	13.5	12.8	13.1	14.2	13.5	11.5	13.6	13.2	13.4	13.0	14.0	-40bp
EBITDA	19	20	21	20	16	14	14	16	80	59	14	-0.9
EBITDA Margin (%)	14.8	15.1	15.6	14.7	12.2	10.9	10.3	11.8	15.1	11.3	10.7	-36bp
EBIT	14	15	16	15	12	9	9	11	61	41	9	-2.3
EBIT Margin (%)	11.0	11.4	12.0	11.2	8.8	7.3	7.0	8.4	11.4	7.9	7.3	-34bp
Other income	1	2	1	2	1	2	0	1	6	3	1	-122.7
ETR (%)	22.8	21.4	27.3	22.9	21.8	9.9	17.6	25.0	23.7	18.9	25.0	-742bp
Adj. PAT	11	13	13	13	10	10	7	9	51	36	8	-8.7
QoQ (%)	-24.9	15.8	-1.0	2.6	-28.2	2.3	-26.5	28.5			-19.5	-701bp
YoY (%)	-16.4	-2.2	-5.3	-11.6	-15.5	-25.3	-44.6	-30.6	-8.9	-29.5	-39.3	-529bp
Extra-Ordinary Item	0.0	-0.2	0.0	-2.1	-2.6	-4.8	-2.1	0.0	-2.4	-9.5	-5.0	
Reported PAT	11	13	13	11	7	5	5	9	48	26	3	77.6
EPS (INR)	12.8	14.8	14.7	15.0	10.8	11.0	8.1	10.4	57.3	40.4	8.9	-8.6

E: MOFSL estimates



Pidilite Industries

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR2,592 TP: INR2,650 (+2%) Neutral

Broad-based volume growth; in-line EBITDA

Bloomberg	PIDI IN
Equity Shares (m)	513
M.Cap.(INRb)/(USD\$b)	1318.3 / 15.9
52-Week Range (INR)	2805 / 2250
1, 6, 12 Rel. Per (%)	-2/-11/-10
12M Avg Val (INR M)	972

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	123.0	136.9	153.6
Sales Gr. (%)	4.3	11.3	12.2
EBITDA	28.0	31.9	35.6
EBITDA Margin (%)	22.8	23.3	23.2
Adj. PAT	19.0	22.1	24.8
Adj. EPS (INR)	37.4	43.4	48.8
EPS Gr. (%)	48.2	16.2	12.3
BV/Sh.(INR)	163.3	186.7	211.3

Ratios

RoE (%)	24.5	24.8	24.5
RoCE (%)	22.2	22.9	22.8
Payout (%)	42.8	46.0	47.2

Valuations

P/E (x)	69.2	59.5	53.0
P/BV (x)	15.8	13.8	12.2
EV/EBITDA (x)	46.3	40.3	35.8
Div. Yield (%)	0.6	0.8	0.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	69.8	69.9	69.9
DII	8.3	8.0	8.1
FII	11.5	11.4	11.1
Others	10.3	10.8	10.9

FII includes depository receipts

- Pidilite (PIDI) delivered healthy 10% volume growth and in-line EBITDA in 3QFY24. The Consumer and B2B segments clocked robust double-digit volume growth. Rural and small-town markets outpaced urban markets. Value growth (4%) was impacted by price cuts.
- GM expanded 1,100bp YoY/150bps QoQ to 53% owing to benign raw material prices. VAM continued to decline to ~USD900/t from USD2,000/t in 3QFY23.
- PIDI remains committed to stepping up investments in brand and customer engagement. EBITDA margin expanded by 700bp YoY/150bp QoQ to 23.7% (est. 23.2%). We model 23% EBITDA margin for FY25/FY26.
- The lending business pilot is underway and will be launched in a southern Indian city in Feb'24. A dedicated team is established to work on the program at arm's length. The INR1b commitment over two years remains unchanged, depending on the pilot's success.
- PIDI's core categories still enjoy GDP multiplier; advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin at +23% is already at an all-time high. We do not model further expansion as growth drivers (consumer acquisition, distribution expansion and brand investments) will require high opex. Given rich valuations, we reiterate our **Neutral** rating on the stock.

Healthy volume growth; in-line EBITDA

- Net sales grew 4.4% YoY to INR31.3b (est. INR32.3b), aided by with healthy volume growth in a challenging environment.
- Growth was broad based as both segments reported **double-digit UVG**. The 3-year/4-year revenue CAGRs stood at 11%/13%.
- **Consumer & Bazaar (C&B) segment** revenue rose 5% YoY to INR25.4b, EBIT grew 43% YoY to INR7.7b, and EBIT margin expanded 800bp YoY to 30.3%.
- **B2B segment** revenue grew 6% YoY to INR6.4b, EBIT increased by 93% to INR757m, and EBIT margin expanded 530bp to 11.9%.
- Gross margin expanded ~1,100bp YoY to 52.9% (est. 51.9%).
- As a percentage of sales, employee expenses rose 160bp YoY to 11.3% and other expenses increased by 250bp YoY to 16.7%. EBITDA margin expanded by 720bp YoY to **23.7% (est. 23.2%)**.
- EBITDA grew 49.7% YoY to INR7.4b (est. INR7.5b). The 3-year/4-year CAGRs stood at 5.0%/12.5%.
- PBT grew 64.7% YoY to INR6.9b (est. INR6.7b). The 3-year/4-year CAGRs stood at 5%/11%.
- Adj. PAT increased by 66.8% YoY to INR5.1b (est. INR5.0b). The 3-year/4-year CAGRs stood at 5%/10%.

Highlights from the management commentary

- Strong revenue growth was supported by a robust 10.4% volume increase as the C&B and B2B segments posted double-digit volume growth.
- The four-year volume CAGR is 12-12.5%, primarily attributed to inorganic growth, with a significant contribution from the inclusion of Araldite.
- VAM's consumption costs stood at USD900/t vs. USD2,000/t in 3QFY23 and USD1,000/t in 2QFY24.
- Both urban and rural markets expanded, with rural and small-town markets outperforming urban areas.
- The paints business, as consistently stated, solely focuses on small towns and rural areas.
- The waterproofing paint market is growing at a faster pace; therefore, the company will not lose market share due to the entry of new players.
- PIDI has set up a lending business to provide small retail loans for its domain ecosystem's business growth. A separate experienced team will be assigned to this business. PIDI management would not be affected by this.
- PIDI continues to focus on the expansion of its distribution network. It has expanded its network to 12,000 stores in 8,000+ villages under the 'Pidilite ki Duniya' program. It plans to add 1,000-1,500 stores every quarter.

Valuations and view

- We broadly maintain our EPS estimates for FY24 and FY25.
- The core categories enjoy GDP multiplier benefits. The advantages of penetration and distribution expansion can help PIDI deliver healthy volume growth in the medium term. Strong competitive positioning and execution superiority should help the company sustain the growth trends.
- Operating margin at +23% is already at an all-time high. We do not model further expansion as growth drivers (consumer acquisition, distribution expansion and brand investments) will require high opex. We build in a CAGR of 13-14% in EBITDA and PAT during FY24-26E.
- PIDI stands out for its market-leading position in the adhesives market with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR2,650 (premised on 55x Dec'25 EPS)**.

Consolidated - Quarterly Earning Model

Y/E March	(INR m)											
	FY23				FY24E				FY23	FY24	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	31,011	30,112	29,976	26,893	32,751	30,760	31,300	28,211	1,17,991	1,23,023	32,314	-3.1
YoY change (%)	60.1	14.7	5.2	7.3	5.6	2.2	4.4	4.9	18.9	4.3	7.8	
Gross Profit	12,931	12,342	12,541	12,582	16,054	15,783	16,551	14,774	50,397	63,161	16,771	-1.3
Margin (%)	41.7	41.0	41.8	46.8	49.0	51.3	52.9	52.4	42.7	51.3	51.9	
EBITDA	5,295	4,999	4,959	4,592	7,070	6,797	7,425	6,733	19,844	28,024	7,506	-1.1
YoY change (%)	52.3	-9.0	-9.7	14.5	33.5	36.0	49.7	46.6	7.4	41.2	51.4	
Margins (%)	17.1	16.6	16.5	17.1	21.6	22.1	23.7	23.9	16.8	22.8	23.2	
Depreciation	613	636	686	762	734	752	795	803	2,697	3,084	789	
Interest	90	117	151	118	119	131	128	138	476	516	148	
Other Income	107	110	51	228	234	316	370	328	496	1,248	180	
PBT	4,698	4,355	4,173	3,940	6,451	6,230	6,872	6,121	17,166	25,673	6,749	1.8
Tax	1,157	1,098	1,052	1,038	1,704	1,631	1,765	1,575	4,344	6,675	1,721	
Rate (%)	24.6	25.2	25.2	26.3	26.4	26.2	25.7	25.7	25.3	26.0	25.5	
Adj PAT	3,541	3,347	3,061	2,873	4,746	4,599	5,107	4,546	12,822	18,998	5,028	1.6
YoY change (%)	64.4	-10.7	-13.9	15.3	34.0	37.4	66.8	58.2	7.3	48.2	64.2	
Margins (%)	11.4	11.1	10.2	10.7	14.5	15.0	16.3	16.1	10.9	15.4	15.6	



TVS Motor Company

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR2,001 TP:INR1,880 (-6%) Neutral

Operationally in line; high other income drives PAT beat

Both domestic and export demand seeing gradual improvement

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USDb)	950.6 / 11.4
52-Week Range (INR)	2109 / 971
1, 6, 12 Rel. Per (%)	1/44/85
12M Avg Val (INR M)	1631

- TVS Motor (TVSL) posted an operationally in-line performance in 3QFY24. The company posted its highest-ever EBITDA margin at 11.2% (+1,10bp QoQ). We believe TVSL is well placed to outperform the 2W industry, led by its multiple successful products in key categories, expansion in global geographies, and success in EVs.

- However, we believe strong earnings growth driven by recovery in underlying segments and margin improvement is fairly captured in the current valuations at ~45x/37x FY24E/FY25E EPS. We retain our FY24E/FY25E EPS. Reiterate **Neutral** with a TP of ~INR1,880 based on ~27x Dec'25E EPS (vs. ~25x earlier) and INR176/sh for NBFC.

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	263.8	319.0	366.2
EBITDA	26.7	35.0	42.7
Adj. PAT	14.5	21.2	25.6
EPS (INR)	30.4	44.7	53.8
EPS Gr. (%)	60.7	46.8	20.5
BV/Sh (INR)	127.3	166.0	213.2

Ratios

RoE (%)	26.6	30.5	28.4
RoCE (%)	28.3	32.7	32.5
Payout (%)	15.9	13.4	12.1

Valuations

P/E (x)	65.8	44.8	37.2
P/BV (x)	15.7	12.1	9.4
Div. Yield (%)	0.2	0.3	0.3
FCF Yield (%)	1.0	1.9	2.5

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	50.3	50.3	50.3
DII	21.8	23.1	26.9
FII	19.3	18.5	14.5
Others	8.7	8.2	8.4

FII Includes depository receipts

Better gross margins offset by higher other expenses

- TVSL's revenue/EBITDA/adj. PAT grew 26%/40%/68% YoY in 3QFY24 to INR82.45b (in line)/INR9.2b/INR5.9b (est. INR5.5b). 9MFY24 revenues/EBITDA/adj.PAT grew 19%/30%/48% YoY.
- Revenue growth was driven by ~25% YoY growth in volumes. ASP remained flat at INR74.9k per unit (in line).
- Gross margin expanded 220bp YoY to 26.3% (est. 25.9%), driven by stable RM costs. Operating leverage aided EBITDA margin expansion by 110bp YoY to 11.2% (est. 11.5%). EBITDA grew ~40% YoY to INR9.2b (in line).
- Other expenses were high due to marketing spending during the festive season. Other income was high at INR734m (est. INR60m) as it included profit from the reduction of capital amounting to INR827m (balance was notional loss due to fair value of investment). The tax rate was low at 23.4% (est. 25%).
- As a result, adjusted PAT grew 68% YoY to INR5.9b (est. INR5.5b).

Key takeaways from the management interaction

- Domestic-** The management expects positive demand momentum to continue in 4Q, driven by healthy growth in rural areas despite some challenges in sowing. Retail financing has also been favorable. TVSL believes growth will be significant in urban and semi-urban regions.
- Exports-** A recovery in international markets should continue as inflation is settling down; however, currency availability is still an issue in African markets. Customer retails are happening. Sri Lanka has started opening up.
- TVS credit-** PBT grew 75% to INR2.29b in 3QFY24. Gross book size stands at INR250b, with GNPA at 3.1% and capital adequacy ratio of 8.6%. Disbursements stood at INR70b vs. ~INR60b in 3QFY23.

Valuation and view

- Volume growth is likely to be driven by a recovery in the domestic 2W market, new products, and a recovery in exports. TVSL is enjoying the benefits of economies of scale and operating leverage, which help it sustain EBITDA margin at the double-digit level. However, TVSL earns ~40% of its overall EBITDA from the domestic scooter business, making it vulnerable to EV disruption.
- We now value TVSL at 27x Dec'25E EPS (25x earlier), led by a visible recovery in domestic 2W volumes, sequential growth in exports, and success in EV scooters. Valuations at ~45x/37x FY24E/FY25E EPS largely reflect its strong earnings growth as well as the increasing risk of EVs. Reiterate **Neutral** with a TP of ~INR1,880 (premised on ~27x Dec'25E EPS + INR173/share for NBFC).

S/A Quarterly Performance

Y/E March (INR m)	FY23				FY24				FY23	FY24E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Vols ('000 units)	906.8	1,027.4	879.4	866.5	953.2	1,074.4	1,100.8	1,090.7	3,680	4,219	1,100.8
Growth (%)	37.9	12.1	0.1	1.2	5.1	4.6	25.2	25.9	11.2	14.6	25.2
Realn (INR '000/unit)	66.3	70.3	74.4	76.2	75.7	75.8	74.9	76.1	71.7	75.6	75.0
Growth (%)	10.8	15.1	14.6	18.0	14.3	7.9	0.6	(0.2)	14.2	5.5	0.8
Net Sales	60,087	72,192	65,454	66,048	72,179	81,446	82,450	82,974	2,63,781	3,19,050	82,618
Growth (%)	52.7	29.0	14.7	19.4	20.1	12.8	26.0	25.6	27.0	21.0	26.2
RM (% of sales)	76.1	76.2	75.5	75.4	74.6	74.0	73.7	73.9	75.8	74.0	74.1
Emp cost (% of sales)	5.3	4.8	5.2	5.1	5.2	4.8	4.9	4.9	5.1	5.0	4.7
Other exp (% of sales)	8.6	8.9	9.2	9.2	9.6	10.1	10.2	10.1	9.0	10.0	9.7
EBITDA	5,995	7,365	6,589	6,798	7,638	8,998	9,244	9,120	26,747	35,000	9,464
EBITDA Margin(%)	10.0	10.2	10.1	10.3	10.6	11.0	11.2	11.0	10.1	11.0	11.5
Interest	376	352	316	363	474	523	448	520	1,407	1,964	500
Depreciation	1,520	1,535	1,583	1,674	1,636	1,701	1,781	1,725	6,312	6,841	1,730
Other Income	222	14	65	88	576	462	734	170	389	1,942	60
PBT before EO Exp	4,321	5,492	4,755	4,849	6,104	7,237	7,750	7,046	19,417	28,137	7,294
EO Exp	0	0	0	-617	0	0	0	0	-617		0
PBT after EO Exp	4,321	5,492	4,755	5,466	6,104	7,237	7,750	7,046	20,034	28,137	7,294
Tax rate (%)	25.8	25.8	25.8	24.9	23.4	25.9	23.4	25.6	25.6	24.6	25.0
Reported PAT	3,205	4,075	3,528	4,103	4,677	5,366	5,934	5,239	14,910	21,215	5,470
Adjusted PAT	3,205	4,075	3,527	3,640	4,677	5,366	5,934	5,239	14,451	21,215	5,470

Key performance indicator

Y/E March (INR m)	FY23				FY24E				FY23	FY24E	3Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Volumes ('000 units)	906.8	1,027.4	879.4	866.5	953.2	1,074.4	1,100.8	1,090.7	3,680.2	4,219.1	1,100.8
Growth (%)	37.9	12.1	0.1	1.2	5.1	4.6	25.2	25.9	-42.5	-42.7	25.2
Dom. 2W Mkt Sh (%)	15.2	15.5	16.3	18.8	17.4	17.2	17.9		16.4		
Net Realization	66.3	70.3	74.4	76.2	75.7	75.8	74.9	76.1	71.7	75.6	75.0
Growth YoY (%)	10.8	15.1	14.6	18.0	14.3	7.9	0.6	-0.2	14.2	5.5	0.8
Cost Break-up											
RM Cost (% of sales)	76.1	76.2	75.5	75.4	74.6	74.0	73.7	73.9	75.8	74.0	74.1
Staff Cost (% of sales)	5.3	4.8	5.2	5.1	5.2	4.8	4.9	4.9	5.1	5.0	4.7
Other Cost (% of sales)	8.6	8.9	9.2	9.2	9.6	10.1	10.2	10.1	9.0	10.0	9.7
Gross Margins (%)	23.9	23.8	24.5	24.6	25.4	26.0	26.3	26.1	24.2	26.0	25.9
EBITDA Margins (%)	10.0	10.2	10.1	10.3	10.6	11.0	11.2	11.0	10.1	11.0	11.5
EBIT Margins (%)	7.4	8.1	7.6	7.8	8.3	9.0	9.1	8.9	7.7	8.8	9.4

E:MOFSL Estimates



Havells India

Estimate change



TP change



Rating change



CMP: INR1,306

TP: INR1,510 (+16%)

BUY

Healthy growth in cables and Lloyd; ECD and lighting subdued

Strong B2B demand; normalcy expected in B2C segment

	HAVL IN
Equity Shares (m)	625
M.Cap.(INRb)/(USDb)	818.2 / 9.8
52-Week Range (INR)	1472 / 1128
1, 6, 12 Rel. Per (%)	-4/-8/-9
12M Avg Val (INR M)	1037
Free float (%)	40.6

Financials & Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	186.0	209.6	238.0
EBITDA	17.4	22.2	27.2
Adj. PAT	11.9	15.4	18.9
EBITA Margin (%)	9.3	10.6	11.4
Cons. Adj. EPS (INR)	19.0	24.7	30.1
EPS Gr. (%)	10.6	29.9	22.2
BV/Sh. (INR)	117.9	133.9	153.5

Ratios

Net D:E	(0.3)	(0.4)	(0.4)
RoE (%)	16.1	18.4	19.6
RoCE (%)	15.7	17.9	19.2
Payout (%)	35.0	35.0	35.0

Valuations

P/E (x)	68.7	52.9	43.3
P/BV (x)	11.1	9.7	8.5
EV/EBITDA (x)	45.5	35.4	28.5
Div Yield (%)	0.5	0.7	0.8
FCF Yield (%)	1.1	1.2	1.8

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	59.4	59.4	59.5
DII	10.1	9.5	10.4
FII	24.0	24.2	22.7
Others	6.5	7.0	7.4

FII Includes depository receipts

- HAVL reported a miss of 3%/6% on EBITDA/PAT on our 3QFY24 estimates, primarily due to higher-than-estimated AD spends (4% of revenues vs. 3.1%/2.2% in 3QFY23/2QFY24). An adverse product mix in the Cables and Wires segment led to a QoQ decline in margin.
- The management expects a positive impact on the summer season, aided by low base. It foresees the realization of deferred purchases, due to the inflationary environment over the past year in the B2C category going forward. It does not anticipate any price increases in both AC and fan product categories. Instead, the focus is on leveraging cost-saving initiatives and capitalizing on improved economies of scale in 1HCY24 to boost margin.
- We cut our EPS estimates by 8%/6%/4% for FY24/FY25/FY26 as we factor in lower margins in the ECD/Lighting segments due to pricing pressure. We remain structurally positive on HAVL, given its diversified product portfolio, premiumization strategy, and continued focus on brand building. We value HAVL at 50x FY26E EPS to arrive at our TP of INR1,510.

Higher ad spending results in lower-than-estimated margins

- Consolidated revenue/EBITDA/PAT stood at INR44.1b/INR4.3b/INR2.9b (up 7%/2%/1% YoY and in line/down 3%/6% vs. our estimates). Gross margin was up 30bp YoY (flat QoQ) to 33.3%. OPM declined 50bp YoY to 9.8%.
- Ad spends stood at 4% of the revenue vs. 3.1%/2.2% in 3QFY23/2QFY24. Depreciation/interest costs rose 18%/40% YoY, whereas 'Other income' grew 40% YoY. The board has approved an interim dividend of INR3/share (~23% payout).
- Segmental highlights: (a) Havells (ex-Lloyd): revenue up 7% YoY to INR37.6b. **C&W**: revenue up 11% YoY to INR15.7b and EBIT margin contracted 1.1pp to 10.4%. **Switchgear**: revenue up 1% YoY to INR5.2b and EBIT margin declined 60bp to 24%. **Lighting**: revenue was up 3% YoY to INR4b and EBIT margin improved 1.5pp to 14%. **ECD**: revenue was up 3% YoY to INR9.6b and EBIT margin declined 2pp to 11%. (b) **Lloyd's** revenue grew 8% YoY to INR6.6b. The company reported a loss of INR646m at the EBIT level in 3Q vs. a loss of INR596m YoY (estimated EBIT loss of INR577m).
- In 9MFY24, revenue increased 9% YoY, led by 17%/14%/5% growth in revenue of Lloyd/C&W/Switchgear segments. EBITDA increased 12.7% YoY to INR12.1b with OPM improvement of 30bp YoY to 9.2%. Adj. Profit was up 15% YoY to INR8.2b.

Key highlights from the management commentary

- Sustained infrastructure growth led to demand growth in the B2B segment. There is good traction in the residential segment, especially on the premium side in urban areas. It foresees the realization of deferred purchases in the B2C category going forward.
- It participated in several projects in professional lighting, which led to a strong volume growth. However, price deflation remained a significant drag, impacting the value growth.

- It gained market share in Lloyd in 9MFY24 and delivered strong CAGR of ~30% in the last two years. Further, the company positioned itself as a mass premium brand in the Middle East region owing to increased competition from China.

Valuation and view

- We estimate HAVL's revenue/EBITDA/PAT CAGR of 12%/19%/21% over FY23-26. We expect EBITDA margin to improve gradually to 11.4% in FY26 vs. 9.5% in FY23, led by benefits from commodity cost stabilization and lower losses for Lloyds.
- HAVL has been generating positive free cash flows most of the years despite higher capex (due to focus on in-house manufacturing). We expect cumulative OCF to be at INR50b over FY24-26 and cumulative capex at INR16.5b over this period. RoE and RoCE are likely to be at 20% and 19% in FY26 vs. an average level of 18% and 17%, respectively, over FY15-23.
- Our target price of INR1,510 is based on 50x FY26E EPS. We reiterate our BUY rating on the stock.

Quarterly performance

Y/E March	FY23				FY24				FY23	FY24E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Sales	42,445	36,689	41,197	48,592	48,338	39,003	44,139	54,526	1,68,923	1,86,006	44,203	-0.1%
Change (%)	63.4	13.9	12.8	10.0	13.9	6.3	7.1	12.2	21.6	10.1	7.3	
Adj EBITDA	3,615	2,871	4,237	5,271	4,020	3,734	4,327	5,311	15,995	17,391	4,468	-3.2%
Change (%)	2.4	-35.3	-3.8	1.3	11.2	30.1	2.1	0.7	-9.0	8.7	5.4	
Adj EBITDA margin (%)	8.5	7.8	10.3	10.8	8.3	9.6	9.8	9.7	9.5	9.3	10.1	-30
Depreciation	721	721	746	774	763	812	877	856	2,961	3,308	828	5.9%
Interest	98	68	73	98	85	93	102	90	336	370	95	7.4%
Other Income	476	433	399	467	648	525	559	595	1,775	2,327	575	-2.8%
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-	-	
PBT	3,273	2,515	3,818	4,867	3,821	3,353	3,907	4,960	14,473	16,041	4,120	-5.2%
Tax	841	646	978	1,287	950	862	1,028	1,311	3,752	4,151	1,060	
Effective Tax Rate (%)	25.7	25.7	25.6	26.4	24.9	25.7	26.3	26.4	25.9	25.9	25.7	
Reported PAT	2,432	1,869	2,839	3,580	2,871	2,491	2,879	3,649	10,720	11,890	3,060	-5.9%
Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	1.9	(10.3)	10.9	7.8	
Adj PAT	2,432	1,869	2,839	3,580	2,871	2,491	2,879	3,649	10,720	11,890	3,060	-5.9%
Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	1.9	(10.3)	10.9	7.8	



Canara Bank

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR454 **TP: INR570 (+25%)** **Buy**

Lower provisions aid earnings; asset quality improves

RoA to expand further

- Canara Bank (CBK) reported 3QFY24 standalone PAT at INR36.6b (up 27% YoY, in line), driven by lower provisions. NII grew 9.5% YoY (in line), while margins improved 3bp QoQ to 3.03%.
- Other income grew 8% YoY to INR43b (down 7% QoQ, 6% miss). Opex grew 23% YoY to INR69.1b (17% QoQ growth, 8% beat). PPop, thus, declined 2% YoY (7% miss). The C/I ratio rose to 50.4% due to wage revisions at 17%.
- On the business front, the loan book grew 13% YoY (3.2% QoQ), driven by healthy traction in retail and corporate loans. Deposits grew 8.5% YoY (2.5% QoQ) to INR12.6t, led by 14% YoY growth in term deposits. The CASA ratio, thus, moderated 50bp QoQ to 31.7%.
- Asset quality ratios improved significantly, with credit costs falling below 1%. Fresh slippages stood at INR26.97b vs. INR29.87b in 2QFY24. RoA/RoE stood at 1.01%/21.95%.
- We broadly maintain our EPS estimates and expect CBK to deliver FY25E RoA/RoE of 1.1%/19.5%. Reiterate **BUY with a TP of INR570**.

Business growth steady; Margins improved 3bp QoQ

- CBK reported 3QFY24 standalone PAT at INR36.6b (up 27% YoY, in line), driven by lower provisions. NII grew 9.5% YoY (in line), while margins improved 3bp QoQ to 3.03%.
- Other income increased by 8% YoY to INR43b (6% miss, 7% QoQ decline). Total revenue grew 9% YoY (in line).
- Operating expenses grew 23% YoY to INR69.1b (up 17% QoQ, 8% beat) due to an increase in wage-related expenses. PPop declined 2% YoY (7% miss). Treasury income stood at INR4.95b in 3QFY24 vs. INR5.87b in 2QFY24.
- On the business front, total loans grew 3.2% QoQ (up 13% YoY), led by both corporate (up 3% QoQ) and RAM segment (up 4% QoQ). Agri book grew 2.3% QoQ (up 19% YoY) and MSME grew 1.9% QoQ (up 9.5% YoY). Deposits rose 8.5% YoY (up 2.5% QoQ); however, CASA deposits remained stable, leading to a moderation in the CASA ratio by 50bp QoQ to 31.7%. Term deposits increased 14% YoY.
- GNPA/NNPA ratios improved by 37bp/9bp QoQ to 4.39%/1.32%. PCR stood at 71%. Fresh slippages came in at INR26.97b vs INR29.87b in 2QFY24. Provisions declined 39% YoY (29% lower than our estimate). SMA Book increased to 0.8% in 3QFY24 from 0.7% in 2QFY24.

Highlights from the management commentary

- The C/I ratio was high due to wage revision settlement at 17%, as the bank fully provided the shortfall of wage revisions as of Dec'23.
- CBK expects to sustain NIMs near 3.0%.
- The bank remains confident of growing advances at 12%+ YoY.
- The bank has made additional provisions of INR7b — INR2.5b for actuarial pension and INR4.5b for wage revisions over and above previously made.

Bloomberg	CBK IN
Equity Shares (m)	1814
M.Cap.(INRb)/(USDb)	824.2 / 9.9
52-Week Range (INR)	485 / 269
1, 6, 12 Rel. Per (%)	6/25/23
12M Avg Val (INR M)	2823

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	314.4	366.0	397.3
OP	277.2	294.6	329.2
NP	106.0	145.6	171.4
NIM (%)	2.6	2.7	2.7
EPS (INR)	58.5	80.3	94.5
EPS Gr. (%)	78.1	37.3	17.7
BV/Sh. (INR)	383	459	547
ABV/Sh. (INR)	322	407	501

Ratios

RoE (%)	17.1	19.9	19.5
RoA (%)	0.8	1.0	1.1

Valuations

P/E (x)	7.6	5.5	4.7
P/BV (x)	1.2	1.0	0.8
P/ABV (x)	1.4	1.1	0.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	62.9	62.9	62.9
DII	14.3	14.9	16.6
FII	11.2	10.2	8.7
Others	11.6	12.2	11.7

FII Includes depository receipts

Valuation and view

CBK reported an in-line performance as earnings growth was steady, led by lower provisions, and as asset quality improved. NII growth too was healthy, leading to a 3bp QoQ margin expansion. However, the management expects NIMs to remain under pressure due to rising cost of funds. Operating profit declined due to high opex. Loan growth was led by Corporate and Retail segments, and the outlook remains encouraging. Sequential improvement in slippages, along with healthy recoveries and upgrades, led to improvements in asset quality ratios. We broadly maintain our earnings estimates and expect CBK to deliver FY25E RoA/RoE of 1.1%/19.5%. We reiterate our **BUY rating with a TP of INR570 (1x Sep'25E ABV)**.

Quarterly performance

	FY23				FY24E				FY23	FY24E	FY24E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	V/S our
												Est
Net Interest Income	67.8	74.3	86.0	86.2	86.7	89.0	94.2	96.2	314.4	366.0	92.2	2
% Change (Y-o-Y)	10.2	18.5	23.8	23.0	27.7	19.8	9.5	11.6	19.1	16.4	7.2	
Other Income	51.8	48.3	39.9	47.8	48.2	46.3	43.0	46.4	187.6	183.9	45.5	(6)
Total Income	119.6	122.6	125.9	133.9	134.8	135.4	137.1	142.5	502.0	549.9	137.7	(0)
Operating Expenses	53.5	53.5	56.3	61.4	58.8	59.2	69.1	68.2	224.8	255.3	64.2	8
Operating Profit	66.1	69.1	69.5	72.5	76.0	76.2	68.1	74.3	277.2	294.6	73.5	(7)
% Change (Y-o-Y)	20.5	23.2	19.8	16.9	15.1	10.3	-2.1	2.5	13.4	6.3	5.7	
Other Provisions	36.9	36.4	31.2	30.9	27.2	26.1	19.0	25.8	135.4	98.1	26.8	(29)
Profit before Tax	29.2	32.7	38.3	41.6	48.9	50.1	49.1	48.5	141.7	196.5	46.7	5
Tax	8.9	7.4	9.5	9.8	13.5	14.0	12.5	10.9	35.7	50.9	11.4	10
Net Profit	20.2	25.3	28.8	31.7	35.3	36.1	36.6	37.6	106.0	145.6	35.3	4
% Change (Y-o-Y)	71.7	89.5	91.8	90.5	74.8	42.8	26.9	18.5	86.7	37.3	22.5	
Operating Parameters												
Deposit (INR b)	11,181	11,340	11,635	11,792	11,925	12,322	12,629	12,818	11,792	12,818	12,588	
Loan (INR b)	7,469	7,885	8,164	8,307	8,551	8,923	9,206	9,370	8,307	9,370	9,137	
Deposit Growth (%)	9.4	9.8	11.5	8.5	6.6	8.7	8.5	8.7	8.5	8.7	8.2	
Loan Growth (%)	15.2	21.4	18.0	18.1	14.5	13.2	12.8	12.8	18.1	12.8	11.9	
Asset Quality												
Gross NPA (%)	7.0	6.4	5.9	5.4	5.2	4.8	4.4	4.1	5.4	4.1	4.5	
Net NPA (%)	2.5	2.2	2.0	1.7	1.6	1.4	1.3	1.2	1.7	1.2	1.2	
PCR (%)	66.2	67.1	68.1	68.9	70.6	71.4	70.8	70.6	68.8	70.6	73.3	

E: MOFSL Estimates



United Spirits

Estimate change



TP change



Rating change



Bloomberg	UNSP IN
Equity Shares (m)	727
M.Cap.(INRb)/(USD\$)	809 / 9.7
52-Week Range (INR)	1149 / 731
1, 6, 12 Rel. Per (%)	3/5/18
12M Avg Val (INR M)	968

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	107.5	119.0	129.8
Sales Gr. (%)	3.6	10.7	9.1
EBITDA	17.8	20.0	22.5
Margin (%)	16.6	16.9	17.3
PAT	12.1	13.8	15.5
EPS (INR)	16.7	19.0	21.4
EPS Gr. (%)	31.7	13.9	12.2
BV/Sh.(INR)	98.9	118.0	139.3
Ratios			
RoE (%)	16.9	16.1	15.3
RoCE (%)	23.8	22.5	21.4
Payout (%)	41.9	47.3	56.2
Valuations			
P/E (x)	66.1	58.1	51.8
P/BV (x)	11.2	9.4	7.9
EV/EBITDA (x)	43.8	38.5	33.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	56.7	56.7	56.7
DII	12.5	12.3	12.1
FII	16.2	16.5	16.0
Others	14.6	14.8	15.2

FII Includes depository receipts

CMP: INR1,112

TP: INR1,150 (+3%)

Neutral

P&A outperformance sustains

- United Spirits (UNSP) registered a 7.5% YoY revenue growth (est. 5.5%), with the Prestige & Above (P&A) segment recording a 10% growth. While overall volume contracted 2% YoY, P&A volumes registered an increase of 5% YoY (4% four-year CAGR). The popular segment, both in terms of value/volume witnessed a decline of 12%/23% YoY, respectively.
- The premiumization trends in the liquor category (post COVID) continued to drive the P&A portfolio. Scotch continued to outpace within the P&A portfolio. Pricing strategies have also played a significant role in achieving better value growth.
- The gross margin continued to see gradual recovery, up 300bp YoY, and flat QoQ at 43.4%. However, it is still distant from the 48-49% levels achieved in FY18-FY19. After seeing high RM inflation in the last three to four years, prices are expected to stabilize (steady glass prices, etc.). In our projections, we model a GM of 44% in FY25/FY26.
- The EBITDA margin expanded +300bp YoY to +16% despite a significant increase in A&P spend (up 18% YoY). EBITDA was up 33% YoY. We model 17% EBITDA margin for FY25/FY26, factoring in expectations of stable raw material inflation, sustained favorable product mix, and effective cost control.
- We value UNSP's standalone EPS on 50x Dec'25E and include INR 100/share for its RCB+ non-core assets to arrive at a **TP of INR1,150**. With the limited upside, we maintain our Neutral rating on the stock.

P&A outperformance continues; healthy operating margin

- Standalone net sales increased 7.5% YoY to INR29.9b (est. of INR29.3b) in 3QFY24, with P&A growth of 10% (90% revenue mix).
- Overall reported volume declined 1.8% YoY (est. 0.7% growth), while P&A volume grew ~4.6% YoY.
- Gross margin was up 290bp YoY/flat QoQ at 43.4%. (est. 42.4%).
- Employee costs declined 12% YoY, whereas A&P and other expenses grew 18% and 5% YoY, respectively.
- As a percentage of sales, advertising costs rose 100bp YoY to 11%, whereas staff costs declined 110bp to 4.7% and other expenses fell 30bp YoY to 11.3%.
- EBITDA margin expanded 300bp YoY (flat QoQ) to 16%** (est. 15%).
- EBITDA increased 33.6% YoY to INR4.9b (est. INR4.3b).
- PBT grew 51.2% YoY to INR4.6b and adjusted PAT rose 61% to INR3.5b (est. INR3.5b/INR2.6b).
- In 9MFY24, net sales/EBITDA/Adj. PAT grew 2%/25%/29%.

Highlights from the management commentary

The demand environment is muted sequentially; however, premiumization trends continue. Despite the festive season, the Cricket World Cup, and the peak wedding season, demand has not increased, as consumers are reducing the number of occasions to manage their budgets.

Valuation and view

- With consistent improvement in gross and EBITDA margin, we increase our FY24/FY25 EPS estimates by 13%/7%. We model EBITDA margin of 17% for FY25/FY26E (9MFY24 EBITDA margin was at 16.8%).
- UNSP sold a large part of its popular portfolio to concentrate on its global strategy for the premium portfolio. The liquor industry is currently experiencing an upgrading trend, aligning well with UNSP’s renewed emphasis on P&A, which fits into the long-term liquor upgrading narrative in India.
- We value UNSP’s standalone EPS on 50x Dec’25E and include INR 100/share for its RCB+ non-core assets to arrive at a **TP of INR1,150**. With limited upside, we maintain our Neutral rating on the stock.

Quarterly Performance

(INR m)

Y/E March (Standalone)	FY23				FY24E				FY23	FY24E	FY24 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Volume growth %	17.9	8.3	-25.0	-27.3	-28.6	-27.1	-1.8	4.6	-8.4	-13.2	0.7	
Total revenues	21,946	29,042	27,811	24,938	21,719	28,647	29,893	27,248	1,03,737	1,07,511	29,340	1.9%
YoY change (%)	35.9	18.7	-3.4	-0.3	-1.0	-1.4	7.5	9.3	10.1	3.6	5.5	
Gross Profit	8,974	11,449	11,281	11,315	9,474	12,437	12,979	11,985	43,019	46,875	12,440	4.3%
Margin (%)	40.9	39.4	40.6	45.4	43.6	43.4	43.4	44.0	41.5	43.6	42.4	
Total Exp	19,241	24,618	24,133	21,558	17,868	23,946	24,979	22,868	89,550	89,665	25,086	
EBITDA	2,705	4,424	3,678	3,380	3,851	4,701	4,914	4,381	14,187	17,847	4,254	15.5%
Margins (%)	12.3	15.2	13.2	13.6	17.7	16.4	16.4	16.1	13.7	16.6	14.5	
EBITDA growth (%)	61.3	3.9	-24.9	-21.1	42.4	6.3	33.6	29.6	25.8	25.8	15.7	
Depreciation	741	645	636	684	650	653	628	669	2,706	2,600	693	
Interest	226	210	243	360	193	262	164	150	1,039	500	267	
Other income	256	85	232	169	209	388	461	392	742	1,450	244	
PBT	1,994	3,654	3,031	2,505	3,217	4,174	4,583	3,954	11,184	16,197	3,537	29.6%
Tax	-339	1,947	415	353	814	1,068	1,102	995	2,376	4,049	891	
Rate (%)	-17.0	53.3	13.7	14.1	25.3	25.6	24.0	25.2	21.2	25.0	25.2	
Adj. PAT	2,218	2,636	2,163	2,124	2,397	3,183	3,481	2,959	8,808	12,148	2,646	31.6%
YoY change (%)	130.1	-3.5	-30.4	-24.2	8.1	20.7	61.0	39.3	-12.5	37.9	18.4	

E: MOFSL Estimate



Indian Bank

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	INBK IN
Equity Shares (m)	1245
M.Cap.(INRb)/(USDb)	594.8 / 7.2
52-Week Range (INR)	472 / 252
1, 6, 12 Rel. Per (%)	7/22/34
12M Avg Val (INR M)	791

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	202.3	232.9	251.8
OP	152.7	168.9	182.9
NP	52.8	80.3	95.1
NIM (%)	3.0	3.2	3.2
EPS (INR)	42.4	62.0	70.6
EPS Gr. (%)	27.7	46.2	13.9
BV/Sh. (INR)	358	413	473
ABV/Sh. (INR)	334	398	458

Ratios

RoE (%)	13.3	17.0	16.7
RoA (%)	0.8	1.1	1.2

Valuations

P/E(X)	10.4	7.1	6.3
P/BV (X)	1.2	1.1	0.9
P/ABV (X)	1.3	1.1	1.0

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	73.8	79.9	79.9
DII	15.8	11.8	11.9
FII	5.9	4.3	3.6
Others	4.4	4.6	4.6

FII Includes depository receipts

CMP: INR442 **TP: INR525 (+19%)** **Buy**

Healthy performance; credit cost moderates further

Asset quality continues to improve

- Indian Bank (INBK) reported a PAT beat at INR21.2b (up 52% YoY/ 6.6% QoQ; 9% beat on MOFSLe), amid lower-than-expected provisions (as the bank reversed excess provisions on account of a sale of stressed loans). NII grew 5.7% YoY (in line). Margin contracted slightly by 3bp QoQ to 3.49%.
- Gross loan growth was healthy at 13% YoY/4% QoQ, while deposits grew 9.6% YoY/ 2.1% QoQ. CD ratio increased marginally to 77.9%, while the bank continued to focus on profitable growth.
- Fresh slippages were under control at INR16.8b. Healthy reductions led to a 50bp/7bp QoQ decline in GNPA/NNPA to 4.5%/0.5%. SMA book stood at 0.6% of loans during the quarter.
- We marginally tweak our earnings estimates with +3.6%/-1.4% change in FY24/25E EPS. We expect the bank to deliver an RoA/RoE of 1.2%/ 16.7%. We reiterate our **BUY** rating with a TP of INR525.

Revenue growth steady; wage provisions lead to an increased opex

- INBK's PAT growth was healthy at 52% YoY/6.6% QoQ to INR21.2b, led by lower provisions due to provisioning reversals on the sale of stressed loans.
- NII grew 6% YoY/1.3% QoQ to INR58b (in line). NIM declined slightly by 3bp QoQ to 3.49% (better than expected), and management guided to maintain NIM at ~3.41%.
- Other income grew 11% YoY to INR19b (in line), led by a steady fee income of INR8.5b (21% YoY/5.8% QoQ) and healthy treasury gains.
- Opex grew 15% YoY/5.5% QoQ, as INBK provided for an extra wage-related provisioning that totaled to INR5.6b in 3Q24. As a result, C/I ratio inched up to 46.9% from 44.4% in 2QFY24.
- Gross advances grew 13% YoY (up 4% QoQ) to ~INR5.1t, led by a broad-based growth across all segments such as Retail, Agri, Corporate, and International advances (up 5% QoQ). Within Retail, Housing and Vehicle grew at a healthy pace. Deposits grew at a slower pace at 10% YoY/2.1% QoQ. CASA ratio declined marginally to 39.7% for the quarter.
- GNPA/NNPA ratios declined 50bp/7bp QoQ to 4.5%/0.5%, as slippages remained under control, while recoveries & write-offs continued to be healthy. PCR was healthy at ~88.7%. Provisions declined 13% QoQ to INR13.5b (12% lower than MOFSLe).
- SMA 1/SMA 2 book stood at 0.56% in 3QFY24 vs. 0.64% in 2QFY24. Total restructured portfolio declined to 1.9% of loans (vs. ~2.1% in 2QFY24).

Highlights from the management commentary

- Management guided for 3.41% +/- 10bp of NIM (supported by MCLR repricing); the NIM is still above the guidance.
- The bank's 57bp of capital was hit by an increase in risk weights.

- For wage provisioning increase, the bank will incur an additional average expense of INR750m per month i.e. INR2.2b per quarter.
- The bank has been focusing on the CASA deposits to manage the costs. The current environment for the deposits remains a challenge, but the INBK is taking various steps to sustain healthy deposit growth.

Valuation and view

INBK reported a decent quarter with earnings beat led by a healthy revenue growth and lower provisions. Loan growth remained largely broad-based with healthy trends across all business segments (particularly in Retail, Agri, and Corporate segments), while healthy other income provided further support to the revenue trajectory. INBK has gradually raised its MCLR-linked loans to 61%, which should provide cushion to margins, especially when the interest rate cycles start reversing. The bank expects the growth trend to remain steady and it will continue to focus on profitable growth. Asset quality ratios improved further as the bank maintained best-in-class coverage ratio, which, along with low SMA book, provides comfort on incremental credit cost. We estimate INBK to deliver an **FY25 RoA/RoE of 1.2%/16.7%. Reiterate BUY with a revised TP of INR525 (based on 1.1x Sep'25E ABV).**

Quarterly performance

Y/E March	(INR b)											
	FY23				FY24E				FY23	FY24E	FY24E	v/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		Est
Net Interest Income	45.3	46.8	55.0	55.1	57.0	57.4	58.1	60.3	202.3	232.9	58.4	0%
% Change (YoY)	13.5	14.7	25.1	29.5	25.8	22.5	5.7	9.5	20.9	15.1	6.1	
Other Income	16.0	18.3	17.2	19.9	17.1	19.9	19.0	21.8	71.4	77.9	19.4	-2%
Total Income	61.4	65.1	72.2	75.0	74.1	77.3	77.2	82.1	273.7	310.7	77.7	-1%
Operating Expenses	25.7	28.8	31.5	34.9	32.8	34.3	36.2	38.5	121.0	141.8	36.8	-2%
Operating Profit	35.6	36.3	40.6	40.2	41.3	43.0	41.0	43.6	152.7	168.9	40.9	0%
% Change (YoY)	4.3	10.8	23.5	46.7	16.0	18.6	0.9	8.5	20.1	10.6	0.8	
Provisions	22.2	20.6	25.2	25.6	17.4	15.5	13.5	14.8	93.6	61.2	15.3	-12%
Profit before Tax	13.5	15.7	15.5	14.5	23.9	27.5	27.5	28.8	59.1	107.7	25.7	7%
Tax	1.3	3.5	1.5	0.1	6.9	7.6	6.3	6.6	6.3	27.4	6.2	
Net Profit	12.1	12.3	14.0	14.5	17.1	19.9	21.2	22.2	52.8	80.3	19.4	9%
% Change (YoY)	2.7	12.5	102.4	47.0	40.8	62.2	51.8	53.3	33.9	52.1	39.3	
Operating Parameters												
Deposits (INR b)	5,843	5,889	5,971	6,212	6,296	6,408	6,542	6,771	6,212	6,771	6,555	0%
Loans (INR b)	4,018	4,121	4,361	4,493	4,574	4,706	4,896	5,032	4,493	5,032	4,829	1%
Asset Quality												
Gross NPA (%)	8.1	7.3	6.5	6.0	5.5	5.0	4.5	4.3	6.0	4.3	4.7	
Net NPA (%)	2.1	1.5	1.0	0.9	0.7	0.6	0.5	0.5	0.9	0.5	0.6	
PCR (%)	75.5	80.7	85.5	85.7	87.8	88.5	88.7	89.0	85.7	89.0	88.3	

E: MOFSL Estimates



Indus Towers

Estimate changes



TP change



Rating change

CMP: INR230

TP: INR210 (-9%)

Neutral

Bloomberg	INDUSTOW IN
Equity Shares (m)	2695
M.Cap.(INRb)/(USDb)	619.7 / 7.5
52-Week Range (INR)	236 / 135
1, 6, 12 Rel. Per (%)	23/27/16
12M Avg Val (INR M)	1675

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Net Sales	283.8	287.5	302.3
EBITDA	96.7	141.4	152.8
Adj. PAT	24.0	55.0	55.8
EBITDA Margin (%)	34.1	49.2	50.6
Adj. EPS (INR)	8.9	20.4	20.7
EPS Gr. (%)	-62.3	128.7	1.5
BV/Sh. (INR)	78.3	98.7	119.4

Ratios

Net D:E	0.2	0.2	-0.1
RoE (%)	11.1	23.0	19.0
RoCE (%)	13.0	21.5	20.7

Valuations

EV/EBITDA (x)	6.9	4.7	3.9
P/E (x)	25.8	11.3	11.1
P/BV (x)	2.9	2.3	1.9
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	69.0	69.0	69.0
DII	7.1	6.7	2.9
FII	20.8	21.4	26.6
Others	3.2	2.5	1.5

FII Includes depository receipts

Tower adds and provision write-backs aid earnings

- Indus reported revenue/adj. EBITDA growth of 1%/3% QoQ (in line), led by strong tower/rental adds of 7.6k/7.2k and INR3b in provision write-backs. Rental EBITDA grew 3% QoQ. PAT growth was strong at 19% QoQ, led by lower power costs, and interest income for delayed payments.
- The company is benefiting from aggressive site adds by Bharti and the 5G rollout. However, since these are single-tenancy sites, they could drive higher capex, which alters the return profile despite adding linear (single tenant) sites and reduces FCF. Further, VIL's weak outlook and limited funding capability could dilute tenancies in the near term and raise concerns about its long-term tower sharing-led business model. Subsequently, we reiterate our Neutral rating.

Rental revenue picks up due to tower adds; ASF declines

- Revenue grew 1% QoQ to INR72b (in line) led by 3% QoQ rental revenue growth while energy revenue declined 3% QoQ
- Rental revenue growth was led by an increase in the number of towers. Added ~7.6k towers, and ~7.2k co-locations implying a reduction in the average sharing factor (ASF) sequentially to 1.72x from 1.74x.
- EBITDA was up 5% QoQ to INR36b (in line) led by: a) a dip in power and fuel expenses and b) a decrease in VIL provision to INR641m (from INR1.3b in 2QFY24).
- After adjusting for VIL provisions, the Adj. EBITDA rose 3% QoQ to INR36.5b, and the adjusted margin improved 80bp QoQ to 50.7%.
- Higher finance income and controlled depreciation/interest cost led to a 19% QoQ increase in PAT to INR15.4b.
- Net debt (excluding lease) declined INR8.6b to INR46b in 3QFY24.
- For 9MFY24, FCF turned negative to INR6b due to higher capex of INR61.5b.

Highlights from the management commentary

- **VIL collections improved** in 3QFY24 and the company recognized INR3b against past overdue in addition to 100% monthly collections, which resulted in the reversal of provisions for doubtful debts.
- **Recognition of interest income:** Indus has an adjusted interest receivable of INR3.3b from VIL, which resulted in an increase in interest income, and correspondingly a similar amount of provision for doubtful debts has been created. Hence, the effect is netted off from P&L.
- **Order book** is healthy and is expected to grow for the next couple of quarters. Hence, capex may remain elevated.
- **Renewal of portfolio:** In FY23, the company renewed ~33% of its total portfolio and thereafter, it has not done any major bulk renewals. But about 50%-60% of its portfolio would come up for renewal in the coming years.

Valuation and view

- Indus could leverage the benefits of Bharti’s aggressive network densification and the rollout of 5G services. The new leaner sites (small cells) with sharing alternatives could support business economics, while there is a churn in tenancies.
- But VIL’s inability to raise capital poses the risk of its survival, which could raise concerns about Indus’s single-tenancy operations, which makes a limited business case for a tower-sharing company. This could affect the company’s financials by limiting FCF generation and subsequent deleveraging and dividend payments.
- We factor in revenue/EBITDA growth of 5/6% in FY24-26E and arrive at a TP of INR210, implying an EV/tenancy ratio of INR1.6m and an EV/EBITDA ratio of 3.9x. We reiterate our Neutral rating on the stock.

Quarterly Performance

Y/E March (Consolidated)	FY23				FY24E				FY23	FY24E	FY24E	(INR b) Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	(%)	
Revenue from operations	69	80	68	68	71	71	72	73	284	288	73	-0.7
YoY Change (%)	1.5	15.9	-2.3	-5.1	2.6	-10.5	6.4	8.7	10.6	1.3	7.2	
Total Expenditure	46	52	56	33	36	37	36	37	187	146	38	-4.6
EBITDA	23	28	12	34	35	34	36	37	97	141	35	3.5
YoY Change (%)	-35.7	-22.4	-68.6	-15.5	53.8	21.7	208.3	6.4	-26.2	46.2	197.7	
Depreciation	13	13	14	13	14	15	16	17	53	62	16	1.3
Interest	4	4	4	3	4	2	0	3	15	9	3	-96.5
Other Income	1	1	1	1	1	1	1	0	4	3	1	38.6
PBT before EO expense	6	12	-5	19	18	17	21	18	33	74	17	25.6
Extra-Ord expense	0	0	5	0	0	0	0	0	5	0	0	
PBT	6	12	-10	19	18	17	21	18	28	74	17	25.6
Tax	2	3	-2	5	5	5	5	4	7	19	4	
Rate (%)	25.8	25.8	25.6	26.1	25.5	25.9	25.8	25.2	26.1	25.6	25.2	
Reported PAT	5	9	-7	14	13	13	15	13	20	55	12	24.5
Adj PAT	5	9	-3	14	13	13	15	13	24	55	12	24.5
YoY Change (%)	-66.3	-44.1	-145.1	-23.5	182.4	48.5	-550.9	-6.0	-51.7	128.7	-462.2	

E: MOFSL Estimates



L&T Fin.Holdings

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	LTFH IN
Equity Shares (m)	2469
M.Cap.(INRb)/(USDb)	400.9 / 4.8
52-Week Range (INR)	175 / 79
1, 6, 12 Rel. Per (%)	5/13/59
12M Avg Val (INR M)	1150

Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
NII	75.7	88.7	110.1
PPOP	52.8	63.2	81.7
NP	24.4	29.2	38.4
EPS (Rs)	9.8	11.8	15.5
EPS Gr. (%)	50.4	19.7	31.7
BV/Share	95	102	111

Ratios

NIM (%)	9.8	10.0	9.9
C/I ratio (%)	39.6	37.9	34.4
RoA (%)	2.3	2.5	2.7
RoE (%)	10.8	12.0	14.6

Valuations

P/E (x)	16.4	13.7	10.4
P/BV (x)	1.7	1.6	1.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	65.9	66.0	66.2
DII	9.1	7.0	6.1
FII	10.7	12.1	11.2
Others	14.4	14.7	16.6

FII Includes depository receipts

CMP: INR161

TP: INR200 (+24%)

Buy

RoA expands further as retail mix improves

Expect retail mix at ~95% by Mar'24; RoA guidance of 2.8-3.0% by FY26

- L&T Finance Holdings (LTFH) reported PAT of INR6.4b (in line) in 3QFY24. PPOP grew ~7% YoY to INR13.4b (in line), while credit costs of ~INR5.1b translated into annualized credit costs of 2.5% (vs. 2.6% in 2QFY24 and 2.7% in 3QFY24). In 9MFY24, PAT grew ~58% YoY to INR17.7b.
- Consolidated RoA/RoE rose 10bp/55bp QoQ to ~2.5%/~11.4% in 3QFY24. Retail RoA also improved ~10bp QoQ to ~3.4%.
- Retail loans grew ~8% QoQ/31% YoY, propelled by healthy growth in MFI, Home Loans and 2W. Personal loans exhibited a temporary blip in growth momentum but should resume the growth trajectory from 4QFY24 onward.
- Mr. Sudipta Roy (ex-ICICI Bank) has succeeded Mr. Dinanath Dubhashi as MD and CEO. Mr. Roy will look to leverage his extensive experience to further strengthen the franchise.
- We expect that the retail mix will improve to ~94-95% by Mar'24 from 91% as of Dec'23. Considering the accelerated rundown in the wholesale book, we model consolidated loan growth of 18% and PAT CAGR of 34% over FY23-FY26E, with consolidated RoA/RoE of 2.7%/~15% in FY26E.
- A strong liability franchise, a well-capitalized balance sheet and a keen intent to further accelerate the sell-down of the wholesale book have helped LTFH achieve its Lakshya 2026 targets much in advance. LTFH has transformed itself into a retail franchise, which would lead to profitability improvement and RoA expansion. **Retain BUY with a TP of INR200 (based on 1.8x FY26E BVPS).**

Minor improvement in asset quality; guidance of 2.5-2.7% credit costs

- Consol. GS3 declined ~5bp QoQ to ~3.2%, while NS3 remained flat at ~0.8%. PCR declined ~40bp QoQ to ~75%. Retail GNPA declined ~10bp QoQ to 2.95% and NS3 stood stable at ~0.65%.
- The management has guided for retail credit costs of 2.5%-2.7%. We model credit costs of 2.6%/2.7%/2.7% in FY24/FY25/FY26.

Key highlights from the management commentary

- Subsidiaries L&T Finance and L&T Infra Credit have been merged into LTFH. The combined entity will be renamed as L&T Finance, which will be the only entity for all the lending businesses of the company.

Valuation and view

- LTFH has invested in process automation, security, and customer journeys through both assisted and direct-to-consumer (D2C) Planet app. This, along with partnerships with e-aggregators, should lead to stronger and sustainable retail loan growth. Over the past few quarters, the company has consistently delivered strong growth in its Retail loan book, even as it has accelerated the sell-down in the wholesale book.
- We estimate a PAT CAGR of 34% over FY23-26, with consolidated RoA/RoE of 2.7%/~15% in FY26. **Maintain BUY with a TP of INR200 (based on 1.8x FY26E BVPS).**

Quarterly performance												(INR M)
Y/E March	FY23				FY24E				FY23	FY24E	3QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	29,466	30,862	33,216	32,107	31,165	31,685	33,063	34,208	1,25,651	1,30,121	32,478	2
Interest Expenses	14,132	14,385	15,007	14,449	13,638	13,249	13,534	13,950	57,972	54,371	13,567	0
Net Interest Income	15,334	16,477	18,209	17,658	17,527	18,436	19,529	20,257	67,679	75,750	18,910	3
Change YoY (%)	2.3	12.8	24.1	15.7	14.3	11.9	7.2	14.7	13.7	11.9	3.8	
Other Operating Income	1,318	1,090	1,109	53	1,068	453	2,277	2,647	3,569	6,445	450	406
Net Operating Income	16,652	17,567	19,318	17,711	18,596	18,889	21,805	22,905	71,248	82,194	19,360	13
Change YoY (%)	2.1	9.1	16.1	7.0	11.7	7.5	12.9	29.3	8.6	15.4	0.2	
Other income	1,474	1,193	585	2,016	1,535	2,682	473	525	5,268	5,215	2,521	-81
Total Income	18,126	18,760	19,903	19,726	20,130	21,572	22,278	23,430	76,515	87,409	21,882	2
Change YoY (%)	7.1	10.8	11.0	11.1	11.1	15.0	11.9	18.8	10.0	14.2	9.9	
Operating Expenses	6,577	6,868	7,417	7,870	7,782	8,598	8,896	9,363	28,732	34,639	8,901	0
Change YoY (%)	19.9	16.3	20.3	23.2	18.3	25.2	19.9	19.0	20.0	20.6	20.0	
Operating Profits	11,549	11,891	12,486	12,698	12,348	12,974	13,382	14,066	48,624	52,770	12,981	3
Change YoY (%)	0.9	7.9	6.2	11.8	6.9	9.1	7.2	10.8	6.7	8.5	4.0	
Provisions	7,989	5,765	6,417	5,232	5,212	5,000	5,142	4,688	25,404	20,042	4,595	12
Profit before Tax	3,560	6,126	6,069	7,466	7,136	7,974	8,240	9,378	23,220	32,728	8,387	-2
Tax Provisions	948	2,070	990	2,455	1,831	2,032	1,847	2,637	6,464	8,346	2,139	-14
Profit after tax	2,612	4,056	4,538	5,011	5,305	5,942	6,402	6,742	16,216	24,382	6,248	2
Change YoY (%)	46.8	81.0	39.2	46.4	103.1	46.5	41.1	34.5	51.5	50.4	37.7	
Key Operating Parameters (%)												
Rep. Net Income (% of Avg Assets)	8.23	2.54	2.67	9.21	9.64	10.84	10.92					
Rep. Cost of funds (%)	7.27	7.33	7.54	7.71	7.77	7.79	7.81					
Cost to Income Ratio	36.3	36.6	37.3	39.9	38.7	39.9	39.9					
Rep Credit Cost	3.63	2.54	2.67	2.24	2.33	2.58	2.52					
Tax Rate	26.6	33.8	16.3	32.9	25.7	25.5	22.4					
Balance Sheet Parameters												
Gross Customer Assets (INR B)	881	901	884	809	786	787	818					
Change YoY (%)	-0.4	3.6	3.4	-8.4	-10.8	-12.6	-7.5					
Borrowings (INR B)	818	853	862	830	754	766	760					
Change YoY (%)	-3.0	1.0	3.9	-2.5	-7.8	-10.3	-11.9					
Customer Assets /Borrowings (%)	108	106	103	97	104	103	108					
Asset Quality Parameters (%)												
GS 3 (INR B)	35.6	35.9	37.2	38.3	31.7	25.8	26.3					
Gross Stage 3 (%)	4.1	4.0	4.2	4.7	4.0	3.3	3.2					
NS 3 (INR B)	15.9	16.2	14.9	11.8	9.1	6.3	6.5					
Net Stage 3 (%)	1.9	1.9	1.7	1.6	1.6	0.8	0.8					
PCR (%)	55.3	55.0	60.1	69.3	71.4	75.7	75.3					
Return Ratios (%)												
ROAA	1.0	1.6	1.7	1.9	2.1	2.4	2.5					
ROAE	5.2	8.0	8.4	9.4	9.4	10.8	11.4					

E: MOFSL Estimates



Exide

Estimate changes	↔
TP change	↔
Rating change	↓

CMP: INR316 TP: INR340 (+8%) Downgrade to Neutral

Bloomberg	EXID IN
Equity Shares (m)	850
M.Cap.(INRb)/(USD\$)	213.5 / 2.6
52-Week Range (INR)	257 / 153
1, 6, 12 Rel. Per (%)	5/26/45
12M Avg Val (INR M)	616

Lower revenue growth dents overall performance

Current valuations factor in the anticipated demand recovery and development in li-ion business

- Exide (EXID)'s 3QFY24 result was weak due to lower-than-expected revenue growth. Moreover, higher lead prices and lower volumes led to an EBITDA margin decline of 30bp YoY/ QoQ each. We expect the EBITDA margin to improve sequentially in 4QFY24 led by sequentially lower RM prices and better product mix.
- We tweak our FY24E EPS by ~4% to factor in the weak operating performance, while we maintain our FY25E EPS. The current valuations of ~25x/20x FY24/25E EPS largely reflect the anticipated recoveries in both replacement and industrials demand, and development in its li-ion business. We, hence, downgrade the stock to Neutral with a TP of INR340 (based on 16x FY26E EPS + INR48/share for HDFC Life stake).

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Net Sales	145.9	161.6	182.9
EBITDA	15.7	18.6	22.8
Adj. PAT	9.0	10.6	13.5
Adj. EPS (INR)	10.6	12.5	15.9
EPS Gr. (%)	7.5	17.4	27.6
BV/Sh. (INR)	131.9	141.2	153.9

Ratio

RoE (%)	8.1	8.8	10.3
RoCE (%)	8.5	9.3	10.6
Payout (%)	18.8	25.6	20.1

Valuations

P/E (x)	29.7	25.3	19.8
P/BV (x)	2.4	2.2	2.1
Div Yield (%)	0.6	1.0	1.0
FCF Yield (%)	1.9	5.0	4.5

Higher RM prices lead to a 30bp YoY decline in EBITDA margin

- EXID's 3QFY24 revenue/EBITDA/Adj. PAT grew 13%/10%/8% YoY to INR38.4b/INR4.4b/INR2.4b (vs. est. INR40.9b/INR4.7b/INR2.7b). Its 9MFY24 revenue/EBITDA/Adj. PAT grew 9%/13%/11% YoY.
- Revenue growth during the quarter was entirely driven by volume growth, while realizations remained the same. 3Q is a seasonally weak quarter as the UPS contribution (part of the industrial division) declines during the quarter. Gross margin contracted 80bp YoY to 31.5% (vs. est.30.6%) as lead prices grew 2% YoY.
- This was partially offset by lower other expenses that resulted in a 30bp YoY decline in EBITDA margin to 11.5% (in line). EBITDA improved 10% YoY to INR4.4b (vs. est. INR4.7b).
- Further, adj PAT grew 8% YoY to ~INR2.4b (vs. est. INR2.7b; similar to the BBG estimates).

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	46.0	46.0	46.0
DII	19.2	19.1	19.6
FII	12.9	12.8	11.0
Others	21.8	21.4	23.5

FII Includes depository receipts

Highlights from the press release

- In the Automotive division, the past few months have seen an uptrend in demand in both OEM and Replacement markets. The uptick has been broad-based, with most of the end-user markets showing signs of demand recovery. In terms of end markets, the replacement demand is picking up on a low base of CY23. PVs look better placed while 2Ws would see a catch-up.
- The Industrial division is benefiting from the large investments, which are driving the sectors such as BFSI, Renewables, Telecom, Infrastructure (Power, Railways, etc.) et al. This segment has been growing faster than the automotive division.
- Exports growth has been decent in 3QFY24 over the last year's low base.
- The company is optimistic about margin improvement as the lead prices remain stable and operational efficiencies play out.
- During the current quarter, EXID invested INR7.3b as equity in the wholly owned subsidiary, Exide Energy Solutions Limited (EESL). EXID's investment in EESL through the equity route stood at INR18.2b.

Valuation and view

- Considering its market leadership, technological alliances, backward integration, favorable product mix, and strong balance sheet following the sale of the Insurance business, we find EXID to be a preferable choice due to its superior risk-reward potential. However, lithium chemistry poses a risk to the 2W/3W segments (~15% of revenue) and the Industrial segment (~26% of revenue).
- The current valuations of ~25x/20x FY24/25E EPS largely reflect the anticipated recoveries in both replacement and industrials demand, and development in its li-ion business. We, hence, downgrade the stock to Neutral with a TP of INR340 (based on 16x FY26E EPS + INR48/share for HDFC Life stake).

S/A Quarterly Performance

Y/E March	FY23				FY24E				(INR m)		
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY23	FY24E	3QE
Net Sales	38,994	37,189	34,121	35,430	40,726	41,067	38,405	41,419	1,45,919	1,61,617	40,946
Growth YoY (%)	56.8	13.0	6.7	3.7	4.4	10.4	12.6	16.9	17.6	10.8	20.0
Gross operating income	38,994	37,189	34,121	35,430	40,726	41,067	38,405	41,419	1,45,919	1,61,617	40,946
Growth YoY (%)	56.8	13.0	6.7	3.7	4.4	10.4	12.6	16.9	17.6	10.8	20
RM(%)	72.1	69.5	67.7	70.2	71.7	68.9	68.5	68.4	69.9	69.4	69.4
Employee cost (%)	5.5	5.9	6.3	6.2	5.8	6.2	6.4	6.2	6.0	6.2	6.3
Other Exp(%)	12.5	13.5	14.3	13.3	11.8	13.1	13.6	13.1	13.4	12.9	12.8
Total Cost	35,127	33,065	30,111	31,758	36,404	36,235	34,006	36,349	1,30,239	1,42,995	36,216
EBITDA	3,866	4,124	4,010	3,672	4,322	4,831	4,399	5,070	15,680	18,622	4,729
EBITDA Margin(%)	9.9	11.1	11.8	10.4	10.6	11.8	11.5	12.2	10.7	11.5	11.6
Change (%)	48.4	-0.2	7.6	4.9	11.8	17.1	9.7	38.1	12.1	18.8	18
Non-Operating Income	322	356	234	412	192	392	227	232	1,324	1,043	250
Interest	64	62	82	83	98	115	145	142	295	500	115
Depreciation	1,091	1,120	1,153	1,193	1,194	1,259	1,274	1,279	4,558	5,005	1,265
PBT after EO Exp	3,034	3,298	3,009	2,808	3,222	3,849	3,208	3,880	12,151	14,160	3,599
Effective Tax Rate (%)	25.4	25.3	25.8	26.0	24.9	25.4	25.1	24.9	25.6	25.1	25.0
Adj. PAT	2,263	2,462	2,232	2,078	2,419	2,870	2,403	2,913	9,036	10,606	2,699
Change (%)	80.5	5.1	9.4	-24.7	6.9	16.6	7.7	40.2	7.5	17.4	20.9

Key performance indicators

Cost Break-up											
RM(%)	72.1	69.5	67.7	70.2	71.7	68.9	68.5	68.4	69.9	69.4	69.4
Employee cost (%)	5.5	5.9	6.3	6.2	5.8	6.2	6.4	6.2	6.0	6.2	6.3
Other Exp(%)	12.5	13.5	14.3	13.3	11.8	13.1	13.6	13.1	13.4	12.9	12.8
Gross Margin (%)	27.9	30.5	32.3	29.8	28.3	31.1	31.5	31.6	30.1	30.6	30.6
EBITDA Margin(%)	9.9	11.1	11.8	10.4	10.6	11.8	11.5	12.2	10.7	11.5	11.6
EBIT Margin(%)	7.1	8.1	8.4	7.0	7.7	8.7	8.1	9.2	7.6	8.4	8.5
Lead Price (INR/Kg)	169.2	157.6	173.4	175.6	174.0	180.1	176.3		169.0		0.0
Change (%)	8.4	-8.8	-0.5	0.4	2.8	14.2	1.7		-0.4	-100.0	-100.0



Hitachi Energy

Estimate changes



TP change



Rating change



CMP: INR5,673

TP: INR4,500 (-21%)

Sell

Muted quarter; miss on all fronts

Hitachi Energy's 3QFY24 result was weaker than our expectations. The company reported 23%/72%/401% YoY growth in revenue/EBITDA/PAT on a low base of last year. Revenue growth was supported by a strong order book, while margin improvement was driven by moderating supply chain issues. EBITDA margin remained flat QoQ. We expect the company to be a key beneficiary of the uptick in spending across transmission, renewables, data centers, as well as the railways. We also expect its strategy to grow the share of services and exports to aid margin improvement. We roll forward our valuation to Mar'26 and revise our TP to INR4,500. The stock is currently baking in the possibility of potential HVDC wins as well as margin improvement. At 86x/54x P/E on FY25E/FY26E earnings, it is trading at a 20% premium to Siemens and at a 10% discount to ABB on FY26E. We retain our SELL rating on the stock and would look for better entry points. The key risk to our recommendation would come from sharper-than-expected improvement in margins over the next 1-2 years.

Miss on all parameters

Hitachi Energy's 3QFY24 result was below our expectations due to lower-than-expected ramp-up in execution and weaker-than-expected margins. Revenue grew 23% YoY, driven by a healthy order book of INR75.5b. The order inflow during the quarter moderated sequentially to INR12.4b, due to an exceptionally large order awarded in 2QFY24. Gross margin contracted ~540bp YoY to 35.1%, while sequentially it was flattish. The staff cost stood at 9.5% of sales and was largely flattish both YoY and QoQ; it was in line with the past quarter trends. Other expenditure declined 470bp YoY to 20.2% of sales. EBITDA margin was at 5.3% in 3QFY24, up 150bp YoY, led by easing of supply chain issues and moderation in other expenses; however, margins were largely flat sequentially. Interest expenses grew 5% YoY, while other income declined 69% YoY. PAT grew 401% YoY, due to the low base of last year and was driven by moderating supply chain issues. However, it was sharply below our estimates.

Will be a key beneficiary of the strong order pipeline

Order inflow during the quarter stood at INR12.4b, flat YoY. Data centers and renewables contributed significantly to the orders, while transmission and rail segments remained flat. Service orders were up by over 70% YoY, led by utilities and industries. Export order inflow grew by more than 60% YoY, on the back of transformers and HV products. The European and African markets drove the ordering for transformers, while demand for power quality solutions drove the ordering from LatAm, Africa, the US and Europe. The order pipeline is strong, and we expect Hitachi Energy to be a key beneficiary of this order pipeline across HVDC projects, renewables, data centers, and transmission projects both in domestic and international markets. Feasibility studies for the Leh-Ladakh HVDC project are likely to get over by Mar'24, and the finalization of Badla HVDC is expected in 1-2 months.

Bloomberg	POWERIND IN
Equity Shares (m)	42
M.Cap.(INRb)/(USD\$b)	240.4 / 2.9
52-Week Range (INR)	6280 / 2906
1, 6, 12 Rel. Per (%)	10/29/63
12M Avg Val (INR M)	154

Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Net Sales	50.7	62.1	76.0
EBITDA	2.8	5.3	7.6
PAT	1.0	2.8	4.4
EPS (INR)	24.7	66.0	104.9
GR. (%)	11.6	167.1	58.9
BV/Sh (INR)	311.3	377.3	482.2

Ratios

ROE (%)	7.9	17.5	21.7
RoCE (%)	9.0	17.1	21.0

Valuations

P/E (X)	229.6	86.0	54.1
P/BV (X)	18.2	15.0	11.8
EV/EBITDA (X)	87.2	45.7	31.2
Div Yield (%)	-	-	-

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	75.0	75.0	75.0
DII	8.5	8.0	7.6
FII	4.1	4.3	4.9
Others	12.4	12.4	12.5

FII Includes depository receipts

Improving exports & services, and easing supply chain issues to augur well

The share of exports and services has improved to 25% and 10% of the order book, respectively, at present with incremental orders generating from both segments. Exports have also reached 30% of sales for 9MFY24. The company has now been able to manage supply chain issues related to chip shortages that it was facing over the last few quarters. Revenue recognition from the Mumbai HVDC project will also start ramping up from 4QFY24, and this project is likely to be completed by Jun'25. We expect an improving share of exports & services, and an execution ramp-up to provide operating leverage benefits to the company, thereby supporting margin improvement in the coming quarters.

Further improvement in margins is awaited in the coming quarters

We expect a margin improvement of 10% by FY26 to be driven by ~190bp improvement in gross margin during FY23-26, and ~290bp improvement in other expenses over the same period. Though there is still a component of IT fees paid to the ABB Group (0.7% of sales for FY23), which will get over by 1HFY25, there will be a corresponding spend by Hitachi Energy once it shifts the systems on its own. The total payment (royalty, tech fee, trademark fee, IT, and group management fee) by Hitachi Energy to the group companies remained high and stood at 8.7%/6.8% for FY22/23. Hence, operating leverage and the increasing share of exports & services play a big role in shaping up the margin trajectory.

Financial outlook

We expect Hitachi Energy's sales/EBITDA/PAT to post 19%/48%/68% CAGR over FY23-26. We bake in a gradual margin improvement for the company to 10% by FY26E led by better gross margin and operating leverage benefits. This would enable the RoE to expand sharply to 22% by FY26E. We expect OCF/FCF to improve over the next three years on an improved working capital cycle.

Valuation and view

The stock is currently trading at 86x/54x P/E on FY25E/FY26E earnings. This is trading at a 10% discount to ABB and 20% premium to Siemens on FY26 estimates. Though we believe that the company is ideally positioned to participate in a strong prospect pipeline on renewables and can potentially win HVDC orders in upcoming tenders, the stock price is already factoring in these potential positives. Our EBITDA margin estimate of 10% by FY26 from 9MFY24 levels of 4.7% also factors in the corresponding reduction in other expenses from lower related-party royalty and tech fees. We roll forward our valuation to Mar'26 and maintain our SELL rating with a revised TP of INR4,500 (INR4,150 earlier). We would look for better entry points in the stock.

Quarterly performance (Standalone)

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	9,860	11,146	10,339	13,340	10,401	12,280	12,742	15,271	44,685	50,693	13,361	-5
Change (%)	25.8	31.3	-7.9	19.8	5.5	10.2	23.2	14.5	NA	13.4	29.2	
EBITDA	256	757	395	951	337	653	680	1,099	2,359	2,769	930	-27
Change (%)	-28.1	3.5	-36.1	43.5	31.3	-13.7	72.4	15.6	-24.1	17.4	135.8	
As of % Sales	2.6	6.8	3.8	7.1	3.2	5.3	5.3	7.2	5.3	5.5	7.0	
Depreciation	205	184	202	211	223	225	227	216	802	890	221	3
Interest	84	75	130	112	110	107	137	142	401	495	167	-18
Other Income	53	4	71	23	29	2	22	22	151	76	68	-67
PBT	21	502	134	651	34	324	338	764	1,308	1,460	609	-45
Tax	8	131	88	143	10	76	108	218	369	412	154	
Effective Tax Rate (%)	36.5	26.0	65.8	21.9	28.7	23.6	32.0	28.5	28.2	28.2	25.2	
Extra-ordinary Items												
Reported PAT	13	371	46	508	24	247	230	546	939	1,048	456	-50
Change (%)	-91.8	8.1	-92.6	-1.6	79.9	-33.3	401.5	7.5	-44.0	11.6	895.3	
Adj PAT	13	371	46	508	24	247	230	546	939	1,048	456	-50
Change (%)	-91.8	8.1	-92.6	-1.6	79.9	-33.3	402	7.5	-44.0	11.6	895.3	



Laurus Labs

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR401 TP: INR440 (+10%) Buy

Operating leverage drags earnings

Expect the business to recover from 4QFY24

Bloomberg	LAURUS IN
Equity Shares (m)	532
M.Cap.(INRb)/(USDb)	216.1 / 2.6
52-Week Range (INR)	445 / 279
1, 6, 12 Rel. Per (%)	-4/6/-3
12M Avg Val (INR M)	854

- Laurus Labs (LAURUS) reported another quarter of lower-than-expected earnings. There has been a delay in the ramp-up of sales from the CDMO and Non-ARV segments. LAURUS continued to incur operational costs on expanded capacity, which is yet to be utilized optimally. This has affected its performance adversely for 3QFY24.
- We cut our PAT estimates by 56%/30%/20% for FY24/FY25/FY26 factoring in: 1) a gradual pick-up in animal health contracts, 2) a delay in scale-up of Non-ARV formulation, and 3) a moderation in pricing of the Non-ARV API products. We value LAURUS at 25x 12M forward earnings to arrive at our TP of INR440.
- LAURUS would incur a cumulative capex of INR28b over FY22-24, across CDMO, Non-ARV formulation, and Non-ARV API segments. Further, it is undergoing a validation phase for products in the animal health segment, and capex for the crop science segment. Further, it is building a product pipeline in the non-ARV formulation segment. While the ramp-up is expected to be gradual, considering the historical asset-turn of 1.3x, the business potential can be INR36b over the next 3-4 years. **Reiterate BUY.**

Financials & valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	50.1	57.9	65.6
EBITDA	8.3	13.9	16.5
Adj. PAT	2.1	6.4	8.2
EBIT Margin (%)	9.0	17.4	19.1
Cons. Adj. EPS (INR)	3.9	11.8	15.3
EPS Gr. (%)	-73.9	206.5	29.5
BV/Sh. (INR)	78.4	88.4	101.3

Ratios

Net D:E	0.5	0.4	0.4
RoE (%)	5.0	14.2	16.1
RoCE (%)	5.5	11.6	13.1
Payout (%)	15.6	15.6	15.6

Valuations

P/E (x)	103.5	33.8	26.1
EV/EBITDA (x)	28.4	17.0	14.3
Div. Yield (%)	0.1	0.4	0.5
FCF Yield (%)	0.6	1.1	1.4
EV/Sales (x)	4.7	4.1	3.6

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	27.2	27.2	27.2
DII	11.1	11.0	9.5
FII	25.4	24.0	21.9
Others	36.3	39.9	41.4

FII includes depository receipts

Elevated operating cost outweighs product mix benefit

- LAURUS' 3QFY24 revenue declined 22.6% YoY to INR12b (our est. INR14b). Synthesis business (18% of sales) was down 67.0% YoY to INR2.1b, partly due to the high base of last year. FDF sales grew 47.4% YoY to INR3.7b (31% of sales), with stable ARV sales and continued scale-up in Non-ARV sales. API sales declined 9.2% YoY to INR5.7b (48% of sales). Particularly, Other API sales dipped 24.8% YoY to INR1.4b. ARV-API sales declined 6.1% YoY to INR3.5b. Bio division sales (4% of sales) grew 91% YoY to INR420m.
- The gross margin (GM) expanded 90bp YoY to 54.4%, owing to the better segmental mix.
- EBITDA margin contracted 10.9% YoY to 15.2% (our est: 23.1%) due to higher opex (other expenses/employee costs up 840bp/340p YoY as a % of sales). EBITDA declined 55% YoY to INR1.8b (our est. at INR3.3b).
- PAT declined at a higher rate of 89% YoY to INR231m (our est: INR1.5b) on account of higher depreciation/interest expenses and higher tax.
- For 9MFY24, revenue/EBITDA/PAT declined 23%/59%/87% YoY to INR36b/INR5.4b/INR869m.

Highlights from the management commentary

- The performance across segments is likely to improve from 4QFY24 due to scheduled multiple launches in the formulation segment (FDF), volume gains in existing products across the US/Europe, validation batches for products under animal health contract, scheduled CMO delivery, as well as strong volumes in ARV/Onco-API segments.
- The operational cash flow for 9MFY24, at INR3.7b, was less than INR4.7b in 1HFY24, due to increased working capital needs because of inventory build-up.

Consolidated - Quarterly Earning Model

(INRb)

Y/E Mar (INRb)	FY23				FY24E				FY23	FY24E	FY24E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	15.4	15.8	15.4	13.8	11.8	12.2	11.9	14.1	60.4	50.1	13.1	-15.7
YoY Change (%)	20.4	30.9	50.2	-3.1	-23.2	-22.3	-22.6	1.8	22.4	-17.1	-16.6	
Total Expenditure	10.8	11.3	11.4	11.0	10.2	10.4	10.1	11.1	44.5	41.8	10.9	
EBITDA	4.5	4.5	4.0	2.9	1.7	1.9	1.8	3.0	15.9	8.3	2.3	-44.6
YoY Change (%)	14.9	30.1	41.5	-28.0	-63.3	-58.1	-55.0	3.4	11.9	-47.8	-49.7	
Margins (%)	29.5	28.5	26.1	20.7	14.1	15.3	15.2	21.0	26.4	16.6	17.2	
Depreciation	0.7	0.8	0.8	0.9	0.9	0.9	1.0	1.0	3.2	3.8	0.9	
EBIT	3.8	3.7	3.2	2.0	0.8	0.9	0.8	2.0	12.7	4.5	1.4	-64.4
YoY Change (%)	13.8	30.2	44.2	-40.0	-80.1	-74.3	-74.0	-0.5	8.3	-64.4	-63.2	
Margins (%)	24.9	23.3	20.7	14.4	6.4	7.7	6.9	14.1	21.0	9.0	10.3	
Interest	0.3	0.4	0.4	0.5	0.4	0.4	0.5	0.5	1.7	1.8	0.4	
Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	
PBT before EO expense	3.6	3.3	2.8	1.5	0.4	0.5	0.3	1.6	11.1	2.9	1.0	-82.3
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	3.6	3.3	2.8	1.5	0.4	0.5	0.3	1.6	11.1	2.9	1.0	-82.3
Tax	1.0	0.9	0.7	0.4	0.1	0.1	0.1	0.4	3.1	0.7	0.2	
Rate (%)	29.0	28.7	26.9	27.1	30.0	27.0	27.3	22.6	28.2	25.1	25.5	
Reported PAT	2.5	2.3	2.0	1.1	0.3	0.4	0.2	1.2	8.0	2.1	0.7	-84.2
Adj PAT	2.5	2.3	2.0	1.1	0.3	0.4	0.2	1.2	8.0	2.1	0.7	-84.2
YoY Change (%)	4.5	14.6	31.0	-54.6	-89.4	-84.2	-88.6	14.9	-4.3	-73.9	-68.8	
Margins (%)	16.4	14.8	13.1	7.6	2.3	3.0	1.9	8.6	13.2	4.1	5.6	

E: MOFSL Estimates



Mahanagar Gas

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,345 TP: INR1,665 (+24%) Buy

Bloomberg	MAHGL IN
Equity Shares (m)	99
M.Cap.(INRb)/(USDb)	132.9 / 1.6
52-Week Range (INR)	1354 / 831
1, 6, 12 Rel. Per (%)	12/19/36
12M Avg Val (INR M)	615

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	61.6	58.8	62.0
EBITDA	18.9	16.7	17.4
Adj. PAT	13.3	11.3	11.9
Adj. EPS (INR)	135.0	114.9	120.3
EPS Gr. (%)	68.8	-14.9	4.8
BV/Sh.(INR)	499.5	568.5	640.7

Ratios

Net D:E	-0.1	-0.2	-0.2
RoE (%)	29.4	21.5	19.9
RoCE (%)	29.5	21.6	19.9
Payout (%)	40.0	40.0	40.0

Valuation

P/E (x)	10.0	11.7	11.2
P/BV (x)	2.7	2.4	2.1
EV/EBITDA (x)	6.7	7.4	6.8
Div. Yield (%)	4.0	3.4	3.6
FCF Yield (%)	5.8	4.9	5.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	32.5	32.5	32.5
DII	27.2	26.1	25.6
FII	30.9	30.5	29.7
Others	9.4	10.0	12.2

FII Includes depository receipts

Taking measures to propel volume growth

- Mahanagar Gas Ltd.'s (MAHGL) EBITDA increased by 75% YoY to INR4.5b in 3QFY24, mainly driven by a 63% YoY rise in EBITDA/scm to INR13.3. Volumes grew 8% YoY to 3.7mmscmd driven by CNG and I/C-PNG.
- CNG growth was led by an increase in vehicle conversions to 22.4k vehicles in 3Q from ~20k in 2Q and ~15k in 1Q. There was a 30% uptick in CNG passenger vehicle conversions in 3Q due to the 'CNG Mahotsav' scheme launched by the company. MAHGL spent INR100m in 3Q on the scheme and intends to spend INR200m in 4Q.
- I/C PNG growth was driven by high consumption among new customers. The company guarantees a 10% discount on gas prices compared to alternate fuels for the first three years to new customers in GA3 region. In GA2, the same benefit is provided to new customers with high gas offtake.
- According to the management, CNG is currently 50% cheaper than petrol and 18-19% cheaper than diesel on a calorific value basis. MAHGL does not expect CNG volumes to be meaningfully impacted by INR5-10/lit cut in petrol prices. However, the diesel price cut may affect commercial vehicle conversions and the company may consider price cuts in case volume declines significantly.
- The stock trades at 11.7x FY25E EPS of INR114.9. We value it at 14x Dec'25E EPS to arrive at a TP of INR1,665 and **maintain BUY rating on the stock**. We continue to prefer MAHGL over IGL owing to its 30% cheaper valuation (on FY26E PE basis) with largely similar growth profile in the medium term and relatively lower EV risk.

Performance in line with expectations

- **Total volumes were in line with est. at 3.7mmscmd (up 8% YoY).**
 - CNG volumes stood at 2.6mmscmd (up 6% YoY).
 - PNG total volumes came in at 1mmscmd (up 11% YoY).
- **EBITDA/scm came in line with our estimate at INR13.3 (up 63% YoY).**
 - Resultant EBITDA was also in line at INR4.5b (up 75% YoY).
 - PAT was also in line at INR3.2b (up 84% YoY).
- **For 9MFY24**, revenue stood at INR46.8b (flat YoY), EBITDA at INR14.5b (up 82% YoY), and PAT at INR10.2b (up 96% YoY).
 - EBITDA/scm was at INR14.9 (up 77% YoY).
 - Total volume stood at 3.6mmscmd (up 3% YoY).
- The company has declared an interim dividend of INR12.
 - PNGRB in Dec'23 approved a transfer of 100% equity shares held by existing shareholders of UEPL. MAHGL is in the process of consummating the acquisition as per the SPA.
 - MAHGL in Oct'23 signed an agreement with Baidyanath LNG Pvt. Ltd. to form a joint venture firm, under which Mahanagar LNG Pvt. Ltd. was incorporated in Dec'23.
 - However, it is still in the process of issuing equity shares to shareholders for subscription and is yet to commence its business operations.

Valuation and view

- During the quarter, MAHGL connected 118,215 households and added 98 PNG-I/C customers. For Raigad GA, 75,432 households were connected and 11km of pipeline was laid.
- We expect a 4% CAGR in volume over FY24-26, driven by multiple initiatives implemented by the company, such as partnering with OEMs to drive conversions of commercial CNG vehicles and providing guaranteed price discounts to new I/C-PNG customers.
- The stock trades at 11.7x FY25E EPS of INR114.9. We value it at 14x Dec'25E EPS to arrive at a TP of INR1,665 and **maintain BUY rating on the stock.**

Standalone - Quarterly Earning

(INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	14,548	15,627	16,714	16,105	15,378	15,709	15,688	14,777	62,993	61,552	15,366	2%
YoY Change (%)	136.4	88.2	62.6	48.2	5.7	0.5	-6.1	-8.2	76.9	-2.3	-8.1	
EBITDA	2,856	2,528	2,561	3,897	5,213	4,789	4,487	4,413	11,842	18,902	4,488	0%
EBITDA/SCM	9.1	7.9	8.2	12.8	16.8	14.6	13.3	13.7	9.5	14.6	13.5	-2%
Margins (%)	19.6	16.2	15.3	24.2	33.9	30.5	28.6	29.9	18.8	30.7	29.2	
Depreciation	537	551	585	638	620	658	683	705	2,311	2,667	661	
Interest	23	25	24	22	25	25	27	27	94	104	27	
Other Income	200	260	323	336	390	437	481	465	1,119	1,773	410	
PBT	2,496	2,213	2,274	3,573	4,957	4,543	4,258	4,146	10,555	17,904	4,210	1%
Tax	644	573	553	885	1,273	1,158	1,086	1,049	2,655	4,565	1,060	
Rate (%)	25.8	25.9	24.3	24.8	25.7	25.5	25.5	25.3	25.2	25.5	25.2	
Reported PAT	1,852	1,640	1,721	2,688	3,684	3,385	3,172	3,098	7,901	13,338	3,150	1%
YoY Change (%)	-9.3	-19.7	203.0	104.0	98.9	106.4	84.3	15.2	32.3	68.8	83.1	
Margins (%)	12.7	10.5	10.3	16.7	24.0	21.5	20.2	21.0	12.5	21.7	20.5	
Sales Volumes (mmscmd)												
CNG	2.5	2.5	2.5	2.4	2.5	2.6	2.6	2.5	2.5	2.6	2.6	0%
PNG - Domestic	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1%
PNG - Industrial/ Commercial	0.4	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.4	0.5	0.5	8%
PNG - Total	0.9	0.9	0.9	1.0	0.9	1.0	1.0	1.0	0.9	1.0	1.0	5%
Total Volumes	3.4	3.5	3.4	3.4	3.4	3.6	3.7	3.5	3.4	3.5	3.6	2%



DCB Bank

Estimate change	
TP change	
Rating change	

CMP: INR144

TP: INR150 (+4%)

Neutral

Weak NII drags earnings

Margin moderates 21bp QoQ to 3.48%

- DCB Bank (DCBB) reported 11% YoY/flattish QoQ growth in PAT to INR1.3b (in line), led by weak NII growth (6% lower than MOSLe). NII grew 6% YoY to INR4.7b (flat QoQ, 3% lower than MOSLe). NIM continued to moderate 21bp QoQ to 3.48% during the quarter.
- Advances grew 18% YoY, supported by healthy growth in mortgages, Agri, and co-lending advances. Deposits rose 19% YoY/3.6% QoQ, led by growth in SA deposits, resulting in a 109bp QoQ increase in CASA ratio to 26.1%.
- Slippages increased to INR4.3b (vs. INR INR3.9b in 2QFY24) resulting in a 7bp QoQ rise in GNPA to 3.4%. The restructured book declined QoQ but remained elevated at ~INR11.6b (3% of loans). PCR improved to 65%.
- We trim our earnings estimates by 3.7%/7.5% for FY24/FY25, amid cost and margin pressures. We estimate FY25E RoA/RoE at 0.9%/12.2%. **Reiterate Neutral with a TP of INR150 (based on 0.9x Sep'25E ABV).**

Bloomberg	DCBB IN
Equity Shares (m)	312
M.Cap.(INRb)/(USDb)	44.9 / 0.5
52-Week Range (INR)	163 / 97
1, 6, 12 Rel. Per (%)	14/6/-2
12M Avg Val (INR M)	285

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	17.2	19.1	22.0
OP	7.9	8.6	10.2
NP	4.7	5.2	6.1
NIM (%)	4.0	3.7	3.6
EPS (INR)	14.9	16.6	19.5
EPS Gr. (%)	61.7	11.3	17.4
BV/Sh. (INR)	141	156	173
ABV/Sh. (INR)	133	145	162

Ratios

RoE (%)	11.5	11.5	12.2
RoA (%)	1.0	0.9	0.9

Valuations

P/E (x)	9.6	8.7	7.4
P/BV (x)	1.0	0.9	0.8
P/ABV (X)	1.1	1.0	0.9

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	14.8	14.8	14.9
DII	39.0	39.8	37.5
FII	12.7	12.3	12.5
Others	33.1	33.1	35.1

FII Includes depository receipts

Business growth healthy; CASA mix improves to 26%

- DCBB reported a 3QFY24 PAT of INR1.3b (+11% YoY, 6% miss on MOSLe), led by weak NII growth, and partly offset by a lower LLP of INR410m (15% lower than MOSLe). The bank made AIF-related provisions of INR454m.
- NII grew ~6.3% YoY (flat QoQ) to INR4.7b (3% lower than MOSLe) led by 21bp QoQ moderation in margins to 3.48%. Other income grew 30% YoY (15.2% QoQ, in line) thus driving 10% YoY growth in total revenue.
- Opex increased 11% YoY as the bank continued to make investments in the business, and hence PPOP grew 9% YoY (8% miss) for the quarter.
- Advances grew 18% YoY/4.5% QoQ, supported by healthy growth in mortgages, Agri, and co-lending advances. Deposits grew 19% YoY (+3.6% QoQ), led by 11% QoQ growth in SA deposits. CASA deposits thus grew 13% YoY/8% QoQ to INR123b, while CASA mix improved to 26.1%.
- GNPA ratio deteriorated 7bp QoQ to 3.43%, while NNPA stood at 1.2%, with slippages increasing sequentially to INR 4.3b. PCR improved 232bp QoQ to 65.1% (~76.4% including TWO).
- The restructured book stood at INR11.6b (3% of loans). CE across segments continued to be healthy at 97.4%/97.7%/91.6%, including delinquent and restructured book in Business/Home/CV Loans.

Highlights from the management commentary

- Management guided for an RoA of 1% or above and RoE closer to 14% in near term.
- The bank guided for a C/I ratio of 55% or below in the near term, and cost-to-average assets of 2.4%-2.5%.
- The bank targets for a 20% loan growth and aims to double the book in the next 3-4 years.

- Margins have been affected by TD rates only. The bank does not expect higher SA rates to affect margins. Cost of deposits is likely to stabilize after 4-5 months. Management guided for 3.65-3.75% of NIM over the medium term.
- On the deposits front, the bank aims to focus on CASA and for this it has launched new products. Fintech tie-ups also enabled inflows in SA deposits.

Valuation and view

DCBB reported a modest quarter with earnings miss amid weak NII growth, partly offset by lower provisions. Margin moderated sharply by 21bp QoQ to 3.48%. Loan growth was steady led by healthy growth in mortgages, Agri and co-lending, while deposits grew at a decent pace led by SA deposits. This resulted in an improvement in CASA ratio. However, the cost of deposits rose 18bp QoQ due to high SA rates offered by the bank. Fresh slippages continued to rise and stood elevated, while restructured book too remained high at 3% of loans. Higher slippages were seen in mortgages, as the restructured book came out of moratorium. We trim our earnings estimates by 3.7%/7.5% for FY24/FY25 amid cost and margin pressures. We estimate FY25E RoA/RoE of 0.9%/12.2%, and **maintain our Neutral rating with a TP of INR150 (premised on 0.9x Sep'25E ABV).**

Quarterly Performance

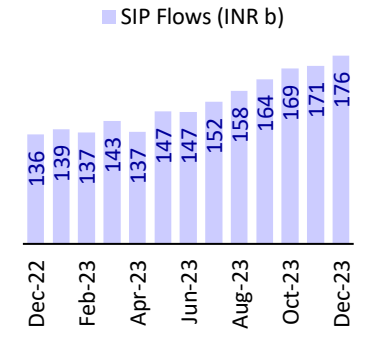
(INR m)

	FY23				FY24E				FY23	FY24E	FY23E	V/s our Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Interest Income	3,740	4,111	4,460	4,860	4,707	4,757	4,740	4,936	17,170	19,140	4,908	-3.4
% Change (Y-o-Y)	21.1	27.2	29.3	27.7	25.9	15.7	6.3	1.6	26.5	11.5	10.0	
Other Income	924	992	954	1,223	1,069	1,074	1,237	1,410	4,094	4,790	1,206	2.6
Total Income	4,664	5,103	5,414	6,083	5,777	5,831	5,977	6,346	21,264	23,930	6,114	-2.2
Operating Expenses	3,002	3,278	3,473	3,643	3,690	3,725	3,862	4,019	13,397	15,296	3,815	1.2
Operating Profit	1,661	1,826	1,941	2,439	2,087	2,105	2,115	2,327	7,867	8,634	2,299	-8.0
% Change (Y-o-Y)	-17.8	4.2	-2.4	10.5	25.6	15.3	9.0	-4.6	-1.3	9.7	18.5	
Provisions	350	310	407	525	377	397	410	470	1,787	1,654	482	-15.0
Profit before Tax	1,311	1,516	1,534	1,915	1,709	1,708	1,705	1,858	6,080	6,980	1,817	-6.2
Tax	340	392	396	493	440	441	439	481	1,424	1,801	469	-6.3
Net Profit	971	1,124	1,139	1,422	1,269	1,268	1,266	1,376	4,656	5,179	1,348	-6.1
% Change (Y-o-Y)	187.8	73.0	51.1	25.4	30.7	12.9	11.2	-3.2	61.9	11.3	18.4	
Operating Parameters												
Deposit (INR b)	350.8	369.6	395.1	412.4	430.1	455.0	471.2	489.5	412.4	489.5	470.8	0.1
Loan (INR b)	298.1	312.9	329.7	343.8	354.7	372.8	389.5	405.7	343.8	405.7	388.4	0.3
Deposit Growth (%)	14.6	16.3	22.6	18.9	22.6	23.1	19.3	18.7	18.9	18.7	19.2	0.1
Loan Growth (%)	17.9	17.9	20.6	18.2	19.0	19.1	18.2	18.0	18.2	18.0	17.8	0.3
Asset Quality												
Gross NPA (%)	4.2	3.9	3.6	3.2	3.3	3.4	3.4	3.4	3.2	3.4	3.3	0.1
Net NPA (%)	1.8	1.5	1.4	1.0	1.2	1.3	1.2	1.2	1.0	1.2	1.3	0.0
PCR (%)	57.8	61.3	63.0	68.2	64.1	62.8	65.1	65.1	68.2	65.1	63.1	2.0



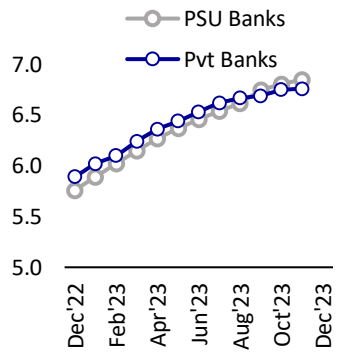
Mutual Funds

Strong trends in SIP flows continue



Source: MOFSL, AMFI

Rise in average term deposit rates



Source: MOFSL, RBI

SIP ticket sizes increase; NFO commissions rise; debt flows continue to be weak

- We interacted with a few large Mutual Fund distributors (having an AUM in excess of INR10b) and institutional sales representatives to analyze customer behavior in the prevailing market conditions.
- SIPs continue to be the key driver for equity inflows. Passives fade in action as actives continue to deliver strong returns, particularly in small caps and large caps. However, NFOs from relatively smaller-sized AMCs have offered significantly higher commissions vis-à-vis past few quarters.
- Increasing options to invest in various fixed-income instruments such as Corporate Deposits, Bonds, and Fixed Deposits along with taxation impact continue to keep investors at bay for investing into debt MFs. A 50bp interest rate cut, however, has the potential to attract smart money swiftly.
- We remain positive on 360ONE and CAMS in the AMC space with a BUY rating on the both stocks. 360ONE is well placed to leverage the emerging trends in the UHNI segment, wherein inter-generational wealth transfer is picking up momentum, especially so in the smaller tier cities. CAMS, on the other hand, is seeing improved AUM and revenue traction, driven by strong equity markets and healthy trends in non-MF segments such as PMS/AIF RTA.

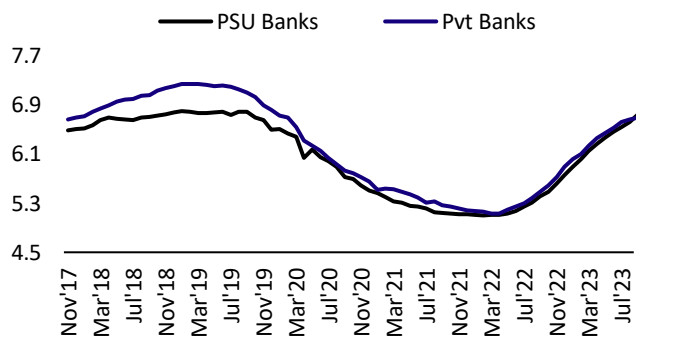
Equity segment flows fueled by strong SIP momentum

- Strong growth has been witnessed across both B-30 and T-30 cities. One clear trend emerging is increasing ticket size of SIPs across geographies.
- Other notable trends include 1) existing SIP customers increasing their SIP subscriptions, and 2) as returns from existing SIPs materialize, there is also a surge in lumpsum investments.
- With markets reaching historical highs and optimism arising from state election results, distributors have increased their efforts in the marketing of MFs.
- Advertisement budgets of AMCs have increased which is percolating to distributors in the form of more events, conferences, and training sessions.
- Redemptions outpace gross inflows in two phases of equity markets 1) sustained weakness and 2) overheated markets. With the current market in neither phase, distributors are expecting strong inflows to sustain over the near term.
- Even in periods of outflows, jump in SIPs (which are relatively stickier) will ensure a comparatively lower impact in the ensuing times.
- In terms of recent NFOs, the share of retail is more inclined toward small cap and mid cap funds, while institutions have been investing in large cap funds.
- Top AMCs which have seen increased inflows on account of strong performance are Nippon AMC, HDFC AMC, Quant and a couple of schemes of ABSL AMC.
- NFO commissions have increased in the past few months from about ~140bp to about 180bp, but most of the recent launches are from smaller-sized AMCs.
- The passive trend is weakening, particularly in times of robust equity markets where active funds are performing better. Search trends and video views related to passives have also shown a decline.

Debt flows remain muted

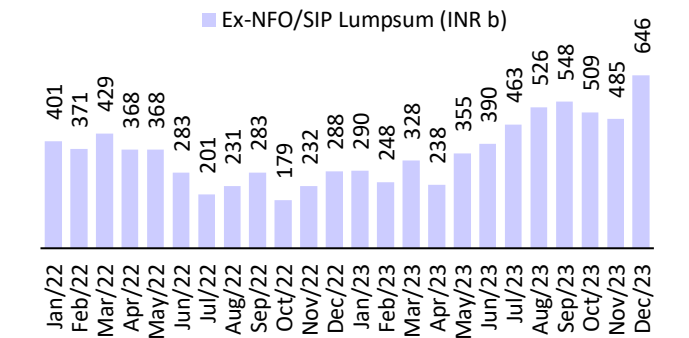
- Large institutions and family offices continue to prefer investing at the shorter end of the yield curve for their debt MF investments.
- The “Lazy Investing” culture – matching duration of assets with liabilities, which was prevalent until the taxation change on debt MFs, has now taken a back seat.
- Dynamic bond funds are likely to see increased attraction in the near term, while a 50bp cut in interest rates can attract long-term investors into debt mutual funds.
- Competition from products such as corporate deposits, bonds, and bank fixed deposits has increased. Customers are reluctant to incur a 25bp cost to invest into debt MF.
- Portfolio construction is the advantage that the MFs enjoy, but the same will come into play, when there is a clear trajectory of interest rates moving down.
- Inclusion of India in global bond indices have also attracted flows by domestic investors as liquidity is expected to improve considerably.
- Credit AIFs had seen increased attraction, but the segment is getting crowded. Fund raising has been easier, but deployment into quality companies is getting challenging.

Weighted average term deposit rates have been rising in line with the rising repo rate



Source: MOFSL, RBI

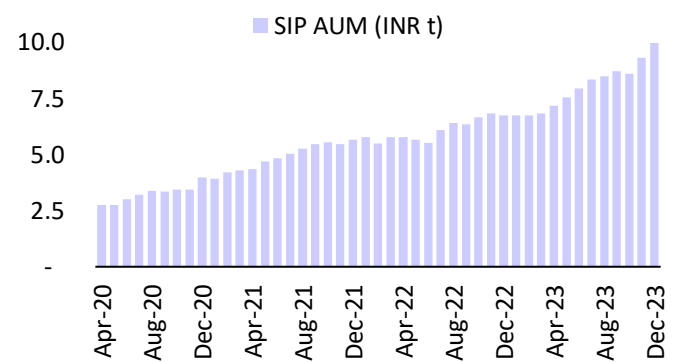
Ex-SIP Net inflows exhibit strong performance, achieving a new high in Dec'23



Source: MOFSL, AMFI

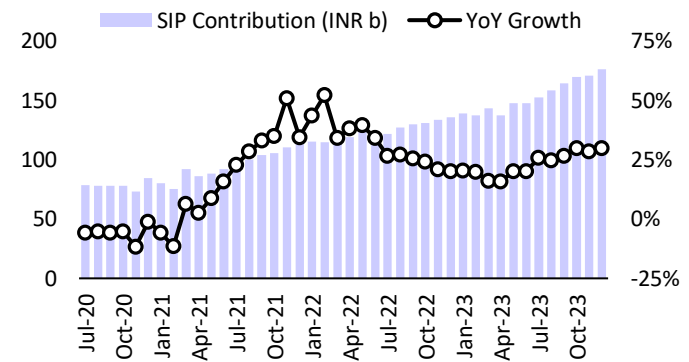
*Gross inflows in equity and hybrid, less SIP inflows and proceeds from equity and hybrid NFOs

Healthy growth in SIP AUM...



Source: MOFSL, AMFI

...with SIP monthly flows trending upward



Source: MOFSL, AMFI

BSE SENSEX
71,060S&P CNX
21,454

Conference Call Details

Date: 25th January 2024

Time: 16:00 IST

Dial in details: [Webcast link](#)

Financials & Valuations (INR b)

Y/E Mar	FY24E	FY25E	FY26E
Sales	89.7	93.9	74.5
EBITDA	31.8	34.3	32.6
EBITDA Margin (%)	35.4	36.5	43.7
PAT	35.8	53.2	42.6
EPS (INR)	14.5	21.5	17.2
EPS Gr. (%)	115.2	88.5	19.1
BV/Sh. (INR)	227.1	252.8	272.5
Ratios			
RoE (%)	50.1	33.7	42.0
RoCE (%)	3.2	2.9	2.7
Payout (%)	56.1	52.3	52.9
Valuations			
P/E (x)	0.4	0.4	0.4
P/BV (x)	0.0	0.0	-0.1
EV/EBITDA (x)	9.1	12.4	9.1
Div yld (%)	6.3	6.6	5.5

CMP: INR747

Record quarter driven by premium project launch

Company unveils 16msf of additional project pipeline

Residential performance

- DLF bettered its record 4QFY23 performance and reported best-ever sales of INR90b, up ~4x YoY/QoQ (21% above estimate).
- The performance was driven by the premium project in Sector 76/77, which was sold out at the launch and generated bookings of over INR72b.
- Additionally, DLF launched two small projects (one each in Panchkula and Gurugram), which generated sales of INR14b. Overall, new projects accounted for 95% of total sales in the quarter.
- DLF also achieved its highest collections of INR25b, up 80% YoY. This influx enabled it to generate surplus cash of INR11b, resulting in a net cash position of INR12b vs. INR1.4b in 2QFY24.
- The company has also unveiled additional 16msf of launch pipeline beyond FY24. This takes the future project pipeline to 32msf, of which, 10msf is planned to be launched in FY25.
- A large part of new additions is in the luxury segment, resulting in ~20% increase in average realization of future pipeline.
- In line with the company's strategy to consolidate the rental business of DevCo entity, it has approved the sale of commercial asset "DLF Centre" to DCCDL for a consideration of INR8.2b.

Rental performance (DCCDL)

- The occupancy in the non-SEZ portfolio stood at 97% and the SEZ assets witnessed a marginal decline to 84% from 85% in 2Q. The overall occupancy in DCCDL's office portfolio stood at 91%.
- Rental income increased 9% YoY and remained flat sequentially at INR10.9b.
- Pre-leasing for 5.4msf under construction portfolio increased to 91% in 3QFY24, from 89% in 2Q.
- Net debt declined marginally to INR181b from INR183b in the previous quarter.

P&L highlights

- Revenue came in at INR15.2b, flat YoY, but EBITDA increased 7% YoY to INR5.1b, on the back of 150bp improvement in margins to 34%.
- DLF reported PAT of INR6.5b, up 26% YoY, driven by INR2.8b contribution from JV (DCCDL).

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E	FY24E 3QE	Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	14,416	13,023	14,948	14,561	14,232	13,477	15,213	46,756	56,948	89,677	19,729	-23
YoY Change (%)	26.5	-12.1	-3.5	-5.9	-1.3	3.5	1.8	221.1	-0.4	57.5	32.0	
Total Expenditure	10,280	8,657	10,176	10,577	10,271	8,853	10,103	28,664	39,690	57,890	12,546	
EBITDA	4,137	4,367	4,772	3,984	3,962	4,624	5,110	18,092	17,259	31,787	7,183	-29
Margins (%)	28.7	33.5	31.9	27.4	27.8	34.3	33.6	38.7	30.3	35.4	36.4	-282bp
Depreciation	373	367	386	360	364	370	380	453	1,486	1,566	395	
Interest	1,052	1,069	954	846	849	902	837	46	3,921	2,634	617	
Other Income	747	582	659	1,196	985	1,287	1,223	989	3,173	4,484	1,166	
PBT before EO expense	3,458	3,512	4,090	3,974	3,734	4,639	5,115	18,582	15,024	32,071	7,337	-30
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	3,458	3,512	4,090	3,974	3,734	4,639	5,115	18,582	15,024	32,071	7,337	-30
Tax	876	910	1,104	1,125	1,014	1,122	1,350	4,582	4,015	8,069	1,849	
Rate (%)	25.3	25.9	27.0	28.3	27.2	24.2	26.4	24.7	33.2	33.2	25.2	
MI & Profit/Loss of Asso. Cos.	2,111	2,169	2,203	2,848	2,541	2,701	2,792	3,743	9,330	11,777	3,003	
Reported PAT	4,692	4,772	5,189	5,696	5,261	6,219	6,557	17,742	20,340	35,779	8,491	-23
Adj PAT	4,692	4,772	5,189	5,696	5,261	6,219	6,557	17,742	20,340	35,779	8,491	
YoY Change (%)	39.2	25.9	-16.7	40.5	12.1	30.3	26.4	211.5	16.6	75.9	63.6	
Margins (%)	32.5	36.6	34.7	39.1	37.0	46.1	43.1	37.9	35.7	39.9	43.0	6bp
Operational Metrics												
Residential												
Pre-sales	20	21	25	85	20	22	90	22	151	155	75	21
Collections	11	13	14	19	16	24	25	10	57	75	21	21
Net Debt	23	21	21	7	1	-1	-12	0	7	0	0	

Note: Estimates are under review and we will revise them after the earnings call

Source: MOFSL, Company

Tata Steel

BSE SENSEX
71,060S&P CNX
21,454

CMP: INR135

Neutral

Conference Call Details

**Date:** 24 January 2024**Time:** 12:30 IST**Dial-in/Live Telecast details:**

Webex ID:

<http://tinyurl.com/mujp68v5>

Meeting No.: 2510 763 9254

Password: web@124

YouTubeID:

youtube.com/user/Thetatasteel

Beat on earnings driven by the India business, while EU continues to struggle

Standalone performance

- TATA's standalone steel production stood at 5.1mt (+8% YoY/+4% QoQ) in 3QFY24. The company posted the best ever 3Q domestic sales volume at 4.9mt (+6% YoY/+1% QoQ), which was in line with our estimate. Domestic crude steel production (incl. all domestic subsidiaries) stood at 5.35mt (+7% YoY and QoQ).
- Revenue came in at INR347b (+2% YoY/+1% QoQ), in line with our estimate of INR343b. ASP stood at INR71,069/t (-4% YoY/Flat QoQ), which was INR437/t above our estimate of INR70,633/t.
- EBITDA stood at INR82b (+61% YoY/+20% QoQ), which was 20% above our estimate of INR69b. The beat was led by lower raw material costs. Movement in inventory value of chrome ore primarily drove the decline in raw material costs. EBITDA/t stood at INR16,905/t that was INR2,725/t higher than our estimate of INR14,180/t. APAT stood at INR46b (+96% YoY/+4% QoQ), 19% above our estimate of INR39b.
- The sales were driven by higher dispatches in domestic markets, auto grade and special grade steel, higher volumes from branded & retail segment, higher industrial products and project segment dispatches, and higher dispatches via e-commerce platform.
- Amalgamation between TATA and its subsidiaries, namely Tata Steel Mining Limited (w.e.f. the appointed date of 1st Apr'23) and Tata Steel Long Products Limited, The Tinsplate Company of India Limited, Tata Metaliks Limited, and S&T Mining Company Limited (w.e.f. from the appointed date of 1st Apr'22) has been executed as per the approval by the NCLT. Accordingly, standalone financials for FY23 and 3QFY24 have been restated to give effect to the mentioned amalgamations.

Consolidated performance

- Consolidated steel production stood at 7.6mt (flat YoY/+4% QoQ) and sales stood at 7.2mt (flat YoY/+1% QoQ).
- Revenue was at INR553b (-3% YoY/-1% QoQ) which was 10% below our estimate of INR614b. The reduction in revenue was attributed to lower blended ASP, which stood at INR77,359/t (6% lower than our estimate of INR82,549/t)
- EBITDA stood at INR63b (+55% YoY/+47% QoQ) and was 25% above our estimate of INR50b. EBITDA margin improved to 11.3% (7.7% in 2QFY24). The beat was due to lower input cost in the India business.
- EBITDA/t stood at INR8,760/t which was higher than our estimate of INR6,743/t.
- APAT for the quarter stood at INR8b against our estimate INR6b.

- During 9MFY24, revenue stood at INR1,705b (-5% YoY), EBITDA stood at INR157b (-37% YoY) and APAT stood at INR22b (-69% YoY). Production for 9MFY24 stood at 22mt (YoY -4%) and sales stood at 21.4mt (YoY +2%).

Tata Steel Europe continues to drag the overall performance

- Crude steel production for the EU stood at 1.9mt (-15% YoY/-2% QoQ) and sales stood at 1.94mt (-3% YoY/-1% QoQ). Production and sales were 13% and 8% below our estimates, respectively.
- The reduction in production volumes is due to the ongoing relining at one of the BF at the Netherlands and subdued demand in the EU. The Netherlands BF#6 is expected to restart by the end of Jan'24.
- Revenue stood at INR192b (-7% YoY/-5% QoQ), and was 16% below our estimate of INR228b.
- Realizations dropped sequentially and stood at USD1,174/t (-7% YoY/-6% QoQ), which was lower than our estimate of USD1,291/t
- Operating loss stood at INR29b (our estimate of INR29b) and operating loss per tonne stood at USD175/t, which was slightly higher than our estimate of USD165/t.

Other highlights

- 3QFY24 capex was at INR48b and 9MFY24 capex stood at INR134b
- Gross debt declined INR15b to INR882b
- Net debt was at INR774b with liquidity position of ~INR233b.
- Sales from well-established brands within domestic markets, Viz. Tata Tiscon, Tata Steelium and Tata Astrum witnessed an improvement, with TATA Tiscon volumes growing ~18% YoY and 10% QoQ.
- The Engineering segment under the 'Industrial Products & Projects' segment witnessed the best ever quarterly dispatches. Tata Steel Aashiyana posted the highest ever 3Q sales of INR5.7b (YoY +38%) and 9MFY24 sales stood at INR16b (YoY +13%)
- The phased commissioning of the 5mt expansion at Kalinganagar has commenced.
- Tata Steel on 19th Jan'24 announced that it will commence the statutory consultation on the proposed restructuring of the UK business.

Consolidated quarterly performance (INR b)

Y/E March	FY23				FY24E			FY23	FY24E	FY24E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
Sales (k tons)	6,630	7,230	7,150	7,780	7,200	7,070	7,150	28,790	29,390		
Change (YoY %)	-6.8	-2.2	2.0	-2.9	8.6	-2.2	0.0	-4.3	2.1		
Avg Realization (INR/t)	95,671	82,818	79,837	80,927	82,625	78,758	77,359	84,527	80,975		
Net Sales	634	599	571	630	595	557	553	2,434	2,380	614	-10
Change (YoY %)	18.6	-0.9	-6.1	-9.1	-6.2	-7.0	-3.1	-0.2	-2.2		
Change (QoQ %)	-8.4	-5.6	-4.7	10.3	-5.5	-6.4	-0.7				
EBITDA	150	61	40	72	52	43	63	323	221	50	25
Change (YoY %)	-7.1	-63.2	-74.5	-52.0	-65.4	-29.6	54.7	-49.1	-31.5		
Change (QoQ %)	-0.4	-59.5	-33.2	78.3	-28.3	-17.5	46.8				
(% of Net Sales)	23.6	10.1	7.1	11.5	8.7	7.7	11.3	13.3	9.3		
EBITDA (INR/t)	22,584	8,382	5,661	9,279	7,186	6,037	8,760	11,219	7,525	6,743	30
Interest	12	15	18	18	18	20	19	63	71		
Depreciation	22	23	24	24	24	25	24	93	98		
Other Income	3	3	3	2	12	2	2	10	19		
PBT (before EO Inc.)	118	25	2	32	21	1	22	177	70		
EO Income(exp)	0	0	2	0	0	-69	-3	1	-72		
PBT (after EO Inc.)	117	25	3	32	21	-68	19	178	-2		
Total Tax	42	13	29	18	13	-2	14	102	25		
% Tax	35.6	51.9	NA	54.6	63.0	NA	64.2	57.4	35.0		
PAT before MI and Sh. of associate	76	12	-26	15	8	-66	4	77	-26		
Minority Interests	-1	-2	-3	-1	-1	-3	0	-7	-4		
Share of asso. PAT	2	1	1	1	-3	1	1	4	5		
Reported PAT (After MI & asso.)	78	15	-22	17	6	-62	5	88	-17		
Adj. PAT (after MI & asso)	78	15	-24	17	6	7	8	86	55	6	47
Change (YoY %)	-14.1	-86.5	PL	-83.1	-92.0	-54.2	LP	-78.5	-36.6		
Change (QoQ %)	-22.2	-80.3	PL	LP	-63.4	13.2	20.6				

Note: Estimates are under review since we will revise them after the earnings call

Balkrishna Industries

BSE SENSEX
71,060S&P CNX
21,454

CMP: INR2,712

Neutral

Conference Call Details

Date: 25th Jan 2024

Time: 11 AM IST

Dial-in details: [\[Link\]](#)+91 22 6280 1309/ +91 22
7115 8210

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	100.2	91.8	108.0
EBITDA	19.7	22.4	28.3
Adj. PAT	10.1	13.9	18.3
EPS (Rs)	52.1	71.7	94.9
EPS Growth (%)	-29.3	37.5	32.3
BV/Share (INR)	390.9	432.7	492.6

Ratios

RoE (%)	13.9	17.4	20.5
RoCE (%)	10.9	12.1	14.8
Payout (%)	30.7	41.8	36.9

Valuations

P/E (x)	52.0	37.8	28.6
P/BV (x)	6.9	6.3	5.5
Div. yield (%)	0.6	1.1	1.3
FCF yield (%)	-0.6	2.1	2.4

Operating performance in line; unrealized FX loss leads to PAT miss

- Volumes grew 9% YoY (3% QoQ) to 72.75k tons (in line).
- Realizations declined 4.5% YoY (flat QoQ) at INR318.3k/unit (vs. est. INR319.1k).
- Revenue grew 4.5% YoY (up 3% QoQ) to INR23.2b (vs. est. INR23.3b).
- Gross margins expanded 3.4pp YoY (up 10bp QoQ) to 52% (vs. est.51.8%).
- EBITDA margin improved 6.2pp YoY (up 90bp QoQ) to 25.3% due to lower cost pressures.
- An unrealized **Fx loss of INR520m** has significantly impacted the overall performance.
- Further, despite higher interest costs, unrealized FX losses were offset by higher 'other income' which led to adj. PAT growing 2.1x YoY to INR3.1b (vs. est. INR3.55b).
- 9MFY24 revenues declined 14% YoY, while EBITDA/adj.PAT grew 6%/16% YoY.
- The board has declared the third interim dividend of INR4/share for FY24 (Total FY24YTD dividend=INR12/share).
- **Valuation view:** The stock trades at 37.8x/28.6x FY24E/FY25E EPS.

Quarterly Earning Model (Standalone)

(INR Million)

Y/E March	FY23				FY24E				FY23	FY24E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Volumes (Ton)	83,153	78,872	66,480	72,676	67,209	70,585	72,749	79,657	3,01,181	2,90,200	73,128
YoY Change (%)	21.2	8.4	-5.5	-5.8	-19.2	-10.5	9.4	9.6	4.3	-3.6	10.0
Realizations (INR '000/ton)	327.9	355.8	333.2	319.9	314.7	318.3	318.3	321.1	334.4	318.2	319.1
YoY Change (%)	23.0	24.5	12.7	1.4	-4.0	-10.5	-4.5	0.4	14.7	-4.8	-4.2
Net Revenues	27,263	28,063	22,153	23,246	21,150	22,468	23,158	25,574	1,00,725	92,351	23,336
YoY Change (%)	49.1	34.9	6.6	-4.4	-22.4	-19.9	4.5	10.0	19.6	-8.3	5.3
EBITDA	5,470	5,640	4,233	4,942	4,863	5,480	5,868	6,236	20,284	22,447	5,717
Margins (%)	20.1	20.1	19.1	21.3	23.0	24.4	25.3	24.4	20.1	24.3	24.5
Depreciation	1,262	1,341	1,449	1,515	1,537	1,586	1,591	1,617	5,566	6,331	1,590
Interest	27	43	136	250	208	229	354	22	456	813	200
Forex loss/(gain)	-260	-490	1,660	-30	-330	-250	520	-1,020	880	-1,080	-250
Other Income	-150	580	430	280	660	520	700	347	1,140	2,227	520
PBT before EI	4,290	5,327	1,417	3,487	4,108	4,435	4,104	5,964	14,521	18,610	4,697
Extra-Ord expense	0	0	0	23	0	0	0	0	23	0	0
PBT	4,290	5,327	1,417	3,465	4,108	4,435	4,104	5,964	14,499	18,610	4,697
Rate (%)	25.4	24.1	29.8	26.1	23.9	24.5	24.8	24.5	25.7	24.4	24.5
Reported PAT	3,199	4,043	995	2,559	3,125	3,350	3,084	4,506	10,774	14,065	3,546
Adj PAT	3,199	4,043	995	2,576	3,125	3,350	3,084	4,506	10,791	14,065	3,546
YoY Change (%)	-10.5	1.2	-69.7	-30.5	-2.3	-17.1	209.9	74.9	-25.9	30.3	256.4
Margins (%)	11.7	14.4	4.5	11.1	14.8	14.9	13.3	17.6	10.7	15.2	15.2

E: MOFSL Estimates

Container Corporation of India

BSE SENSEX 71,060 S&P CNX 21,454

CMP: INR841

Buy

Conference Call Details

Date: 25th January 2024

Time: 11:30 AM IST

Dial-in details:

+91 22 6280 1384

Financials & Valuations (INR b)

Y/E MARCH	2024E	2025E	2026E
Sales	89.5	105.0	123.4
EBITDA	20.6	24.1	27.8
Adj. PAT	13.2	15.5	18.0
EBITDA Margin (%)	23.0	23.0	22.5
Adj. EPS (INR)	21.7	25.5	29.5
EPS Gr. (%)	13.2	17.2	15.7
BV/Sh. (INR)	196.1	209.6	225.3

Ratios

Net D:E	(0.3)	(0.4)	(0.4)
RoE (%)	11.4	12.6	13.6
RoCE (%)	11.8	12.9	13.9
Payout (%)	46.9	46.9	46.9

Valuations

P/E (x)	38.7	33.0	28.5
P/BV (x)	4.3	4.0	3.7
EV/EBITDA(x)	22.4	18.7	15.8
Div. Yield (%)	1.2	1.4	1.6
FCF Yield (%)	2.0	2.8	3.5

Lower-than-expected volumes hurt revenue; margins in line

- Revenue grew 11% YoY to INR22b in 3QFY24 (7% below our estimate).
- Total volumes handled increased 6% YoY to 1.15m TEUs, with EXIM/Domestic volumes at 0.9m/0.25m TEUs (+8%/-1% YoY). Domestic volumes were 24% below our estimate, while EXIM volumes were ~3% below.
- Blended realization improved ~5% YoY to INR19,161/TEU. EXIM/Domestic realization stood at INR15,915/INR30,966 per TEU (+5%/+8% YoY).
- EBITDA margin came in at 23.2% (vs. our estimate of 23.3%). The margin was up 180bp YoY.
- EBITDA grew 20% YoY but was 7% below our estimate, primarily due to lower volumes.
- PAT rose 13% YoY (7% below estimate), in line with the operating performance.
- For 9MFY24, the company reported revenue of INR63.1b (+6% YoY), EBITDA of INR14.4b (+3% YoY), EBITDA margin of 22.8%, and APAT of ~INR 9.4b (+5% YoY). Total volumes handled during 9MFY24 stood at 3.47m TEUs (+7% YoY).

Other insights

- The land license fee for 3QFY24 stood at INR719m (INR2.9b in 9MFY24).
- The Board has declared a third interim dividend of INR4 per share, amounting to INR2.4b.

Standalone quarterly snapshot

Y/E March	FY23			FY24E			FY23	FY24E	FY24 3QE	Var.	
	1Q	2Q	3Q	4Q	1Q	2Q					3Q
Net Sales	19,783	19,707	19,884	21,660	19,193	21,904	22,051	81,034	89,526	23,716	(7)
YoY Change (%)	9.4	8.0	3.6	6.0	-3.0	11.1	10.9	6.7	10.5	19.3	
EBITDA	4,723	4,986	4,264	4,447	3,916	5,372	5,117	18,421	20,553	5,526	(7)
Margins (%)	23.9	25.3	21.4	20.5	20.4	24.5	23.2	22.7	23.0	23.3	
YoY Change (%)	9.0	16.9	-6.4	7.7	-17.1	7.7	20.0	6.6	11.6	29.6	
Depreciation	1,312	1,341	1,357	1,531	1,378	1,486	1,543	5,541	5,655	1,422	
Interest	139	143	142	146	141	147	175	570	550	133	
Other Income	629	520	1,136	955	815	1,025	1,007	3,240	3,290	823	
PBT before EO expense	3,901	4,022	3,901	3,725	3,212	4,764	4,406	15,550	17,637	4,793	(8)
Extra-Ord expense	0	0	0	13	0	0	0	13	0	0	
PBT	3,901	4,022	3,901	3,713	3,212	4,764	4,406	15,537	17,637	4,793	(8)
Tax	988	994	936	928	771	1,187	1,062	3,847	4,392	1,208	
Rate (%)	25.3	24.7	24.0	25.0	24.0	24.9	24.1	24.8	24.9	25.2	
Reported PAT	2,913	3,028	2,965	2,785	2,441	3,577	3,344	11,691	13,246	3,585	(7)
Adj PAT	2,913	3,028	2,965	2,785	2,441	3,577	3,344	11,703	13,246	3,585	(7)
YoY Change (%)	14.3	14.7	3.5	8.4	-16.2	18.1	12.8	10.2	13.2	20.9	
Margins (%)	14.7	15.4	14.9	12.9	12.7	16.3	15.2	14.4	14.8	15.1	

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY (%)	QoQ (%)
Revenue (INRm)							
EXIM	12,697	13,239	12,315	14,438	14,365	13%	-1%
Domestic	7,187	8,421	6,879	7,467	7,687	7%	3%
Total Segment Revenue	19,884	21,660	19,193	21,904	22,051	11%	1%
Segmental EBIT							
EXIM	2,953	3,176	2,566	3,463	3,197	8%	-8%
Domestic	428	752	366	746	737	72%	-1%
Total	3,381	3,927	2,932	4,209	3,934	16%	-7%
EBIT Margin (%)							
EXIM	23.3%	24.0%	20.8%	24.0%	22.3%		
Domestic	6.0%	8.9%	5.3%	10.0%	9.6%		
Total	17.0%	18.1%	15.3%	19.2%	17.8%		
	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY (%)	QoQ (%)
Volumes (TEU)							
EXIM	8,33,796	8,51,261	8,41,690	9,69,746	9,02,582	8%	-7%
Domestic	2,51,358	2,67,773	2,51,920	2,61,022	2,48,226	-1%	-5%
Total	10,85,154	11,19,034	10,93,610	12,30,768	11,50,808	6%	-6%
Realizations (INR / TEU)							
EXIM	15,228	15,553	14,631	14,888	15,915	5%	7%
Domestic	28,593	31,446	27,305	28,605	30,966	8%	8%
Total	18,324	19,356	17,550	17,797	19,161	5%	8%
EBIT (INR/TEU)							
EXIM	3,542	3,730	3,048	3,571	3,542	0%	-1%
Domestic	1,702	2,808	1,453	2,858	2,969	75%	4%
Total	3,115	3,510	2,681	3,419	3,418	10%	0%

Dalmia Bharat

Conference Call Details



Date: 25 January 2024

Time: 10:30 IST

Dial-in details:

+91 22 6280 1536,

+91 22 7115 8344

[Link for the call](#)

Financials & Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	144.6	162.0	181.5
EBITDA	28.9	35.3	43.1
Adj. PAT	8.2	12.1	16.7
EBITDA Margin (%)	20.0	21.8	23.7
Adj. EPS (INR)	43.5	64.3	89.1
EPS Gr. (%)	19.1	47.8	38.5
BV/Sh. (INR)	867	918	990
Ratios			
Net D:E	0.1	0.1	0.0
RoE (%)	5.1	7.2	9.3
RoCE (%)	5.7	7.2	8.8
Payout (%)	23.0	20.2	20.2
Valuations			
P/E (x)	48.5	33.5	24.2
P/BV (x)	2.4	2.3	2.2
EV/EBITDA(x)	13.9	11.2	9.2
EV/ton (USD)	104	102	97
Div. Yield (%)	0.5	0.6	0.8
FCF Yield (%)	-1.1	1.5	3.0

CMP: INR2,153

Buy

EBITDA in line with estimates; EBITDA/t at INR1,140

- Dalmia Bharat (DALBHARA)'s 3QFY24 EBITDA grew 20% YoY to INR7.75b (in line with our estimates) and EBITDA/t was up 11% YoY to INR1,140 (est. INR1,133). OPM surged 2.3pp YoY to 21.5%. Adj. Profit (after MI) stood at INR2.7b (up 34% YoY), 24% above our estimate, led by lower depreciation.
- DALBHARA has completed debottlenecking at Belgaum, Karnataka plant. Its total clinker/grinding capacity stood at 22.4mtpa/44.6mtpa. The company received the second installment of INR3.2b for the sale of investments in the refractory business and the final installment of INR1.2b for the sale of Hippo stores (non-core businesses) from the promoter group companies.
- **We have a BUY rating on the stock;** we would review our assumptions post the conference call.

Volume grew 8% YoY; OPM up 2.3pp YoY to 21.5%

- Consolidated revenue/EBITDA/adj. PAT stood at INR36b/INR7.75b/INR2.7b (up 7%/20%/34% YoY and up 3%/4%/24% vs. our estimates) in 3QFY24. Sales volumes grew 8% YoY to 6.8mt (up 3% vs. our estimate). Realization at INR5,294/t (up 4% QoQ) was in line with our estimates.
- Variable cost was down 6% YoY (was in line with our estimate). Freight cost/Other expense/t was down 2% YoY (each). Employee cost increased ~15% YoY to INR2.2b. Opex/t was down 3% YoY (in line with our estimates).
- OPM increased 2.3pp YoY to 21.5% and EBITDA/t increased 11% YoY to INR1,140. Other income increased 78% YoY while finance cost and depreciation grew 57%/14% YoY.
- In 9MFY24, the company's revenue grew 8% YoY, driven by 9% YoY growth in volume and ~1% YoY decline in realization. EBITDA grew 23% YoY to INR20b due to higher volumes and easing cost pressures (Opex/t declined 4% YoY). EBITDA/t was up 12% YoY to INR990. Adjusted PAT (after MI) grew 22% YoY to INR5.2b.
- Gross debt stood at INR49.3b vs. INR52.9b in Sep'23. Net debt stood at INR431m vs. INR15b in Sep'23. Its net debt to EBITDA stood at 0.16x vs. 0.59x as of Sep'23.

Valuation and View

- The stock trades at 11x/9x FY25E/FY26E EV/EBITDA and at an EV/t of USD102/USD97. It has traded at an average EV/EBITDA of 10.5x/9.5x in the last 5/10 years. We have a **BUY** rating on the stock; however, we would like to review our assumptions post the con-call on 25th Jan'23 at 10:30 IST ([Link for the call](#)).

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY23				FY24				FY24	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	
Net Sales	33.0	29.7	33.6	39.1	36.2	31.5	36.0	40.8	34.9	3
YoY Change (%)	27.4	15.1	22.7	15.7	9.8	6.0	7.3	4.4	4.0	
Total Expenditure	27.2	25.9	27.1	32.1	30.1	25.6	28.3	31.7	27.4	3
EBITDA	5.9	3.8	6.4	7.1	6.1	5.9	7.8	9.1	7.4	4
Margins (%)	17.7	12.8	19.2	18.1	16.8	18.7	21.5	22.4	21.3	19bp
Depreciation	3.1	3.3	3.3	3.4	4.0	4.0	3.7	4.5	4.1	-10
Interest	0.5	0.6	0.7	0.6	0.8	1.0	1.1	1.0	1.0	9
Other Income	0.2	0.4	0.4	0.4	0.6	0.9	0.6	0.7	0.7	-9
PBT before EO Expense	2.5	0.3	2.9	3.5	1.9	1.7	3.6	4.3	3.1	18
Extra-Ordinary items	0.0	0.0	0.0	-3.9	0.0	0.0	0.0	0.0	0.0	
PBT after EO Expense	2.5	0.3	2.9	7.3	1.9	1.7	3.6	4.3	3.1	18
Prior period tax adjustment	0.6	-0.2	0.7	1.3	0.4	0.5	1.0	1.1	0.8	
Tax	0.0	-0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	
Rate (%)	25.5	23.3	25.5	36.5	22.2	27.9	24.7	25.6	26.0	
Reported PAT (pre minority)	1.9	0.5	2.1	6.1	1.4	1.2	2.7	3.2	2.3	18
Minority + associate	-0.1	-0.1	0.1	0.2	0.1	0.1	0.0	0.2	0.1	
PAT Adj for EO items (post MI)	2.0	0.3	2.0	2.6	1.3	1.2	2.7	3.0	2.2	24
YoY Change (%)	-30.4	-87.4	286.5	-1.9	-33.3	325.0	33.8	16.5	7.9	
Per ton analysis (blended) INR/t										
Sales Volumes (m ton)	6.2	5.8	6.3	7.4	7.0	6.2	6.8	7.8	6.6	3
YoY Change (%)	26.8	13.7	10.5	12.1	12.4	6.9	7.9	5.2	4.3	
Net realisation	5,326	5,122	5,325	5,286	5,199	5,079	5,294	5,245	5,308	-0
YoY Change (%)	0.5	1.2	11.0	3.2	-2.4	-0.8	-0.6	-0.8	-0.3	
RM Cost	677	760	587	1,014	812	860	921	850	881	4
Employee Expenses	319	326	306	258	319	365	325	294	341	-5
Power, Oil & Fuel	1,535	1,538	1,530	1,177	1,294	1,126	1,068	1,095	1,106	-3
Freight and Handling Outward	1,100	1,028	1,114	1,111	1,161	1,018	1,093	1,122	1,110	-2
Other Expenses	748	817	765	772	739	761	749	708	737	2
Total Expenses	4,381	4,469	4,303	4,331	4,324	4,129	4,154	4,070	4,175	-0
EBITDA	945	653	1,022	955	875	950	1,140	1,175	1,133	1

Source: Company, MOFSL Estimates

Blue Dart Express

BSE SENSEX 71,060 S&P CNX 17,672

CMP: INR6,875

Buy

Conference Call Details



Date: 30th January 2024

Time: 4:00 PM IST

Dial-in details:

[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2024E	2025E	2026E
Sales	54.7	63.1	74.0
EBITDA	5.7	7.7	9.6
Adj. PAT	3.2	4.7	6.0
EBITDA Margin (%)	10.4	12.2	12.9
Adj. EPS (INR)	134.1	199.5	251.7
EPS Gr. (%)	-13.2	48.8	26.2
BV/Sh. (INR)	605.2	744.7	936.4
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	23.6	29.6	29.9
RoCE (%)	25.3	31.1	31.1
Payout (%)	44.8	30.1	23.8
Valuations			
P/E (x)	51.2	34.4	27.3
P/BV (x)	11.4	9.2	7.3
EV/EBITDA(x)	27.8	20.1	15.8
Div. Yield (%)	0.9	0.9	0.9
FCF Yield (%)	1.9	2.2	3.0

Revenue in line; a slight miss on margins

Earnings snapshot – 3QFY24

- BDE's revenue grew 3.4% YoY to INR13.8b (in line). During 3QFY24, the company carried 0.31m tonnes of shipments (+2.6% YoY). The realization per kg stood at INR44 during 3QFY24 (+1% YoY).
- EBITDA margin stood at 9.7% (vs. our estimate of 10.6%). The margin was lower by ~160bp YoY, primarily due to higher other expenses and employee costs.
- EBITDA declined ~11% YoY to INR1.34b (vs. our estimate of INR1.48b).
- PAT declined 6% YoY to INR816m (our estimate: INR841m). The soft operating performance was partially offset by high other income and a lower tax outgo.
- During 9MFY24, BDE reported revenue of INR39.5b (flat YoY), EBITDA of INR3.8b (-25% YoY), EBITDA margin of 9.6%, and APAT of INR2.1b (-28% YoY). The company carried 0.9m tonnes of shipments (+3.1% YoY) during the period. The realization per kg stood at INR43.5 (-3.3% YoY).

Quarterly snapshot - Standalone

Y/E March (INR m)	FY23				FY24E			FY23		FY24E		Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	FY23	FY24E	FY24 3QE		
Net Sales	12,933	13,253	13,371	12,166	12,376	13,245	13,829	51,722	54,686	14,039	(1)	
YoY Change (%)	49.6	18.0	6.6	4.3	-4.3	-0.1	3.4	17.3	5.7	5.0		
EBITDA	1,908	1,627	1,506	1,282	1,133	1,305	1,343	6,323	5,666	1,481	(9)	
Margins (%)	14.7	12.3	11.3	10.5	9.2	9.9	9.7	12.2	10.4	10.6		
YoY Change (%)	128.7	-18.0	-26.1	-41.2	-40.6	-19.8	-10.8	-10.2	-10.4	-6.3		
Depreciation	397	419	414	436	444	456	473	1,666	1,799	450		
Interest	47	42	42	44	45	48	47	174	194	48		
Other Income	102	121	139	143	157	151	228	505	581	140		
PBT before EO expense	1,566	1,288	1,189	945	801	952	1,050	4,987	4,255	1,123		
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0		
PBT	1,566	1,288	1,189	945	801	952	1,050	4,987	4,255	1,123		
Tax	394	368	320	241	204	240	235	1,323	1,073	282		
Rate (%)	25.2	28.5	26.9	25.5	25.4	25.2	22.4	26.5	25.2	25.2		
Reported PAT	1,172	920	869	703	598	713	816	3,664	3,182	841		
Adj PAT	1,172	920	869	703	598	713	816	3,664	3,182	841	(3)	
YoY Change (%)	298.9	-26.6	-28.9	-48.1	-49.0	-22.5	-6.2	-11.1	-13.2	-3.3		
Margins (%)	9.1	6.9	6.5	5.8	4.8	5.4	5.9	7.1	5.8	6.0		

BSE SENSEX
71,060S&P CNX
21,454

CMP: INR2,876

Buy

Conference Call Details



Date: 25th Jan 2024

Time: 4pm IST

Dial-in details: [\[Link\]](#)

+91 22 6280 1325/

+91 22 7115 8226

Financials & Valuations (INR b)

INR Billion	FY23E	FY24E	FY25E
Sales	113.1	120.3	130.8
EBITDA	9.7	17.1	17.9
EBIDTA Margin (%)	8.6	14.3	13.7
Adj. PAT	2.1	7.0	7.4
EPS (Rs)	51.9	173.9	181.9
EPS Growth (%)	164.4	235.2	4.6
BV/Share (INR)	850	1,009	1,173
Ratios			
RoE (%)	6.3	18.7	16.7
RoCE (%)	6.8	15.8	14.9
Payout (%)	26.1	8.6	9.9
Valuations			
P/E (x)	55.4	16.5	15.8
P/BV (x)	3.4	2.8	2.5
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	2.8	5.8	6.6

Increase in RM costs and mix hurts gross margins sequentially

- Net sales grew 9% YoY to INR29.6b (vs. est. ~INR30b). 3Q was a seasonally weak quarter, which was further affected by a decline in OEM volumes.
- Gross margins expanded by 680bp YoY (down 200bp QoQ) to 41.3% (vs. est. 43.1%). The sequential decline in gross margins was due to an increase in RM costs and mix impact.
- Lower-than-estimated other expenses (+70bp YoY/-140bp QoQ) resulted in EBITDA margin expansion of 540bp YoY (-80bp QoQ) to 14.1% (vs. est. 14.6%).
- EBITDA grew 76% YoY to ~INR4.2b (est. INR4.4b).
- Adj. PAT stood at INR1.8b (vs. INR357m in 3QFY23; in line).
- 9MFY24 revenues/EBITDA/adj.PAT grew 6%/1.1x/6.6x YoY.
- Debt declined to INR17.3b as of Dec'23 (vs. INR19b in Sep'23 and INR23.4b in Dec'22), mainly due to healthy cash generation in 3Q.
- Capex stood at INR2.15b with working capital at similar level as 2Q.
- Mr. Arnab Banerjee, MD&CEO, CEAT, said, "Replacement and International business reflected strong growth on YoY basis. While margins for the quarter were healthy, we witnessed a marginal drop primarily on account of increase in input cost. With stronger growth in premium segments in domestic market and recovery in international markets, we expect a stronger growth in the forthcoming quarters."
- Mr. Kumar Subbiah, CFO of CEAT, said, "Our consistent efforts in improving cost efficiencies and mix are yielding benefits as we ended another quarter with strong operating margins. Our continuous focus on generating healthy cash flows has helped us to fund capex from internal accruals and also in the reduction of gross debt in the quarter by Rs. 163 Cr. Our Balance Sheet and leverage ratios have strengthened further during the quarter."
- **Valuation & view:** The stock trades at 16.5x/15.8x FY24E/FY25E EPS.

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4QE			3QE
Net Sales	28,184	28,945	27,272	28,748	29,352	30,533	29,631	30,812	1,13,149	1,20,328	29,999
YoY Change (%)	47.8	18.1	13.0	10.9	4.1	5.5	8.7	7.2	20.8	6.3	10.0
RM cost (%)	68.3	67.5	65.5	59.9	58.9	56.7	58.7	55.7	65.3	57.5	56.9
Employee cost (%)	6.1	5.8	6.7	7.4	6.7	7.1	7.3	6.9	6.5	7.0	7.2
Other expenses (%)	19.7	19.7	19.2	19.9	21.2	21.3	19.9	22.7	19.6	21.3	21.4
EBITDA	1,653	2,031	2,376	3,678	3,871	4,561	4,175	4,540	9,738	17,147	4,365
Margins (%)	5.9	7.0	8.7	12.8	13.2	14.9	14.1	14.7	8.6	14.3	14.6
Depreciation	1,114	1,151	1,175	1,253	1,209	1,245	1,273	1,291	4,693	5,018	1,260
Interest	521	577	657	666	701	717	656	735	2,421	2,809	700
Other Income	28	98	20	24	33	105	29	78	169	245	45
PBT before EO expense	45	401	565	1,783	1,993	2,704	2,276	2,593	2,793	9,565	2,450
Exceptional item	7	237	5	86	0	0	0	0	334	0	0
PBT	38	164	560	1,698	1,993	2,704	2,276	2,593	2,459	9,565	2,450
Tax Rate (%)	31.0	64.6	26.7	26.5	26.5	25.3	23.9	28.2	29.2	26.0	26.2
Minority Int. & Profit of Asso. Cos.	-67	-20	57	-90	18	-59	-84	170	-120	45	30
Reported PAT	92	78	354	1,337	1,446	2,080	1,815	1,692	1,862	7,033	1,778
Adj PAT	98	246	357	1,398	1,446	2,080	1,815	1,692	2,098	7,033	1,778
YoY Change (%)	-59	-42	-325	382	1,383	745	408	21	164	235	397.9
Margins (%)	0.3	0.9	1.3	4.9	4.9	6.8	6.1	5.5	1.9	5.8	5.9
Key Performance Indicators											
RM Cost (% of sales)	68.3	67.5	65.5	59.9	58.9	56.7	58.7	55.7	65.3	57.5	56.9
Staff Cost (% of sales)	6.1	5.8	6.7	7.4	6.7	7.1	7.3	6.9	6.5	7.0	7.2
Other Cost (% of sales)	19.7	19.7	19.2	19.9	21.2	21.3	19.9	22.7	19.6	21.3	21.4
Gross margin (%)	31.7	32.5	34.5	40.1	41.1	43.3	41.3	44.3	34.7	41.1	43.1
EBITDA Margins (%)	5.9	7.0	8.7	12.8	13.2	14.9	14.1	14.7	8.6	14.3	14.6
EBIT Margins (%)	1.9	3.0	4.4	8.4	9.1	10.9	9.8	10.5	8.6	14.3	10.3

E:MOFSL Estimates

MAS Financial Services

Conference Call Details



Date: 25 Jan 2024

Time: 03:30 PM IST

Dial-in details:

[Link for the Call](#)

Number: +91 22 6280 1149

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Total income	6.2	7.8	9.4
PPP	4.2	5.3	6.4
PAT	2.5	3.2	3.9
EPS (INR)	45.6	58.2	71.3
EPS Gr. (%)	24.1	27.5	22.5
BVPS (INR)	309	362	429

Ratios (%)

NIM	6.1	6.2	6.3
C/I ratio	33.1	32.6	31.2
RoA on AUM	2.8	2.9	3.0
RoE	15.8	17.3	18.0
Payout	8.8	7.8	7.0

Valuations

P/E (x)	21	17	14
P/BV (x)	3.2	2.7	2.3
Div. yield (%)	0.4	0.5	0.5

CMP: INR974

Buy

Earnings in line; but spreads decline QoQ

Asset quality largely stable

- PAT grew 24% YoY to INR624m (in line). Net total income was up 31% YoY at INR1.6b (in line), while opex at INR518m grew 23% YoY. PPOP rose 35% YoY to INR1.1b (in line).
- Provisions stood at INR257m (12% above MOSLe), translating into annualized credit costs of 1.1%. (PQ:1.1% and PY:0.8%)
- On-book GNPA increased by ~5bp QoQ to 2.23%. However, NNPA was stable sequentially at 1.48%. PCR on Stage 3 assets increased ~30bp to ~41%. In Micro enterprises and SME lending, MASFIN is relatively better than its peers. Capital adequacy stood at 24.5% with Tier 1 of ~21% and liquidity on the balance sheet remained healthy.

AUM rises ~7% QoQ; but spreads contract sequentially

- Standalone AUM grew ~7% QoQ and ~27% YoY to ~INR97b. AUM in its housing subsidiary rose ~36% YoY to INR5.4b. The AUM of micro-enterprise loans (MEL)/ SME loans/2Ws rose 15%/21%/34% YoY for the quarter.
- MASFIN consistently engages in assignment transactions, with the proportion of off-balance sheet loans remaining constant at 22% QoQ.
- CoF (calc.) increased ~50bp QoQ to 9.7% while yields rose ~30bp to 14.8%, leading to ~20bp decline in spreads to ~5.1% (PQ: 5.3%).
- Operating expenses rose 23% YoY to INR518m, with the C/I ratio and OPEX-to-AUM ratio stable at 32%/2.2%.

Minor increase in 1+dpd; asset quality largely stable

- 1+dpd loans increased ~25bp QoQ to 5.8% in 3QFY24. Total standalone Covid-related provisions stood at ~INR188m (~0.25% of on-book loans).
- The OTR pool stood at ~INR40m (~4bp of AUM) as of Dec'23.

Other highlights

- The average ticket size of Micro enterprise loans further declined to ~INR42K (PQ: ~43K).
- RoTA declined ~5bp QoQ to ~2.9% in 3QFY24.

HFC subsidiary:

- AUM grew 36% QoQ to INR5.4b. GS3 remained stable at ~0.8%.
- The company continues to carry Covid-19 provisions of ~0.72% of the AUM.

Valuation and view

- MASFIN has successfully navigated a tough environment with a large exposure to microloans and the MSME sector. It has developed a niche expertise to serve the MSME market and continues to demonstrate healthy loan growth momentum, while its asset quality is perhaps the best among MFI and SME lending peers.
- The company is well placed to achieve its target AUM CAGR of 20-25%, supported by robust liability management, a strong capital base, and healthy asset quality.
- Historically, MASFIN has managed its liquidity well (with higher sell-downs) and still continues to have an adequate liquidity buffer on its balance sheet. We will look to revise our estimates after the analyst call on 25th Jan'24.

Quarterly Performance												(INR m)
Y/E March	FY23				FY24E				FY23	FY24E	3QFY24E	Act. v/s Est. (%)
	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24				
Revenue from Operations	1,983	2,300	2,515	2,703	2,801	2,982	3,258	3,453	9,491	12,493	3,231	1
Interest Income	1,677	1,941	2,183	2,325	2,362	2,490	2,703	2,967	8,066	10,523	2,715	0
Gain on assignments	157	178	158	198	242	272	319	242	680	1,075	280	14
Other operating Income	150	182	173	180	196	219	236	244	745	895	237	-1
Interest expenses	928	1,108	1,276	1,435	1,428	1,461	1,638	1,750	4,748	6,277	1,607	2
Total income	1,055	1,192	1,238	1,268	1,373	1,520	1,620	1,702	4,743	6,216	1,624	0
Growth Y-o-Y (%)	34.3	47.5	39.7	36.1	30.2	27.6	30.8	34.3	40.5	31.1	31.2	
Operating Expenses	348	416	421	381	427	484	518	631	1,566	2,060	542	-5
Operating Profits	707	775	818	887	946	1,036	1,102	1,072	3,177	4,156	1,082	2
Growth Y-o-Y (%)	11.1	28.2	34.8	39.0	33.8	33.6	34.8	20.9	29.5	30.8	32.3	
Provisions	85	121	142	182	188	236	257	141	530	822	230	12
Profit before tax	623	654	676	704	758	800	845	931	2,647	3,334	852	-1
Growth Y-o-Y (%)	25.7	27.0	25.4	17.4	21.8	22.3	25.1	32.2	25.3	26.0	26.0	
Tax Provisions	157	164	170	149	186	200	221	234	637	840	213	4
Net Profit	465	491	506	556	573	600	624	697	2,010	2,494	639	-2
Growth Y-o-Y (%)	26.3	28.0	26.0	23.4	23.1	22.3	23.5	25.5	27.6	24.1	26.4	
Key Operating Parameters (%)												
Yield on loans (Cal)	12.7	13.5	14.2	14.5	14.3	14.5	14.8	15.0				
Cost of funds (Cal)	7.7	8.1	8.7	9.7	9.6	9.2	9.7	9.3				
Spreads (Cal)	5.0	5.4	5.5	4.8	4.7	5.3	5.1	5.8				
NIM on AUM (Cal)	6.5	6.9	6.7	6.5	6.7	7.0	6.9	6.9				
Credit Cost (%)	0.5	0.7	0.8	0.9	0.9	1.1	1.1	0.6				
Cost to Income Ratio	33.0	34.9	34.0	30.1	31.1	31.9	32.0	37.1				
Tax Rate	25.3	25.0	25.2	21.1	24.5	25.0	26.1	25.1				
Balance Sheet Parameters												
Standalone AUM (INR B)	66.8	71.4	76.1	80.9	84.2	90.5	96.7	101.7				
Change YoY (%)	29.5	30.1	32.5	29.5	25.9	26.7	27.2	25.7				
Disbursements (INR B)	21.5	22.6	22.2	24.9	22.8	25.0	27.2	30.0				
Change YoY (%)	106.8	53.2	39.0	27.0	5.8	10.5	22.6	20.3				
Borrowings (INR B)	50.5	58.4	59.3	59.1	59.9	67.1	68.0	82.9				
Change YoY (%)	42.6	43.0	36.2	29.8	18.5	15.0	14.5	40.2				
Debt/Equity (x)	3.7	4.3	4.2	3.9	3.8	4.1	4.0					
Asset liability Mix												
AUM Mix (%)												
Micro Enterprises	51.8	50.3	49.7	47.9	47.8	47.1	44.9					
SME loans	36.6	37.4	37.3	36.9	36.5	35.7	35.7					
2W loans	5.8	6.6	6.6	6.9	6.8	6.9	6.9					
CV loans	5.0	3.8	3.8	4.6	5.3	6.2	6.8					
Borrowings Mix (%)												
Direct Assignment	20.0	18.0	19.0	21.0	23.0	23.3	23.9					
Cash Credit	26.0	25.0	21.0	18.0	17.0	16.0	16.0					
Term Loan	43.0	45.0	47.0	50.0	48.0	50.6	51.9					
NCD	9.0	9.0	10.0	8.0	8.0	7.1	4.6					
Sub Debt	2.0	2.0	3.0	3.0	4.0	3.0	3.5					
Asset Quality Parameters (%)												
GS 3 (INR m)	1,177	1,308	1,380	1,327	1,355	1,555	1,747					
GS 3 (%)	2.27	2.26	2.23	2.15	2.13	2.17	2.23					
NS 3 (INR m)	742	837	901	814	795	916	1,023					
NS 3 (%)	1.63	1.60	1.60	1.52	1.47	1.47	1.48					
PCR (%)	37.0	36.0	34.7	38.6	41.3	41.1	41.4					
Return Ratios (%)												
ROA	2.9	2.8	2.7	2.9	3.0	2.9	2.9					
Tier I ratio	22.5	21.2	21.2	20.8	21.1	21.2	20.6					

E: MOFSL estimates

Indostar Capital Finance

Concall details :

Date : 25/01/2024

[Link for the call](#)

Time: 12:00 pm IST

Dial in : +91 22 6280 1550

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
NII	4.7	7.2	9.5
PPP	1.6	4.4	7.1
PAT	1.1	2.4	4.0
EPS (INR)	8.4	17.6	29.1
EPS Gr. (%)	-49	108	66
BV (INR)	237	255	284
Ratios			
NIM (%)	6.1	6.8	7.0
C/I ratio (%)	75.3	53.6	43.5
RoA (%)	1.1	1.8	2.4
RoE (%)	3.6	7.1	10.8
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	25.7	12.4	7.5
P/BV (x)	0.9	0.9	0.8
Div. Yield (%)	0.0	0.0	0.0

CMP: INR217

Earnings decline QoQ due to lower other income

Healthy improvement in asset quality

- PAT in 3QFY24 at INR169m declined 32% QoQ (PQ: INR248m)
- Total AUM stood at ~INR80.4b and increased 4% QoQ. Retail AUM grew 4% QoQ/19% YoY to INR76.6b and contributed ~95% to the AUM mix.
- D/E stood at 2.1x as of Dec'23.
- Indostar received a credit rating upgrade by CARE to 'AA-;Stable' from 'A+;Stable'.

Asset quality improves sequentially

- Asset quality improved significantly with GNPA/NNPA declining 140bp/90bp QoQ to 5.3%/2.4%.
- During the quarter, the company sold its stressed SME loan worth INR2.9b to ARC.
- Collections of ~INR1b during the quarter resulted in gross collection efficiency of 135% (PQ: ~135%).

IndoStar Home Finance Pvt Ltd ('IHFPL')

- AUM as of Dec'23 stood at ~INR20.5b and grew ~8% QoQ.
- GS3 for housing finance declined ~10bp to 1.2% (PQ: 1.3%).
- IHFPL delivered a PAT of ~INR63m in 3QFY24 (v/s INR142m in 2QFY24) due to lower securitization transactions during the quarter.
- CAR stood at ~66.6% during 3QFY24.

IndoStar Capital Finance Limited ("ICFL")

- AUM as of Dec'23 stood at ~INR20.5b and grew ~8% QoQ.
- GS3 for housing finance declined ~10bp to 1.2% (PQ: 1.3%).
- IHFPL delivered a PAT of ~INR63m in 3QFY24 (v/s INR142m in 2QFY24) due to lower securitization transactions during the quarter.
- CAR stood at ~66.6% during the quarter.

Valuation and view

- Indostar has a strong focus on expanding its retail business, specifically in the Commercial Vehicle (CV) lending segment. The company plans to target the lucrative used CV market, with increasing emphasis on used light commercial vehicles in tier II and III towns.
- To enhance operations, the company utilizes technology-enabled systems to ensure better adherence to processes, improve collection efficiencies, enhance credit underwriting, and boost sales productivity.
- The company intends to boost its disbursement capabilities by raising a significant amount of debt. This strategic move aims to align its current low debt-to-equity ratio with industry standards. Currently, the company's Debt/Equity ratio stands at 2.1 times.
- We await further insights from the earnings call to be held on 25th Jan'24.

Quarterly Performance

(INR M)

Y/E March	FY23			FY24				FY23	FY24	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			4Q
Interest Income	2,770	2,609	2,626	2,579	2,723	2,732	2,855	3,304	10,584	11,615
Interest Expenses	1,481	1,464	1,354	1,504	1,544	1,652	1,724	1,984	5,803	6,903
Net Interest Income	1,289	1,145	1,272	1,075	1,179	1,081	1,131	1,321	4,782	4,712
YoY Growth (%)	25.3	6.3	-6.6	-40.5	-8.6	-5.6	-11.1	22.9	-9.4	-1.5
Other Income	372	336	191	313	271	402	214	808	1,212	1,631
Total Income	1,662	1,481	1,463	1,388	1,450	1,482	1,345	2,129	5,994	6,342
YoY Growth (%)	31.3	0.4	-10.3	-31.3	-12.7	0.1	-8.1	53.4	-5.6	5.8
Operating Expenses	1,021	1,120	1,209	662	1,153	1,185	1,192	1,293	4,011	4,822
Operating Profit	641	361	254	726	297	297	153	836	1,983	1,520
YoY Growth (%)	93.1	-33.9	-59.1	-37.7	-53.6	-17.7	-40.0	15.2	-24.4	-23.3
Provisions & Loan Losses	-23	-202	-132	-47	-119	1	-38	388	-404	231
Profit before Tax	664	563	386	773	416	297	191	448	2,386	1,288
Tax Provisions	55	47	20	13	27	49	22	104	135	203
Net Profit	609	516	367	760	389	248	169	344	2,252	1,086
YoY Growth (%)	-265	31	152	-110	-36	-52	-54	-54.8	-130.6	-51.8
Key Operating Parameters (%)										
Yield on loans (Cal)	15.4	16.0	16.6	16.1	16.3	16.2	16.7			
Cost of funds (Cal)	9.8	10.2	9.8	10.8	10.7	11.5	11.2			
Spreads (Cal)	5.6	5.8	6.8	5.3	5.6	4.7	5.6			
NIMs (Cal)	5.8	5.7	6.5	5.6	5.9	5.5	5.7			
Credit Cost (Cal)	-0.1	-1.0	-0.7	-0.2	-0.6	0.0	-0.2			
Cost to Income Ratio	61.4	75.6	82.6	47.7	79.5	79.9	88.7			
Tax Rate	8.3	8.3	5.1	1.7	6.5	16.6	11.6			
Balance Sheet Parameters										
AUM (INR B)	82.5	79.1	76.7	78.1	80.6	77.3	80.4			
Change YoY (%)	-2.2	-7.7	-17.0	-19.1	-2.2	-2.3	4.8			
AUM Mix (%)										
Vehicle	46.5	45.7	45.2	47.0	48.7	56.7	60.3			
Housing	17.8	19.5	19.9	20.8	21.6	24.5	25.5			
SME & Others	20.1	19.5	18.7	16.5	14.6	13.7	9.1			
Corporate	15.6	15.4	15.9	15.7	14.8	4.7	4.7			
Disbursements (INR B)	3.4	3.3	5.2	9.0	11.2	12.7	13.5			
Change YoY (%)	-45.2	-70.4	-64.7	-47.5	224.4	279.9	157.7			
Asset Quality Parameters (%)										
GS 3 (INR B)	3.4	4.9	5.4	4.8	4.9	4.7	3.9			
Gross Stage 3 (% on Assets)	8.2	7.1	7.9	6.8	6.6	6.7	5.3			
Net Stage 3 (% on Assets)	3.6	2.9	3.6	3.2	3.1	3.3	2.4			
PCR (%)	57.8	60.1	56.2	54.2	53.6	51.5	56.9			

E: MOFSL estimates

**KEI Industries; Planned Capex of Rs600-700 cr Next Year; Anil Gupta, MD**

- Demand is robust in public as well as private sector , Expects demand Momentum to continue
- Margins will be maintained around 16-17% growth in FY24
- Exports : Will take 2-3 years for exports to reach 20% of overall sales once the new capacity is in line
- Capex : Have planned capex of Rs 600-700cr next year
- EBITDA : Have an Ebitda margin guidance of 11% for FY24 & 11% for FY25

[➔ Read More](#)**SONA BLW PRECISION : Difficult to grow beyond a 15% market share; Rohit Nanda, Group CFO**

- 25% CAGR Growth over 15 years
- Production for larger orders will start from FY25
- Order book is currently at Rs 24,000 Cr, 80% of our order book is from the EV Segment
- Expect to Maintain Margin at approx. 28% vs previous range of 25-28%

[➔ Read More](#)**CG POWER : Target 20% of motors sales via exports in next 2-3 year; Natarjan Srinivasan, MD**

- Topline is expected to Grow by 20% in FY25
- Expect FY24 Margin to be in mid-teens
- Low tension motors saw pricing pressure, expect recovery Q4onwards
- See order enquiries worth approx. Rs 2,000 cr in the switchgear segment
- Unexecuted order book stands at Rs1,050 cr as of December 2023

[➔ Read More](#)**Granules India : Targets to get reduction in debt despite of capex; Krishna Prasad Chigurpati, MD**

- Pricing pressure is been observed in US , Margins to be maintained at current levels
- Expect EU business to grow due to fixed dosages
- Products introduced in the controlled substance space aided numbers
- Requirement of working capital will be there going forward

[➔ Read More](#)**Route Mobile : Margin Depletion impacted due to messaging segment; Rajdip Gupta, MD**

- FY-25 Expected to be stronger due to synergies from proximus and telesign deals
- Margin depletion impacted due to messaging segment
- Expecting Revenue potential of \$100mn synergies from Telesign deal
- Proximus deal to be closed by end of march
- Synergies to be there for developed and India markets in terms of cross- selling

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Company	Reco	CMP	TP	%	EPS (INR)				EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Upside	FY23	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Automobiles																	
Amara Raja Ener.	Neutral	799	780	-2	42.7	47.8	53.7	56.4	11.8	12.5	5.0	16.7	14.9	2.3	2.1	14.6	14.8
Apollo Tyres	Buy	526	535	2	17.1	27.9	33.0	36.6	63.1	18.0	11.0	18.8	16.0	1.9	1.7	13.0	13.8
Ashok Ley.	Buy	171	215	26	4.5	8.8	10.9	12.1	95.6	23.8	11.2	19.3	15.6	4.8	3.8	27.5	27.4
Bajaj Auto	Neutral	7211	6775	-6	214.2	277.3	310.9	348.5	29.5	12.1	12.1	26.0	23.2	7.3	6.7	29.4	30.0
Balkrishna Inds	Neutral	2712	2475	-9	52.1	71.7	94.9	118.1	37.5	32.3	24.5	37.8	28.6	6.3	5.5	17.4	20.5
Bharat Forge	Buy	1215	1385	14	11.6	27.7	40.2	44.6	138.2	45.0	11.1	43.9	30.2	7.3	6.1	17.9	22.0
Bosch	Neutral	22426	20115	-10	483.0	557.7	715.6	815.4	15.5	28.3	14.0	40.2	31.3	5.3	4.9	14.1	16.3
CEAT	Buy	2876	2960	3	51.9	173.9	181.9	202.6	235.2	4.6	11.3	16.5	15.8	2.8	2.5	18.7	16.7
Craftsman Auto	Buy	4781	6050	27	117.6	186.8	232.4	289.2	58.8	24.4	24.4	25.6	20.6	5.8	4.6	25.3	24.9
Eicher Mot.	Neutral	3639	3815	5	106.5	147.5	167.2	195.2	38.4	13.4	16.8	24.7	21.8	5.6	4.7	24.6	23.6
Endurance Tech.	Buy	1989	2160	9	34.7	48.5	61.9	72.0	39.8	27.7	16.4	41.0	32.2	5.6	4.9	14.5	16.3
Escorts Kubota	Neutral	2907	2900	0	51.3	90.3	104.4	119.9	75.9	15.6	14.9	32.2	27.8	3.9	3.4	12.7	13.1
Exide Ind	Neutral	316	340	8	10.6	12.5	15.9	18.3	17.6	27.2	15.1	25.3	19.8	2.2	2.1	8.8	10.3
Hero Moto	Buy	4444	4590	3	145.6	199.7	215.7	242.4	37.2	8.0	12.4	22.2	20.6	4.8	4.3	22.7	22.0
M&M	Buy	1628	2005	23	64.9	89.4	94.4	104.7	37.8	5.6	11.0	18.2	17.2	3.8	3.2	22.5	20.2
CIE Automotive	Buy	486	555	14	18.1	22.3	26.5	30.7	23.3	19.2	15.8	21.8	18.3	3.2	2.8	15.5	16.3
Maruti Suzuki	Buy	9970	12055	21	271.8	443.3	460.9	508.2	63.1	4.0	10.3	22.5	21.6	4.2	3.3	18.7	15.1
MRF	Sell	13975 5	10418 5	-25	1,813. 6	5,385. 8	5,360. 8	5,929. 5	197.0	-0.5	10.6	25.9	26.1	3.5	3.1	14.4	12.6
Samvardh. Motherson	Buy	110	120	9	2.3	4.3	5.1	5.7	85.5	20.0	10.9	25.7	21.4	3.0	2.8	12.4	13.5
Motherson Wiring	Buy	62	70	13	1.1	1.4	1.8	2.1	27.7	27.7	15.3	43.9	34.3	16.4	13.1	41.5	42.3
Sona BLW Precis.	Neutral	586	610	4	6.8	9.0	11.8	14.2	32.0	31.9	20.0	65.3	49.5	12.9	10.9	21.2	23.9
Tata Motors	Buy	811	900	11	2.2	43.2	49.5	61.1	1,907. 3	14.7	23.4	18.8	16.4	5.2	3.9	31.4	26.6
TVS Motor	Neutral	2002	1880	-6	30.4	44.7	53.8	63.1	47.0	20.4	17.3	44.8	37.2	12.1	9.4	30.5	28.4
Tube Investments	Buy	3958	3945	0	40.5	59.2	73.2	83.6	46.0	23.7	14.2	66.8	54.0	15.5	12.5	25.8	25.6
Aggregate									85.2	12.7	14.7	24.1	21.4	4.8	4.0	20.0	18.8
Banks - Private																	
AU Small Finance	Buy	737	850	15	22.0	25.2	33.4	46.1	14.6	32	38.0	29.2	22.1	4.0	3.4	14.5	16.6
Axis Bank	Neutral	1059	1175	11	71.4	78.3	89.9	107.3	9.7	14.9	19.3	13.5	11.8	2.2	1.9	17.7	17.4
Bandhan Bank	Neutral	225	270	20	13.6	20.4	25.7	30.9	50.0	26	20.3	11.0	8.7	1.6	1.5	15.9	17.7
DCB Bank	Neutral	144	150	4	14.9	16.6	19.5	23.3	11.1	17.5	19.5	8.7	7.4	0.9	0.8	11.5	12.2
Equitas Small Fin.	Buy	106	130	23	4.9	7.3	8.7	11.4	50.6	19.2	30.9	14.5	12.2	2.0	1.8	14.8	15.5
Federal Bank	Buy	142	175	23	14.3	16.7	18.5	21.7	17.2	10.3	17.6	8.5	7.7	1.2	1.1	15.1	14.5
HDFC Bank	Buy	1456	1950	34	79.3	79.8	96.2	115.8	0.6	20.6	20.4	18.3	15.1	2.6	2.3	14.6	15.8
ICICI Bank	Buy	999	1230	23	45.8	58.2	66.0	77.1	27.2	13.3	16.8	17.2	15.1	3.0	2.6	18.9	18.3
IDFC First Bk	Neutral	80	85	7	3.8	4.5	5.8	7.7	19.1	29.3	31.1	17.6	13.6	1.7	1.5	10.5	11.7
IndusInd	Buy	1491	1900	27	96.0	116.0	140.5	170.5	20.8	21.2	21.4	12.9	10.6	1.8	1.6	15.4	16.2
Kotak Mah. Bk	Neutral	1789	2000	12	75.9	89.7	103.3	121.3	18.2	15.2	17.4	19.9	17.3	2.7	2.4	14.7	14.4
RBL Bank	Neutral	260	270	4	14.7	19.0	25.8	34.9	29.2	35.5	35.1	13.7	10.1	1.1	1.0	8.1	10.3
SBI Cards	Buy	746	900	21	23.9	25.7	35.1	47.0	7.5	36.5	33.8	29.0	21.3	5.9	4.7	22.3	24.5
Aggregate									26.3	18.2	19.9	17.0	14.3	2.6	2.3	15.3	15.7
Banks - PSU																	
BOB	Buy	229	280	22	27.3	32.8	39.3	47.1	20.5	19.7	19.8	7.0	5.8	1.1	0.9	17.1	17.7
Canara Bank	Buy	454	570	25	58.5	80.3	94.5	111.1	37.4	17.7	17.6	5.5	4.7	1.0	0.9	19.9	19.5
Indian Bank	Buy	442	525	19	42.4	62.0	70.6	83.1	46.2	13.9	17.7	7.1	6.3	1.1	1.0	17.0	16.7
Punjab Natl.Bank	Neutral	102	90	-12	2.3	6.4	10.1	14.6	180.6	57.5	44.8	16.0	10.1	1.1	1.0	7.4	10.6
SBI	Buy	618	800	29	62.4	70.7	90.5	106.3	13.3	28	17.5	8.7	6.8	1.4	1.1	17.3	18.9
Union Bank (I)	Buy	143	165	16	12.3	19.9	22.6	26.7	60.9	14	18.0	7.2	6.3	1.2	1.0	17.6	17.6
Aggregate									27.7	26	20	8	6.4	1.2	1.0	14.8	16.4
NBFCs																	
AAVAS Financiers	Neutral	1493	1700	14	54.4	62.7	76.4	95.9	15.2	21.9	25.6	23.8	19.5	3.1	2.7	14.1	14.8



Company	Reco	CMP	TP	% Upside	EPS (INR)				EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY23	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Aditya Birla Cap	Buy	166	220	33	8.5	10.8	13.9	17.5	27.3	28.6	25.4	15.3	11.9	1.7	1.5	12.3	13.5
Angel One	Buy	2938	4000	36	107.5	131.6	163.8	199.6	22.4	24.5	21.9	22.3	17.9	8.6	6.7	43.6	41.8
Bajaj Fin.	Buy	7059	8900	26	190.4	238.0	306.3	389.4	25.0	28.7	27.1	29.7	23.0	5.7	4.7	22.5	22.4
Cams Services	Buy	2733	3310	21	58.1	68.8	84.9	103.4	18.5	23.3	21.8	39.7	32.2	14.9	12.8	40.1	42.7
Can Fin Homes	Neutral	746	815	9	46.7	57.3	64.1	73.3	22.7	11.9	14.4	13.0	11.6	2.3	1.9	19.1	18.0
Cholaman.Inv.&F n	Buy	1248	1450	16	32.4	41.5	55.4	68.8	27.9	33.7	24.1	30.1	22.5	5.4	4.4	20.6	21.4
CreditAccess	Buy	1553	1985	28	52.0	93.2	112.6	134.6	79.2	20.9	19.5	16.7	13.8	3.7	2.9	25.3	23.9
Fusion Micro	Buy	641	720	12	38.6	54.0	72.1	88.7	40.1	33.4	23.0	11.9	8.9	2.2	1.8	20.9	22.4
HDFC Life Insur.	Neutral	582	700	20	6.3	7.4	11.3	14.0	17.7	51.6	24.3	78.3	51.6	2.7	2.3	17.8	17.5
Home First Fin.	Buy	997	1180	18	25.9	34.5	41.9	54.2	33.1	21.5	29.3	28.9	23.8	4.2	3.6	15.6	16.4
ICICI Pru Life	Buy	488	580	19	5.6	2.4	3.3	4.8	-56.9	33.7	46.7	200.8	150.2	1.7	1.5	16.4	16.6
ICICI Lombard	Buy	1509	1650	9	35.2	39.7	48.6	55.4	12.7	22.4	14.1	38.0	31.1	6.4	5.6	17.7	19.2
ICICI Securities	Under Review	764	-		34.9	50.7	56.0	63.8	45.5	10.4	14.0	15.1	13.6	7.2	6.1	52.2	48.3
IIFL Finance	Buy	613	800	30	39.4	50.9	65.0	81.4	29.1	27.6	25.4	12.1	9.4	2.2	1.8	19.8	21.0
360 ONE WAM	Buy	617	770	25	18.5	21.5	25.7	30.9	16.2	19.6	20.2	28.7	24.0	6.7	6.4	24.0	27.3
IndoStar	Buy	217	195	-10	16.5	8.4	17.6	29.1	-49.0	108.0	65.7	25.7	12.4	0.9	0.9	3.6	7.1
L&T Fin Holdings	Buy	161	200	24	6.5	9.8	11.8	15.5	49.9	20.4	31.4	16.4	13.7	1.7	1.6	10.8	12.0
Life Insurance Corp.	Buy	906	960	6	57.5	44.9	42.6	58.4	-22.0	-5.1	37.1	20.2	21.3	0.8	0.7	19.8	12.6
LIC Hsg Fin	Buy	577	660	14	52.5	82.2	84.1	92.2	56.4	2.3	9.7	7.0	6.9	1.0	0.9	15.7	14.3
Manappuram Fin.	Buy	175	205	17	17.7	26.5	30.1	35.9	49.4	13.8	19.3	6.6	5.8	1.3	1.1	21.1	20.1
MAS Financial	Buy	974	1100	13	36.8	45.6	58.2	71.3	24.1	27.5	22.5	21.4	16.7	3.2	2.7	15.8	17.3
Max Financial	Neutral	894	970	8	9.2	13.3	16.3	22.5	44.3	23.0	37.9	67.4	54.8	2.0	1.6	20.2	19.6
M&M Fin.	Buy	272	330	21	16.1	14.6	22.2	27.8	-9.2	52.2	25.1	18.7	12.3	1.9	1.7	10.6	14.9
Muthoot Fin	Neutral	1404	1350	-4	86.5	101.0	115.0	130.9	16.7	13.9	13.8	13.9	12.2	2.3	2.0	17.9	17.7
Piramal Enterp.	Buy	867	1200	38	74.9	56.8	78.0	106.3	-24.2	37.3	36.3	15.3	11.1	0.7	0.6	4.2	5.8
PNB Housing	Buy	858	1025	19	61.9	56.1	73.1	91.3	-9.4	30.3	24.9	15.3	11.7	1.5	1.3	11.2	12.0
Poonawalla Fincorp	Buy	478	580	21	7.7	13.0	18.5	26.6	67.5	42.7	43.6	36.9	25.8	4.4	3.9	13.5	16.0
Repco Home Fin	Neutral	405	460	14	47.3	61.2	64.8	71.4	29.4	5.8	10.2	6.6	6.2	0.9	0.8	14.2	13.2
Spandana Sphoorty	Buy	1074	1400	30	1.7	72.0	89.6	113.5	4,023.7	24.4	26.7	14.9	12.0	2.1	1.8	15.2	16.2
Shriram Finance	Buy	2304	2400	4	159.7	195.8	222.8	268.5	22.6	13.8	20.5	11.8	10.3	1.8	1.5	15.8	15.9
SBI Life Insurance	Buy	1411	1700	20	17.2	20.3	23.8	26.1	17.8	17.5	9.6	69.6	59.3	2.5	2.1	21.2	20.4
Star Health Insu	Buy	555	730	31	10.6	14.3	19.6	24.5	34.0	37.2	25.4	39.0	28.4	4.4	3.8	11.9	14.3
Aggregate									3.8	22.9	23.6	19.0	15.5	2.9	2.5	15.0	16.0
Chemicals																	
Alkyl Amines	Neutral	2270	2490	10	44.7	28.9	50.0	66.3	-35.3	72.8	32.7	78.4	45.4	9.0	7.8	12.1	18.5
Atul	Neutral	6415	6795	6	169.0	111.8	141.7	179.3	-33.8	26.7	26.5	57.4	45.3	3.8	3.5	6.9	8.1
Clean Science	Neutral	1443	1430	-1	27.8	21.8	27.1	33.3	-21.6	24.6	22.8	66.2	53.2	12.8	10.7	20.9	21.9
Deepak Nitrite	Neutral	2284	2230	-2	62.5	64.6	78.6	92.7	3.4	21.6	18.0	35.4	29.1	6.4	5.4	19.7	20.1
Fine Organic	Sell	4505	3530	-22	192.6	108.3	102.5	100.3	-43.8	-5.4	-2.2	41.6	43.9	7.5	6.5	19.8	15.8
Galaxy Surfact.	Buy	2721	3760	38	107.5	95.3	111.5	129.9	-11.3	17.0	16.6	28.6	24.4	4.5	3.9	16.7	17.1
Navin Fluorine	Neutral	3421	3520	3	75.7	56.1	83.4	106.3	-25.9	48.7	27.4	61.0	41.0	7.0	6.1	12.1	15.9
NOCIL	Neutral	266	250	-6	8.9	8.1	10.3	13.3	-8.7	26.0	29.4	32.7	25.9	2.7	2.5	8.6	10.1
Vinati Organics	Buy	1700	2065	21	44.6	30.5	42.3	54.7	-31.6	38.6	29.5	55.7	40.2	7.0	6.1	13.3	16.3
Aggregate									-20.6	24.4	20.3	44.9	36.1	5.9	5.2	13.1	14.4
Capital Goods																	
ABB India	Buy	4731	5460	15	32.4	56.7	68.8	81.8	75.2	21.2	19.0	83.4	68.8	16.6	13.6	21.9	21.7
Bharat Electronics	Neutral	189	180	-5	4.1	4.7	5.3	6.0	14.4	12.1	14.2	40.2	35.9	8.8	7.7	22.0	21.5
Cummins India	Buy	2171	2250	4	41.3	45.5	54.4	64.1	10.2	19.6	17.8	47.7	39.9	10.2	9.3	22.4	24.4
Hitachi Energy	Sell	5664	4500	-21	22.1	24.7	66.0	104.9	11.5	167.2	58.9	229.6	86.0	18.2	15.0	7.9	17.5



Company	Reco	CMP	TP	%	EPS (INR)				EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Upside	FY23	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Kalpataru Proj.	Buy	735	820	12	30.1	36.3	55.8	65.8	20.7	53.5	18.0	20.2	13.2	2.0	1.8	10.6	14.4
KEC International	Neutral	623	640	3	6.8	16.9	30.0	43.6	146.5	77.7	45.4	36.9	20.8	3.9	3.3	10.9	17.1
Kirloskar Oil	Buy	674	840	25	18.7	23.9	29.9	36.9	27.9	25.1	23.5	28.2	22.5	3.8	3.4	14.1	15.8
Larsen & Toubro	Buy	3590	3900	9	75.9	97.6	120.9	146.9	28.6	23.9	21.5	36.8	29.7	5.5	4.9	15.0	17.5
Siemens	Buy	4198	4600	10	35.4	55.1	65.0	77.5	55.5	17.9	19.3	76.2	64.6	11.4	10.1	15.9	16.6
Thermax	Neutral	3031	3000	-1	40.0	50.6	61.0	72.1	26.4	20.5	18.2	59.9	49.7	8.0	7.1	14.0	15.2
Triveni Turbine	Buy	395	520	32	6.1	7.9	10.6	14.0	30.6	34.3	31.7	49.9	37.2	13.3	10.6	29.6	31.8
Aggregate									29.6	23.8	20.9	44.0	35.5	7.0	6.1	15.8	17.2
Cement																	
Ambuja Cem.	Neutral	528	490	-7	12.7	13.3	11.8	13.5	5.0	-11.8	15.0	39.6	44.9	3.4	2.8	14.9	10.7
ACC	Neutral	2236	2300	3	52.6	89.3	110.6	118.5	69.7	23.8	7.2	25.0	20.2	2.7	2.4	11.3	12.6
Birla Corp.	Buy	1400	1800	29	4.7	49.1	72.9	88.5	948.6	48.4	21.4	28.5	19.2	1.7	1.6	6.2	8.6
Dalmia Bhar.	Buy	2153	2800	30	36.5	43.5	64.3	89.1	19.1	47.8	38.5	49.5	33.5	2.5	2.3	5.1	7.2
Grasim Inds.	Buy	2073	2590	25	98.4	94.7	97.3	106.2	-3.8	2.7	9.2	21.9	21.3	2.7	2.6	4.3	2.9
India Cem	Sell	242	185	-24	-15.2	-5.6	6.4	7.8	-63.4	LP	22.7	NM	38.0	1.4	1.3	-3.1	3.6
J K Cements	Buy	4137	4700	14	55.2	108.9	129.8	161.3	97.3	19.2	24.2	38.0	31.9	5.9	5.2	16.8	17.4
JK Lakshmi Ce	Buy	882	1010	14	30.5	37.1	46.7	53.8	21.8	25.8	15.2	23.8	18.9	3.3	2.8	14.6	16.1
Ramco Cem	Neutral	963	1130	17	14.5	19.3	30.4	38.2	32.9	57.2	25.7	49.8	31.7	3.2	2.9	6.5	9.6
Shree Cem	Neutral	27644	27000	-2	325.3	584.7	581.6	713.9	79.7	-0.5	22.7	47.3	47.5	5.0	4.6	11.0	10.1
Ultratech	Buy	9994	12000	20	175.4	242.1	305.1	366.4	38.0	26.0	20.1	41.3	32.8	4.8	4.3	12.2	13.8
Aggregate									27.3	18.3	17.2	34.0	28.8	3.4	3.0	10.1	10.5
Consumer																	
Asian Paints	Neutral	3000	3340	11	44.2	58.7	61.3	67.2	32.8	4.4	9.6	51.1	48.9	16.6	15.0	33.9	32.3
Britannia	Neutral	5141	5240	2	80.3	88.5	98.2	111.2	10.1	10.9	13.3	58.1	52.4	34.6	31.5	60.0	63.0
Colgate	Neutral	2514	2400	-5	38.9	48.5	50.2	54.4	24.7	3.5	8.2	51.8	50.0	35.4	31.4	72.4	66.5
Dabur	Buy	537	685	28	9.6	11.3	12.8	14.6	17.6	13.1	14.2	47.5	42.0	9.4	8.7	21.0	21.5
Emami	Buy	497	690	39	17.6	19.5	21.6	24.6	10.6	10.9	14.1	25.5	23.0	9.1	8.1	36.3	37.3
Godrej Cons.	Buy	1163	1330	14	17.2	18.6	22.9	26.4	8.2	23.2	15.2	62.6	50.8	8.2	7.7	13.4	15.7
HUL	Buy	2444	2900	19	43.5	44.5	49.0	53.6	2.5	10.1	9.4	54.9	49.9	11.2	10.9	20.6	22.2
ITC	Buy	464	535	15	15.0	16.3	18.4	20.0	8.4	12.6	9.1	28.4	25.3	8.1	7.7	29.2	31.3
Indigo Paints	Buy	1436	1800	25	24.3	30.4	40.7	49.0	25.1	34.0	20.2	47.2	35.2	7.7	6.5	17.3	20.0
Jyothy Lab	Neutral	535	475	-11	6.3	10.0	11.4	12.8	57.6	14.4	11.6	53.5	46.8	11.3	10.3	22.4	23.0
Marico	Buy	530	660	25	10.1	11.4	12.6	13.9	12.5	10.6	10.4	46.7	42.2	15.9	15.0	36.2	36.6
Nestle	Neutral	2515	2670	6	24.8	29.8	36.0	40.3	20.3	20.7	12.1	84.3	69.9	82.9	69.2	142.6	108.0
Page Inds	Neutral	36604	37560	3	512.2	549.0	625.9	739.8	7.2	14.0	18.2	66.7	58.5	25.2	21.5	37.9	36.8
Pidilite Ind.	Neutral	2590	2650	2	25.2	37.4	43.4	48.8	48.3	16.0	12.4	69.2	59.5	15.8	13.8	24.5	24.8
P&G Hygiene	Neutral	17268	16780	-3	191.3	251.9	293.7	339.2	31.6	16.6	15.5	68.6	58.8	54.5	46.0	82.9	85.0
Tata Consumer	Buy	1159	1350	16	11.4	14.4	18.2	20.5	26.1	26.6	12.6	80.7	63.8	6.2	4.8	8.1	9.0
United Brew	Sell	1876	1480	-21	12.5	19.2	26.7	34.9	54.0	39.0	30.9	97.8	70.3	11.7	10.7	12.4	15.9
United Spirits	Neutral	1112	1150	3	12.7	16.7	19.0	21.4	31.6	13.8	12.6	66.1	58.1	11.2	9.4	16.9	16.1
Varun Beverages	Buy	1267	1370	8	11.5	15.9	19.8	24.4	37.6	24.9	23.2	79.9	63.9	23.7	17.8	34.2	31.8
Aggregate									15.3	10.9	10.8	46.2	41.7	11.8	10.9	25.6	26.1
EMS																	
Avalon Tech	Buy	527	640	22	9.1	8.6	15.2	21.5	-5.2	76.7	41.3	61.3	34.7	5.8	5.0	9.9	15.4
Cyient DLM	Buy	658	830	26	4.0	8.0	14.4	23.5	100.6	79.6	63.3	82.0	45.6	5.4	4.8	11.0	11.2
Data Pattern	Neutral	1867	2050	10	22.1	31.5	43.2	60.4	42.3	37.1	39.7	59.2	43.2	7.8	6.6	14.1	16.6
Kaynes Tech	Buy	2853	3130	10	16.4	28.2	44.9	62.5	72.4	59.3	39.1	101.1	63.5	14.8	12.0	15.8	20.8
Syrma SGS Tech.	Buy	595	760	28	6.7	8.1	12.0	18.8	20.3	48.3	56.3	73.3	49.4	6.3	5.6	8.9	11.9
Aggregate									42.9	53.9	46.4	74.8	48.6	7.9	6.8	10.6	14.0
Healthcare																	
Alembic Phar	Neutral	981	750	-24	21.9	28.6	33.8	38.0	31.0	18.2	12.5	34.3	29.0	4.0	3.6	12.1	12.9
Alkem Lab	Neutral	4997	4540	-9	106.0	149.2	173.0	183.7	40.7	15.9	6.2	33.5	28.9	5.8	5.0	18.4	18.5
Ajanta Pharma	Buy	2196	2475	13	49.2	61.1	74.4	89.5	24.2	21.7	20.3	35.9	29.5	7.0	6.0	21.1	21.9
Apollo Hospitals	Buy	6213	6580	6	48.2	63.7	92.5	132.2	32.2	45.3	42.9	97.6	67.2	12.3	10.4	13.8	17.4



Company	Reco	CMP	TP	%	EPS (INR)				EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Upside	FY23	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Aurobindo	Neutral	1155	1110	-4	38.4	51.2	58.7	67.5	33.2	14.6	15.0	22.6	19.7	2.3	2.1	10.6	11.0
Biocon	Neutral	264	240	-9	6.2	7.2	13.1	16.9	14.9	82.5	28.8	36.9	20.2	1.7	1.6	4.7	8.3
Cipla	Buy	1418	1540	9	37.8	47.4	53.1	60.5	25.7	12.0	13.9	29.9	26.7	4.4	3.8	14.7	14.3
Divis Lab	Neutral	3645	3580	-2	64.9	60.9	81.1	97.4	-6.1	33.2	20.0	59.8	44.9	7.0	6.3	12.1	14.7
Dr Reddy's	Neutral	5903	5400	-9	244.7	296.7	308.8	324.9	21.2	4.1	5.2	19.9	19.1	3.6	3.0	19.5	17.2
ERIS Lifescience	Neutral	892	900	1	27.8	33.0	33.5	40.7	18.6	1.6	21.4	27.1	26.6	4.8	4.2	19.1	17.0
Gland Pharma	Buy	1938	2200	14	50.4	54.4	65.7	74.5	7.8	21.0	13.3	35.7	29.5	3.6	3.2	10.6	11.5
Glenmark	Neutral	891	800	-10	13.2	24.1	39.3	48.0	82.2	63.2	22.1	37.0	22.7	2.4	2.2	6.8	10.1
GSK Pharma	Neutral	2192	1780	-19	35.9	38.1	42.1	46.4	6.1	10.5	10.1	57.5	52.0	17.7	15.8	30.8	30.4
Global Health	Buy	1123	1100	-2	12.1	18.0	21.7	25.6	48.3	20.7	17.9	62.3	51.6	10.7	9.1	18.4	19.0
Granules India	Buy	417	475	14	21.6	18.6	25.6	33.0	-13.7	37.6	28.9	22.4	16.3	3.1	2.6	14.8	17.5
IPCA Labs	Neutral	1100	1080	-2	20.8	24.5	36.9	49.0	17.7	50.8	32.7	45.0	29.8	4.4	3.9	10.2	13.9
Laurus Labs	Buy	399	440	10	14.8	3.9	11.8	15.3	-73.6	202.6	29.7	103.5	33.8	4.7	4.5	5.0	14.2
Lupin	Sell	1449	1070	-26	8.6	36.0	40.7	48.3	318.2	13.0	18.8	40.3	35.6	4.7	4.2	12.3	12.3
Max Healthcare	Buy	736	790	7	11.6	14.4	17.5	21.3	24.3	21.3	22.3	51.1	42.2	7.6	6.4	15.9	16.5
Piramal Pharma	Buy	144	160	11	-0.6	1.4	3.0	4.6	-335.6	112.1	54.2	101.1	47.7	2.1	2.0	2.5	4.9
Sun Pharma	Buy	1382	1450	5	35.8	39.5	45.6	53.7	10.4	15.5	17.7	35.0	30.3	5.2	4.5	15.9	16.0
Torrent Pharma	Neutral	2509	2160	-14	37.2	50.1	66.3	79.5	34.7	32.4	19.9	50.1	37.8	10.2	5.1	23.3	26.9
Zydus Lifesciences	Neutral	752	710	-6	22.4	32.6	33.7	36.1	45.4	3.5	7.1	23.1	22.3	3.7	3.2	17.3	15.4
Aggregate									24.2	19.3	16.6	35.2	29.5	4.7	4.1	13.3	14.0
Infrastructure																	
G R Infraproject	Buy	1168	1390	19	88.1	74.8	85.4	98.6	-15.0	14.1	15.4	15.6	13.7	1.9	1.7	13.0	13.0
IRB Infra	Neutral	49	41	-17	1.2	1.2	1.6	1.8	0.0	32.4	16.5	41.3	31.2	2.1	2.0	5.3	6.7
KNR Constructions	Buy	263	325	24	14.7	15.8	18.4	20.4	7.4	16.0	11.3	16.6	14.3	2.3	2.0	15.1	15.1
Aggregate												25.0	20.6	2.1	1.9	8.2	9.2
Logistics																	
Adani Ports	Buy	1121	1410	26	35.0	40.2	46.5	56.5	14.8	15.7	21.5	27.9	24.1	4.6	4.0	17.7	17.9
Blue Dart Express	Buy	6871	8300	21	154.4	134.1	199.5	251.7	-13.2	48.8	26.2	51.3	34.4	11.4	9.2	23.6	29.6
Concor	Buy	841	990	18	19.2	21.7	25.5	29.5	13.2	17.2	15.7	38.7	33.0	4.3	4.0	11.4	12.6
Mahindra Logistics	Neutral	432	420	-3	3.7	-3.0	9.1	19.2	-182.2	LP	111.4	NM	47.7	5.9	5.4	-4.0	11.9
Transport Corp.	Buy	862	990	15	41.6	46.6	56.0	65.9	11.9	20.4	17.7	18.5	15.4	3.3	2.7	18.9	19.1
TCI Express	Buy	1334	1600	20	36.4	39.1	46.3	53.5	7.6	18.2	15.5	34.1	28.8	7.1	5.9	22.9	22.5
VRL Logistics	Buy	721	890	23	18.8	14.6	24.5	32.8	-22.2	67.3	34.1	49.3	29.4	6.0	5.4	12.7	19.4
Aggregate												30.5	25.7	4.8	4.2	15.6	16.3
Media																	
PVR Inox	Neutral	1451	1495	3	-24.8	24.1	56.8	85.1	-197.1	135.8	49.9	60.3	25.6	1.9	1.8	3.2	7.1
Sun TV	Buy	644	790	23	42.5	46.2	49.2	51.8	8.7	6.5	5.4	13.9	13.1	2.6	2.4	18.4	18.3
Zee Ent.	Neutral	166	200	20	4.8	5.0	7.7	11.1	4.6	54.3	44.8	33.4	21.7	1.5	1.4	4.4	6.6
Aggregate									22.1	27.5	22.0	21.2	16.7	1.9	1.8	8.9	10.7
Metals																	
Coal India	Buy	383	430	12	45.7	41.1	41.1	45.9	-10.1	0.2	11.5	9.3	9.3	3.4	2.9	36.3	30.9
Hindalco	Buy	565	750	33	45.3	47.3	56.7	64.1	4.4	19.8	13.1	12.0	10.0	1.6	1.4	14.2	14.9
Hind. Zinc	Neutral	311	310	0	24.9	18.3	23.4	26.4	-26.4	28.0	12.6	17.0	13.3	9.2	6.9	56.7	59.1
JSPL	Buy	706	900	27	36.4	48.1	56.6	80.4	32.2	17.6	42.0	14.7	12.5	1.6	1.5	11.8	12.5
JSW Steel	Neutral	812	910	12	14.7	42.3	65.3	73.7	187.7	54.4	12.8	19.2	12.4	2.7	2.3	14.7	19.8
Nalco	Neutral	136	130	-4	7.8	5.8	8.8	10.9	-26.2	52.2	24.4	23.6	15.5	1.8	1.7	7.9	11.4
NMDC	Buy	212	240	13	16.7	18.6	21.5	24.5	11.5	15.4	13.8	11.4	9.8	2.4	2.1	22.6	23.0
SAIL	Neutral	115	120	4	4.6	2.6	7.9	10.5	-45.0	208	33.4	45.0	14.6	0.8	0.8	1.9	5.7
Tata Steel	Neutral	135	130	-4	7.1	4.5	10.9	12.6	-36.6	143	15.8	30.1	12.4	1.8	1.7	5.9	14.2
Vedanta	Neutral	263	240	-9	28.3	10.2	20.4	23.7	-63.8	99	16.5	25.6	12.9	3.8	3.9	11.7	30.0
Aggregate									-9.4	34.3	15.7	14.9	11.1	2.2	1.9	14.5	17.5
Oil & Gas																	



Company	Reco	CMP	TP	% Upside	EPS (INR)				EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY23	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Aegis Logistics	Neutral	385	345	-10	14.6	14.5	15.7	16.6	-1.2	8.6	5.6	26.6	24.5	3.5	3.2	13.7	13.6
BPCL	Neutral	477	475	0	9.4	128.1	76.4	76.6	1,259.2	-40.3	0.3	3.7	6.2	1.5	1.3	44.3	22.2
Castrol India	Buy	176	220	25	8.2	8.5	8.6	10.0	2.9	1.6	15.9	20.8	20.5	8.5	7.8	42.5	39.6
GAIL	Buy	165	195	18	8.1	12.7	12.7	16.3	57.4	0.1	28.0	13.0	13.0	1.6	1.5	14.2	13.0
Gujarat Gas	Buy	569	575	1	22.2	15.8	18.7	21.2	-28.7	18.2	13.4	36.0	30.5	5.0	4.5	14.7	15.7
Gujarat St. Pet.	Buy	364	400	10	16.8	22.8	19.0	19.7	35.8	-16.7	4.1	16.0	19.2	2.0	1.9	13.2	10.1
HPCL	Neutral	452	450	-1	-49.2	111.6	80.8	78.7	-326.8	-27.6	-2.6	4.1	5.6	1.5	1.2	41.7	24.0
IOC	Buy	144	165	15	8.5	33.2	16.7	16.1	290.6	-49.7	-3.6	4.3	8.6	1.2	1.1	30.0	13.4
IGL	Sell	435	350	-19	20.6	27.1	25.9	25.9	31.1	-4.4	0.3	16.1	16.8	3.6	3.1	24.4	20.0
Mahanagar Gas	Buy	1345	1665	24	80.0	135.0	114.9	120.3	68.8	-14.9	4.7	10.0	11.7	2.7	2.4	29.4	21.5
MRPL	Sell	172	135	-21	15.1	17.6	14.4	14.1	16.5	-17.8	-2.2	9.8	11.9	2.5	2.1	27.9	19.2
Oil India	Buy	402	485	21	62.8	59.4	61.6	68.0	-5.4	3.7	10.3	6.8	6.5	1.1	1.0	19.8	16.4
ONGC	Buy	234	270	15	30.4	42.7	45.0	50.9	40.7	5.4	13.0	5.5	5.2	1.0	0.9	18.4	17.4
PLNG	Neutral	260	255	-2	21.6	23.0	20.2	21.6	6.3	-12.0	6.7	11.3	12.9	2.3	2.1	21.7	17.2
Reliance Ind.	Buy	2689	3130	16	98.6	100.9	120.7	138.8	2.3	19.7	15.0	26.7	22.3	2.0	1.8	8.0	8.9
Aggregate									71.5	-7.2	10.2	12.1	13.0	1.7	1.6	14.2	12.0
Real Estate																	
Brigade Enterpr.	Buy	949	1000	5	12.1	17.3	35.7	40.2	42.6	106.7	12.8	55.0	26.6	5.5	4.6	10.4	18.7
DLF	Neutral	747	650	-13	11.4	14.5	21.5	17.2	26.8	48.7	-19.9	51.7	34.8	3.3	3.0	9.1	12.4
Godrej Propert.	Buy	2270	2300	1	22.4	26.7	43.0	48.5	19.4	61.2	12.8	85.0	52.7	6.4	5.7	7.7	11.4
Oberoi Realty	Neutral	1304	1350	4	52.4	40.7	45.2	60.4	-22.3	10.9	33.7	32.0	28.9	3.5	3.1	11.5	11.4
Macrotech Devel.	Buy	1062	1200	13	16.0	15.1	24.9	27.9	-5.1	64.5	11.9	70.1	42.6	7.4	6.5	11.0	16.2
Mahindra Lifespace	Buy	558	575	3	3.0	0.5	7.5	6.0	-82.7	1,348.6	-19.6	1,084.3	74.8	4.8	4.5	0.4	6.2
Sunteck Realty	Buy	429	640	49	0.1	9.1	16.4	22.8	8,869.3	80.9	39.4	47.4	26.2	2.2	2.0	4.7	8.0
Sobha	Buy	1392	1400	1	10.8	16.1	40.8	83.6	48.6	154.1	104.7	86.6	34.1	5.1	4.5	6.1	14.1
Prestige Estates	Buy	1191	1300	9	19.2	27.6	19.7	25.5	43.3	-28.5	29.2	43.2	60.4	4.1	3.8	9.9	6.5
Phoenix Mills	Neutral	2366	2000	-15	40.9	57.7	71.7	100.8	41.3	24.2	40.6	41.0	33.0	4.5	4.0	11.6	12.8
Aggregate									25.5	40.9	8.9	53.7	38.1	4.9	4.4	9.1	11.6
Retail																	
Avenue Supermarts	Buy	3727	4700	26	36.7	39.8	54.8	73.9	8.6	37.7	34.8	93.6	68.0	12.9	10.9	14.9	17.4
Aditya Birla Fashion	Neutral	235	230	-2	-0.7	-6.3	-5.6	-7.1	796.3	Loss	Loss	NM	NM	5.7	6.6	-16.9	-14.6
Bata India	Neutral	1466	1620	10	25.1	27.7	35.3	47.0	10.3	27.4	33.3	53.0	41.6	10.7	8.5	22.2	22.8
Barbeque-Nation	Neutral	609	700	15	3.9	-6.8	3.2	5.1	-273.3	LP	58.0	NM	188.2	6.3	6.1	-7.1	3.3
Campus Activewe.	Buy	269	300	12	3.8	4.1	4.3	6.6	7.9	3.9	54.9	65.2	62.8	12.1	10.2	18.6	16.2
Devyani Intl.	Buy	177	220	25	2.3	1.2	2.1	2.7	-48.2	71.8	31.4	145.4	84.7	19.8	16.0	14.3	20.9
Jubilant Food.	Buy	526	630	20	6.1	5.6	7.5	9.1	-7.6	33.7	20.7	93.2	69.7	14.4	15.7	15.4	22.5
Metro Brands	Buy	1074	1380	29	13.3	11.7	16.1	20.5	-12.1	38.2	27.0	91.9	66.5	16.3	14.1	19.3	23.3
Raymond	Buy	1766	2500	42	94.4	111.0	127.0	160.3	17.5	14.4	26.3	15.9	13.9	2.6	2.2	19.7	16.8
Relaxo Footwear	Neutral	854	980	15	6.2	8.6	13.7	19.7	38.4	59.9	43.2	99.4	62.2	10.6	9.4	11.0	16.0
Restaurant Brands	Buy	121	140	16	-4.9	-2.5	-0.9	2.1	-48.9	Loss	LP	NM	NM	8.3	8.8	-15.8	-6.3
Sapphire Foods	Buy	1439	1700	18	17.0	15.9	27.1	40.7	-6.5	70.8	50.0	90.7	53.1	6.7	6.0	7.7	11.9
Shoppers Stop	Neutral	711	695	-2	14.5	12.4	15.0	14.2	-14.4	20.9	-5.5	57.2	47.3	17.9	13.0	36.9	31.9
Titan Company	Buy	3765	4300	14	36.8	44.9	54.9	67.8	22.0	22.4	23.3	83.9	68.5	22.9	19.0	30.1	30.4
Trent	Buy	3223	3300	2	11.1	25.3	35.1	46.0	127.3	38.8	31.0	127.4	91.8	30.6	22.6	29.5	30.3
V-Mart Retail	Neutral	2070	1905	-8	-4.3	-58.7	18.2	55.9	1,252.5	LP	207.5	NM	113.7	5.0	4.8	NM	4.3
Vedant Fashions	Neutral	1070	1240	16	17.7	18.2	22.4	27.2	3.0	23.0	21.6	58.8	47.8	16.1	13.5	28.8	29.7
Westlife Foodworld	Neutral	832	860	3	7.2	7.6	11.9	16.9	6.6	56.0	42.1	109.1	69.9	18.9	14.9	19.0	23.9



Company	Reco	CMP	TP	%	EPS (INR)				EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Upside	FY23	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	
Aggregate									9.6	36.3	30.5	95.1	69.8	15.0	12.9	15.8	18.4	
Technology																		
Cyient	Buy	2047	2640	29	52.4	70.5	87.4	102.9	34.7	24.0	17.8	29.0	23.4	6.0	5.5	21.6	24.4	
HCL Tech.	Buy	1575	1880	19	54.8	58.9	67.5	78.3	7.5	14.5	16.1	26.7	23.4	6.6	6.7	24.6	28.6	
Infosys	Buy	1675	1750	5	57.6	59.3	67.8	79.4	3.1	14.2	17.2	28.2	24.7	9.2	9.1	32.5	37.1	
LTI Mindtree	Neutral	5622	6600	17	151.8	157.9	179.2	220.0	4.0	13.5	22.7	35.6	31.4	8.6	7.4	26.0	25.3	
L&T Technology	Buy	5499	6220	13	110.5	125.0	151.1	177.7	13.1	20.9	17.6	44.0	36.4	11.1	9.6	25.9	28.2	
Mphasis	Neutral	2577	2930	14	86.9	82.6	97.6	117.2	-5.0	18.1	20.2	31.2	26.4	5.7	5.2	19.0	20.8	
Coforge	Neutral	6357	6600	4	130.6	140.6	190.3	220.3	7.7	35.3	15.8	45.2	33.4	11.4	9.7	26.3	31.1	
Persistent Sys	Neutral	8471	8110	-4	124.4	146.4	177.6	219.2	17.7	21.3	23.4	57.9	47.7	13.8	11.6	26.1	26.8	
TCS	Buy	3848	4250	10	115.3	125.7	146.8	170.1	9.0	16.8	15.9	30.6	26.2	16.0	16.5	51.5	61.9	
Tech Mah	Neutral	1408	1360	-3	57.3	40.4	50.9	68.0	-29.5	26.0	33.6	34.9	27.6	4.3	4.2	12.7	15.6	
Wipro	Neutral	478	520	9	20.7	20.6	22.9	27.3	-0.6	11.5	19.2	23.2	20.8	3.5	3.5	14.7	16.7	
Zensar Tech	Neutral	570	570	0	14.4	27.3	24.6	28.5	89.8	-9.7	15.9	20.9	23.2	3.8	3.4	19.6	15.8	
Aggregate									4.5	15.3	17.4	30.4	26.4	9.0	9.0	29.7	34.0	
Telecom																		
Bharti Airtel	Buy	1190	1200	1	13.6	20.4	30.5	36.9	49.9	49.8	21.0	58.4	39.0	6.2	5.4	12.4	14.8	
Indus Towers	Neutral	230	210	-9	8.9	20.4	20.7	23.3	128.7	1.5	12.6	11.3	11.1	2.3	1.9	23.0	19.0	
Vodafone Idea		15			-10.2	-10.5	-8.3	-7.4	3.4	Loss	Loss	NM	NM	-0.5	-0.4	NM	NM	
Tata Comm	Neutral	1729	1750	1	60.7	44.6	54.6	78.2	-26.6	22.5	43.1	38.8	31.6	21.1	13.9	66.1	53	
Aggregate									Loss	LP	1,592.3	-67	1,751	27.3	27.2	-40.4	1.6	
Others																		
APL Apollo Tubes	Buy	1503	1850	23	23.1	29.5	48.8	61.0	27.7	65.3	25.0	50.8	30.8	11.3	8.5	24.5	31.6	
BSE	Neutral	2112	2600	23	15.7	64.2	60.6	73.3	308.9	-5.6	20.9	32.9	34.9	10.7	9.8	32.6	28.1	
Coromandel Intl	Buy	1150	1430	24	68.5	63.1	70.2	74.3	-7.9	11.3	5.9	18.2	16.4	3.6	3.1	21.5	20.3	
EPL	Buy	200	270	35	7.2	7.6	11.7	14.3	5.4	54.4	21.7	26.3	17.0	3.0	2.8	11.8	17.0	
Godrej Agrovet	Neutral	529	510	-4	13.0	17.3	20.5	22.4	33.3	18.3	9.5	30.5	25.8	4.1	3.8	13.8	15.3	
Havells India	Buy	1305	1510	16	17.2	19.0	24.7	30.1	10.7	30.0	21.9	68.7	52.9	11.1	9.7	16.1	18.4	
Indiamart Inter.	Buy	2449	3000	22	46.4	51.9	65.6	86.2	11.8	26.5	31.4	47.2	37.3	6.4	5.6	14.3	15.9	
Indian Hotels	Buy	480	500	4	7.0	8.3	9.8	10.8	18.0	17.5	10.5	57.8	49.2	7.5	6.6	13.9	14.3	
Interglobe	Neutral	2910	3295	13	-8.2	177.4	229.8	244.5	-2,259.8	30	6	16.4	13	208.2	11.9	-237.3	178.4	
Info Edge	Neutral	5025	4720	-6	31.8	62.8	68.6	81.7	97.5	9.1	19.2	80.0	73.3	5.5	5.1	6.2	13.1	
Kajaria Ceramics	Buy	1332	1620	22	21.4	27.9	34.4	40.7	30.3	23.5	18.2	47.8	38.7	8.4	7.7	18.2	20.6	
Lemon Tree Hotel	Buy	138	150	8	1.5	1.7	3.4	4.0	9.3	106.2	16.4	83.7	40.6	11.0	8.7	14.1	23.9	
MCX	Neutral	3162	3160	0	29.2	19.1	76.7	90.2	-34.6	301.3	17.7	165.6	41.3	10.8	10.2	6.5	25.4	
One 97	Buy	753	975	30	-28.0	-13.2	-0.5	15.5	-52.7	Loss	LP	NM	NM	3.7	3.8	-6.6	-0.3	
Qess Corp	Neutral	475	560	18	11.5	22.3	37.2	40.8	94.9	66.7	9.7	21.3	12.8	2.0	1.8	12.8	19.7	
PI Inds.	Buy	3282	4300	31	80.9	103.0	122.4	143.5	27.3	18.9	17.2	31.9	26.8	5.8	4.8	19.8	19.7	
SIS	Buy	505	530	5	23.2	25.5	35.5	45.4	9.8	39.0	28.1	19.8	14.2	1.3	1.1	15.0	17.9	
SRF	Neutral	2286	2250	-2	76.2	51.1	75.9	91.3	-33.0	48.7	20.3	44.8	30.1	5.9	5.1	13.9	18.3	
Tata Chemicals	Neutral	1018	1060	4	91.6	56.4	54.2	62.2	-38.5	-3.8	14.7	18.1	18.8	1.2	1.2	7.1	6.5	
Team Lease Serv.	Buy	2966	3678	24	65.1	77.7	112.4	135.3	19.3	44.8	20.3	38.2	26.4	5.3	4.4	14.8	18.2	
Voltas	Buy	1032	1150	11	11.5	14.8	20.9	27.7	29.1	41.3	32.5	69.8	49.4	5.9	5.4	8.4	10.9	
UPL	Neutral	546	600	10	58.5	13.8	34.4	59.8	-76.5	149.5	74.0	39.6	15.9	1.0	0.9	3.8	9.0	
Zomato	Buy	136	145	6	-1.2	0.3	1.0	2.6	-123.4	266.0	154.0	488.0	133.3	5.9	5.7	1.2	4.4	



Index	1 Day (%)	1M (%)	12M (%)
Sensex	1.0	-0.1	16.5
Nifty-50	1.0	0.5	18.4
Nifty Next 50	1.7	4.4	29.6
Nifty 100	1.1	1.1	19.2
Nifty 200	1.2	1.7	23.4
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	1.3	4.6	43.5
Amara Raja Ener.	1.2	5.1	39.6
Apollo Tyres	3.0	23.0	63.9
Ashok Leyland	0.2	-0.8	16.0
Bajaj Auto	1.6	13.2	95.7
Balkrishna Inds	3.5	8.5	20.7
Bharat Forge	1.9	1.2	39.7
Bosch	-1.5	3.7	31.6
CEAT	4.4	19.8	80.6
Craftsman Auto	2.0	-12.0	45.4
Eicher Motors	0.5	-9.3	12.7
Endurance Tech.	-3.0	8.6	38.5
Escorts Kubota	2.5	-2.0	38.5
Exide Inds.	0.2	7.5	71.7
Hero Motocorp	-0.2	12.7	59.9
M & M	2.1	-0.4	23.0
CIE Automotive	1.4	1.8	39.6
Maruti Suzuki	1.3	-2.2	14.8
MRF	-0.9	16.9	54.6
Sona BLW Precis.	1.0	1.5	35.4
Motherson Sumi	3.4	16.0	49.1
Motherson Wiring	0.4	0.4	21.8
Tata Motors	1.3	11.9	92.1
TVS Motor Co.	0.7	1.7	103.4
Tube Investments	1.9	11.7	51.8
Banks-Private	-0.2	-5.6	6.5
AU Small Fin. Bank	2.9	-3.7	16.2
Axis Bank	-2.8	-2.7	16.4
Bandhan Bank	0.3	-4.4	-9.6
DCB Bank	1.3	14.3	16.5
Equitas Sma. Fin	0.9	4.2	34.3
Federal Bank	1.4	-7.7	5.3
HDFC Bank	2.0	-12.9	-14.1
ICICI Bank	-2.9	0.5	14.8
IDFC First Bank	-2.7	-10.0	35.4
IndusInd Bank	3.4	-4.6	23.0
Kotak Mah. Bank	0.2	-3.9	1.6
RBL Bank	2.5	-4.6	61.6
SBI Cards	2.3	-3.4	0.3
Banks-PSU	2.0	6.0	41.3
BOB	2.8	2.3	28.5
Canara Bank	-0.4	6.6	41.9
Indian Bank	-0.8	7.1	52.2
Punjab Natl.Bank	3.5	14.5	84.1
St Bk of India	2.2	-2.9	4.0
Union Bank (I)	2.1	20.8	77.1
NBFCs	0.3	-4.7	7.0
Angel Broking	-1.2	-10.8	130.7

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	1.3	2.1	26.4
Nifty Midcap 100	1.8	5.2	52.2
Nifty Smallcap 100	1.7	3.3	60.9
Nifty Midcap 150	1.7	4.8	49.2
Nifty Smallcap 250	1.8	4.9	55.7
Aditya Birla Capital Ltd	1.4	3.8	15.0
Bajaj Fin.	-0.2	-3.3	20.5
Cholaman.Inv.&Fn	2.1	-0.4	71.7
Can Fin Homes	2.8	-2.5	32.3
Cams Services	-0.3	2.0	18.7
CreditAcc. Gram.	-4.4	-4.5	71.5
Fusion Microfin.	3.5	11.8	54.1
Home First Finan	0.7	0.3	32.0
Indostar Capital	4.9	32.5	42.3
IIFL Finance	-2.0	7.0	30.4
L&T Fin.Holdings	1.0	5.5	77.9
LIC Housing Fin.	3.0	11.6	46.3
M & M Fin. Serv.	0.7	1.9	16.4
Muthoot Finance	2.9	-4.8	32.6
Manappuram Fin.	3.7	-1.2	47.5
MAS Financial Serv.	-4.5	10.9	19.2
ICICI Sec	0.9	4.5	53.7
360 One	-0.3	-6.2	26.7
PNB Housing	-0.4	10.9	86.6
Repco Home Fin	0.8	1.8	70.4
Shriram Finance	1.0	12.0	82.0
Spandana Spfoort	0.4	3.6	86.8
Insurance			
HDFC Life Insur.	-0.8	-9.1	-1.3
ICICI Pru Life	1.9	-5.9	4.0
ICICI Lombard	2.0	6.0	31.9
Life Insurance	3.7	14.4	29.2
Max Financial	3.3	-4.9	4.7
SBI Life Insuran	2.5	1.2	10.8
Star Health Insu	-1.2	6.7	8.6
Chemicals			
Alkyl Amines	-0.9	-1.5	-13.2
Atul	4.1	-8.1	-10.2
Clean Science	-0.1	-4.9	4.8
Deepak Nitrite	1.7	-4.0	21.2
Fine Organic	1.0	-2.1	-15.1
Galaxy Surfact.	2.9	1.5	16.9
Navin Fluo.Intl.	1.7	-9.1	-12.6
NOCIL	3.6	0.9	20.5
Vinati Organics	1.1	-0.6	-10.2
Capital Goods	0.3	15.4	87.1
A B B	-0.8	-0.6	60.7
Bharat Electron	1.1	8.3	88.0
Cummins India	3.5	7.8	54.1
Hitachi Energy	-2.2	10.6	81.2
K E C Intl.	0.9	4.2	34.3
Kalpataru Proj.	2.1	16.8	42.3
Kirloskar Oil	-0.6	2.6	115.3
L&T	1.1	3.2	62.6



Company	1 Day (%)	1M (%)	12M (%)
Siemens	2.8	6.2	38.2
Thermax	1.2	-3.7	54.7
Triveni Turbine	-0.4	-1.8	43.2
Cement			
Ambuja Cem.	0.5	4.7	5.7
ACC	1.5	7.2	-4.1
Birla Corp.	0.8	-0.9	49.6
Dalmia Bhar.	2.2	-1.8	22.4
Grasim Inds.	1.5	2.1	30.3
India Cem	2.8	-3.8	19.0
J K Cements	4.8	9.4	53.3
JK Lakshmi Ce	2.0	1.5	20.5
Ramco Cem	2.4	-1.7	41.9
Shree Cem	0.5	-2.0	22.2
Ultratech	1.6	0.2	46.7
Consumer	1.6	1.4	26.0
Asian Paints	-1.8	-10.2	6.7
Britannia	1.9	-0.4	17.0
Colgate-Palm.	3.3	4.6	72.6
Dabur	2.2	1.4	-5.4
Emami	-0.4	0.5	18.0
Godrej Cons.	2.9	8.3	25.2
HUL	2.8	-5.2	-6.1
ITC	0.9	1.8	36.8
Indigo Paints	1.1	-2.4	16.4
Jyothy Lab	1.0	11.8	164.3
Marico	1.7	1.3	5.2
Nestle	2.1	-0.9	30.3
Page Inds	-0.2	-2.8	-8.9
Pidilite Ind.	2.8	-1.9	8.8
P&G Hygiene	1.4	1.6	27.7
Tata Consumer	1.2	16.7	56.4
United Brew	1.9	11.4	19.1
United Spirits	0.4	3.4	36.2
Varun Beverages	-0.4	2.2	102.8
EMS			
Kaynes Tech	5.3	3.9	258.7
Avalon Tech	1.6	-4.1	
Syrma SGS Tech.	0.2	-11.3	124.4
Cyient DLM	1.3	-1.5	
Data Pattern	0.3	-4.9	53.1
Healthcare	1.4	8.4	41.1
Alembic Phar	4.1	26.9	78.0
Alkem Lab	3.8	1.7	66.1
Apollo Hospitals	1.0	12.1	44.3
Ajanta Pharma	0.0	11.6	83.1
Aurobindo	2.3	8.8	164.7
Biocon	0.8	7.4	7.5
Zydus Lifesci.	3.2	10.7	72.1
Cipla	0.6	14.7	33.4
Divis Lab	0.8	-1.4	8.6
Dr Reddy's	4.0	4.9	38.8
ERIS Lifescience	1.9	1.2	41.2
Gland Pharma	2.7	3.7	43.0

Company	1 Day (%)	1M (%)	12M (%)
Glenmark	3.7	6.1	115.5
Global Health	-0.6	15.4	152.6
Granules	1.2	8.1	34.9
GSK Pharma	-1.4	25.2	72.7
IPCA Labs	1.5	3.4	27.1
Laurus Labs	0.5	-3.3	15.8
Lupin	0.7	14.6	92.7
Max Healthcare	-5.0	13.6	69.6
Piramal Pharma	0.3	2.3	33.8
Sun Pharma	0.3	11.1	32.8
Infrastructure	1.6	7.2	47.0
Torrent Pharma	0.5	12.8	58.2
G R Infraproject	3.6	-1.8	-5.5
IRB Infra.Devl.	2.6	18.0	66.2
KNR Construct.	0.3	0.9	3.1
Logistics			
Adani Ports	-1.5	9.1	47.2
Blue Dart Exp.	-0.8	-6.4	-0.5
Container Corpn.	1.9	1.0	23.6
Mahindra Logis.	3.6	11.0	-10.1
Transport Corp.	2.4	5.5	39.4
TCI Express	-0.2	-3.9	-26.3
VRL Logistics	0.5	-2.5	30.4
Media	3.1	-10.9	12.2
PVR INOX	-1.5	-14.7	-13.7
Sun TV	3.9	-11.2	36.0
Zee Ent.	6.7	-37.8	-25.3
Metals	3.0	0.7	14.8
Hindalco	4.4	-0.9	16.6
Hind. Zinc	0.2	0.4	-12.3
JSPL	1.7	-2.8	18.0
JSW Steel	2.8	-5.0	12.5
Nalco	7.0	17.8	61.4
NMDC	4.6	8.4	70.2
SAIL	5.7	2.0	26.4
Tata Steel	3.9	1.2	12.3
Vedanta	4.1	1.1	-20.4
Oil & Gas	2.2	10.3	17.9
Aegis Logistics	0.4	6.0	12.7
BPCL	3.0	6.8	36.7
Castrol India	2.7	8.6	49.0
GAIL	4.7	8.6	61.3
Gujarat Gas	2.8	27.2	21.2
Gujarat St. Pet.	4.6	23.8	34.7
HPCL	2.7	22.5	81.6
IOC	3.2	16.0	72.5
IGL	-0.2	6.6	2.5
Mahanagar Gas	2.6	12.7	54.1
MRPL	0.5	32.2	194.8
Oil India	1.4	7.6	67.9
ONGC	1.9	14.9	54.0
PLNG	0.2	21.5	13.1
Reliance Ind.	1.2	4.8	22.1



Company	1 Day (%)	1M (%)	12M (%)
Real Estate	0.2	7.2	94.6
Brigade Enterpr.	2.8	9.4	107.0
DLF	1.1	4.4	104.8
Godrej Propert.	0.3	15.4	87.1
Mahindra Life.	-0.2	5.0	53.1
Macrotech Devel.	-1.1	13.2	96.9
Oberoi Realty Ltd	-4.8	-7.3	57.8
Sobha	2.6	35.9	136.1
Sunteck Realty	-2.6	0.3	14.1
Phoenix Mills	-1.2	3.0	72.8
Prestige Estates	5.3	7.3	175.0
Retail			
Aditya Bir. Fas.	5.7	7.1	-9.8
Avenue Super.	1.4	-7.0	6.1
Bata India	0.1	-9.5	-6.7
Campus Activewe.	0.1	-4.1	-30.6
Barbeque-Nation	0.4	-9.1	-31.0
Devyani Intl.	0.1	-7.3	10.3
Jubilant Food	0.9	-9.6	4.4
Metro Brands	-0.7	-17.5	32.3
Raymond	-0.4	2.4	15.5
Relaxo Footwear	-0.1	-4.9	4.5
Restaurant Brand	-1.9	9.8	4.3
Sapphire Foods	0.9	1.6	10.3
Shoppers St.	-0.3	2.4	9.3
Titan Co.	0.8	3.9	58.9
Trent	1.9	8.7	167.9
V-Mart Retail	1.0	-1.6	-24.5
Vedant Fashions	1.1	-16.1	-8.0
Westlife Food	0.6	1.4	16.9
Technology	1.6	4.1	22.3
Cyient	-3.6	-14.4	135.2
HCL Tech.	3.5	7.8	38.5
Infosys	2.0	7.2	8.0
LTIMindtree	-0.3	-9.8	24.6
L&T Technology	2.6	5.7	60.5
Mphasis	1.3	-6.3	21.2
Coforge	2.7	1.3	47.3
Persistent Sys	2.7	14.1	84.7
TCS	-0.4	0.5	11.8
Tech Mah	3.0	10.4	31.5
Wipro	1.7	3.3	17.6
Zensar Tech	4.7	-8.1	150.0
Telecom	3.6	13.0	47.0
Bharti Airtel	2.8	20.3	53.4
Indus Towers	5.9	23.8	34.9
Idea Cellular	3.5	9.6	111.3
Tata Comm	1.4	-0.1	30.5
Utilities	1.5	5.8	34.9
Coal India	1.9	5.3	68.1
NTPC	2.1	2.0	86.0
Power Grid Corpn	3.5	6.2	48.6

Company	1 Day (%)	1M (%)
Others		
APL Apollo Tubes	0.1	-5.4
BSE	0.0	-9.0
Coromandel Intl	2.0	-6.6
EPL Ltd	1.8	1.3
Indiamart Inter.	0.4	-9.7
Godrej Agrovet	-0.4	-3.6
Havells	-0.6	-3.4
Indian Hotels	1.9	9.4
Interglobe	-0.1	1.3
Info Edge	1.5	0.3
Kajaria Ceramics	-0.3	-3.7
Lemon Tree Hotel	0.0	14.0
MCX	4.4	0.0
One 97	-0.3	17.4
Piramal Enterp.	1.5	-5.2
PI Inds.	0.1	-4.2
Qness Corp	-3.9	-7.8
SIS	1.9	7.7
SRF	1.4	-6.9
Tata Chemicals	1.4	-0.4
Team Lease Serv.	-1.4	3.1
Voltas	2.4	8.9
UPL	2.0	-6.2
Zomato Ltd	4.7	6.0

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SELL	< - 10%
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