2 January 2024

MORNING INDIA

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BEST BROKERAGE IN INDIA

(Based on Asiamoney Brokers Poll 2023)

ASIAMONEY BROKERS POLL 2023 - INDIA RANKING

Ranked 1st

- Best Execution (India)
- Best for Corporate Access (India)
- Best Analyst for Thematic Strategy (India)
- Best Analyst for Banks (India)
- Best Analyst for Small/ Mid Caps (India)
- Best Analyst for Transportation & Logistics (India)
- Best Analyst for Technology Hardware & Equipment (India)
- Best for Corporate Access Personnel

Ranked 2nd

- Best Domestic Brokerages for Sales (India)
- Best Brokerage Transformation (India)

Ranked 3rd

- Best Domestic Brokerages (India)
- Best Domestic Brokerages for Research (India)
- Best Brokerages for ESG research (India)

Market snapshot

Equities - India	Close	Chg .%	CY23.%
Sensex	72,272	0.0	18.7
Nifty-50	21,742	0.0	20.0
Nifty-M 100	46,472	0.6	46.6
Equities-Global	**Close**	**Chg .%**	**CY23.%**
S&P 500	4,770	0.0	24.2
Nasdaq	15,011	0.0	43.4
FTSE 100	7,733	0.0	3.8
DAX	16,752	0.0	20.3
Hang Seng	5,769	0.0	-14.0
Nikkei 225	33,464	0.0	28.2
Commodities	**Close**	**Chg .%**	**CY23.%**
Brent (US$/Bbl)	78	0.0	-4.6
Gold ($/OZ)	2,063	0.0	13.1
Cu (US$/MT)	8,464	0.0	1.2
Almn (US$/MT)	2,346	0.0	-0.2
Currency	**Close**	**Chg .%**	**CY23.%**
USD/INR	83.2	0.0	0.6
USD/EUR	1.1	0.1	3.1
USD/JPY	140.9	-0.1	7.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.02	-0.1
10 Yrs AAA Corp	7.6	-0.14	-0.1
Flows (USD b)	**1-Jan**	**MTD**	**CYTD**
FIIs	-0.1	6.92	21.4
DIIs	0.05	1.60	22.3
Volumes (INRb)	**1-Jan**	**MTD***	**YTD***
Cash	842	842	842
F&O	2,28,937	2,28,937	2,28,937

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Lemon Tree: Scaling new heights

Lemon Tree Hotels (LEMONTRE) has established a niche for itself in the growing mid-market hospitality segment and is now expanding its wings by improving its presence in the top (upscale/luxury) segment and increasing its inventory through management contracts. We believe the company is set to benefit significantly from the sectoral tailwinds and emerge as a larger and stronger player.

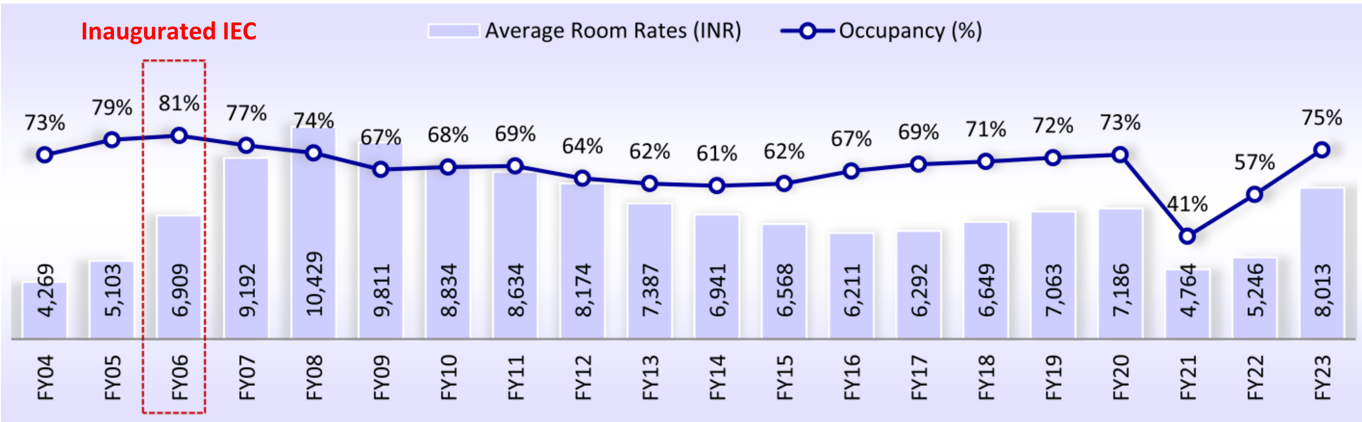
- The company is expected to benefit from the changing dynamics in its key markets such as NCR (~24%/17% of FY23/FY26E consol. Revenue as per our estimates) and Mumbai (excluding Aurika Sky City, ~10% in FY23 and 29% in FY26E including Aurika MIAL). Rising demand in these cities (which is accelerated by significant traction from new convention centers) and slower supply (~2-6% CAGR over FY23-28E) should propel the growth trajectory of existing players.
- Aurika Sky City Mumbai, which is positioned as an upper upscale hotel, will be a key beneficiary of the trickling down of demand from the luxury segment. It is expected to contribute to ~21%/23% of consol. revenue/EBITDA by FY26.
- LEMONTRE has a strong pipeline of ~3,354 managed rooms (~91% of operational managed rooms), which are expected to become operational by FY27, taking the share of managed rooms to ~55%. We expect LEMONTRE to clock management fees of INR943m by FY26 (~38% CAGR over FY23-26E).

Research covered

Cos/Sector	Key Highlights
Lemon Tree	Scaling new heights
Technology	Furloughs: A headwind over and above adverse macros
Automobiles	Dec'23: 2Ws and CV wholesales grow YoY
Metals Weekly	Higher imports and New Year holidays keep metal prices in check
EcoScope	GST Monitor: GST collections at INR1.65t in Dec'23

Chart of the Day: Lemon Tree (Scaling new heights)

ARR and occupancy in Delhi



Source: Hotelivate, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

GST collections rise 10% YoY in December to Rs 1.65 lakh crore

This is the tenth month in a row that the GST mop-up has come in above the Rs 1.5-lakh-crore mark.

2

Car sales breach 40 lakh mark in 2023, up 4.4% YoY in traditionally lean December

During the calendar year 2023, the total sales were 41,08,000 units, up 8.3 percent from 37,92,000 units sold in 2022

3

Reliance Jio may get approval to launch satcom services soon

Jio has made all necessary submissions to IN-SPACe, the space industry regulator, and the required authorisations are expected soon, one of the people cited earlier told ET. The authorisations are mandatory for deploying global satellite bandwidth capacity in India.

4

India hikes windfall tax on crude oil

The government hiked the windfall tax on petroleum crude oil to 2,300 Indian rupees ($27.63) a ton from 1,300 rupees, it said.

5

Centre extends auto PLI by a year

The Ministry of Heavy Industries has extended the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by one year. The scheme will be applicable for five consecutive financial years, starting from FY24 and ending in 2027-28

6

Chinese auto giant BYD sells more electric vehicles than ever

But BYD last year sold 1.6 million fully electric vehicles and another 1.4 million hybrids, which are powered by both batteries and gasoline.

7

Shortage of EPC players slows down wind energy projects

These companies include Wind World, RRB Energy, NEPC Micon, Pioneer Windcon, etc. among others.

Motilal Oswal | Morning India

2 January 2024

Update | Sector: Others

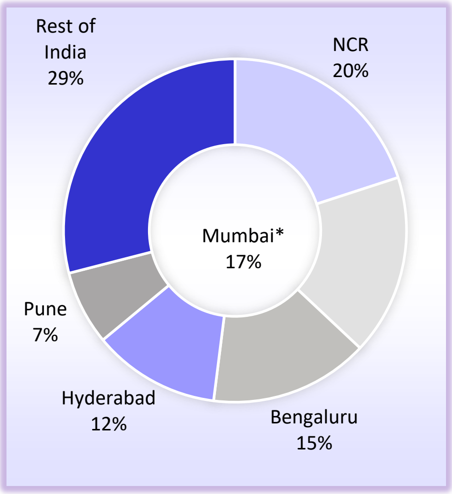
Lemon Tree

BSE SENSEX	S&P CNX
72,272	21,742

Stock Info

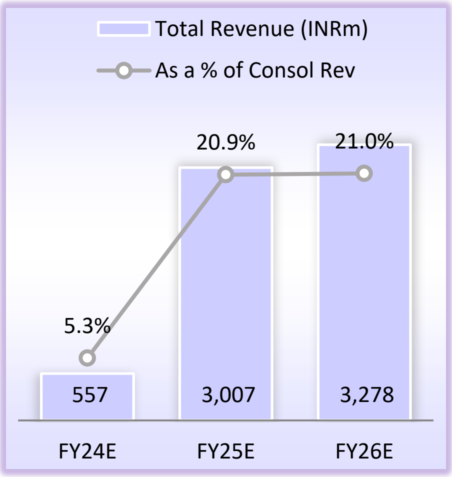
Bloomberg	LEMONTRE IN
Equity Shares (m)	786
M.Cap.(INRb)/(USDb)	94 / 1.1
52-Week Range (INR)	127 / 72
1, 6, 12 Rel. Per (%)	-2/13/19
12M Avg Val (INR M)	580

City-wise room Mix %



Note: *including Aurika MIAL

Expected revenue trend for Aurika Mumbai



CMP: INR119 TP: INR150 (+26%) Buy

Scaling new heights

Lemon Tree Hotels (LEMONTRE) has established a niche for itself in the growing mid-market hospitality segment and is now expanding its wings by improving its presence in the top (upscale/luxury) segment and increasing its inventory through management contracts. We believe the company is set to benefit significantly from the sectoral tailwinds and emerge as a larger and stronger player.

- **The company is expected to benefit from the changing dynamics in its key markets such as NCR (~24%/17% of FY23/FY26E consol. Revenue as per our estimates) and Mumbai (excluding Aurika Sky City, ~10% in FY23 and 29% in FY26 including Aurika MIAL). Rising demand in these cities (which is accelerated by significant traction from new convention centers) and slower supply (~2-6% CAGR over FY23-28E) should propel the growth trajectory of existing players.**
- **Aurika Sky City Mumbai, which is positioned as an upper upscale hotel, will be a key beneficiary of the trickling down of demand from the luxury segment. The hotel is expected to contribute to ~21%/23% of consolidated revenue/EBITDA by FY26.**
- **LEMONTRE has a strong pipeline of ~3,354 managed rooms (~91% of operational managed rooms), which are expected to become operational by FY27, taking the share of managed rooms to ~55%. We expect LEMONTRE to clock management fees of INR943m by FY26 (~38% CAGR over FY23-26E).**

Re-ignition of convention centers to boost growth trajectory

- NCR/Mumbai (excluding Aurika) are some of the key markets for LEMONTRE, accounting for ~24%/10% (as per our estimates) of the company's consolidated revenue in FY23.
- These markets are expected to witness a significant change in dynamics with the recent opening of mega convention centers in those cities.
- In NCR, Bharat Mandapam (inaugurated in Jul'23) and Yashobhoomi Convention Center (Sep'23) have a combined capacity of hosting ~18,000 people and are already witnessing significant traction.
- In Mumbai, Jio Convention Center (inaugurated in Mar'22) hosted ~800 events in FY23, with cumulative footfalls of over 1.9m.
- While demand is on the rise in these cities, hotel room supply is expected to be much slower (~2%/6% CAGR for room addition in Delhi/Mumbai over FY23-28E).
- Accordingly, we believe the hospitality players should benefit from such a favorable demand scenario (indicating higher occupancy and room rates in the region going ahead).

Aurika Sky City – Unveiling the Crown Jewel

- In Oct'23, LEMONTRE launched Aurika Sky City, a 669-room owned hotel (largest in the country by rooms) near the Mumbai International Airport.
- With a prime location and upscale offerings, Aurika MIAL is likely to generate ARR of ~INR12,000-15,000 with occupancy of over 70%. EBITDAR margin for Aurika hotels is also much higher (~64% in FY23) compared with other brands (~18-41%).

- Accordingly, the addition of Aurika Sky City in Mumbai (669 rooms; ~12% of total owned/leased inventory) is expected to alter the company's dynamics by improving its brand mix, coupled with higher ARR/OR and better margins.
- Further, Aurika, which is being positioned as an upscale hotel, is likely to benefit from the trickling down of demand from the luxury segment, led by rising demand and limited supply in these category (~7% of total proposed supply).
- We expect Aurika MIAL to generate revenue/EBITDA of INR3.2b/INR1.9b in FY26 (~21%/23% of consolidated revenue/EBITDA) with an EBITDA margin of ~58%.

Robust pipeline to drive next leg of growth

- LEMONTRE has a strong pipeline of ~3,423 rooms (~36% of the total operational rooms), comprising mainly of ~3,354 managed rooms (~91% of the operational managed rooms).
- This pipeline inventory is expected to become operational over FY24-FY27E, taking the total rooms to ~12,852 rooms (with managed rooms accounting for ~55% of the total share).
- In 1HFY24, LEMONTRE was more aggressive in inventory addition and improving its inventory pipeline (Exhibit 17).
- Going ahead, we expect traction to continue as LEMONTRE in its roadmap for the next five years has highlighted its target to take its total room network (operational rooms + pipeline) to over 20,000 rooms by CY28.
- We expect LEMONTRE to clock management fees of INR943m by FY26 (registering ~38% CAGR over FY23-26E).

Valuation and view

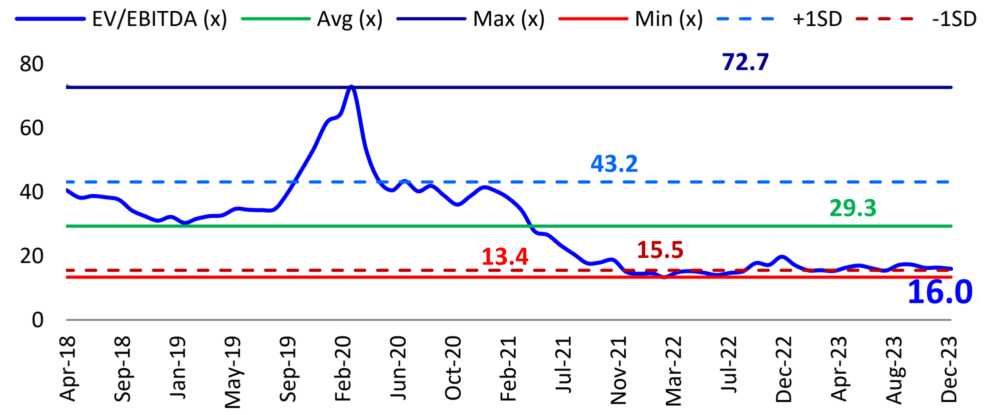
- Overall, we expect strong momentum for LEMONTRE to continue going forward, led by: i) further improvements in occupancy and ARR on the back of resilient demand and a boost from recently opened convention centers in key markets; ii) an increase in ARR with the addition of Aurika Sky City Mumbai and room renovations; and iii) addition of hotels under management contracts.
- We expect LEMONTRE to deliver a revenue/EBITDA/Adj. PAT CAGR of 21%/22%/38% over FY23-26 and improve RoE to ~22% by FY26 from 14% in FY23. We reiterate our BUY rating on the stock with our SoTP-based TP of INR150.
- Key risks to our rating and estimates: 1) Decline in business/MICE activity leading to adverse impact on occupancy and ARR, 2) Any negative impact on the tourism/travel sector, 3) Inability to ramp up Aurika Sky City Mumbai due to lower-than-expected traction in the Mumbai market.

SOTP Valuation

Particulars		FY26
Standalone EBITDA	INRm	2,110
EV/EBIDTA Multiple	x	18
EV	INRm	37,769
Less: Standalone Net Debt	INRm	6,715
Target Value	**INRm**	**31,054**
Carnations EBITDA (Management Contract)	**INRm**	**943**
EV/EBIDTA Multiple	x	40
EV	INRm	37,739
Fluer's EBITDA	INRm	**5,065**
LemonTree's Share of Fluer EBITDA (58.91%)	INRm	2,984
EV/EBIDTA Mutliple	x	18
EV	INRm	53,411
Add: Capex for Aurika, MIAL	INRm	
Less: LemonTree's Share of Fluer Net Debt	INRm	3,465
Target Value	**INRm**	**49,946**
Total Target Value	INRm	1,18,738
No. of shares	Mn	792
Target Price	**INR**	**150**

Source: Company, MOFSL

One-year forward EV/EBITDA ratio (x)



Source: Bloomberg, MOFSL

Technology

Result Preview

Coforge
Cyient
HCL Tech.
Infosys
LTIMindtree
L&T Technology
Mphasis
Persistent Systems
TCS
Tech Mahindra
Wipro
Zensar Tech.

Furloughs: A headwind over and above adverse macros

Higher furloughs likely to dampen revenue growth further

- The weakness in IT Services demand has been further intensified by higher-than-expected furloughs in 3QFY24. The seasonality is likely to hurt revenue growth and margin performances of both tier-1 and tier-2 IT companies. The industry has not witnessed any meaningful change in spending patterns, as discretionary spending continues to take a pause across enterprises. Although sentiment has improved, it has not yet been reflected in actions. Our IT Services Coverage Universe should report a median revenue growth of 0.7% QoQ/2.5% YoY in 3QFY24. The adverse movement of major currencies (EUR/GBP: -1.2%/-2.0%) is anticipated to further slow down the reported growth. The muted revenue growth and revised compensation (selective names) in 3Q are less likely to aid margin improvement. However, the weakening INR (~70bp against USD) should act as a support. We estimate a flat USD revenue YoY, while INR EBIT/INR PAT YoY will decline 4.0%/2.0% in 3QFY24.
- The combination of adverse macros and higher-than-expected number of furloughs has extended the timelines for deal closures and executions across companies, leading to slower revenue conversion in the third quarter. We expect the deal TCVs to moderate from the 2Q high base coupled with furloughs impact in 3Q; otherwise, the earlier theme of reprioritizing cost optimization and driving efficiency remains intact. We expect the collective deal TCV (Tier1 + Tier 2) growth to stay in line or moderate YoY.
- The slowdown across major verticals and key geographies should persist, with BFSI, Retail, Hi-Tech, and Communications likely to experience higher-than-anticipated furloughs in 3Q. Although the pace of growth deceleration for the major verticals has slowed in 2QFY24 (BFSI/Retail median declines 0.4%/0.3% QoQ), the same has not yet gained momentum to support the topline. We expect BFS and Hi-Tech to be adversely impacted in 3QFY24, while the other verticals should deliver muted performance. On the other hand, there is no sign of demand recovery in the key geographies (US and Europe), although the situation has not deteriorated materially. The majority of the clients are exercising caution and reprioritizing their spending.
- As 3Q furloughs are higher than anticipated at the beginning of FY24, we expect the selective Tier-2 companies (Coforge, Cyient) to revise their revenue guidance downward. Despite this, we expect the companies to maintain and achieve margins within the guided band by implementing rigorous cost-cutting measures.
- We expect revenue growth of Tier-I companies to be in the range of -2.7% to +4.5% QoQ in CC terms. Revenue of Tier-II players are expected to grow to the tune of -4.4% to +3.0% QoQ in CC terms.

HCLT/Persistent to lead topline growth among Tier I/Tier II companies

- Revenues of Tier-I companies are expected to be muted due to weak macros, furloughs, and cuts in discretionary spending. INFO/WPRO should witness a sharp decline of 1.7%/2.7% QoQ in revenue in CC terms. HCLT should outpace others with +2.0% QoQ CC for its Service business, while LTIM/TCS/TECHM should report +1.2%/-0.4%/-1.1% QoQ in CC. Overall, Tier-I companies are expected to exhibit weak median revenue (-0.7% QoQ in CC).
- Among Tier-II companies, we expect PSYS to outpace its peers with 3.0% QoQ CC revenue growth, aided by strong momentum in Hi-Tech and Healthcare. LTTS/COFORGE should experience muted growth of 1.3%/1.0% QoQ in CC, followed by MPHL/CYL-DET at +1.0%/0.3% QoQ in CC, while ZENT is likely to see a decline of 4.4% QoQ in CC.

Muted revenue growth and compensation revision to hurt margins

- Margin improvement is expected to be muted due to weak revenue growth across the board. While a few companies (especially tier-1 firms) have revised their compensation structures in 3Q, which should have an adverse impact on margins, a strict focus on cost-cutting measures should partly offset the drag.
- Tier-I companies should report a margin change (+/-) of -100bp to +20bp QoQ in 3QFY24. LTIM should see a further decline of 20bp QoQ despite the wage hike impact in 2Q, while TCS is expected to see a marginal improvement of 20bp QoQ due to the absence of operating leverage. For TECHM, despite having a meaningful hit over the last two consecutive quarters, margins are likely to be flat owing to weak demand in both CME and Enterprise segments. The Tier-II pack should see a margin change (+/-) of -280bp to +210bp QoQ, with ZENT's margin anticipated to decline from the peak by 280bp QoQ in 3QFY24.
- The net headcount addition would be lower across the board, owing to reduced working days coupled with subdued demand trend. Additionally, companies currently possess sufficient talent to sustain their incremental growth trajectory. The focus has now shifted to optimizing the bench.

PAT growth is likely to be flat due to weak growth

- We expect our Tier-I IT coverage universe to report flat QoQ (+0.2%) improvement in PAT, with a corresponding decline of 2.6% YoY. TECHM/WPRO are anticipated to post a decline of 20.3%/6.0% QoQ, while TCS/HCLT are likely to see an improvement of 2.3% QoQ/5.1% YoY, primarily due to their robust business mix.
- Tier-II players should register a PAT growth of 5.2% QoQ/9.3% YoY, stronger than Tier-I firms, aided by growth and margin recovery. COFORGE/CYL/LTTS should register robust PAT growth of 48.0%/10.0%/9.8% QoQ.

Prefer Tier I over Tier II companies; HCLT remains our top pick

- With improving macro sentiment and an estimated demand recovery for FY25, the IT stocks have rallied over the last two months. The 1-year forward P/E for the IT stocks (MOFSL universe) stood at 26x, wherein Tier-2 looks expensive at 35x that translates into ~50% premium to the Tier-1 pack.

- Given the subdued near-term demand and the lack of any meaningful signs of recovery in discretionary IT spending, we expect the Tier-2 companies to reconcile their FY24 growth guidance before seeking any clarity on the CY24E budget cycle. Among Tier-I players, HCLT is one of the key beneficiaries of having a defensive business mix that should support growth in a demand-constraint environment. Additionally, we expect INFO to be a key beneficiary of the acceleration in digital and business transformations in the medium term.
- Among Tier-II players, our preference lies with CYL, which is poised for a robust performance. This is supported by the resurgence in the aerospace vertical and the reduction of challenges in sectors such as railways and communications.

Expect Tier-I companies' revenue (USD) to be weak at -0.4% QoQ

	Revenue (USD m)					Revenue (INR b)				
Company	**3QFY24**	**2QFY24**	**QoQ (%)**	**3QFY23**	**YoY (%)**	**3QFY24**	**2QFY24**	**QoQ (%)**	**3QFY23**	**YoY (%)**
TCS	7,163	7,210	-0.7%	7,075	1.2%	597	597	0.0%	582	2.5%
INFO	4,624	4,718	-2.0%	4,659	-0.8%	385	390	-1.2%	383	0.5%
HCLT	3,366	3,225	4.4%	3,244	3.8%	280	267	5.1%	267	5.0%
WPRO	2,633	2,713	-2.9%	2,821	-6.7%	221	225	-2.0%	232	-5.0%
TECHM	1,534	1,555	-1.4%	1,668	-8.0%	128	129	-0.7%	137	-7.0%
LTIM	1,086	1,076	1.0%	1,047	3.8%	90	89	1.6%	86	5.0%
Tier I aggregate	**20,406**	**20,497**	**-0.4%**	**20,514**	**-0.5%**	**1,701**	**1,696**	**0.3%**	**1,688**	**0.8%**
	EBIT margin (%)					**Adjusted PAT (INR b)**				
Company	**3QFY24**	**2QFY24**	**QoQ (bps)**	**3QFY23**	**YoY (bps)**	**3QFY24**	**2QFY24**	**QoQ (%)**	**3QFY23**	**YoY (%)**
TCS	24.5	24.3	20	24.5	-	116.5	113.8	2.3%	108.8	7.0%
INFO	20.2	21.2	-100	21.5	-130	61.8	62.2	-0.6%	65.9	-6.2%
HCLT	17.9	18.5	-60	19.6	-170	40.3	38.3	5.1%	41.0	-1.6%
WPRO	13.8	14.8	-100	16.2	-240	25.1	26.7	-6.0%	30.7	-18.2%
TECHM	7.3	7.3	-	12.0	-470	8.0	10.0	-20.3%	12.9	-38.5%
LTIM	15.8	16.0	-20	14.8	100	11.5	11.6	-0.8%	10.8	6.7%
Tier I aggregate	**19.3**	**19.7**	**-40.0**	**20.4**	**-110**	**263**	**263**	**0.2%**	**270**	**-2.6%**

Expect Tier-II firms' revenue (USD) to be muted at 1.0% QoQ

	Revenue (USD m)					Revenue (INR b)				
Company	**3QFY24**	**2QFY24**	**QoQ (%)**	**3QFY23**	**YoY (%)**	**3QFY24**	**2QFY24**	**QoQ (%)**	**3QFY23**	**YoY (%)**
LTTS	292	288	1.2%	248	17.6%	24.3	23.9	1.8%	20.5	18.6%
MPHL	402	398	0.8%	429	-6.5%	33.5	33.0	1.5%	35.4	-5.4%
COFORGE	280	278	0.7%	252	11.2%	23.3	22.8	2.5%	20.6	13.4%
PSYS	300	292	2.8%	264	13.5%	25.0	24.1	3.6%	21.7	15.2%
ZENT	143	150	-4.6%	146	-1.8%	11.9	12.4	-3.8%	12.0	-0.3%
CYL	221	214	3.0%	197	12.1%	18.4	17.8	3.4%	16.2	13.7%
Tier II aggregate	**1,637**	**1,621**	**1.0%**	**1,536**	**6.6%**	**136.4**	**133.9**	**1.9%**	**126.3**	**8.0%**
	EBIT margin (%)					**Adjusted PAT (INR b)**				
Company	**3QFY24**	**2QFY24**	**QoQ (bps)**	**3QFY23**	**YoY (bps)**	**3QFY24**	**2QFY24**	**QoQ (%)**	**3QFY23**	**YoY (%)**
LTTS	17.7	17.1	60	18.7	-100	3.5	3.2	9.8%	3.0	14.0%
MPHL	14.3	15.4	-110	15.1	-80	3.8	3.9	-3.2%	4.1	-8.0%
COFORGE	14.0	11.9	210	14.5	-50	2.7	1.8	48.0%	2.3	17.3%
PSYS	13.9	13.7	20	15.4	-150	2.7	2.6	1.8%	2.7	0.1%
ZENT	12.9	15.7	-280	7.1	580	1.2	1.7	-28.8%	0.8	61.7%
CYL	14.6	14.6	-	12.9	170	2.0	1.8	10.0%	1.6	23.8%
Tier II aggregate	**14.7**	**14.7**	**-**	**14.6**	**10**	**15.9**	**15.1**	**5.2%**	**14.5**	**9.3%**

Source: Company, MOFSL

Automobiles

""2024 may not see similar volume growth on the high base of 2023. Pent-up demand created after the pandemic (due to supply constraints) has been largely met now, and moreover, the repo-rate hikes would also be passed on gradually."

Mr. Shashank Srivastava, Senior Executive Officer, Marketing and Sales, MSIL

Dec'23: 2Ws and CV wholesales grow YoY

PVs remain flat YoY as entry-level segment remains a drag; tractors decline

HMCL and AL are yet to declare their wholesales numbers. Dec'23 overall dispatches across the segments came in lower than expected, except for CVs. 2W domestic dispatches grew 24% YoY, while exports improved 5% YoY. In PVs, despite a strong growth of 15% YoY for UVs, overall PVs remained flat YoY due to sluggishness in the entry level segment. CV volumes grew 6% YoY, led by 11.5% YoY growth in MHCVs. Tractors declined 18% YoY. We believe 2W demand should continue to grow in the coming months. CV demand growth is expected to moderate in 4Q due to the high base effect. Tractor wholesales remained weak, but we are seeing greenshoots in retail growth as we highlighted in our channel check note.

- **2W dispatches, excluding HMCL, grew 17% YoY (below est.):** Overall 2W dispatches came in below our estimate, due to lower-than-expected volumes for RE/BJAUT. TVSL reported in-line volumes. Wholesales for BJAUT/TVSL grew 15%/27% YoY but declined 7% YoY for RE. Domestic dispatches grew strongly by 24% YoY, while exports rose 5% YoY. Interacting with the media, BJAUT's Executive Director, Rakesh Sharma, said, "Domestic wholesales for the company in Dec'23 were better than expected post festival months of Oct/Nov'23 due to its strategy to focus on the top half of the industry, where it outpaced the industry by 2x. Newer business like Chetak and Triumph are scaling well. Dec'23 retails were almost equal to the festive period Nov'23 retails. Overall exports showed a slight improvement when compared to 2Q. However, exports to LatAm and Africa were slightly affected due to the disruptions in the Red Sea but this issue is temporary and there was no loss of wholesales due to this but slight delay." He expects 4Q exports to be better than 3Q amid improvements in global macros. We believe 2W domestic wholesales will continue to grow, aided by the ongoing marriage season and a gradual recovery in rural markets.
- **PV dispatches remained flat YoY (below est.); UVs grew 15% YoY:** Volumes for MSIL came in at 137.5k units (flat YoY), while TTMT grew 8% YoY to ~43.7k units. MM UVs (incl pickups) grew 3.5% YoY to 52.5k units. TTMT saw Vahan registration growth of 14% YoY (vs. wholesales growth of 5% YoY), which indicates its focus on retails, thus reducing channel stock sharply. MM faced supply-side challenges, which restricted its wholesale volume growth. We believe UVs will continue to see sustained growth, while entry-level PVs will see a decline, denting overall PV growth.
- **CV dispatches, excluding AL, grew 6% YoY (above est.):** MHCV volumes grew ~11.5% YoY, whereas LCV volumes remained flat YoY. TTMT volumes remained flat YoY, while VECV volumes grew 11% YoY. TTMT volume growth remained muted in 3Q due to the higher base effect, impact of state elections, and post-festive seasonal slowdown in rural consumption. We believe CV demand growth will moderate in 4Q due to the high base effect. However, given macro tailwinds, we believe fundamental demand will remain intact, resulting in a rebound in FY25.
- **Tractor dispatches declined 18% YoY (below est.):** MM/ESC volumes declined 18%/19% YoY. As per M&M, "Retail momentum slowed down on account of tapering of agricultural activities, which is the norm in the month of December. Announcement of higher horticulture production and continued Government

support to the agri sector are expected to support tractor demand." As per ESC, "Rural sentiments were impacted due to delay in crop harvest, lower rabi sowing, thus affecting both retail and wholesale".

Surprise (Variance %)	In line (Variance %)	Disappointment (Variance %)
TTMT PV (+5.5%)	MSIL (-4%)	MM UVs (-14%)
TTMT CV (+7%)	TVSL (-1%)	BJAUT (-14%)
EIM VECV (+14%)		EIM RE (-14%)
		ESC (-22%)

- **Valuation and view:** We prefer 2Ws in the sector, followed by CVs. We are already witnessing a reversal in demand patterns, especially in the 2W segment; however, we still see better growth potential in 2Ws compared to other segments over FY23-25E. On the other hand, we are cautious about the PV growth outlook due to a slowdown in demand trends and a high base. M&M and HMCL are our top OEM picks. Among auto component stocks, we prefer ENDU and CRAFTSMA.

Snapshot of volumes for Dec'23 (incl Exports) *

	YoY			MoM				
Company Sales	**Dec-23**	**Dec-22**	**YoY (%) chg**	**Nov-23**	**MoM (%) chg**	**FY24YTD**	**FY23YTD**	**(%) chg**
2W	**6,36,452**	**5,43,090**	**17.2**	**7,81,402**	**-18.5**	**65,08,796**	**60,07,435**	**8.3**
Cars	93,006	1,08,233	-14.1	1,16,697	-20.3	10,92,381	11,79,242	-7.4
UVs + MPVs	1,39,016	1,20,742	15.1	1,54,540	-10.0	13,91,789	11,12,607	25.1
PVs	**2,32,022**	**2,28,975**	**1.3**	**2,71,237**	**-14.5**	**24,84,170**	**22,91,849**	**8.4**
3Ws	**60,946**	**53,860**	**13.2**	**72,651**	**-16.1**	**6,47,588**	**5,31,598**	**21.8**
M&HCVs	25,617	22,977	11.5	18,089	41.6	1,88,852	1,75,868	7.4
LCVs	20,674	20,597	0.4	18,487	11.8	1,91,644	2,07,899	-7.8
CVs	**46,291**	**43,574**	**6.2**	**36,576**	**26.6**	**3,80,496**	**3,83,767**	**-0.9**
Tractors	**23,674**	**28,816**	**-17.8**	**40,332**	**-41.3**	**3,81,347**	**3,96,339**	**-3.8**

* 2W: TVSL,EIM BJAUTO; PVs: MSIL, MM & TTMT; 3Ws:TVSL, MM & BJAUTO; CVs: TTMT,MM, EIM; Tractors: MM, ESC

Snapshot of volumes for Dec'23

	YoY			MoM									
Company Sales	**Dec-23**	**Dec-22**	**YoY (%) chg**	**Nov-23**	**MoM (%) chg**	**FY24YTD**	**FY23YTD**	**(%) chg**	**FY24E**	**Gr. (%)**	**Residual Gr. (%)**	**Residual Monthly Run rate**	**FY24 YTD Monthly Run rate**
Maruti Suzuki	**1,37,551**	**1,39,347**	**-1.3**	**1,64,439**	**-16.4**	**15,51,432**	**14,51,237**	**6.9**	**21,71,209**	**10.4**	**20.4**	**2,06,592**	**1,72,381**
LCVs	1,714	1,525	12.4	2,509	-31.7	23,613	26,607	-11.3	34,205	-10.0	-7.1	3,531	2,624
Vans	10,034	10,581	-5.2	10,226	-1.9	1,01,094	96,135	5.2	1,37,095	4.5	2.7	12,000	11,233
Mini Segment	2,557	9,765	-73.8	9,959	-74.3	99,634	1,74,008	-42.7	1,63,038	-30.0	7.6	21,135	11,070
Compact (incl Dzire Tour)	49,916	61,518	-18.9	69,501	-28.2	6,53,274	6,66,025	-1.9	9,10,715	0.9	8.7	85,814	72,586
Mid-Size - CIAZ	489	1,154	-57.6	278	75.9	8,903	11,518	-22.7	14,154	4.0	151.0	1,750	989
UVs	45,957	33,008	39.2	49,016	-6.2	4,60,587	2,82,330	63.1	6,44,652	66.0	73.7	61,355	51,176
Domestic	1,10,667	1,17,551	-5.9	1,41,489	-21.8	13,47,105	12,56,623	7.2	19,03,860	20.7	73.6	1,85,585	1,49,678
Export	26,884	21,796	23.3	22,950	17.1	2,04,327	1,94,614	5.0	2,67,350	3.1	-2.6	21,008	22,703
Mahindra & Mahindra	**79,326**	**79,920**	**-0.7**	**1,02,650**	**-22.7**	**9,16,401**	**8,27,053**	**10.8**	**12,53,821**	**13.4**	**21.0**	**1,12,473**	**1,01,822**
UV (incl. pick-ups)	52,510	50,746	3.5	63,164	-16.9	5,38,507	4,61,786	16.6	7,48,321	18.8	24.8	69,938	59,834
LCV & M&HCV	2,371	879	169.7	844	180.9	10,649	6,542	62.8	13,101	30.5	-29.8	817	1,183
Three-Wheelers	5,307	5,052	5.0	6,568	-19.2	60,503	40,911	47.9	84,854	45.0	38.3	8,117	6,723
Tractors	19,138	23,243	-17.7	32,074	-40.3	3,06,742	3,17,814	-3.5	4,07,545	0.0	12.3	33,601	34,082
Tata Motors	**77,855**	**74,356**	**4.7**	**74,172**	**5.0**	**7,04,250**	**7,02,804**	**0.2**	**9,79,412**	**2.6**	**9.3**	**91,721**	**78,250**
HCV's	17,591	15,756	11.6	12,895	36.4	1,29,024	1,22,621	5.2	1,92,840	6.6	9.6	21,272	14,336
LCV's	16,589	18,193	-8.8	15,134	9.6	1,57,382	1,74,750	-9.9	2,21,633	-4.8	10.8	21,417	17,487
CV's	**34,180**	**33,949**	**0.7**	**28,029**	**21.9**	**2,86,406**	**2,97,371**	**-3.7**	**4,14,472**	**0.2**	**10.2**	**42,689**	**31,823**
PVs	**43,675**	**40,407**	**8.1**	**46,143**	**-5.3**	**4,17,844**	**4,05,433**	**3.1**	**5,64,940**	**4.4**	**8.4**	**49,032**	**46,427**
Bajaj Auto	**3,26,806**	**2,81,486**	**16.1**	**4,03,003**	**-18.9**	**32,82,357**	**30,68,101**	**7.0**	**43,63,759**	**11.1**	**25.8**	**3,60,467**	**3,64,706**
Motorcycles	2,83,001	2,47,024	14.6	3,49,048	-18.9	28,11,106	27,17,406	3.4	37,17,945	8.0	25.0	3,02,280	3,12,345
Two-Wheelers	2,83,001	2,47,024	14.6	3,49,048	-18.9	28,11,106	27,17,406	3.4	37,17,945	8.0	25.0	3,02,280	3,12,345
Three-Wheelers	43,805	34,462	27.1	53,955	-18.8	4,71,251	3,50,695	34.4	6,45,815	33.2	30.0	58,188	52,361
Domestic	1,90,919	1,48,555	28.5	2,57,744	-25.9	20,57,393	15,91,566	29.3	25,88,050	22.9	3.0	1,76,886	2,28,599
Exports	1,35,887	1,32,931	2.2	1,45,259	-6.5	12,24,964	14,76,535	-17.0	17,75,709	-2.5	59.8	1,83,582	1,36,107
TVS Motor	**3,01,898**	**2,42,012**	**24.7**	**3,64,231**	**-17.1**	**31,28,465**	**28,13,651**	**11.2**	**42,54,537**	**15.6**	**30.0**	**3,75,357**	**3,47,607**
Motorcycles	1,48,049	1,24,705	18.7	1,72,836	-14.3	14,79,098	13,44,721	10.0	19,95,575	15.1	32.9	1,72,159	1,64,344
Scooters	1,03,167	76,766	34.4	1,35,749	-24.0	11,90,321	9,93,746	19.8	16,46,226	23.4	34.0	1,51,968	1,32,258
Mopeds	38,848	26,195	48.3	43,518	-10.7	3,43,212	3,35,192	2.4	4,37,152	-1.9	-15.0	31,313	38,135
Three-Wheelers	11,834	14,346	-17.5	12,128	-2.4	1,15,834	1,39,992	-17.3	1,75,585	5.0	119.3	19,917	12,870
Domestic	2,16,507	1,62,610	33.1	2,89,028	-25.1	23,75,483	19,31,060	23.0	31,36,311	20.0	11.5	2,53,609	2,63,943
Exports	85,391	79,402	7.5	75,203	13.5	7,52,982	8,82,591	-14.7	11,18,227	4.8	98.5	1,21,748	83,665
Eicher Motors													
Royal Enfield	**63,387**	**68,400**	**-7.3**	**80,251**	**-21.0**	**6,85,059**	**6,16,370**	**11.1**	**9,35,805**	**12.1**	**14.7**	**83,582**	**76,118**
VECV	**8,026**	**7,221**	**11.1**	**5,194**	**54.5**	**59,828**	**53,247**	**12.4**	**89,369**	**12.2**	**12.0**	**9,847**	**6,648**
Domestic LMD	3,868	3,748	3.2	2,579	50.0	29,042	26,502	9.6	43,220	11.0	14.0	4,726	3,227
Domestic HD	2,088	1,915	9.0	1,357	53.9	15,053	12,499	20.4	21,810	15.0	4.5	2,252	1,673
Domestic Buses	1,512	1,008	50.0	750	101.6	11,314	8,973	26.1	17,761	19.0	8.3	2,149	1,257
VTI	237	218	8.7	205	15.6	1,830	1,256	45.7	2,515	35.0	12.9	228	203
Domestic	**7,705**	**6,889**	**11.8**	**4,891**	**57.5**	**57,239**	**49,230**	**16.3**	**85,306**	**14.2**	**10.2**	9,356	**6,360**
Exports	321	332	-3.3	303	5.9	2,589	4,017	-35.5	4,064	-17.6	61.0	492	288
Escorts Kubota	**4,536**	**5,573**	**-18.6**	**8,258**	**-45.1**	**74,605**	**78,525**	**-5.0**	**1,02,257**	**-1.0**	**11.7**	**9,217**	**8,289**
Domestic	4,131	4,979	-17.0	7,855	-47.4	70,327	72,185	-2.6	96,295	1.1	12.5	8,656	7,814
Exports	405	594	-31.8	403	0.5	4,278	6,340	-33	5,962	-26	0.0	561	475
Construction Equipment	711	423	68.1	486	46.3	4,750	3,092	54	6,376	38	6.4	542	528

Comparative valuations

	Rating	Mcap	CMP	TP	P/E (x)			EV/EBITDA (x)			PB (x)			FY25 Yld %		EPS CAGR (%)
		(INR b)	(INR)	(INR)	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Div	FCF	FY23-25E
Auto OEM's																
Bajaj Auto	Neutral	1,896	6,701	5,225	31.3	23.8	21.3	25.4	18.3	15.9	7.5	6.7	6.1	3.0	3.7	21.2
Hero MotoCorp	Buy	824	4,116	4,480	28.3	20.5	19.3	17.8	13.3	11.8	4.9	4.4	4.0	2.7	5.2	21.0
TVS Motor	Neutral	959	2,019	1,500	66.4	44.8	38.1	36.6	26.9	22.8	15.9	12.1	9.5	0.3	2.4	32.0
Eicher Motors	Neutral	1,104	4,035	3,800	37.9	27.2	23.9	31.8	24.8	21.2	7.4	6.2	5.2	1.2	4.0	25.8
Maruti Suzuki	Buy	3,233	10,282	12,300	38.6	23.0	22.1	24.0	15.2	13.8	5.1	4.4	3.4	1.2	2.3	31.6
M&M	Buy	2,041	1,704	1,900	26.3	18.8	17.9	17.8	13.5	11.6	2.4	2.0	1.7	1.3	5.1	21.2
Tata Motors	Buy	2,907	791	750	367.5	17.8	17.8	11.5	5.7	4.8	6.7	5.0	3.9	0.5	4.4	354.8
Ashok Leyland	Buy	546	186	215	41.2	20.3	16.2	19.0	11.7	9.8	7.4	6.5	4.1	1.1	6.5	59.5
Escorts	Neutral	364	2,967	3,000	57.8	32.7	27.9	43.9	25.2	19.3	4.8	4.0	3.5	0.3	3.1	43.9
Auto Ancillaries																
Bharat Forge	Buy	581	1,247	1,250	107.3	45.0	31.0	35.9	22.9	18.3	8.7	7.5	6.3	0.5	3.6	85.9
Exide Industries	Buy	273	322	310	30.3	24.9	21.2	17.4	14.3	12.4	2.4	2.3	2.1	1.0	4.2	19.5
Amara Raja	Neutral	141	825	660	19.3	17.3	15.4	10.3	9.3	8.3	2.7	2.4	2.2	1.8	4.8	12.2
BOSCH	Neutral	661	22,417	18,500	46.4	39.9	32.6	35.5	30.7	24.0	6.0	5.3	4.9	1.5	1.9	19.3
Endurance Tech	Buy	269	1,915	2,000	55.3	39.5	31.0	26.2	20.2	16.4	6.1	5.4	4.7	0.5	2.0	33.6
SAMIL	Buy	717	106	110	45.8	24.7	20.6	12.7	10.0	8.5	3.2	2.9	2.7	1.5	9.4	49.2
CIE Automotive	Buy	188	496	575	27.5	22.3	18.7	16.3	12.8	10.9	3.7	3.2	2.9	0.9	4.1	21.2
CEAT	Buy	98	2,431	2,950	46.9	14.0	13.4	12.2	6.7	6.2	2.9	2.4	2.1	0.7	7.8	87.3
Balkrishna Ind	Neutral	498	2,574	2,500	49.4	35.9	27.1	25.9	22.6	17.6	6.6	5.9	5.2	1.4	2.6	34.9
MRF	Sell	549	1,29,439	97,000	71.4	24.0	24.1	22.6	11.7	11.1	3.7	3.2	2.9	0.2	2.6	71.9
Apollo Tyres	Buy	287	453	525	26.4	16.2	13.7	10.0	6.8	6.0	1.8	1.6	1.4	1.2	8.8	38.8
Sona BLW	Neutral	378	645	565	94.9	72.2	55.8	54.1	41.4	32.5	16.5	14.2	12.1	0.6	0.9	30.4
Tube Investments	Buy	670	3,576	3,865	88.2	60.4	50.2	39.4	32.0	27.1	17.5	14.0	11.3	0.3	2.7	32.5
MSUMI	Buy	275	62	70	56.4	44.2	34.6	35.0	27.8	22.1	20.7	16.5	13.2	1.7	2.5	27.7
CRAFTSMAN	Buy	113	5,330	5,800	45.3	28.7	23.7	18.1	12.5	10.3	8.2	6.5	5.2	0.3	3.6	38.3

Indian companies valuation

	Price	EV/ EBITDA (x)		P/B (x)	
	(INR)	FY23	FY24E	FY23	FY24E
Steel					
Tata	140	7.4	11.8	1.8	1.9
JSW	878	14.6	10.2	3.2	2.9
JSP	744	8.2	9.0	1.9	1.7
SAIL	125	10.2	8.7	0.9	0.9
Non-ferrous					
Vedanta	257	5.1	8.3	2.4	3.6
Hindalco	610	7.6	7.1	2.0	1.7
Nalco	136	9.3	11.5	1.9	1.9
Mining					
Coal	382	4.5	4.9	4.1	3.4
HZL	318	12.8	10.2	3.3	4.2
NMDC	211	9.1	8.0	2.7	2.4

Global companies valuation

Company	M.Cap	EV/EBITDA (x)		P/B (x)
	USD b	CY22/ FY23	CY23/ FY24	CY22/ FY23
Steel				
AM	24	3.9	4.1	0.4
SSAB	8	3.1	4.5	1.1
Nucor	43	6.0	8.0	2.1
POSCO	33	6.3	5.8	0.7
JFE	10	7.0	5.8	0.6
Aluminum				
Norsk Hydro	14	6.5	5.6	1.3
Alcoa	6	16.3	8.7	1.4
Zinc				
Teck	22	5.6	4.6	1.1
Korea Zinc	8	10.2	8.8	1.1
Iron ore				
Vale	71	4.6	4.3	1.7
Diversified				
BHP	175	6.7	6.4	4.0
Rio	128	5.5	5.2	2.2

Higher imports and New Year holidays keep metal prices in check

- Lower-than-expected offtake during the New Year holiday season, slower construction activities, and higher inventory at mills have weighed on long steel prices, which are down 5% MoM at INR52,500/t.
- In addition to the above, higher inventory at secondary long steel mills and parity between the IF and BF route also kept long steel prices in check.
- It is important to note that higher parity between the IF-BF route dictates the demand for primary long steel and the recent price correction has decreased the parity from INR6,800/t to INR3,700/t in favor of primary long steel mills.
- Despite the sustained high supply of HRC due to increased imports, Indian mills resumed exports to MENA after a three-month hiatus, keeping the prices stable.
- HRC prices remained stable at INR55,000/t, maintaining a premium of INR2,500/t to long steel prices.
- Monthly imports which had peaked in Nov'23 are expected to gradually decrease in the coming weeks and HRC prices are expected to find support near the current level, driven by exports to EU and MENA region.
- Premium HCC prices has remained relatively stable at USD340-342/t (down ~1% MoM).

Global steel industry performance – Nov '23

- Seven of the top ten crude steel producers (except Brazil, Russia, and Turkey) witnessed a decrease in production volumes in Nov'23.
- Though China's production increased 2% YoY at 76.1mt, its share in the global steel sector contracted for the third consecutive month and stood at over 52%.
- The share of world (ex-China) in the total steel production increased ~43bp MoM and over 505bp since Apr'23 to 47.7%.
- The share of India in the global steel sector remained stable for the fourth consecutive month at ~8%.
- The total global production was down 3% MoM at 145.5mt.

Commodities and forex tracker

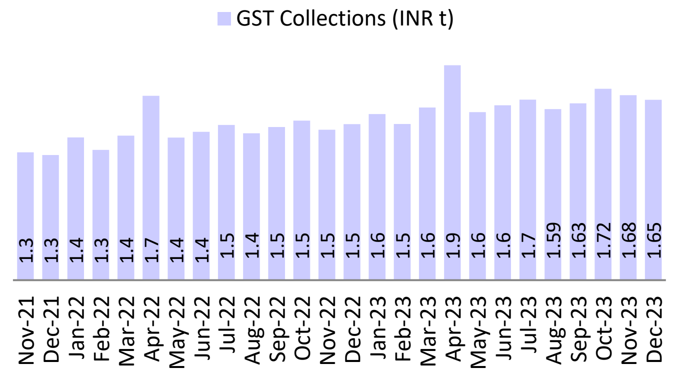
	UoM	Spot	WoW (%)	MoM (%)
India HRC (ex-Mum)	INR/t	55,000	0	0
India TMT Prime (ex-Mum)	INR/t	52,500	-2	-5
India TMT Secondary (ex-Mum)	INR/t	48,800	0	1
Korea HRC - FoB	USD/t	625	1	6
China HRC Dom.	USD/t	574	0	2
China HRC - FoB	USD/t	575	0	0
India Prem HCC CNF	USD/t	341	-1	-1
India 64 Mid Vols CNF	USD/t	292	-1	2
India Low Vols PCI CNF	USD/t	193	0	-1
Iron Ore Fines (Odisha Index) Fe 62%	INR/t	5,500	0	10
Iron Ore Fines (China - CNF) Fe 62%	USD/t	141	2	7
Europe Scrap HMS 1&2(80:20)	USD/t	390	0	0
C-DRI (ex-Raipur)	INR/t	27,800	-1	1
RB1 (6000 NAR) SA FoB	USD/t	119	3	-4
RB2 (5500 NAR), SA FoB	USD/t	111	3	-1
Indonesia (4200 GAR) Futures	USD/t	58	-2	-1
Copper	USD/t	8,476	0	0
Aluminum	USD/t	2,336	5	9
Zinc	USD/t	2,641	3	7
Lead	USD/t	2,031	0	-3
Nickel	USD/t	16,375	1	-3
Alumina	USD/t	333	1	-1
Ali UBC Scrap	USD/t	1,587	1	1
Ali UBC Scrap Spread	USD/t	748	12	29
INR:USD	x	83.2	0	0
USD:EUR	"	1.10	0	1
USD:GBP	"	1.27	0	0
CNY:USD	"	7.10	-1	0
JPY:USD	"	141	-1	-4

GST Monitor: GST collections at INR1.65t in Dec'23

Monthly average GST receipts at INR1.66t

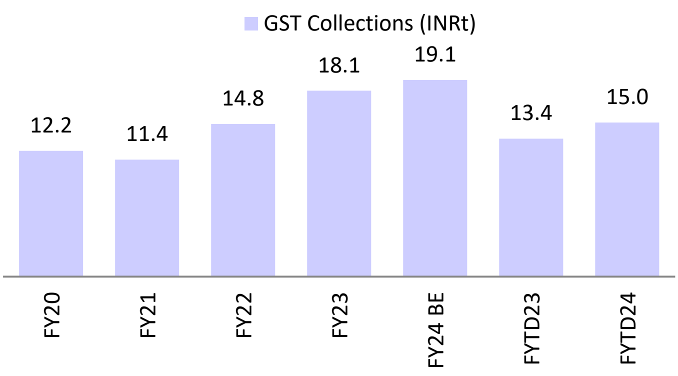
- **GST collections grew 10.3% YoY to INR1.65t in Dec'23. However, the figure was lower than Nov'23 collections of INR1.68t. Average monthly collections are at INR1.66t so far in FY24 vs. an average of INR1.5t during the same period last year. GST collections, thus, have risen 12% in FY24YTD vs. 26% in FY23YTD *(Exhibits 1 and 2).***
- **In Dec'23, CGST collections amounted to INR304.4b (up 14% YoY vs. 18.5% YoY in Nov'23) and SGST collections stood at INR379.4b (up 13.7% YoY vs. 17.1% YoY in Nov'23).**
- **In FY24YTD, CGST collections are at INR2.8t (up 16.4% YoY) and SGST collections stand at INR3.5t (up 15.2% YoY). While GST collected on imported goods have risen 2.6% YoY to INR3.6t, GST collected on domestic activities have jumped 15.2% YoY in FY24YTD *(Exhibit 3).***
- **The surge in GST revenue was mainly led by domestic transactions. GST collected on domestic activities grew 13% in Dec'23 vs. +20% in the previous month. On the other hand, GST collected on imports grew 3.2% YoY to INR426.1b in Dec'23 vs. +1.5% YoY in Nov'23 *(Exhibit 4).***
- **Overall, the government has collected GST of INR15t in FY24YTD (vs. INR13.4t during the same period last year). It means that GST collections have averaged INR1.66t per month in FY24YTD, compared to the budgeted estimate of INR1.59t per month. With this run rate, there would be an excess collection of about INR800b in FY24E. However, a slowdown in 4QFY24E could reduce monthly GST collections.**

Exhibit 1: GST collections grew 10.3% YoY to INR1.65t in Dec'23



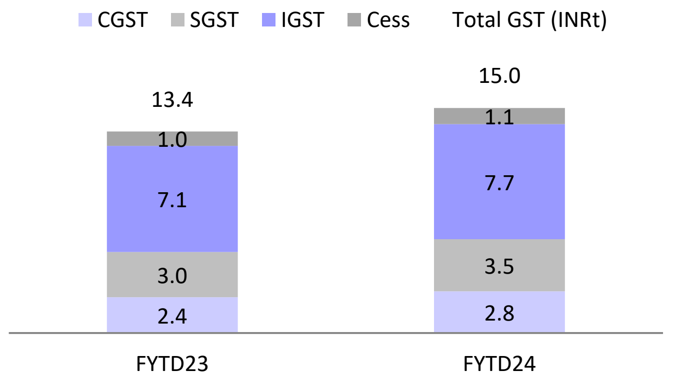
Source: Budget documents, MOFSL

Exhibit 2: GST collections are at INR15t in FY24YTD vs. INR13.4t during the same period last year



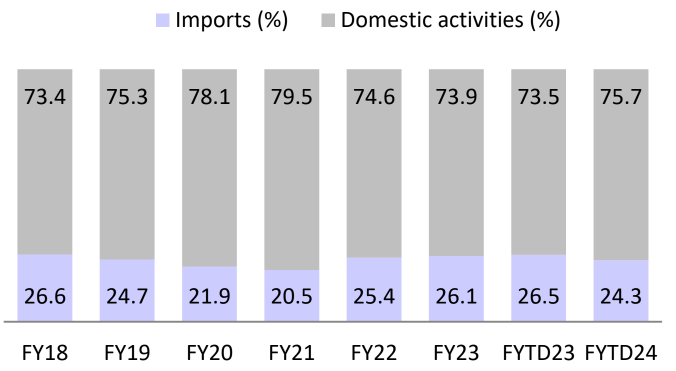
Source: Finance Ministry, MOFSL

Exhibit 3: Breakup of GST revenue



Source: Finance Ministry, MOFSL

Exhibit 4: Percentage of GST collected on imported goods decreased to 24.3% in FY24YTD from 26.5% YoY



Source: Finance Ministry, MOFSL

SBI: SBI is on track for 14-15% credit growth; Dinesh Kumar Khara, Chairman

- SBI is on track for 14-15% credit growth
- SBI's unsecured loans are the gold standard
- SBI is well capitalized for higher D-SIB norms
- EVs, renewables to remain major focus areas
- Not targeting fundraise for at least 18 months
- Will maintain gold standard for asset quality
- Exploring opportunities in Gen-AI & tech

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Bajaj Auto: We did face some disruptions due to tensions in the Red Sea; Rakesh Sharma, ED

- Didn't see big drop in December, sales in-line with our estimates
- Domestic motorcycle (125cc+) market share for us currently in the range of 31-32%
- We did face some disruptions due to tensions in the Red Sea, shipments are delayed in some part of Latin America & Africa
- Q4 exports likely to be better than Q3

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Balrampur Chini: Currently, expect production of 307 lk tonnes; Pramod Patwari, CFO

- C-heavy molasses price increase is +ve
- Produce 3.5cr liters of C-heavy molasses, this revision will add 25cr to co.
- Currently, expect production of 307 lk tonnes
- Completed Rs.1k crore of capex last year

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NLC India: Aim to become 17 GW co by 2030; Prasanna Kumar Motupalli, CMD

- In the process of finalizing the bid, will be awarded in a month's time
- Only BHEL participated in the final stage of bidding
- Aim to become 17GW co by 2030, 11 GW by ignite & coal and 6GW by renewables
- Will be funding capex plans from internal accruals
- Might look at monetizing some renewable assets

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Medplus: Expect FY24 revenue, margin to be better; Gangadi Reddy, MD

- SEBI's recent order is to ensure we report all development to the exchanges
- Implementing better control and IT systems in stores to ensure better compliances
- Expect industry to change due to introduction of generic drugs
- Expect FY24 revenue, margin to be better
- Won't raise fund until there is a plan to expand diagnostics

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Vaibhav Global: Focused on profitability, will achieve £60 m revenue in 3-5 years; Nitin Panwad, Group CFO

- Ideal world has been operating in UK for 21 years with good reach
- Have paid Rs. 11.5cr for the ideal world acquisition
- Brand was doing about £60 m in revenue
- Focused on profitability, will achieve £60 m revenue in next 3-5 years
- Margins have improved from 6% to 10%
- Looking to increase share of digital to 50% by FY27

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Wonderla Holidays: Future growth to be led by Odisha; Arun Chittilappilly, MD

- Expert domestic tourism to improve further
- International tourism is getting expensive
- Leasing lands from state government eases capex pressure
- Awaiting proposals from multiple state governments
- Future growth to be led by Odisha

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