

**Market snapshot**



Equities - India	Close	Chg .%	CYTD.%
Sensex	74,006	0.1	2.4
Nifty-50	22,502	0.2	3.5
Nifty-M 100	51,869	0.5	12.3
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,303	0.1	11.2
Nasdaq	16,686	-0.1	11.2
FTSE 100	8,420	-0.2	8.9
DAX	18,704	-0.2	11.7
Hang Seng	6,935	0.9	20.2
Nikkei 225	38,787	-0.3	15.9
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	82	0.6	5.8
Gold (\$/OZ)	2,415	1.6	17.1
Cu (US\$/MT)	10,598	2.5	25.2
Almn (US\$/MT)	2,560	1.0	9.2
Currency	Close	Chg .%	CYTD.%
USD/INR	83.3	-0.2	0.1
USD/EUR	1.1	0.0	-1.5
USD/JPY	155.7	0.2	10.4
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.1	0.02	-0.1
10 Yrs AAA Corp	7.6	0.13	-0.1
Flows (USD b)	18-May	MTD	CYTD
FII	0.0	-3.62	-3.3
DII	-0.02	4.03	22.4
Volumes (INRb)	18-May	MTD*	YTD*
Cash	170	1065	1166
F&O	21,412	3,26,625	3,80,303

Note: Flows, MTD includes provisional numbers.

\*Average



**Today's top research idea**

**JSW Steel: Operating performance in line; outlook bright**

**Upgrade to Buy**

- ❖ JSTL's 4QFY24 performance was largely in line with our estimates. In the near term, we expect earnings to improve on the back of steel price hikes taken by JSTL and a recent decline in coking coal prices.
- ❖ Over the long term, we expect JSTL to benefit from new capacities coming on-stream, strong domestic demand, improving exports, and a rising share of value-added proportion in the sales mix. Moreover, its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.
- ❖ The robust balance sheet and strong cash flow generation would enable smooth execution of its planned capex program. We raise our revenue/EBITDA estimates by 2%/5% for FY25 and 4%/7% for FY26. JSTL is trading at 6.1x FY26E EV/EBITDA. We upgrade JSTL to BUY from Neutral with a TP of INR1,070 (premised on 7x FY26E EV/EBITDA).



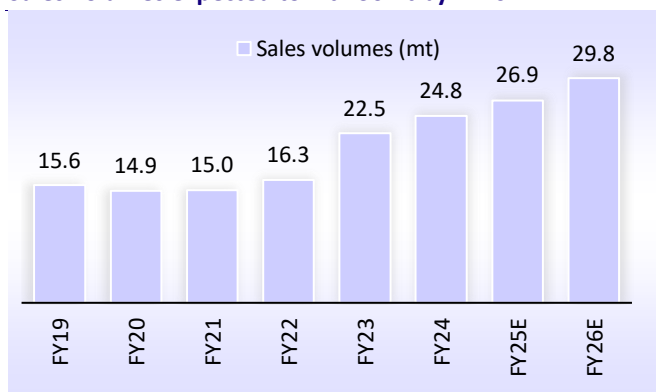
**Research covered**

Cos/Sector	Key Highlights
JSW Steel	Operating performance in line; outlook bright
GAIL	One-offs mar 4QFY24; robust guidance maintained
Zydus LifeSciences	Niche products, superior execution boost earnings
Vodafone Idea	Subscriber loss slows down
Other Updates	Container Corporation   Phoenix Mills   Balkrishna Inds   Glaxosmi. Pharma   Bandhan Bank   Endurance Tech   Triveni Turbine   Kaynes Tech   Sobha   Vinati Organics   Zee Entertainment   Restaurant Brand   Avalon Tech   Data Pattern   Trent   Fusion Micro Finance   IDFC First Bank (Corner Office)



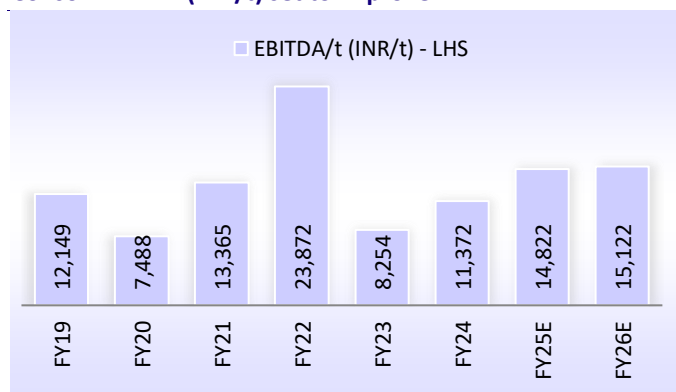
**Chart of the Day: JSW Steel (Operating performance in line; outlook bright)**

**Sales volumes expected to hit ~30mt by FY26**



Source: MOFSL, Company

**Consol. EBITDA (INR/t) set to improve**



Source: MOFSL, Company

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

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



Kindly click on textbox for the detailed news link

1

### Post-poll pickup in capex will drive steel demand: JSW Steel CEO

The company plans to spend Rs 20,000 crore on capex in FY25, funded mainly by cash generation. It does not plan to raise funds via equity issue, like group company JSW Energy

2

### KKR in talks to buy into healthcare BPO company Infix

Launched in 2012 as Tandon Information Solutions, Infix is also into medical transcription, eligibility and benefit verification, complete medical billing, medical coding (across specialty) and comprehensive account receivable management services.

3

### Nestle India shareholders reject royalty increase to parent

More than 57% of Nestle India's shareholders voted against the resolution to increase royalty, the company said in an exchange filing

4

### After X-440, Hero and Harley-Davidson may bring more US models to India

Hero MotoCorp and Harley-Davidson Inc are expanding their India partnership. Hero is the third-largest seller in the premium segment after Bajaj Auto and Royal Enfield. Niranjan Gupta, CEO of Hero MotoCorp, highlights the growing market for roadsters.

5

### Funds in kitty, Vi starts clearing govt dues

Vi pays Rs 1,000 crore towards licence fee and spectrum charges not covered by moratorium.

6

### Telecom industry's attrition rate declines to 43.4% in FY24; industry sees demand for entry-level customer-facing, tech roles

The telecom companies continued to actively hire field sales executives, customer relationship executives, retail executives, installation engineers, fibre repair executives, and cell site repair

7

### Copper surges to record as investors bet on looming shortage

Copper futures on the London Metal Exchange jumped as much as 1.7% to \$10,848 a ton, exceeding the previous record set in March 2022.



Estimate changes



TP change



Rating change



Bloomberg	JSTL IN
Equity Shares (m)	2445
M.Cap.(INRb)/(USDb)	2178.4 / 26.1
52-Week Range (INR)	915 / 681
1, 6, 12 Rel. Per (%)	3/2/5
12M Avg Val (INR M)	2121

### Financials Snapshot (INR b)

Y/E MARCH	FY24	FY26E	FY26E
Net Sales	1,750	2,036	2,247
EBITDA	282	398	450
PAT	90	167	190
EPS (INR)	37	69	79
GR. (%)	153	86	14
BV/Sh (INR)	321	377	440

### Ratios

ROE (%)	12.5	19.8	19.3
RoCE (%)	8.6	11.6	12.3

### Valuations

P/E (X)	24.2	13.0	11.4
P/BV (X)	2.8	2.4	2.0
EV/EBITDA (X)	10.3	7.1	6.1
Div Yield (%)	0.5	1.5	1.7

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	44.8	44.8	45.4
DII	10.3	10.0	10.0
FII	26.4	26.7	26.5
Others	18.4	18.5	18.1

FII Includes depository receipts

**CMP: INR891 TP: INR1070 (+20%) Upgrade to BUY**

## Operating performance in line; outlook bright

- JSW Steel (JSTL) posted a consolidated revenue of INR463b (-2% YoY/+10% QoQ; in line) in 4QFY24. ASP stood at INR68,750/t (-4% YoY/-2% QoQ) vs. our est. of INR67,507/t.
- EBITDA came largely in-line with our est. at INR61b (-23% YoY/-15% QoQ). EBITDA/t was INR9,100 in 4QFY24, which declined INR3,058 YoY and INR2,867 QoQ. Management expects to reach a normalized EBITDA of INR12,000/t in the coming quarter.
- APAT stood at INR13b (-65% YoY/-43% QoQ), which was 15% below our estimates of INR15b. This was due to higher tax outgo during the quarter.
- Combined crude steel production was 6.79mt (+3% YoY/-1% QoQ), while steel sales came in at 6.73mt (+3% YoY/+12% QoQ) with capacity utilization of 93% at the Indian operations. JSTL India operations reported the highest ever VASP sales, up 5% YoY (~62% share of total sales).
- **During FY24**, revenue grew 5% YoY to INR1,750b led by robust volume growth. EBITDA/APAT stood at INR282b/INR90b (+52%/+153% YoY). Consolidated crude steel production and sales volume stood at 26.4mt and 25mt, respectively.
- Net debt as of Mar'24 declined INR53b to INR739b and likely to reduce further in the coming quarters with improving profitability. Net debt-to-EBITDA stood at 2.62x, while ND/E ratio was 0.93x as of Mar'24.
- **Going forward, we expect JSTL's domestic volumes to be robust with increasing capacities, a better product mix, and export opportunities. Moreover, with stable pricing, softened coal costs, and improving operational efficiencies, we expect its EBITDA/t to improve going forward. We raise our revenue/EBITDA estimates by 2%/5% for FY25 and 4%/7% for FY26. JSTL is trading at 6.1x FY26E EV/EBITDA. We upgrade JSTL to BUY from Neutral with a TP of INR1,070 (premised on 7x FY26E EV/EBITDA).**

### Highlights from the management commentary

- Coking coal costs increased USD22/t during 4QFY24, which affected earnings. As coal prices have reduced in recent months, coal costs for 1QFY25 is likely to be lower by USD22-27/t.
- Iron ore prices remained firm and were expected to remain stable in the near term. Steel prices are likely to remain range-bound going forward.
- JSTL acquired a 92.19% stake in Minas de Revuboe Limitada (MDR) for a consideration of USD74m. It will provide JSTL with >800mt of premium HCC reserves in Mozambique.
- JSTL incurred ~INR167b of capex in FY24. It expects to incur a capex of INR200b in FY25, funded largely through internal accruals.
- The capacity expansion projects are on track, and management expects to reach a capacity of 50MTPA by FY31.

**Valuation and view**

- We believe JSTL is well placed with new capacities coming on-stream, strong domestic demand, improving exports, and a rising share of value-added proportion in the sales mix. Focus on increasing the captive share of iron ore, and improving coal linkages to support earnings. The robust balance sheet and strong cash flow generation would allow for the execution of the planned five-year capex program.
- JSTL is trading at 6.1x FY26E EV/EBITDA. **We upgrade JSTL to BUY from Neutral with a TP of INR1,070 (premised on 7x FY26E EV/EBITDA).**

**Consolidated financial performance (INR b)**

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Sales (kt)</b>	<b>4,490</b>	<b>5,740</b>	<b>5,710</b>	<b>6,530</b>	<b>5,710</b>	<b>6,390</b>	<b>6,000</b>	<b>6,730</b>	<b>22,470</b>	<b>24,830</b>	<b>6,635</b>	1.4
Change (YoY %)	29.4	49.9	46.0	27.3	27.2	11.3	5.1	3.1	37.5	10.5		
<b>Net Sales</b>	<b>381</b>	<b>418</b>	<b>391</b>	<b>470</b>	<b>422</b>	<b>446</b>	<b>419</b>	<b>463</b>	<b>1,660</b>	<b>1,750</b>	<b>448</b>	3.3
Change (YoY %)	31.8	28.5	2.8	0.1	10.8	6.7	7.2	-1.5	13.4	5.5		
Change (QoQ %)	-18.8	9.7	-6.3	20.0	-10.1	5.6	-5.9	10.3				
<b>EBITDA</b>	<b>43</b>	<b>18</b>	<b>45</b>	<b>79</b>	<b>70</b>	<b>79</b>	<b>72</b>	<b>61</b>	<b>185</b>	<b>282</b>	<b>59</b>	4.2
Change (YoY %)	-58.1	-83.2	-50.2	-13.6	63.5	350.1	57.9	-22.9	-52.5	52.2		
Change (QoQ %)	-53.1	-59.3	159.5	74.6	-11.2	11.9	-9.0	-14.7				
EBITDA (INR per ton)	9,597	3,052	7,963	12,158	12,340	12,341	11,967	9,100	8,254	11,372	8,861	2.7
Interest	14	15	18	21	20	21	20	21	69	81		
Depreciation	18	18	19	20	19	20	21	22	75	82		
Other Income	2	2	2	5	3	2	2	2	10	10		
<b>PBT (before EO Item)</b>	<b>13</b>	<b>-14</b>	<b>10</b>	<b>43</b>	<b>35</b>	<b>40</b>	<b>33</b>	<b>21</b>	<b>52</b>	<b>130</b>	<b>20</b>	7.3
EO Items	0	6	0	0	0	6	0	0	6	6		
<b>PBT (after EO Item)</b>	<b>13</b>	<b>-8</b>	<b>10</b>	<b>43</b>	<b>35</b>	<b>46</b>	<b>33</b>	<b>21</b>	<b>58</b>	<b>136</b>	<b>20</b>	7.3
Total Tax	4	1	5	5	11	18	9	7	15	44		
% Tax	34.1	-7.8	48.7	11.9	29.9	39.3	25.7	32.7	26.2	32.5		
<b>PAT before MI and Asso.</b>	<b>9</b>	<b>-9</b>	<b>5</b>	<b>37</b>	<b>25</b>	<b>28</b>	<b>25</b>	<b>14</b>	<b>43</b>	<b>91</b>	<b>16</b>	-10.3
MI (Profit)/Loss	0.0	0.7	0.2	-0.8	-0.9	-0.1	-0.4	-0.2	0.1	-1.6		
Share of P/(L) of Ass.	-0.2	-0.6	-0.6	-0.1	-0.3	-0.2	-0.2	-1.0	-1.4	-1.7		
<b>Reported PAT (after MI and Asso.)</b>	<b>8</b>	<b>-8</b>	<b>5</b>	<b>37</b>	<b>23</b>	<b>28</b>	<b>24</b>	<b>13</b>	<b>41</b>	<b>88</b>		
<b>Adjusted PAT</b>	<b>8</b>	<b>-14</b>	<b>5</b>	<b>37</b>	<b>23</b>	<b>31</b>	<b>23</b>	<b>13</b>	<b>36</b>	<b>90</b>	<b>15</b>	-15.4
Change (YoY %)	-85.8	PL	-88.8	-7.8	179.0	LP	365.3	-64.5	-83.4	152.8		
Change (QoQ %)	-78.9	PL	LP	647.8	-36.2	31.1	-25.6	-43.0				

Source: MOFSL, Company



Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	GAIL IN
Equity Shares (m)	6575
M.Cap.(INRb)/(USDb)	1372.6 / 16.5
52-Week Range (INR)	214 / 103
1, 6, 12 Rel. Per (%)	0/51/72
12M Avg Val (INR M)	3058

**Financials & Valuations (INR b)**

Y/E March	FY24	FY25E	FY26E
Sales	1,306.4	1,356.4	1,384.7
EBITDA	134.8	128.0	157.2
Adj. PAT	90.2	86.3	108.7
Adj. EPS (INR)	13.7	13.1	16.5
EPS Gr. (%)	70.1	-4.3	26.0
BV/Sh.(INR)	101.8	109.6	119.5

**Ratios**

Net D:E	0.2	0.3	0.2
RoE (%)	15.0	12.9	15.0
RoCE (%)	11.9	10.2	11.6
Payout (%)	40.1	40.1	40.1

**Valuations**

P/E (x)	14.9	15.6	12.4
P/BV (x)	2.0	1.9	1.7
EV/EBITDA (x)	8.6	8.8	7.2
Div. Yield (%)	3.0	2.9	3.6
FCF Yield (%)	4.0	1.7	3.6

**Shareholding pattern (%)**

As On	Mar-24	Dec-23	Mar-23
Promoter	51.5	51.5	51.5
DII	27.0	27.1	25.7
FII	14.8	14.9	17.0
Others	6.7	6.5	5.8

FII Includes depository receipts

**CMP: INR209**

**TP: INR235 (+13%)**

**Buy**

**One-offs mar 4QFY24; robust guidance maintained**

- GAIL reported an EBITDA of INR36b in 4QFY24, 4% below our estimate, even as PAT came in 19% below our estimate. The miss was due to a weaker-than-expected performance in the trading segment, a one-off depreciation-related charge of INR1.7b, and lower-than-expected other income. This was partly offset by a strong performance in the petchem and LPG segments, with EBIT coming ahead of our expectations.
  - GAIL anticipates a robust domestic gas demand, projecting gas transmission volumes to reach 132mmscmd by end-FY25 and 142mmscmd by end-FY26. For the trading segment, management guided an EBIT of INR40-45b, while for the petchem segment, it remained hopeful of a healthy FY25 profitability amid weaker spot LNG prices.
  - The key takeaways from the analyst meet: 1) the quality of guidance has significantly improved and GAIL remains on track to achieve the guided volumes and profitability in transmission and trading, 2) the strength of improvement in petchem profitability has surprised us/street, and 3) key projects such as PDH-PP remain on track for completion as per timelines.
  - We value the core business at 13x FY26E adj. EPS of INR15. Adding the value of listed and unlisted investments of INR40, we arrive at a TP of INR235.
- Reiterate BUY.**

**Miss due to a weaker-than-estimated trading performance and one-offs**

- EBITDA came in 4% lower than our estimate at INR35.6b (our est. of INR36.9b, 11.6x YoY).
- The miss was due to weaker-than-expected performances in the gas transmission and trading segments, partially offset by better-than-expected performance in the Petchem, LPG, and Liq. HC segments.
- PAT was 19% below our est. at INR21.8b (est. of INR27b, 3.6x YoY), mainly due to lower other income and higher DDA in 4QFY24.
- Natural gas transmission volume stood at 123.7mmscm (vs. our est. of 128.4mmscm; 121.5mmscm in 3QFY24).
- Gas marketing volume stood at 99.9mmscm (vs. 98.1mmscm in 3QFY24).
- LHC sales rose 5% YoY to 261 TMT (vs. 249tmt in 3QFY24) & Polymer sales jumped 13% YoY to 242tmt (vs. our est. of 216.4mmscm; 215mmscm in 3Q).
- **During FY24**, GAIL's revenue stood at INR1.3t (-9% YoY). EBITDA was INR133b (+99% YoY), while PAT stood at INR88.4b (+67% YoY).
- The residual value of Natural Gas/LPG/CGD pipelines has been revised to 'NIL', resulting in an additional depreciation of INR1.7b in 4QFY24.

**Segmental EBIT details for the quarter**

- Gas transmission business posted an EBIT of INR9.8b (vs. loss of INR164m in 4QFY23).
- LPG transmission EBIT stood at INR756m (-5% YoY).
- Trading business posted an EBIT of INR13.9b (vs. EBIT of INR4.9b in 4QFY23).
- Petchem segment posted an EBIT of INR2.6b (vs. a loss of INR4b in 4QFY23).
- LPG and HC reported an EBIT of INR3.3b (vs. EBIT of INR1.2b in 4QFY23).

**Valuation and view**

- **We reiterate our BUY rating on GAIL with a TP of INR235.** During FY24-26E, we are modeling PAT to report a 10% CAGR driven by:
  - Rising natural gas transmission volumes to 142mmscmd in FY26 from 120mmscmd in FY24;
  - Substantial improvement in petchem segment’s profitability over 2HFY25- FY26 as new petchem capacity will be operational and low inventories globally will drive re-stocking demand, thus improving spreads; and
  - Healthy trading segment profitability with EBIT guided at INR40-45b.
  - We expect GAIL’s ROE to improve to ~15% in FY26 from 9.5% in FY23, with healthy FCF generation of INR44b in FY26 (vs. -INR45.3b in FY23), which we believe can drive a re-rating for the stock.

**Standalone quarterly performance**

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Net Sales</b>	<b>375,721</b>	<b>384,909</b>	<b>353,804</b>	<b>328,582</b>	<b>324,079</b>	<b>318,226</b>	<b>342,535</b>	<b>323,345</b>	<b>1443,016</b>	<b>1308,185</b>	<b>312,208</b>	<b>4%</b>
Change (%)	116.1	78.9	37.3	21.8	-13.7	-17.3	-3.2	-1.6	57.5	-9.3	-5.0	
<b>EBITDA</b>	<b>43,657</b>	<b>17,647</b>	<b>2,613</b>	<b>3,072</b>	<b>26,131</b>	<b>34,913</b>	<b>38,226</b>	<b>35,578</b>	<b>66,989</b>	<b>1,34,848</b>	<b>36,913</b>	<b>-4%</b>
% of Net Sales	11.6	4.6	0.7	0.9	8.1	11.0	11.2	11.0	4.6	10.3	11.8	
Depreciation	6,030	6,194	6,226	6,432	6,358	7,503	7,843	11,605	24,881	33,308	7,885	
Interest	481	683	1,050	903	1,758	1,718	1,564	1,932	3,117	6,972	1,420	
Other Income	1,798	7,988	6,889	10,172	2,676	5,609	8,121	6,376	26,847	22,782	9,367	
<b>PBT</b>	<b>38,944</b>	<b>18,759</b>	<b>2,227</b>	<b>5,909</b>	<b>20,691</b>	<b>31,301</b>	<b>36,940</b>	<b>28,418</b>	<b>65,838</b>	<b>1,17,350</b>	<b>36,975</b>	<b>-23%</b>
Tax	9,792	3,388	-231	-127	4,767	7,252	8,514	6,648	12,823	27,181	9,934	
Rate (%)	25.1	18.1	-10.4	-2.1	23.0	23.2	23.0	23.4	19.5	23.2	26.9	
<b>PAT</b>	<b>29,152</b>	<b>15,371</b>	<b>2,457</b>	<b>6,035</b>	<b>15,924</b>	<b>24,049</b>	<b>28,426</b>	<b>21,770</b>	<b>53,015</b>	<b>90,169</b>	<b>27,040</b>	<b>-19%</b>
Change (%)	90.5	-46.3	-92.5	-77.5	-45.4	56.5	1,056.8	260.7	-48.8	70.1	348.0	
<b>Adj PAT</b>	<b>29,152</b>	<b>15,371</b>	<b>2,457</b>	<b>6,035</b>	<b>15,924</b>	<b>24,049</b>	<b>28,426</b>	<b>21,770</b>	<b>53,015</b>	<b>90,169</b>	<b>27,040</b>	<b>-19%</b>
Change (%)	90.5	-46.3	-92.5	-76.8	-45.4	56.5	1,056.8	260.7	-48.5	70.1	348.0	
<b>Key Assumptions</b>												
Gas Trans. volume (mmscmd)	109.5	107.7	103.7	108.2	116.3	120.3	121.5	123.7	107.3	120.5	128.4	-4%
Petchem sales ('000MT)	109.0	108.0	65.0	118.0	162.0	168.0	215.0	242.0	400.0	787.0	216.4	12%





# Zydus LifeSciences

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ZYDUSLIF IN
Equity Shares (m)	1006
M.Cap.(INRb)/(USDb)	1058 / 12.7
52-Week Range (INR)	1057 / 483
1, 6, 12 Rel. Per (%)	10/51/79
12M Avg Val (INR M)	945

### Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	195.5	222.7	245.6
EBITDA	53.0	60.7	62.8
Adj. PAT	37.9	41.5	43.0
EBIT Margin (%)	23.2	23.8	22.4
Cons. Adj. EPS (INR)	37.0	40.6	42.0
EPS Gr. (%)	65.0	9.7	3.6
BV/Sh. (INR)	193.7	244.2	279.3

### Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	20.3	18.5	16.1
RoCE (%)	18.8	17.2	15.0
Payout (%)	14.6	14.3	13.8

### Valuations

P/E (x)	28.3	25.8	24.9
EV/EBITDA (x)	20.2	17.1	16.2
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	1.5	2.1	3.0
EV/Sales (x)	5.5	4.7	4.1

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	75.0	75.0	75.0
DII	12.6	13.0	13.6
FII	5.7	5.0	3.4
Others	6.7	7.0	8.0

FII Includes depository receipts

**CMP: INR1,051**      **TP: INR1,045 (-1%)**      **Neutral**

## Niche products, superior execution boost earnings

### Levers in place to improve business prospects over next 2-3 years

- Zydus Life (ZYDUS) delivered a better-than-expected 4QFY24 performance, driven by increased off-take in the US/EU/API segments. ZYDUS saw better growth than the industry in the domestic formulation (DF) market. It ended FY24 on a strong note with 13%/41%/65% YoY growth in revenue/EBITDA/PAT.
- We raise our earnings estimates by 12%/14% for FY25/FY26 to factor in a) niche launches/increased traction in commercialized limited competition products, b) increasing share of chronic therapies in the DF segment, and c) a gradual recovery in demand for consumer healthcare products. We value ZYDUS at 24x 12M forward earnings to arrive at a TP of INR1,045.
- ZYDUS is in good stead to maintain growth momentum in its key markets of US/DF. It continues to work on complex products, including peptides, transdermals and injectables for regulated markets, as well as innovation products for global markets. While the outlook is promising, the valuation factors in the earnings upside adequately. Maintain Neutral on the stock.

### Product mix partly offset by low operating leverage on YoY basis in 4Q

- Sales grew 10.4% YoY to INR55.3b (our est. INR52.7b). EM/EU sales grew 12.9% YoY to INR5b (9% of sales). India sales (40% of sales), comprising DF and consumer businesses, grew 8% YoY to INR21.6b. Within India, branded formulations grew 7.1% YoY to INR13.8b. Consumer wellness grew by 9.6% YoY to INR7.8b. US sales grew 12% YoY (+10.5% YoY in CC terms) to INR25.2b (USD304m; 47% of sales). API sales grew 14.8% YoY to INR1.4b (3% of sales).
- Gross margin expanded 470bp YoY to 70.9%, due to a better product mix.
- EBITDA margin expanded by 320bp YoY to 29.4% (our est. 28.6%), led by higher employee costs/other expenses (+70bp/+90bp YoY).
- Consequently, EBITDA grew 23.7% YoY to INR16.3b (our est. INR15b).
- 4Q had exceptional items related to a forex gain of INR53m.
- Adjusting for the same, PAT grew 52% YoY to INR11.7b (our est. INR9.2b).
- During FY24, revenue/EBITDA/PAT grew 13.4%/41.8%/65% to INR195b/INR53b/INR38b.

### Highlights from the management commentary

- Guided for high-teens YoY growth in revenue in FY25, assuming competition for g-Asacol.
- Indicated gross margin/EBITDA margin to sustain in FY25 as well.
- Intends to launch 35+ products in the US market in FY25.
- Guided for double-digit YoY growth in DF revenue in FY25.
- Expects R&D spending to be 7-8% of sales in FY25.

**Quarterly Performance (Consolidated)**

(INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24	Chg. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Revenues</b>	<b>39.6</b>	<b>40.1</b>	<b>42.6</b>	<b>50.1</b>	<b>51.4</b>	<b>43.7</b>	<b>45.1</b>	<b>55.3</b>	<b>172.4</b>	<b>195.5</b>	<b>52.7</b>	<b>5.0</b>
YoY Change (%)	-0.9	5.8	17.0	29.7	29.6	9.1	5.8	10.4	12.9	13.4	5.2	
Total Expenditure	32.4	32.0	33.6	37.0	36.1	33.0	34.2	39.1	135.0	142.4	37.6	
<b>EBITDA</b>	<b>7.2</b>	<b>8.0</b>	<b>9.0</b>	<b>13.1</b>	<b>15.3</b>	<b>10.6</b>	<b>10.8</b>	<b>16.3</b>	<b>37.4</b>	<b>53.0</b>	<b>15.1</b>	<b>7.7</b>
YoY Change (%)	-25.4	-6.8	19.7	52.6	111.5	32.6	20.3	23.7	6.1	41.8	14.8	
Margins (%)	18.3	20.0	21.1	26.2	29.8	24.4	24.0	29.4	21.7	27.1	28.6	
Depreciation	1.8	1.8	1.8	1.8	1.8	1.8	1.9	2.1	7.2	7.6	2.0	
<b>EBIT</b>	<b>5.4</b>	<b>6.2</b>	<b>7.2</b>	<b>11.4</b>	<b>13.5</b>	<b>8.8</b>	<b>8.9</b>	<b>14.2</b>	<b>30.2</b>	<b>45.4</b>	<b>13.1</b>	
YoY Change (%)	-31.9	-8.2	24.9	68.0	148.6	41.8	23.6	25.0	7.4	50.4	15.6	
Margins (%)	13.7	15.5	16.9	22.7	26.3	20.1	19.7	25.7	17.5	23.2	24.9	
Interest	0.3	0.4	0.3	0.3	0.2	0.1	0.2	0.3	1.3	0.8	0.0	
Other Income	0.7	0.4	0.4	0.4	0.4	0.5	0.4	1.6	1.9	2.8	0.5	
<b>PBT before EO Income</b>	<b>5.8</b>	<b>6.3</b>	<b>7.2</b>	<b>11.5</b>	<b>13.7</b>	<b>9.3</b>	<b>9.0</b>	<b>15.4</b>	<b>30.7</b>	<b>47.4</b>	<b>13.6</b>	<b>13.1</b>
EO Exp/(Inc)	-1.1	-0.1	-0.6	6.6	0.4	-0.8	-0.2	-0.1	4.8	-0.7	0.0	
<b>PBT after EO Income</b>	<b>6.8</b>	<b>6.4</b>	<b>7.8</b>	<b>4.9</b>	<b>13.3</b>	<b>10.1</b>	<b>9.3</b>	<b>15.5</b>	<b>25.9</b>	<b>48.1</b>	<b>13.6</b>	<b>13.5</b>
Tax	1.2	1.4	2.0	1.4	2.2	2.3	2.1	3.2	5.9	9.8	3.6	
Rate (%)	17.4	21.3	25.0	28.2	16.3	22.5	23.1	20.8	22.7	20.3	26.5	
Min. Int/Adj on Consol	-0.4	0.1	0.4	-0.5	-0.3	0.2	0.6	-0.5	-0.4	0.1	-0.8	
<b>Reported PAT</b>	<b>5.3</b>	<b>5.2</b>	<b>6.2</b>	<b>3.0</b>	<b>10.9</b>	<b>8.0</b>	<b>7.7</b>	<b>11.8</b>	<b>19.6</b>	<b>38.4</b>	<b>9.2</b>	<b>28.2</b>
<b>Adj PAT</b>	<b>4.4</b>	<b>5.1</b>	<b>5.8</b>	<b>7.7</b>	<b>11.2</b>	<b>7.4</b>	<b>7.5</b>	<b>11.7</b>	<b>22.9</b>	<b>37.9</b>	<b>9.2</b>	<b>27.7</b>
YoY Change (%)	-26.4	-13.6	14.4	46.1	155.4	45.7	29.6	52.1	3.9	65.0	19.1	
Margins (%)	11.1	12.6	13.6	15.4	21.8	16.9	16.7	21.2	13.3	19.4	17.5	

E: MOFSL Estimates; Sum of 4 quarters of FY23 would not match full year numbers due to restatement of 3QFY24/4QFY23

**Key performance Indicators (Consolidated)**

(INR b)

Y/E March	FY23				FY24E				FY23	FY24	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>INRb</b>											
Domestic formulations	11.3	12.6	12.3	12.9	12.3	13.3	14.3	13.8	49.1	53.7	14.1
YoY Change (%)	-17.1	4.2	14.1	10.8	9.1	5.5	15.9	7.1	2.0	9.3	9.6
US sales	15.6	17.1	19.3	22.5	24.5	18.6	18.4	25.2	74.5	86.9	24.2
YoY Change (%)	7.4	14.0	28.0	58.3	57.4	9.2	-4.3	12.0	28.1	16.7	7.4
Consumer healthcare	6.9	4.2	4.1	7.1	6.9	4.4	4.0	7.8	22.3	23.0	7.1
YoY Change (%)	18.0	12.0	7.9	11.8	0.3	3.0	-3.5	9.6	12.9	3.0	0.0
EU	0.6	0.5	0.7	0.8	0.6	0.6	0.7	1.0	2.6	3.0	1.0
YoY Change (%)	2.5	-11.3	3.7	18.5	5.0	5.0	5.0	39.7	5.8	15.0	39.7
Emerging markets	3.2	3.3	3.1	3.6	4.2	3.9	4.2	3.9	13.2	16.3	4.0
YoY Change (%)	13.9	-5.2	5.8	32.5	34.7	19.0	17.0	7.4	7.3	23.6	8.9
API	1.2	1.1	1.9	1.3	1.4	1.3	1.4	1.4	5.5	5.7	1.4
YoY Change (%)	-9.7	-16.6	14.0	-8.2	13.5	14.4	-23.9	14.8	-4.0	3.4	12.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	38.1	36.9	35.5	33.8	32.6	33.7	32.6	29.1	35.9	31.9	32.8
Staff Cost (% of Sales)	17.2	16.8	16.2	14.4	14.2	17.2	18.1	15.1	16.0	16.1	15.6
R&D Expenses(% of Sales)	7.2	6.3	8.1	7.1	6.3	7.4	7.0	6.4	7.2	6.7	7.0
Other Cost (% of Sales)	19.3	20.0	19.1	18.4	17.1	17.3	18.3	20.0	19.2	18.3	15.9
Gross Margins(%)	61.9	63.1	64.5	66.2	67.4	66.3	67.4	70.9	64.1	68.1	67.2
EBITDA Margins(%)	18.3	20.0	21.1	26.2	29.8	24.4	24.0	29.4	21.7	27.1	28.6
EBIT Margins(%)	13.7	15.5	16.9	22.7	26.3	20.1	19.7	25.7	17.5	23.2	21.0

E: MOFSL Estimates





# Vodafone Idea

Estimate changes

TP change

Rating change

**CMP: INR13**

**TP: INR15 (+13%)**

**Neutral**

Bloomberg	IDEA IN
Equity Shares (m)	50120
M.Cap.(INRb)/(USDb)	880.9 / 10.6
52-Week Range (INR)	18 / 7
1, 6, 12 Rel. Per (%)	1/-23/64
12M Avg Val (INR M)	6118

## Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Net Sales	427	491	597
EBITDA	171	215	274
Adj. PAT	-320	-292	-256
EBITDA Margin (%)	40.2	43.7	46.0
Adj. EPS (INR)	-11.1	-10.1	-8.9
EPS Gr. (%)	9.3	-8.8	-12.1
BV/Sh. (INR)	-32.4	-35.3	-43.2

## Ratios

Net D:E	-2.4	-2.3	-2.0
RoE (%)	NM	NM	NM
RoCE (%)	-3.6	-2.0	0.5
Payout (%)	0.0	0.0	0.0

## Valuations

EV/EBITDA (x)	18.5	15.1	12.6
P/E (x)	-1.2	-1.3	-1.5
P/B (x)	-0.4	-0.4	-0.3
Div. Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	48.9	50.4	50.4
DII	34.4	36.2	33.7
FII	2.0	2.3	2.3
Others	14.7	11.2	13.6

FII Includes depository receipts

## Subscriber loss slows down

### Capex of INR500-550b over the three years to support network upgrade

- VIL reported 2% QoQ EBITDA growth (pre-Ind AS-116) in 4QFY24, despite a decline in revenue. EBITDA growth was supported by cost savings in network opex and subscriber acquisition costs, partly offset by high roaming/access costs. The subscriber loss slowed down in 4Q.
- The capital raise has provided some breather to VIL as the long-pending capex and continuous subscriber churn have been affecting its operating performance. With the fund raise, the capex will be directed toward the rollout of 4G and 5G. We have incorporated a tariff hike in our estimates, building ARPU growth of 16% and revenue/EBITDA CAGR of 18/27% over FY24-26E. Assuming 14x EV/EBITDA, coupled with net debt of INR2.1t, leaves limited opportunities for equity shareholders.

### Pre-Ind AS EBITDA up 2% QoQ

- Revenue declined 1% QoQ to INR106b (in line), led by 1% QoQ subscriber loss (2.6m loss), partly offset by +1% QoQ ARPU growth to INR146.
- Reported EBITDA was flat QoQ at INR43.3b (in line), while margin improved 10bp QoQ to 40.9%.
- Roaming charges increased 80bp QoQ (% of sales), offset by all the other costs. Network and license costs declined 20bp QoQ each, and subscriber acquisition and other expenses declined 30bp QoQ each.
- Pre-Ind AS EBITDA grew 2% QoQ to INR21.8b (in line) and margin improved 50bp QoQ to 20.6%.**
- Adj. net loss remained flat QoQ at INR77b (in line).
- Capex** slightly increased to INR5.5b in 4Q (vs. INR3.3b in 3Q) and INR18.5b in FY24. For Bharti/RJio, annual network capex stood at INR331b/INR533b in FY24, significantly above VIL, despite having higher capacity. **Net debt declined by INR72b to INR2.1t.**
- FY24 revenue/pre-Ind AS EBITDA grew 1% YoY, while loss remained high.
- VIL generated OCF of INR121b (up 10% YoY) due to income tax refund. Capex and spectrum payments declined 60% YoY to INR20b (vs. INR55b in FY23). After interest payment of INR29b, FCF stood at INR73b (vs. INR33b in FY23). VIL repaid INR74b of bank debt during the year.

### Highlights from the management commentary

- Capex:** It is expected to be in the range of INR500b to INR550b over the next three years for 4G coverage expansion, 5G launch, capacity expansion, and growing the enterprise business. The company expects to start rolling out 5G on a large scale in about six months.
- Debt raise:** In discussions with a consortium of banks to raise up to INR250b and additional non-fund based facilities of up to INR100b.

- **AGR petition:** The company has filed for INR60b of AGR correction, which together with interest and penalty stands at INR240b as of Oct'19 and ~INR330b as on Mar'24.
- **Price hikes:** Pricing increases may result in some consolidation, but only in dual SIMs or multiple SIMs. However, the company believes the market can absorb the price increase. The price increase may not be as high at the entry level.

### Valuation and view

- VIL has seen a consistent rise in ARPU, led by the shift to 4G, higher data monetization, and an increase in minimum recharge vouchers. However, there has been elevated subscriber churn during this period.
- Limited network investments slowed customer experience, resulting in subscriber churn. Improvement in network investments may take 2-3 years. With this, the company expects to restrict the subscriber churn and grow its data subscriber base.
- The company expects to invest INR500-550b over the next three years in 4G coverage expansion, 5G launch and capacity expansion, which hold significant importance.
- However, it still holds a debt of INR2.1t with an annual installment of INR430b from FY26 onward. This looks challenging against FY24 annualized EBITDA (IND-AS 116) of INR84b.
- The significant amount of cash required to service debt leaves limited upside opportunities for equity holders, despite the high operating leverage opportunity from any source of ARPU increase. We expect the conversion into equity of unpaid installment post moratorium to start by FY26/FY27.
- We have incorporated a tariff hike in our estimates, building ARPU growth of 16% and revenue/EBITDA CAGR of 18%/27% over FY24-26E. Assuming 14x EV/EBITDA, coupled with a net debt of INR2.1t, derives TP of INR15. The reduction in AGR liability, restriction in subscriber churn, and a potential tariff hike could remain key catalysts for the stock. We reiterate our Neutral rating on the stock.

### Consolidated - Quarterly Earning Model

(INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24E	Est Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
<b>Revenue</b>	<b>104</b>	<b>106</b>	<b>106</b>	<b>105</b>	<b>107</b>	<b>107</b>	<b>107</b>	<b>106</b>	<b>422</b>	<b>427</b>	<b>107</b>	<b>-1.0</b>
YoY Change (%)	13.7	12.8	9.3	2.9	2.4	1.0	0.5	0.7	9.5	1.1	1.7	
Total Expenditure	61	65	64	63	65	64	63	63	254	255	63	-0.6
<b>EBITDA</b>	<b>43</b>	<b>41</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>43</b>	<b>168</b>	<b>171</b>	<b>44</b>	<b>-1.6</b>
YoY Change (%)	16.7	6.1	9.5	-9.4	-4.0	4.5	4.1	3.0	4.9	1.8	4.6	
Depreciation	58	57	59	57	56	57	56	58	230	226	56	3.0
Net Finance Costs	58	60	63	49	64	65	65	62	230	257	65	-3.9
<b>PBT before EO expense</b>	<b>-73</b>	<b>-76</b>	<b>-80</b>	<b>-64</b>	<b>-78</b>	<b>-79</b>	<b>-77</b>	<b>-77</b>	<b>-293</b>	<b>-312</b>	<b>-77</b>	<b>0.2</b>
Extra-Ord expense	0	0	0	0	0	0	-8	0	0	-8	0	
<b>PBT</b>	<b>-73</b>	<b>-76</b>	<b>-80</b>	<b>-64</b>	<b>-78</b>	<b>-79</b>	<b>-70</b>	<b>-77</b>	<b>-293</b>	<b>-304</b>	<b>-77</b>	<b>0.2</b>
Tax	0.0	0.0	0.0	0.0	0.0	8.2	0.0	0.1	0.0	8.3	0.0	987.5
Rate (%)	-0.1	-0.1	0.0	0.1	0.0	-10.3	0.0	-0.1	0.0	-2.7	0.0	
<b>Reported PAT</b>	<b>-73</b>	<b>-76</b>	<b>-80</b>	<b>-64</b>	<b>-78</b>	<b>-87</b>	<b>-70</b>	<b>-77</b>	<b>-293</b>	<b>-312</b>	<b>-77</b>	<b>0.1</b>
<b>Adj PAT</b>	<b>-73</b>	<b>-76</b>	<b>-80</b>	<b>-64</b>	<b>-78</b>	<b>-87</b>	<b>-77</b>	<b>-77</b>	<b>-293</b>	<b>-320</b>	<b>-77</b>	<b>0.1</b>
YoY Change (%)	-2.7	6.3	10.7	-2.3	7.4	15.0	-3.1	20.0	3.1	9.3	20.1	

E: MOFSL Estimates



# Container Corporation

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR1,087**      **TP: INR1,260 (+16%)**      **Buy**

## Volume growth to be robust, driven by domestic cargo

### Revenue in line; EBITDA below estimate

Bloomberg	CCRI IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	662.3 / 7.9
52-Week Range (INR)	1116 / 610
1, 6, 12 Rel. Per (%)	13/31/46
12M Avg Val (INR M)	1306

- CCRI's revenue grew 7% YoY to INR23.2b in 4QFY24 (in line). Total volumes increased 11% YoY to 1.24m TEUs with EXIM/Domestic volumes at 0.93m/0.31m TEUs (+10%/+16% YoY; in line).
- Blended realization declined ~4% YoY to INR18,619/TEU. EXIM/Domestic realization stood at INR15,436/INR28,184 per TEU (-1%/-10% YoY).
- EBITDA margin improved 60bp YoY to 21.1% (vs. our estimate of 23.2%). EBITDA grew 10% YoY and was 8% below our estimate. Sequentially, EBITDA was hit by high other expenses.
- APAT increased 8% YoY to INR3b (12% below our estimate of INR3.4b); in line with operating performance.
- In FY24, total volume rose 8% YoY to 4.71m TEUs with EXIM/Domestic volumes at 3.64m/1.07m TEUs (+7%/+12% YoY). FY24 revenue stood at INR86.3b (+6.5% YoY), EBITDA came in at INR19.3b (+4.8% YoY), EBITDA margin was 22.4%, and APAT stood at INR12.4b (+5.8% YoY).
- The land license fee for 4QFY24 stood at INR830m (INR3.7b in FY24). LLF for FY25 is expected to be INR 4-4.2b.
- Volume was largely in line with expectation in 4Q. Going forward a) the higher share of double-stacked trains in overall cargo volumes and b) focus of management on increasing First Mile Last Mile service to ~85% of cargo volumes by FY26 would support volumes and earnings. We increase our EBITDA for FY25E/26E by 9%/13% and **reiterate our BUY rating with a revised TP of INR1,260 (based on 22x EV/EBITDA on FY26E)**.

### Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	86.3	103.1	125.3
EBITDA	19.3	25.2	31.6
Adj. PAT	12.4	16.7	21.3
EBITDA Margin (%)	22.4	24.4	25.2
Adj. EPS (INR)	20.3	27.4	35.0
EPS Gr. (%)	5.8	34.9	27.5
BV/Sh. (INR)	193.9	209.1	228.5

### Ratios

Net D:E	(0.3)	(0.3)	(0.4)
RoE (%)	10.7	13.6	16.0
RoCE (%)	11.1	14.0	16.3
Payout (%)	44.6	44.6	44.6

### Valuations

P/E (x)	53.6	39.7	31.1
P/BV (x)	5.6	5.2	4.8
EV/EBITDA(x)	32.0	24.0	18.7
Div. Yield (%)	0.8	1.1	1.4
FCF Yield (%)	0.9	2.4	3.1

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	54.8	54.8	54.8
DII	25.0	22.9	19.3
FII	16.6	19.6	22.2
Others	3.6	2.8	3.7

FII Includes depository receipts

### Highlights from the management commentary

- EXIM volume is projected to grow 15% YoY in FY25 and domestic volume by 25%, resulting in an overall volume growth of 18-20%. Originating volumes are expected to follow a similar trend. Management is expecting margins of ~25% for FY25.
- Domestic volume growth of 25% in FY25 will be driven by a) the new initiative to carry bulk cement, which will yield full benefits in FY25, and b) the recovery of ~30,000-40,000 TEUs lost in FY24 due to reduced rice volumes.
- CCRI has applied for the Tughlakabad terminal under the Gati-Shakti scheme, which will reduce LLF provision for FY25 by ~INR 1b. LLF provisioning in FY25 will be ~INR 4-4.2b (excluding Gati-Shakti benefit).
- CCRI had a market share of ~55% in EXIM containers and ~68% in domestic containers in FY24 (compared to 58% in EXIM and 73% in domestic in FY23).

**Valuation and view**

- Focus has shifted to increasing the share of rail in the overall modal mix. Increasing double-stacked trains with direct connection to ports will help the company gain higher share of cargo volumes. Further, transportation of bulk cement and pickup in demand of packed cement will help drive volume for the company in FY25 and beyond.
- With DFC commissioning and a continuous ramp-up in the number of double stacked trains, we expect blended volumes to post 15% CAGR over FY24-26. We expect EBITDA margin to be 24-25% over FY24-26. The stock trades at 18.7x FY26E EV/EBITDA. We **reiterate our BUY rating with a revised TP of INR1,260 (based on 22x EV/EBITDA on FY26E).**

**Standalone quarterly performance**

Y/E March	FY23				FY24				FY23	FY24	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Net Sales</b>	<b>19,783</b>	<b>19,707</b>	<b>19,884</b>	<b>21,660</b>	<b>19,193</b>	<b>21,904</b>	<b>22,051</b>	<b>23,176</b>	<b>81,034</b>	<b>86,325</b>	<b>22,844</b>	<b>1</b>
YoY Change (%)	9.4	8.0	3.6	6.0	-3.0	11.1	10.9	7.0	6.7	6.5	5.5	
<b>EBITDA</b>	<b>4,723</b>	<b>4,987</b>	<b>4,264</b>	<b>4,447</b>	<b>3,916</b>	<b>5,373</b>	<b>5,117</b>	<b>4,890</b>	<b>18,421</b>	<b>19,296</b>	<b>5,295</b>	<b>(8)</b>
Margins (%)	23.9	25.3	21.4	20.5	20.4	24.5	23.2	21.1	22.7	22.4	23.2	
YoY Change (%)	9.0	16.9	-6.4	7.7	-17.1	7.7	20.0	10.0	6.6	4.8	19.1	
Depreciation	1,312	1,341	1,357	1,531	1,378	1,486	1,543	1,603	5,541	6,009	1,537	
Interest	139	143	142	146	141	147	175	190	570	653	157	
Other Income	629	520	1,136	955	815	1,025	1,007	937	3,240	3,783	994	
<b>PBT before EO expense</b>	<b>3,901</b>	<b>4,022</b>	<b>3,901</b>	<b>3,726</b>	<b>3,212</b>	<b>4,764</b>	<b>4,406</b>	<b>4,034</b>	<b>15,550</b>	<b>16,416</b>	<b>4,596</b>	<b>(12)</b>
Extra-Ord expense	0	0	0	13	0	0	0	71	13	-71	0	
<b>PBT</b>	<b>3,901</b>	<b>4,022</b>	<b>3,901</b>	<b>3,713</b>	<b>3,212</b>	<b>4,764</b>	<b>4,406</b>	<b>3,963</b>	<b>15,537</b>	<b>16,488</b>	<b>4,596</b>	<b>(14)</b>
Tax	988	994	936	928	771	1,187	1,062	1,017	3,847	4,037	1,157	
Rate (%)	25.3	24.7	24.0	25.0	24.0	24.9	24.1	25.7	24.8	24.5	25.2	
<b>Reported PAT</b>	<b>2,913</b>	<b>3,028</b>	<b>2,965</b>	<b>2,785</b>	<b>2,441</b>	<b>3,577</b>	<b>3,344</b>	<b>2,945</b>	<b>11,691</b>	<b>12,451</b>	<b>3,439</b>	<b>(14)</b>
<b>Adj PAT</b>	<b>2,913</b>	<b>3,028</b>	<b>2,965</b>	<b>2,785</b>	<b>2,441</b>	<b>3,577</b>	<b>3,344</b>	<b>2,945</b>	<b>11,703</b>	<b>12,379</b>	<b>3,439</b>	<b>(14)</b>
YoY Change (%)	14.3	14.7	3.5	8.4	-16.2	18.1	12.8	5.8	10.2	5.8	23.5	
Margins (%)	14.7	15.4	14.9	12.9	12.7	16.3	15.2	12.7	14.4	14.3	15.1	



# Phoenix Mills

Estimate change	↓
TP change	↔
Rating change	↔

**CMP: INR3,126      TP: 3,220 (+3%)      Neutral**

## Strong growth aided by opening of new malls

### Beat on revenue led by the residential segment; EBITDA/PAT in line

- Phoenix Mills (PHNX) reported revenue of INR13.1b, up 79%/32% YoY/QoQ, which was 20% ahead of our estimate due to a higher contribution from the residential segment as Tower 7 of its project in One Bangalore West received OC. During FY24, its revenue jumped 51% YoY to INR39.7b.
- However, on account of a higher residential mix, the EBITDA margin contracted 11pp to 48%. As a result, EBITDA growth was restricted to 46% YoY at INR6.3b (in line). Adj. PAT rose 59% YoY to INR3.3b (in line). During FY24, Adj. PAT stood at INR11b, up 37% YoY.
- PHNX generated an OCF (post-interest) of INR17.8b (up 27% YoY) and incurred a capex of INR16.7b. Its gross debt was flat QoQ at INR43.7b; however, net debt declined INR1b to INR15.6b.

### New malls drive strong consumption and rental growth

- Consumption across PHNX's mall portfolio was up 28% YoY to INR28b in 4QFY24 and it rose 23% YoY in FY24 to INR113.4b, marginally ahead of its guidance of INR110b. On a like-for-like basis, consumption grew 10% YoY for 4Q and 8% YoY for FY24.
- Retail rental income increased 31% YoY to INR4.5b, and EBITDA was up 28% YoY to INR4.5b with a margin of 74% (down 200bp). FY24 retail rental income grew 27% YoY (in line with consumption growth) to INR16.6b as new malls contributed 18% to the overall revenue.
- Trading occupancy stood at 88% in Mar'24, while leased occupancy was 97%. Management expects to reach a trading occupancy of >95% by the end of FY25, which will drive 30% increase in retail rental income in FY25. However, with no new malls getting commissioned over the next two years, we expect rental CAGR to subside to 15% over FY25-27.

### Strong show by the hotel segment; office rentals to scale-up from FY25

- **Hospitality:** Occupancy improved 200bp/400bp QoQ to 88% each for St. Regis and Marriott Agra. ARR was up 10% YoY at St. Regis to ~INR21,200, and it rose 11% YoY at Marriott Agra to INR6,350. Total income grew 11% YoY to INR1.6b, and EBITDA was up 15% YoY to INR0.75b in 4QFY24.
- **Commercial performance:** Occupancy improved 700bp YoY to 70%. Total income was INR480m (+22% YoY), while EBITDA rose 14% YoY to INR300m.
- PHNX is likely to deliver 1.6msf of office assets across Bengaluru, Pune, and Chennai over the next 6-9 months. Thus, we expect its office rental income to report a CAGR of 39% to reach INR4.7b over FY24-FY27.

### Highlights from the management commentary

- **LFL consumption growth:** Most of the Marketcity malls are at the fag end of anchor tenures. In PHNX Bengaluru and Pune, 52% of the space is occupied by anchors, which the company intends to utilize in an efficient manner. The company utilized the space successfully at PMC Mumbai. Over the next 3-5 year period, the consumption CAGR will be 11-12%.

Bloomberg	PHNX IN
Equity Shares (m)	179
M.Cap.(INRb)/(USDb)	558.6 / 6.7
52-Week Range (INR)	3266 / 1390
1, 6, 12 Rel. Per (%)	-3/23/92
12M Avg Val (INR M)	918

#### Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	39.8	40.1	46.7
EBITDA	21.8	23.7	28.9
EBITDA (%)	54.7	59.2	61.9
PAT	11.0	10.9	14.8
EPS (INR)	61.6	60.8	83.0
EPS Gr. (%)	50.6	-1.3	36.5
BV/Sh. (INR)	529.8	587.6	667.6

#### Ratios

Net D/E	0.4	0.3	0.1
RoE (%)	12.3	10.9	13.2
RoCE (%)	12.3	11.3	13.5
Payout (%)	4.4	4.9	3.6

#### Valuations

P/E (x)	50.8	51.4	37.7
P/BV (x)	5.9	5.3	4.7
EV/EBITDA (x)	27.4	24.7	19.6
Div Yield (%)	0.1	0.1	0.1

#### Shareholding pattern (%)

As on	Mar-24	Dec-23	Mar-23
Promoter (%)	47.3	47.3	47.3
DII (%)	15.8	17.7	18.1
FII (%)	32.8	30.8	30.4
Others (%)	4.1	4.2	4.3



- **Business development:** Last quarter, management indicated about 3-4 deals that were expected to be concluded within the next 18-24 months. It has already completed one in Bengaluru. Two more are in the advance stages and are likely to be closed by the end of FY25. PHNX is well on track to deliver 1msf each year. It is in a sweet spot, as the size of one of its malls has increased to 1.5msf.
- **Status of the key upcoming assets: Thane** – Management needs 2-3 months to freeze the development mix, but it will be a large mixed-use development with some retail and hotel components. Management is also evaluating residential development. **Kolkata residential** – It is aiming for a launch in the next 6-8 months. It has circled down on configuration. The micro-market is doing well, with realizations trending at INR15,000/sqft. **Bengaluru new land:** PHNX acquired 6.6 acres of land for INR2.3b. The acquisition window was short, and hence, it did a broad calculation and went ahead. This will provide an opportunity to add at least 1.3-1.4msf and enhance the quality of the existing asset. Management can evaluate residential development too, with a realization of INR15,000/sf.

### Valuation and view

- PHNX continues to deliver strong operational and financial performance, driven by the commencement of new malls. As the trading occupancy ramps up further, we expect the growth momentum to continue. However, in the absence of the completion of any major new mall, we anticipate its growth to taper down in FY26-27.
- That said, we remain confident in the longer-term consumption growth trend, which can sustain at least 7-8%. Considering that, we recently moved to ([report link](#)) a multiple-based valuation from cap rate-based valuation for retail assets, where we value matured malls at 20x EV/EBITDA and new malls at 25x EV/EBITDA. Thus, we arrive at a fair value of INR3,220/share, indicating an upside potential of 3%. **We reiterate our Neutral rating on the stock.** New land acquisitions will be an upside risk to our estimates and valuation.

### Financial Performance

Y/E March	FY23				FY24				FY23	FY24E	4QE	Variance %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>5,744</b>	<b>6,511</b>	<b>6,838</b>	<b>7,290</b>	<b>8,106</b>	<b>8,750</b>	<b>9,861</b>	<b>13,059</b>	<b>26,383</b>	<b>39,777</b>	<b>10,883</b>	20%
YoY Change (%)	188.2	79.0	60.9	47.2	41.1	34.4	44.2	79.1	77.8	50.8	49.3	
Total Expenditure	2,515	2,702	2,994	2,983	3,183	3,691	4,343	6,792	11,194	18,009	4,771	
<b>EBITDA</b>	<b>3,229</b>	<b>3,809</b>	<b>3,845</b>	<b>4,307</b>	<b>4,923</b>	<b>5,060</b>	<b>5,518</b>	<b>6,267</b>	<b>15,189</b>	<b>21,768</b>	<b>6,112</b>	3%
Margins (%)	56.2	58.5	56.2	59.1	60.7	57.8	56.0	48.0	57.6	54.7	56.2	-817bp
Depreciation	500	559	569	650	630	659	656	757	2,278	2,702	797	
Interest	741	834	866	971	957	965	1,042	995	3,412	3,959	1,092	
Other Income	235	324	347	257	290	316	343	372	1,163	1,322	407	
<b>PBT before EO expense</b>	<b>2,223</b>	<b>2,739</b>	<b>2,757</b>	<b>2,943</b>	<b>3,627</b>	<b>3,752</b>	<b>4,163</b>	<b>4,886</b>	<b>10,663</b>	<b>16,429</b>	<b>4,629</b>	
Extra-Ord expense	5,568	0	0	484	0	0	0	0	6,052	0	0	
<b>PBT</b>	<b>7,791</b>	<b>2,739</b>	<b>2,757</b>	<b>3,428</b>	<b>3,627</b>	<b>3,752</b>	<b>4,163</b>	<b>4,886</b>	<b>16,714</b>	<b>16,429</b>	<b>4,629</b>	6%
Tax	341	520	633	496	730	714	724	998	1,989	3,166	839	
Rate (%)	15.3	19.0	23.0	16.8	20.1	19.0	17.4	20.4	18.7	19.3	18.1	
MI & P/L of Asso. Cos.	263	361	360	391	492	512	646	621	1,375	2,270	607	2%
<b>Reported PAT</b>	<b>7,187</b>	<b>1,858</b>	<b>1,764</b>	<b>2,541</b>	<b>2,405</b>	<b>2,526</b>	<b>2,793</b>	<b>3,267</b>	<b>13,350</b>	<b>10,993</b>	<b>3,184</b>	3%
<b>Adj PAT</b>	<b>1,619</b>	<b>1,858</b>	<b>1,764</b>	<b>2,057</b>	<b>2,405</b>	<b>2,526</b>	<b>2,793</b>	<b>3,267</b>	<b>7,298</b>	<b>10,993</b>	<b>3,184</b>	3%
YoY Change (%)	-765.7	220.3	78.3	96.3	48.5	35.9	58.3	58.9	121.3	1,880.3	54.8	
Margins (%)	28.2	28.5	25.8	28.2	29.7	28.9	28.3	25.0	27.7	27.6	29.3	

Source: Company, MOSL





# Balkrishna Industries

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR2,779      TP: INR2,535 (-9%)      Neutral**

Bloomberg	BIL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	540.9 / 6.5
52-Week Range (INR)	2799 / 2105
1, 6, 12 Rel. Per (%)	18/-8/4
12M Avg Val (INR M)	774

## Healthy volume growth boosts overall performance

### Demand outlook remains uncertain

- BIL's 4QFY24 overall performance significantly beat our estimates, led by strong growth in volumes. EBITDA margins came in at 26.3% (+500bp YoY) due to lower RM and other costs, despite a rise in freight costs (+200bp YoY). The management indicated that demand recovered well in 4Q but remains uncertain.
- We raise our FY25E/FY26E EPS by ~12% each to factor in a gradual pickup in demand and resultant margin improvement. We reiterate our **Neutral rating with a TP of INR2,535 (~22x Mar'26E EPS)**.

### Financials & valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	94.5	104.8	120.9
EBITDA	23.7	27.6	32.9
Adj. PAT	14.8	17.6	22.1
EPS (Rs)	76.5	91.1	114.4
EPS Growth (%)	39.7	19.0	25.5
BV/Share (Rs)	458.0	514.1	593.5
<b>Ratios</b>			
RoE (%)	18.0	18.7	20.6
RoCE (%)	13.3	14.9	16.6
Payout (%)	21.0	38.4	30.6
<b>Valuations</b>			
P/E (x)	36.6	30.7	24.5
P/BV (x)	6.1	5.4	4.7
Div. yield (%)	0.6	1.3	1.3
FCF yield (%)	1.9	2.7	2.9

### ASP improves QoQ due to better mix, freight cost pass-through

- BIL's standalone 4QFY24 revenue/EBITDA/PAT grew 16%/44%/90% YoY to INR27b/INR7.1b/INR4.9b (vs. est. INR23.5b/INR5.7b/ INR2.9b). FY24 consol. revenues declined 7% YoY, but EBITDA/adj. PAT grew 15%/34% YoY.
- Volumes grew 13% YoY to 82.1k tons (est. 73.95k tons). Realizations grew 3% YoY to INR328.6k/unit (est. INR318.4k). Realization grew sequentially, mainly led by a better mix, pass-through of high freight costs and better hedge rates, despite no price hikes in 4Q.
- Gross margins expanded 4pp YoY (+130bp QoQ) to 53.3% (est. 51.8%). There was an adverse impact of freight costs (up 200bp YoY as % of sales) due to the Red Sea crisis. Despite this, EBITDA margin improved by 5pp YoY to 26.3% (est. 24.1%), adjusted for the EPR provision of INR112.5m.
- Adj. PAT beat was driven by forex gains, higher other income and a lower tax rate.
- The board declared a dividend of INR16/share for FY24, flat YoY.
- FCF stood at INR10b in FY24 (vs. cash outflow of INR3b in FY23), mainly due to strong operating cash flow of INR20.8b (vs. INR14.5b in FY23) and lower capex of INR10.8b (vs. INR17.5b in FY23).

### Shareholding pattern (%)

	Mar-24	Dec-23	Mar-23
Promoter (%)	58.3	58.3	58.3
DII (%)	22.1	21.4	20.3
FII (%)	12.2	12.7	12.4
Others (%)	7.4	7.6	9.0

FII Includes depository receipts

### Highlights from the management commentary

- **Retail demand improved in 4Q, outlook remains uncertain:** 4Q demand was ahead of the management's guidance as demand picked up in key regions in 4Q. However, the management refrained from giving any volume growth guidance for FY25 as the demand outlook in key regions remains uncertain due to the ongoing geopolitical tensions.
- **RM cost hike to be offset by price hikes:** The management expects a rise in RM costs by only INR1-2/kg in 1QFY25, despite a rise in rubber prices in international markets, as BIL has some stock in inventory and some in transit. To mitigate this impact, BIL plans to hike prices in 1QFY25.
- **Carbon black sales:** FY24 carbon black sales formed 7% of total revenues, which is expected to scale up to 8-9% in FY25. Its current capacity for carbon black stands at 170k tons, which is expected to reach 200k tons. Capacity utilization stands at ~85-90%.

**Valuation and view**

- Retail demand in key global markets is currently on an upswing, while demand in India also remains healthy. However, the management has refrained from giving volume guidance for FY25 due to ongoing geopolitical issues. We expect BIL to continue to outperform the specialty tyre industry, driven by the expansion of its product portfolio and the ramp-up in the OTR segment, providing opportunities to strengthen its competitive positioning.
- Current valuations fairly reflect its industry-leading margin, FCF, and capital efficiencies. It currently trades at a P/E multiple of 31x/25x FY25E/FY26E EPS. We reiterate our **Neutral** stance on the stock.

**Quarterly Earning Model (Standalone)**

(INR m)

Y/E March	FY23				FY24				FY23	FY24	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>Volumes (Ton)</b>	<b>83,153</b>	<b>78,872</b>	<b>66,480</b>	<b>72,676</b>	<b>67,209</b>	<b>70,585</b>	<b>72,749</b>	<b>82,085</b>	<b>3,01,181</b>	<b>2,92,628</b>	<b>73,948</b>
YoY Change (%)	21.2	8.4	-5.5	-5.8	-19.2	-10.5	9.4	12.9	4.3	-2.8	1.8
<b>Realizations (INR '000/ton)</b>	<b>327.9</b>	<b>355.8</b>	<b>333.2</b>	<b>319.9</b>	<b>314.7</b>	<b>318.5</b>	<b>318.3</b>	<b>328.6</b>	<b>334.4</b>	<b>320.4</b>	<b>318.4</b>
YoY Change (%)	23.0	24.5	12.7	1.4	-4.0	-10.5	-4.5	2.7	14.7	-4.2	-0.5
<b>Net Revenues</b>	<b>27,263</b>	<b>28,063</b>	<b>22,153</b>	<b>23,246</b>	<b>21,150</b>	<b>22,481</b>	<b>23,158</b>	<b>26,971</b>	<b>1,00,725</b>	<b>93,760</b>	<b>23,547</b>
YoY Change (%)	49.1	34.9	6.6	-4.4	-22.4	-19.9	4.5	16.0	19.6	-6.9	1.3
<b>EBITDA</b>	<b>5,470</b>	<b>5,640</b>	<b>4,233</b>	<b>4,942</b>	<b>4,863</b>	<b>5,493</b>	<b>5,868</b>	<b>7,098</b>	<b>20,284</b>	<b>23,322</b>	<b>5,664</b>
Margins (%)	20.1	20.1	19.1	21.3	23.0	24.4	25.3	26.3	20.1	24.9	24.1
Depreciation	1,262	1,341	1,449	1,515	1,537	1,586	1,591	1,724	5,566	6,438	1,594
Interest	27	43	136	250	208	229	354	299	456	1,089	357
Forex loss/(gain)	-260	-490	1,660	-30	-330	-250	520	-490	880	-550	460
Other Income	-150	580	430	280	660	520	700	870	1,140	2,750	712
<b>PBT before EI</b>	<b>4,290</b>	<b>5,327</b>	<b>1,417</b>	<b>3,487</b>	<b>4,108</b>	<b>4,448</b>	<b>4,104</b>	<b>6,436</b>	<b>14,521</b>	<b>19,095</b>	<b>3,965</b>
Extra-Ord expense	0	0	0	23	0	0	0	98	23	98	0
<b>PBT</b>	<b>4,290</b>	<b>5,327</b>	<b>1,417</b>	<b>3,465</b>	<b>4,108</b>	<b>4,448</b>	<b>4,104</b>	<b>6,337</b>	<b>14,499</b>	<b>18,997</b>	<b>3,965</b>
Rate (%)	25.4	24.1	29.8	26.1	23.9	24.4	24.8	24.1	25.7	24.3	24.7
<b>Reported PAT</b>	<b>3,199</b>	<b>4,043</b>	<b>995</b>	<b>2,559</b>	<b>3,125</b>	<b>3,363</b>	<b>3,084</b>	<b>4,809</b>	<b>10,774</b>	<b>14,382</b>	<b>2,986</b>
<b>Adj PAT</b>	<b>3,199</b>	<b>4,043</b>	<b>995</b>	<b>2,576</b>	<b>3,125</b>	<b>3,363</b>	<b>3,084</b>	<b>4,884</b>	<b>10,791</b>	<b>14,456</b>	<b>2,986</b>
YoY Change (%)	-10.5	1.2	-69.7	-30.5	-2.3	-16.8	209.9	89.6	-25.9	34.0	15.9

E: MOFSL Estimates

**Key Performance Indicators**

Y/E March	FY23				FY24				FY23	FY24	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>Volumes (Ton)</b>	<b>83,153</b>	<b>78,872</b>	<b>66,480</b>	<b>72,676</b>	<b>67,209</b>	<b>70,585</b>	<b>72,749</b>	<b>82,085</b>	<b>3,01,181</b>	<b>2,92,628</b>	<b>73,948</b>
YoY Change (%)	21.2	8.4	-5.5	-5.8	-19.2	-10.5	9.4	12.9	4.3	-2.8	1.8
<b>Realizations (INR '000/ton)</b>	<b>327.9</b>	<b>355.8</b>	<b>333.2</b>	<b>319.9</b>	<b>314.7</b>	<b>318.5</b>	<b>318.3</b>	<b>328.6</b>	<b>334.4</b>	<b>320.4</b>	<b>318.4</b>
YoY Change (%)	23.0	24.5	12.7	1.4	-4.0	-10.5	-4.5	2.7	14.7	-4.2	-0.5
Gross Margins (%)	53.4	51.2	48.6	49.3	51.7	51.9	52.0	53.3	50.8	52.3	51.8
EBITDA Margins (%)	20.1	20.1	19.1	21.3	23.0	24.4	25.3	26.3	20.1	24.9	24.1
Gross Profit (INR '000/ton)	175.2	182.2	162.1	157.6	162.6	165.3	165.6	175.1	169.9	167.5	165.0
EBITDA (INR '000/ton)	65.8	71.5	63.7	68.0	72.4	77.8	80.7	86.5	67.3	79.7	76.6



# GSK Pharma

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR2,300      TP: INR2,270 (-1%)      Neutral**

**Sales growth/better operating leverage drive earnings**

Bloomberg	GLXO IN
Equity Shares (m)	169
M.Cap.(INRb)/(USDb)	387.4 / 4.6
52-Week Range (INR)	2650 / 1265
1, 6, 12 Rel. Per (%)	19/31/53
12M Avg Val (INR M)	286

**Financials &valuations(INR b)**

Y/E MARCH	FY24	FY25E	FY26E
Sales	34.5	37.3	40.7
EBITDA	9.1	9.9	11.1
Adj. PAT	7.3	7.8	8.6
EBIT Margin (%)	24.3	24.7	25.4
Cons. Adj. EPS (INR)	43.3	45.8	50.8
EPS Gr. (%)	20.5	5.7	10.9
BV/Sh. (INR)	104.9	123.1	146.3

**Ratios**

Net D:E	-0.6	-0.5	-0.6
RoE (%)	41.3	37.2	34.7
RoCE (%)	40.4	40.2	37.7
Payout (%)	61.1	63.1	56.9

**Valuations**

P/E (x)	53.1	50.2	45.3
EV/EBITDA (x)	36.8	33.8	29.9
Div. Yield (%)	1.0	1.0	1.0
FCF Yield (%)	2.9	1.2	2.6
EV/Sales (x)	9.7	9.0	8.1

**Shareholding pattern (%)**

As On	Mar-24	Dec-23	Mar-23
Promoter	75.0	75.0	75.0
DII	7.9	8.7	10.3
FII	3.5	2.9	2.3
Others	13.6	13.4	12.4

FII Includes depository receipts

**Aims to outperform industry; cost control to drive profitable growth**

- GlaxoSmithKline Pharma (GLXO) delivered a better-than-expected performance in 4QFY24 on the back of market share gains in key brands, strong execution in the vaccine segment, and better profitability.
- GLXO delivered its highest quarterly growth rate in the past 12 quarters.
- We raise our earnings estimates by 6%/8% for FY25/FY26, factoring in a) superior growth in the vaccine segment, b) increased offtake of specialty medicine, and c) a superior strategy in the general medicine category to better market share in the domestic formulation (DF) segment. Cost saving initiatives are expected to boost margins. We value GLXO at 43x 12M forward earnings to arrive at a TP of INR2,270.
- GLXO is driving regional expansion and enhancing marketing efforts to boost growth in the DF segment. GLXO remains confident of delivering a strong performance in the vaccine business, including Shingrix. We maintain our Neutral rating on the stock, as the current valuation factors in the earnings upside adequately.

**Superior execution improves EBITDA margin by ~600bp YoY**

- GLXO revenue grew by 18% YoY to INR9.3b (est. of INR8.7b).
- Gross margin (GM) expanded 430bp YoY to 60.5% due to a change in the product mix and lower RM costs.
- Consequently, EBITDA margin expanded by 610bp YoY to 27.7% (our est: 23.6%) due to higher GM, lower employee expenses and other expenses (-30bp/-150bp YoY as % of sales).
- EBITDA grew by 51.6% YoY to INR2.6b (est. of INR2.1b).
- Adj. PAT grew by 56% YoY to INR1.9b for the quarter (our est. INR1.5b).
- During FY24, revenue/EBITDA/PAT grew by 6.2%/13%/20.5% YoY to INR34.5b/INR9.1b/INR7.3b.

**Key highlights from the management commentary**

- GLXO aspires to deliver double-digit revenue growth over the next five years.
- It sees scope for margin improvement of 100-200bp over the next 12-24 months.
- While sales of shingrix dosages stood at 55k since May'23, it remains confident of selling 300k-500k dosages in the next five years.
- The share of generic medicine and vaccine is 80:20.
- Growth reflected in IMS was much lower than reported YoY growth for the quarter, partly due to higher sales from hospitals.

Qtr Perf. (Consol.)												(INR m)
Y/E March	FY23				FY24				FY23	FY24	Chg. (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE			
<b>Net Sales</b>	<b>7,451</b>	<b>9,169</b>	<b>8,023</b>	<b>7,875</b>	<b>7,617</b>	<b>9,570</b>	<b>8,053</b>	<b>9,298</b>	<b>32,517</b>	<b>34,537</b>	<b>8,698</b>	<b>7%</b>
YoY Change (%)	3.7	-1.8	-1.7	-2.7	2.2	4.4	0.4	18.1	-0.8	6.2	10.5	
Total Expenditure	5,962	6,599	5,736	6,177	6,178	6,675	5,872	6,725	24,474	25,450	6,642	
<b>EBITDA</b>	<b>1,489</b>	<b>2,569</b>	<b>2,287</b>	<b>1,697</b>	<b>1,439</b>	<b>2,895</b>	<b>2,181</b>	<b>2,573</b>	<b>8,043</b>	<b>9,087</b>	<b>2,056</b>	<b>25%</b>
YoY Change (%)	12.2	-0.4	15.6	-3.1	-3.4	12.7	-4.7	51.6	5.3	13.0	21.1	
Margins (%)	20.0	28.0	28.5	21.6	18.9	30.3	27.1	27.7	24.7	26.3	23.6	
Depreciation	158	164	164	172	164	181	171	181	658	697	158	
<b>EBIT</b>	<b>1,331</b>	<b>2,406</b>	<b>2,123</b>	<b>1,526</b>	<b>1,276</b>	<b>2,714</b>	<b>2,010</b>	<b>2,392</b>	<b>7,385</b>	<b>8,390</b>	<b>1,898</b>	
YoY Change (%)	15.6	0.0	18.0	-4.6	-4.2	12.8	-5.3	56.8	6.2	13.6	24.4	
Margins (%)	17.9	26.2	26.5	19.4	16.7	28.4	25.0	25.7	22.7	24.3	21.8	
Interest	7	4	1	7	3	4	3	8	18	18	3	
Other Income	276	220	234	277	364	282	281	298	1,006	1,226	273	
<b>PBT before EO Expense</b>	<b>1,600</b>	<b>2,622</b>	<b>2,356</b>	<b>1,796</b>	<b>1,637</b>	<b>2,992</b>	<b>2,287</b>	<b>2,682</b>	<b>8,373</b>	<b>9,598</b>	<b>2,168</b>	
Tax	438	687	597	565	487	817	197	761	2,288	2,262	679	
Rate (%)	27.4	26.2	25.3	31.5	29.8	27.3	8.6	28.4	25.1	22.4	31.3	
<b>Adjusted PAT</b>	<b>1,162</b>	<b>1,934</b>	<b>1,759</b>	<b>1,230</b>	<b>1,150</b>	<b>2,175</b>	<b>2,090</b>	<b>1,921</b>	<b>6,086</b>	<b>7,336</b>	<b>1,489</b>	<b>29%</b>
YoY Change (%)	8.3	1.4	12.6	2.7	-1.1	12.5	18.8	56.1	6.0	20.5	21.0	
Margins (%)	15.6	21.1	21.9	15.6	15.1	22.7	26.0	20.7	18.7	21.2	17.1	
One-off Expense/(Income)	0	0	114	-104	-173	0	1,633	-24	10	1,436	0	
<b>Reported PAT</b>	<b>1,162</b>	<b>1,934</b>	<b>1,646</b>	<b>1,334</b>	<b>1,323</b>	<b>2,175</b>	<b>457</b>	<b>1,945</b>	<b>6,075</b>	<b>5,900</b>	<b>1,489</b>	<b>31%</b>

#### KPIs (Consolidated)

Y/E March	FY23				FY24				FY23	FY24	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE		
<b>Cost Break-up</b>											
RM Cost (% of Sales)	38.5	39.8	35.9	43.8	38.9	37.0	39.3	39.5	38.5	39.8	38.8
Staff Cost (% of Sales)	20.3	15.5	19.1	18.9	21.7	15.2	17.6	18.6	20.3	15.5	17.5
Other Cost (% of Sales)	21.2	16.7	16.5	15.8	20.6	17.5	16.0	14.3	21.2	16.7	20.0
Gross Margins(%)	61.5	60.2	64.1	56.2	61.1	63.0	60.7	60.5	61.5	60.2	61.2
EBITDA Margins(%)	20.0	28.0	28.5	21.6	18.9	30.3	27.1	27.7	24.7	26.3	23.6
EBIT Margins(%)	17.9	26.2	26.5	19.4	16.7	28.4	25.0	25.7	22.7	24.3	21.8

E: MOFSL Estimates



# Bandhan Bank

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR181 TP: INR200 (+10%) Neutral**

Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	295 / 3.5
52-Week Range (INR)	272 / 170
1, 6, 12 Rel. Per (%)	3/-30/-49
12M Avg Val (INR M)	2762

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	103.3	115.4	134.9
OP	66.4	73.8	86.2
NP	22.3	36.2	43.3
NIM (%)	6.9	6.8	6.8
EPS (INR)	13.8	22.4	26.9
EPS Gr. (%)	1.6	62.2	19.7
BV/Sh. (INR)	134	145	165
ABV/Sh. (INR)	128	139	159

### Ratios

RoE (%)	10.8	16.1	17.4
RoA (%)	1.3	1.9	1.9

### Valuations

P/E(X)	13.1	8.1	6.7
P/BV (X)	1.4	1.2	1.1
P/ABV (X)	1.4	1.3	1.1

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	40.0	40.0	40.0
DII	12.5	14.9	13.3
FII	31.2	34.7	31.9
Others	16.3	10.4	14.8

FII Includes depository receipts

## PPoP in line; higher write-off drags down earnings

### Margins expand 40bp QoQ to 7.6%

- Bandhan Bank (BANDHAN) posted 4QFY24 PAT of INR546m (94% miss) due to higher provisions as the bank has technically written off bad loans pertaining to pending CGFMU claim as a prudent measure. NII grew 16% YoY to INR28.7b (7% beat) as margins expanded 40bp QoQ to 7.6%.
- Advances grew at a healthy 15.6% YoY/9.9% QoQ. MFI share in the total loan book stood at 50%, with the o/s book size at ~INR622b. Deposit growth was robust at 25% YoY/15% QoQ with CASA mix of 37.1%.
- GNPA/NNPA ratios improved 318bp/110bp QoQ to 3.8%/1.1%, while slippages improved to INR10b vs. INR13.9b in 3QFY24. MFI-SMA book declined 130bp QoQ to 2.0%, which will enable lower a slippage rate going ahead. Collection efficiency was steady at 99%.
- We cut our earnings estimates for FY25/FY26 by 6.8%/7.1% and expect FY26E RoA/RoE at 1.8%/16.4%. Retain Neutral with a TP of INR200 (1.3x FY26E ABV).**

### Business growth healthy; MFI SMA book declines to 2%

- BANDHAN reported a 94% miss on PAT at INR546m as the bank has technically written off bad loans pertaining to pending CGFMU claim as a prudent measure.
- NII grew 16% YoY to INR28.7b (7% beat). Margins expanded 40bp QoQ to 7.6%. Other income grew 10% YoY/up 27.3% QoQ to INR6.9b (in line), resulting in 14.8% YoY growth in total revenues (6% beat).
- PPoP grew 2.4% YoY/ 11% QoQ to INR18.4b (in line) as opex rose 32% YoY to INR17b (12% higher than MOFSLe) due to one-off expenses of INR1.15b.
- Advances grew at a healthy rate of 15.6% YoY/9.9% QoQ. EEB book grew 10.2% YoY (8.1% QoQ), whereas non micro credit book grew 19.4% YoY (7.1% QoQ). EEB portfolio is expected to grow at 15% YoY. The management provides 17-20% credit growth guidance for next 2-3 years.
- Deposit grew at a robust 25% YoY/15% QoQ, driven by 18.3% QoQ growth in CASA deposits. CASA ratio, thus, improved 97bp QoQ to 37.1%. TD growth was healthy at 29.6% YoY/ 13.4% QoQ, in which retail TD grew 26.6% YoY/5.8% QoQ.
- GNPA/NNPA ratios improved 318bp/110bp QoQ to 3.8%/1.1%, while slippages improved to INR10b vs. INR13.9b in 3QFY24. SMA book declined 130bp QoQ to 2.0%. PCR increased to 71.8%.
- With respect to CGMFU claim, the bank expects the audit to be completed in 1QFY25 and expects the claim to get passed. However, as a prudent measure, the bank has technically written off the underlying bad loans, and the approved claim would be accounted for only on receipt. We remain watchful of developments here.



### Highlights from the management commentary

- One-off items in opex included: 1) capital WIP cost, which was capitalized, led to higher depreciation amounting to INR0.5b; 2) the bank has to run certain parallel system, leading to additional expenses of INR0.3b; 3) fair value of stock options at INR0.22b.
- 17-20% of credit growth guidance for the next 2-3 years; the bank aims faster deposit growth vs. advances growth.
- INR9.70b of tranche-1 of claim was received earlier, and 2nd tranche of claim is pending, and subsequent to the notice, a detailed audit is being done.
- INR0.6-0.8b of ARC recovery is expected every quarter, including the provisioning release.

### Valuation and view

BANDHAN reported a mixed quarter as earnings came in below our estimate due to higher provisions, but business growth improved in a seasonally strong quarter and margins expanded 40bp QoQ. However, higher opex kept the C/I ratio elevated. SMA book declined 130bp QoQ to 2.0%, while CE remained steady at 99%. Slippages declined to 3.6% (annualized), and with the quantum of stressed assets declining sharply, we estimate the delinquency trend to improve going further. While the bank has made full provisions for bad loans pertaining to CGFMU claim and expects the audit to be completed by Jun'24, we remain watchful on the same and also the appointment of new CEO as Mr. Ghosh's term ends in Jul'24. **We cut our earnings estimates for FY25/FY26 by 6.8%/7.1% and estimate FY26 RoA/RoE at 1.8%/16.4%. Retain Neutral with a TP of INR200 (1.3x FY26E ABV).**

### Quarterly performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24	FY24 4QE	V/S our Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Interest Income</b>	<b>25.1</b>	<b>21.9</b>	<b>20.8</b>	<b>24.7</b>	<b>24.9</b>	<b>24.4</b>	<b>25.3</b>	<b>28.7</b>	<b>92.6</b>	<b>103.3</b>	<b>26.7</b>	<b>7%</b>
% Change (YoY)	18.9	13.3	-2.1	-2.7	-0.9	11.4	21.4	16.0	6.3	11.5	7.9	
Other Income	3.3	4.8	10.3	6.3	3.9	5.4	5.5	6.9	24.7	21.6	6.8	3%
<b>Total Income</b>	<b>28.4</b>	<b>26.7</b>	<b>31.1</b>	<b>31.0</b>	<b>28.8</b>	<b>29.8</b>	<b>30.7</b>	<b>35.6</b>	<b>117.3</b>	<b>124.9</b>	<b>33.4</b>	<b>6%</b>
Operating Expenses	10.2	11.2	11.9	13.1	13.1	14.0	14.2	17.2	46.4	58.5	15.4	12%
<b>Operating Profit</b>	<b>18.2</b>	<b>15.5</b>	<b>19.2</b>	<b>18.0</b>	<b>15.6</b>	<b>15.8</b>	<b>16.6</b>	<b>18.4</b>	<b>70.9</b>	<b>66.4</b>	<b>18.1</b>	<b>2%</b>
% Change (YoY)	-7.0	-2.0	-1.4	-28.8	-14.2	2.0	-13.9	2.4	-11.5	-6.4	0.6	
Provisions	6.4	12.8	15.4	7.3	6.0	6.4	6.8	17.7	42.0	37.0	6.6	168%
<b>Profit Before Tax</b>	<b>11.8</b>	<b>2.7</b>	<b>3.8</b>	<b>10.6</b>	<b>9.6</b>	<b>9.5</b>	<b>9.7</b>	<b>0.6</b>	<b>28.9</b>	<b>29.4</b>	<b>11.5</b>	<b>-94%</b>
Tax	2.9	0.6	0.9	2.5	2.4	2.3	2.4	0.1	7.0	7.1	2.9	-97%
<b>Net Profit</b>	<b>8.9</b>	<b>2.1</b>	<b>2.9</b>	<b>8.1</b>	<b>7.2</b>	<b>7.2</b>	<b>7.3</b>	<b>0.5</b>	<b>21.9</b>	<b>22.3</b>	<b>8.5</b>	<b>-94%</b>
% Change (YoY)	137.6	NM	-66.2	-57.5	-18.7	244.6	152.2	-93.2	NM	1.6	5.3	
<b>Operating Parameters</b>												
Deposits (INR b)	931	994	1,023	1,081	1,085	1,121	1,174	1,352	1,081	1,352	1,352	0%
Loans (INR b)	909	902	921	1,048	982	1,020	1,102	1,211	1,048	1,211	1,203	1%
Deposit Growth (%)	20.3	21.3	21.0	12.2	16.6	12.8	14.8	25.1	12.2	25.1	25.1	
Loan Growth (%)	21.6	21.1	14.7	11.5	8.0	13.1	19.6	15.6	11.5	15.6	14.8	
<b>Asset Quality</b>												
Gross NPA (%)	7.3	7.2	7.2	4.9	6.8	7.3	7.0	3.8	4.9	3.8	6.1	
Net NPA (%)	1.9	1.9	1.9	1.2	2.2	2.3	2.2	1.1	1.2	1.1	1.9	
PCR (%)	74.9	75.5	75.4	76.8	69.2	70.0	70.0	71.8	76.8	71.8	70.5	

E: MOFSL estimates





# Endurance Technologies

Estimate changes

TP change

Rating change

**CMP: INR2,188**

**TP: INR2,515 (+15%)**

**Buy**

Bloomberg	ENDU IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	307.7 / 3.7
52-Week Range (INR)	2319 / 1348
1, 6, 12 Rel. Per (%)	15/20/33
12M Avg Val (INR M)	238

## Financials & Valuations (INR b)

INR Billion	FY24	FY25E	FY26E
Sales	102.2	118.5	137.3
EBITDA	13.1	16.3	19.2
Adj. PAT	6.7	9.2	11.4
EPS (INR)	47.3	65.8	81.1
EPS Growth (%)	36.5	39.0	23.3
BV/Share (INR)	353.9	408.6	475.7

## Ratios

Net Debt/Equity	-0.1	-0.2	-0.2
RoE (%)	14.2	17.2	18.3
RoCE (%)	13.1	15.7	17.0
Payout (%)	17.6	16.7	17.3

## Valuations

P/E (x)	46.3	33.3	27.0
P/BV (x)	6.2	5.4	4.6
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	0.8	1.8	2.2

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	75.0	75.0	75.0
DII	15.4	15.4	15.5
FII	7.8	7.8	7.7
Others	1.8	1.8	1.8

FII Includes depository receipts

## Healthy order backlog to boost earnings

### The new Sambhajinagar plant to focus on PVs/non-autos

- Endurance Technologies (ENDU) reported a strong performance in 4QFY24, outperforming the underlying domestic industry growth. India business margin came in at 13.5% (vs. est. 12.1%) driven by a better mix. The EU business is improving gradually; however, order wins remained soft in FY24.
- We raise our FY25E/FY26E EPS by 14% each owing to ENDU's strong order backlog and continued new order wins both in India and Europe. **Reiterate BUY with a TP of INR2,515 (premised on 31x Mar'26E EPS).**

### EBITDA margin (after the one-off) stands at 13.5%

- ENDU's 4QFY24 consol. revenue grew 20% YoY to INR26.6b (vs. est. INR27.4b) after adjusting for a one-time gain of INR200m. EBITDA improved 29% YoY to INR3.7b (vs. est. INR3.5b), and adj. PAT was up 43% YoY to INR1.95b (vs. est. INR1.8b). **During FY24**, revenue/ EBITDA/adj. PAT grew 16%/26%/36.5% YoY.
- FCFF stood at INR2.4b similar to last year levels, despite better operating cash flows of INR10.6b (vs. INR8.6b in FY23). Capex stood at INR8.2b (vs. INR6.2b in FY23).
- The Board declared a final dividend of INR8.5/share in FY24 (vs. INR7/share in FY23).

### India business:

- Revenue grew 25% YoY to INR20.6b (vs. est. INR21.2b vs. industry growth of 20.5%). Revenues have been adjusted for a one-time gain of INR200m.
- Segment wise: the company's 4QFY24 revenue was up 26%/17%/ down 8% YoY for 2Ws/3Ws/PVs (vs. industry growth of 26%/9%/7% YoY for 2Ws/3Ws/PVs).
- Higher other costs were offset by lower raw material costs, thus leading to an EBITDA margin of 13.5% (vs. est. 12.1%), which improved 160bp YoY. A better mix aided margin expansion.
- Adj. PAT grew 60% YoY to INR1.7b (vs. est. INR1.5b).

### EU businesses:

- The EU revenue grew 1% YoY to EUR68m (in line) vs. EU new car registration growth of 4% YoY.
- The EU margin came in at 17.8% (flat YoY/+230bp QoQ vs. est. 16.3%). The flattish margin on a YoY basis was on account of higher other expenses (+26% YoY, as energy costs remain elevated vs. pre-Covid levels) even as raw material costs declined 12% YoY.

### Maxwell business:

- Its 4QFY24 revenue grew 38% YoY to INR110m (vs. est. INR220m), while the operating loss narrowed sequentially to INR13m (vs. -INR10m/-INR34m in 4QFY23/3QFY24).

### Highlights from the management commentary

- **Business wins:** In FY24, INR12b worth of business was won from OEMs other than BJAUT, which would reach peak sales in FY27 (INR8.25b of new business and INR3.7b of replacement business).
- **EV outlook in the EU:** ENDU would be reaching 50% of the peak capacity it had put up to service the EV orders it had won in the last two years. It expects EVs to grow in line with the PV industry in the future. It is open for acquisitions in the EU to continue the growth momentum.
- The new plant in Sambhajinagar started in Jan'24 to cater to 4W EV parts demand and non-auto Alu casting (telecom, ATVs, etc.) business with a capex of INR4b to be spent in stages with a sales expectation of INR5b/year. Plant SOP would start 1QFY26.

### Valuation and view

- ENDU is the best proxy play for the Indian 2W industry. It has scope to increase content, led by technological changes and new products. ENDU is now focusing on increasing the 4W revenue contribution to 45% of revenue by FY30 from 26%, and this would remain a key growth driver in the coming years.
- The stock trades at 33x/27x FY25E/FY26E consolidated EPS. **We reiterate our BUY rating with a TP of INR2,515 (based on 31x Mar'26E consolidated EPS).**

### Consolidated - Quarterly

Y/E March	FY23				FY24				FY23	FY24	
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
<b>Net Sales</b>	<b>21,138</b>	<b>23,606</b>	<b>20,952</b>	<b>22,343</b>	<b>24,500</b>	<b>25,450</b>	<b>25,611</b>	<b>26,648</b>	<b>88,040</b>	<b>1,02,209</b>	<b>27,391</b>
YoY Change (%)	24.8	25.1	10.9	7.5	15.9	7.8	22.2	19.3	16.6	16.1	22.6
<b>EBITDA</b>	<b>2,398</b>	<b>2,716</b>	<b>2,395</b>	<b>2,854</b>	<b>3,213</b>	<b>3,183</b>	<b>2,990</b>	<b>3,694</b>	<b>10,363</b>	<b>13,080</b>	<b>3,463</b>
Margins (%)	11.3	11.5	11.4	12.8	13.1	12.5	11.7	13.9	11.8	12.8	12.6
Depreciation	991	993	1,016	1,216	1,129	1,184	1,144	1,282	4,216	4,740	1,163
Interest	19	61	46	80	90	98	109	129	206	427	108
Other Income	47	84	115	208	166	155	270	265	454	856	227
<b>PBT before EO expense</b>	<b>1,434</b>	<b>1,747</b>	<b>1,448</b>	<b>1,767</b>	<b>2,159</b>	<b>2,056</b>	<b>2,006</b>	<b>2,548</b>	<b>6,395</b>	<b>8,769</b>	<b>2,419</b>
Exceptional Item	103	0	0	0	0	0	0	-200	103	-200	0
<b>PBT after EO</b>	<b>1,331</b>	<b>1,747</b>	<b>1,448</b>	<b>1,767</b>	<b>2,159</b>	<b>2,056</b>	<b>2,006</b>	<b>2,748</b>	<b>6,293</b>	<b>8,969</b>	<b>2,419</b>
Eff. Tax Rate (%)	22.3	24.7	25.3	22.8	24.3	24.8	24.1	23.5	23.8	75.9	24.1
<b>Adj. PAT</b>	<b>1,112</b>	<b>1,315</b>	<b>1,082</b>	<b>1,365</b>	<b>1,635</b>	<b>1,546</b>	<b>1,523</b>	<b>1,950</b>	<b>4,875</b>	<b>6,653</b>	<b>1,835</b>
YoY Change (%)	-8.3	-1.4	14.4	0.2	47.0	17.5	40.7	42.9	0.4	36.5	34.5



# Triveni Turbine

**CMP: INR632**

**TP: INR720 (+14%)**

**Buy**

Estimate changes



TP change



Rating change



	TRIV IN
Bloomberg	
Equity Shares (m)	318
M.Cap.(INRb)/(USD\$)	200.5 / 2.4
52-Week Range (INR)	654 / 311
1, 6, 12 Rel. Per (%)	17/41/35
12M Avg Val (INR M)	507

### Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Sales	16.5	21.3	28.6
EBITDA	3.2	4.2	5.7
PAT	2.7	3.5	4.7
EPS (INR)	8.5	11.0	14.8
GR. (%)	39.8	29.8	35.1
BV/Sh (INR)	30.2	38.1	48.8

### Ratios

ROE (%)	31.3	32.2	34.2
RoCE (%)	31.6	32.3	34.3

### Valuations

P/E (X)	74.6	57.5	42.6
P/BV (X)	20.9	16.6	12.9
EV/EBITDA (X)	61.7	46.4	34.0
Div Yield (%)	0.4	0.5	0.7

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	55.8	55.8	55.8
DII	12.7	12.5	15.1
FII	27.3	27.3	24.4
Others	4.2	4.4	4.7

FII Includes depository receipts

## Exports on the right track; domestic remains weak

TRIV's 4QFY24 results were ahead of our expectations, aided by better-than-expected margin performance. Revenue/EBITDA/PAT grew 25%/35%/37% YoY in 4QFY24. Weak domestic inflows led to a 7% YoY decline in overall order inflows for the quarter. Though we expect export growth momentum to remain intact, the domestic order inflow pipeline will start ramping up only from 2QFY25. A strong enquiry pipeline from the domestic side, a focus on increasing export and aftermarket, and a strong balance sheet will enable TRIV to capture expected growth in the domestic and international markets. However, we expect domestic order inflows to remain weak for the next couple of quarters due to delays in decision-making. We tweak our estimates to factor in lower domestic revenues, improved export revenues and better margins for aftermarket. We revise the TP to INR720 (from INR640), which factors in expected recovery in private capex from key user industries and correspondingly higher valuation multiple. **Maintain BUY.**

## Revenue in line with our estimates; strong beat at PAT level

Revenue at INR4.3b (+24% YoY) was led by robust execution of the opening order book of INR15.8b. Product/aftermarket revenues were up 42%/down 3% YoY. EBITDA at INR898m grew 35% YoY, aided by operating leverage benefits. Margin at 19.6% saw a ~170bp YoY expansion. PAT at INR762m saw a healthy growth of 37% YoY, largely aided by robust operating performance and higher other income (+37% YoY). Order inflows declined by 7% YoY to INR4.3b. Export orders grew 29% YoY, whereas domestic orders declined 34% YoY, due to delays in order finalization and slower domestic activity. The order book stood at INR15.5b (+17% YoY), with a 48%/52% domestic/export mix during the quarter. For FY24, the company reported revenue/EBITDA/PAT growth of 33%/36%/40%, while OCF/FCF grew by 38%/52%, owing to robust operational performance and lower capex vs. FY23.

## Domestic ordering to see an uptick from 2QFY25

Despite a robust enquiry pipeline, domestic order inflows declined 34% YoY in 4QFY24 due to delays in finalizations amid the ongoing elections. Similarly, FY24 domestic order inflows declined 8%. The management indicated that steel, cement, paper & pulp, pharma, chemicals, etc. will start contributing to the domestic order inflows after elections. However, we expect ordering activity from sugar and distilleries to remain weak for a few more quarters.

## International ordering to remain strong

Export order inflows jumped 29% YoY in 4QFY24, led by continued strong traction across its key markets. Similarly, FY24 export order inflows grew 51%. We believe that the thrust on waste-to-energy, waste heat recovery and municipal solid waste will continue to provide inflow visibility from its key export markets, coupled with the company's foray into newer geographies for both product and aftermarket.

### Exports and aftermarket to ensure margin stability

TRIV is continuously expanding its geographical presence and is now present in 80+ countries for exports. Export share stood at 46% of sales in FY24 vs. 45% in FY23. Aftermarket share remained flat YoY at 33%. TRIV is gaining from improved brand awareness, international references, and expanding share of exports and aftermarket. It is also gaining share in aftermarket from local players as well as other OEMs. The recently announced foray into the North American market is progressing as per the plan and the company plans to incur a capex of ~INR1b over the next two years primarily for equipment, personnel and R&D expenses.

### We expect a strong 32% CAGR in PAT over FY24-26

We tweak our estimates to factor in lower domestic revenues, improved export revenues and better margins for aftermarket. We expect TRIV's revenue/EBITDA/PAT to clock a CAGR of 32%/34%/32% over FY24-26. Backed by a comfortable negative working capital cycle, strong margins, and low capex requirements, we expect its OCF and FCF to report a CAGR of 45% and 49% over FY24-26, respectively.

### Valuation and view

The stock is currently trading at 57x/43x FY25E/26E EPS. We revise the TP to INR720 (from INR640), based on 48x FY26E EPS, which factors in expected recovery in private capex from key user industries and correspondingly higher valuation multiple. Key risks to our recommendation would come from slower-than-expected order inflow growth, lower-than-expected margins, and a slowdown in global geographies.

#### Consolidated - Quarterly Earnings

(InR m)

Y/E March	FY23				FY24				FY23	FY24	FY24	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>2,590</b>	<b>2,930</b>	<b>3,258</b>	<b>3,698</b>	<b>3,764</b>	<b>3,878</b>	<b>4,317</b>	<b>4,581</b>	<b>12,476</b>	<b>16,539</b>	<b>4,569</b>	<b>0</b>
YoY Change (%)	40.7	41.9	44.7	56.3	45.3	32.4	32.5	23.9	46.4	32.6	23.6	
Total Expenditure	2,104	2,373	2,627	3,034	3,055	3,134	3,480	3,682	10,138	13,352	3,702	
<b>EBITDA</b>	<b>487</b>	<b>557</b>	<b>631</b>	<b>663</b>	<b>709</b>	<b>744</b>	<b>837</b>	<b>898</b>	<b>2,338</b>	<b>3,188</b>	<b>867</b>	<b>4</b>
Margins (%)	18.8	19.0	19.4	17.9	18.8	19.2	19.4	19.6	18.7	19.3	19.0	
Depreciation	51	49	49	50	49	51	55	53	199	208	77	-32
Interest	2	2	1	5	7	6	6	7	10	27	4	88
Other Income	75	108	119	125	133	144	171	176	426	622	174	1
<b>PBT before EO expense</b>	<b>508</b>	<b>614</b>	<b>700</b>	<b>733</b>	<b>786</b>	<b>830</b>	<b>947</b>	<b>1,014</b>	<b>2,555</b>	<b>3,576</b>	<b>960</b>	<b>6</b>
<b>PBT</b>	<b>508</b>	<b>614</b>	<b>700</b>	<b>733</b>	<b>786</b>	<b>830</b>	<b>947</b>	<b>1,014</b>	<b>2,555</b>	<b>3,576</b>	<b>960</b>	<b>6</b>
Tax	124	151	174	177	177	190	264	252	626	883	313	
Rate (%)	24.5	24.5	24.9	24.2	22.5	22.9	27.9	24.9	24.5	24.7	32.6	
<b>Reported PAT</b>	<b>383</b>	<b>463</b>	<b>526</b>	<b>556</b>	<b>610</b>	<b>640</b>	<b>683</b>	<b>762</b>	<b>1,925</b>	<b>2,693</b>	<b>647</b>	
<b>Adj PAT</b>	<b>383</b>	<b>463</b>	<b>526</b>	<b>556</b>	<b>610</b>	<b>640</b>	<b>683</b>	<b>762</b>	<b>1,925</b>	<b>2,693</b>	<b>647</b>	<b>18</b>
YoY Change (%)	18.0	66.0	24.8	68.4	59.0	38.2	29.8	37.0	167.4	39.6	16.2	
Margins (%)	14.8	15.8	16.1	15.0	16.2	16.5	15.8	16.6	15.4	16.3	14.1	

# Kaynes Technologies

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR3,090**

**TP: INR3,680 (+19%)**

**Buy**

## Robust order inflows reaffirm strong growth visibility

### Earnings better than our estimates

- KAYNES reported strong revenue growth of 75% YoY in 4QFY24, led by strong traction in the Industrials (up 3.7x YoY; includes EV) and Aerospace (up 3.9x YoY) verticals. The order book as of Mar'24 witnessed strong growth of 55% YoY to ~INR41b.
- Margins contracted during the quarter (EBITDA margins down 140bp YoY), due to a higher mix of high-volume and low-margin business.
- Factoring in the robust 4Q performance and higher guidance, we increase our EPS estimates for FY25/FY26 by ~22%/28%. We retain our BUY rating on the stock with a TP of INR3,680 (50x FY26E EPS).

### Strong traction in Industrials & Aerospace drives revenue growth

- Consolidated revenue jumped 75% YoY to INR6.4b in 4QFY24, while EBITDA grew ~61% YoY to INR952m. EBITDA margins contracted 140bp YoY to 14.9% (up 120bp QoQ) as gross margins declined 780bp YoY on account of a higher mix of the low-margin vertical; other expenses as a percentage of sales declined 560bp YoY to 4.9%. This divergence in gross margin and other expenses was also attributed to the reclassification of certain expenses by the company. Adjusted PAT surged 97% YoY to INR813m, led by higher other income.
- The order book increased to INR41b as of Mar'24 vs. INR37.9b/INR34.6b in Dec'23/Sep'23, led by large orders from aerospace, outer-space and other strategic verticals in 4Q. Order inflows in 4Q grew ~2.1x YoY to INR9.6b.
- For FY24, revenue/EBITDA/adj. PAT grew 60%/51%/93% YoY to INR18b/INR2.5b/INR1.8b.
- Net working capital days declined to 83 in FY24 vs. 99 in FY23, mainly led by a decline in receivable days to 59 (vs. 69 in FY23) and inventory days to ~97 (vs. 104 in FY23).

### Highlights from the management commentary

- **Guidance:** KAYNES expects revenue growth of over 60% in FY25, along with a ~100bp improvement in EBITDA margins to ~15%. This guidance excludes revenue from OSAT & PCB. The company is confident of achieving USD1b in revenue by FY28.
- **Order Inflows:** The company is witnessing strong order flows from multiple segments. It has also received large orders for smart meters and CDAC. Smart meters/CDAC high-performance servers have peak order potential of ~INR5-6b/INR2-3b per annum going ahead.
- **Capex:** KAYNES expects to incur capex of ~INR2-2.5b in FY25, with an asset turnover of ~7-8x. The capex will be funded through internal accruals as the company expects the CFO-to-EBITDA ratio of ~50-55% going ahead.

	KAYNES IN
Bloomberg	KAYNES IN
Equity Shares (m)	64
M.Cap.(INRb)/(USDb)	196.9 / 2.4
52-Week Range (INR)	3249 / 1075
1, 6, 12 Rel. Per (%)	23/10/140
12M Avg Val (INR M)	506

### Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	18.0	28.5	39.9
EBITDA	2.5	4.2	6.2
Adj. PAT	1.8	3.2	4.7
EBITDA Margin (%)	14.1	14.9	15.6
Cons. Adj. EPS (INR)	28.7	49.5	73.5
EPS Gr. (%)	75.3	72.5	48.5
BV/Sh. (INR)	389.1	438.6	512.1

### Ratios

Net D:E	-0.5	-0.4	-0.4
RoE (%)	10.6	12.0	15.5
RoCE (%)	11.6	12.2	15.4

### Valuations

P/E (x)	108	62	42
EV/EBITDA (x)	73	44	30

### Shareholding pattern (%)

As on	Mar-24	Dec-23	Mar-23
Promoter	57.8	57.8	63.6
DII	18.4	19.1	13.0
FII	14.2	12.7	8.2
Others	9.6	10.4	15.3

Note: FII includes depository receipts

**Valuation and view**

- KAYNES is a prominent end-to-end and IoT-enabled integrated electronics manufacturer, with strong order book growth (85% CAGR over FY20-24) and a higher share of Box Build (~42% in FY24) and PCBA (~55%).
- We estimate a CAGR of 49%/57%/60% in revenue/EBITDA/Adj. PAT over FY24-FY26, driven by a healthy order book growth trajectory and a better margin profile (increasing mix of high value order).
- Factoring in the robust 4Q performance and higher guidance, we increase our EPS estimates for FY25/FY26 by ~22%/28%. We retain our BUY rating on the stock with a TP of INR3,680 (50x FY26E EPS).

**Consolidated - Quarterly Earning Model**

Y/E March	(INR m)											
	FY23				FY24				FY23	FY24	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	%	
<b>Gross Sales</b>	1,993	2,732	2,891	3,645	2,972	3,608	5,093	6,373	11,260	18,046	5,978	7
YoY Change (%)	NA	NA	57.6	52.8	49.1	32.1	76.2	74.8	59.4	60.3	64.0	
Total Expenditure	1,747	2,299	2,479	3,052	2,569	3,121	4,394	5,421	9,578	15,505	5,090	
<b>EBITDA</b>	246	432	412	593	403	488	699	952	1,682	2,542	888	7
Margins (%)	12.3	15.8	14.2	16.3	13.5	13.5	13.7	14.9	14.9	14.1	14.9	
Depreciation	46	47	46	48	53	65	60	74	187	251	65	
Interest	73	103	92	81	113	118	148	153	349	533	155	
Other Income	7	7	26	74	81	90	94	294	114	559	80	
<b>PBT before EO expense</b>	134	289	300	536	319	394	585	1,019	1,259	2,317	748	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	134	289	300	536	319	394	585	1,019	1,259	2,317	748	
Tax	34	79	71	124	72	71	133	207	308	483	188	
Rate (%)	25.2	27.3	23.7	23.2	22.6	18.0	22.7	20.3	24.5	20.8	25.2	
MI & Profit/Loss of Asso. Cos.	2	-2	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	99	212	229	412	246	323	452	813	951	1,834	560	
<b>Adj PAT</b>	99	212	229	412	246	323	452	813	951	1,834	560	45
YoY Change (%)	NA	NA	112.7	107.6	149.0	52.8	97.7	97.3	-4,144.4	92.9	35.8	
Margins (%)	5.0	7.7	7.9	11.3	8.3	9.0	8.9	12.8	8.4	10.2	9.4	





Estimate change	
TP change	
Rating change	

Bloomberg	SOBHA IN
Equity Shares (m)	95
M.Cap.(INRb)/(USDb)	173.7 / 2.1
52-Week Range (INR)	1969 / 505
1, 6, 12 Rel. Per (%)	11/95/226
12M Avg Val (INR M)	728

**Financials & Valuations (INR b)**

Y/E Mar	FY24	FY25E	FY26E
Sales	31.0	42.0	50.3
EBITDA	2.8	6.3	11.4
EBITDA (%)	8.9	15.0	22.7
PAT	0.5	3.4	7.1
EPS (INR)	5.1	35.2	74.2
EPS Gr. (%)	-52.9	591.2	110.5
BV/Sh. (INR)	261.0	293.3	364.6

**Ratios**

Net D/E	0.5	(0.0)	0.0
RoE (%)	2.0	12.7	22.6
RoCE (%)	4.7	10.4	17.4
Payout (%)	57.9	8.4	4.0

**Valuations**

P/E (x)	359	52	25
P/BV (x)	7	6	5
EV/EBITDA (x)	67	27	15
Div Yield (%)	0.2	0.2	0.2

**Shareholding pattern (%)**

As On	Mar-24	Dec-23	Mar-23
Promoter	52.3	52.3	52.3
DII	17.6	17.2	13.6
FII	11.9	11.1	13.8
Others	18.3	19.4	20.4

**CMP: INR1,831 TP: INR2,150 (+17%) Buy**

**Operating performance in line; gearing up for a strong FY25**

**Pre-sales declined for the first time in 11 quarters**

- SOBHA posted flat YoY bookings of INR15b (in line) in 4QFY24, which declined 23% QoQ for the first time since 2QFY22. While the company launched four projects with a saleable area of 3.2msf, two of those large launches came at the end of the quarter, thus limiting its contribution to pre-sales.
- Volumes declined 9%/19% YoY/QoQ to 1.3msf, while realizations improved 13% YoY to INR11,200/sqft. SOBHA's share of sales value was down 27% QoQ but rose 5% YoY to INR12.7b.
- **During FY24**, its pre-sales stood at INR66b (up 28% YoY), largely driven by a 19% improvement in realization to INR11,000/sqft and a 7% increase in volumes. Kerala, GIFT City, and Bengaluru reported a strong growth in FY24, while the lack of significant inventory led to a decline in pre-sales at Gurugram. Contribution from Bengaluru sustained at over 65% in 4QFY24.
- Total collections were up 5% YoY to INR15b, which led to a 10% YoY jump in OCF to INR4b. SOBHA's spending on land, at INR2.3b, increased during the quarter. Surplus cash flows of INR0.8b were utilized to repay debt, which, at the end of FY24, stood at INR12.6b, or 0.5x of equity.
- **P&L performance:** Revenue declined 37% YoY to INR7.6b (38% below our estimate) due to lower completions. EBITDA declined 46% YoY to INR0.6b due to a 150bp drop in margins. Residential EBIT margin contracted 260bp YoY, while contractual business margin recovered to 13%. PAT came in at INR70m, down 86% YoY. FY24 PAT halved to INR0.5m.

**Highlights from the management commentary**

- **Launches and guidance:** Of the 17msf pipeline, SOBHA expects to launch 9msf projects in FY25 with a GDV potential of >INR90b. Of the 9msf, 60% will be in Bengaluru, 2.8-3.0msf in Gurugram, and the balance in Chennai and Kerala. It expects pre-sales to be at INR85b on a base case in FY25 and aims to reach INR100b if the inventory offtake is better than expected.
- **Business development:** SOBHA added a project in Pune (5msf), and a couple of projects in Gurugram. The GDV potential is INR80b, and it aims to add INR80-100b of new projects annually. Its target markets will be Bengaluru, NCR, Pune, and Hyderabad. The planned capital raise will further boost land spending.
- **Margins:** The pending INR135b of revenue to be recognized is expected to generate an EBITDA margin of 30%. Bookings done in the last two years (70% of pending revenue recognition) are likely to generate a margin of 33-34%. The P&L margin is expected to improve in the next 2-4 quarters.

**Valuation and view**

- SOBHA continues to provide strong growth visibility by unlocking its vast land reserves. Additionally, the proposed fund raise and strong cash flows will enable the company focus on new land acquisitions, which will further enhance its growth pipeline.

- We incorporate the updated launch pipeline and the new projects acquired during the year. The ongoing and upcoming projects are expected to generate INR150b of gross cash flows, and we value the same at INR95b.
- SOBHA's ~190msf of balance land reserves are valued at INR90b, assuming 25-75 years of monetization. Further, the new land acquisitions from the INR20b capital raise will be materially accretive and can be considered an option value.
- **Based on the above, we arrive at a valuation of INR200b or INR2,150/share, indicating an 18% upside potential. Reiterate BUY.**

**Quarterly Performance**

Y/E March	FY23				FY24				FY23	FY24	FY24E Var (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	
<b>Net Sales</b>	5,646	6,673	8,682	12,099	9,079	7,412	6,849	7,629	33,101	30,969	12,222	-38%
YoY Change (%)	25.8	-14.4	39.5	70.3	60.8	11.1	-21.1	-36.9			1.0	
Total Expenditure	4,918	5,751	7,794	10,943	8,425	6,658	6,108	7,008	29,407	28,199	10,815	
<b>EBITDA</b>	728	922	888	1,156	654	754	741	621	3,694	2,770	1,407	-56%
Margins (%)	12.9	13.8	10.2	9.6	7.2	10.2	10.8	8.1	11.2	8.9	11.5	-337bp
Depreciation	147	179	175	178	183	193	201	205	678	782	176	
Interest	614	632	660	611	611	639	614	590	2,490	2,455	602	
Other Income	117	233	298	302	313	324	288	284	923	1,209	319	
<b>PBT before EO expense</b>	84	344	351	669	173	247	214	109	1,449	742	948	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	84	344	351	669	173	247	214	109	1,449	742	948	
Tax	39	152	33	183	52	97	63	39	407	251	211	
Rate (%)	46.4	44.2	9.4	27.4	30.2	39.4	29.4	35.5	28.1	33.8	22.3	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	45	192	318	486	121	149	151	70	1,042	491	737	-90%
<b>Adj PAT</b>	45	192	318	486	121	149	151	70	1,042	491	737	
YoY Change (%)	-87.1	-69.6	-47.9	242.3	168.3	-22.2	-52.6	-85.5	-39.8	-52.9	51.6	
Margins (%)	0.8	2.9	3.7	4.0	1.3	2.0	2.2	0.9	3.1	1.6	6.0	
<b>Key metrics</b>												
Sale Volume (msf)	1.4	1.3	1.5	1.5	1.4	1.7	1.7	1.3	5.7	4.9	1.4	-2%
Sale Value (INRb)	11.5	11.6	14.3	14.6	14.6	17.2	19.5	15.0	52.0	66.4	14.4	5%
Collections (INRb)	8.9	10.8	11.6	11.8	11.5	12.6	12.9	13.3	43.1	50.3	10.5	
Realization (INR/sft)	8,423	8,707	9,628	9,901	10,537	10,224	11,735	11,230	9,192	13,500	10,500	7%

Source: MOFSL, Company



# Vinati Organics

Estimate changes

TP change

Rating change



Bloomberg	VO IN
Equity Shares (m)	104
M.Cap.(INRb)/(USDb)	172.8 / 2.1
52-Week Range (INR)	1985 / 1462
1, 6, 12 Rel. Per (%)	-1/-18/-38
12M Avg Val (INR M)	120

## Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	19.0	25.2	29.9
EBITDA	4.7	6.3	7.7
PAT	3.2	4.4	5.4
EPS (INR)	31.2	42.3	52.0
EPS Gr. (%)	-22.8	35.7	22.9
BV/Sh.(INR)	237.7	270.5	310.9

## Ratios

Net D:E	-0.0	0.1	0.1
RoE (%)	13.8	16.7	17.9
RoCE (%)	13.1	14.9	15.5
Payout (%)	22.4	22.4	22.4

## Valuations

P/E (x)	53.4	39.4	32.1
P/BV (x)	7.0	6.2	5.4
EV/EBITDA (x)	36.7	28.0	22.8
Div. Yield (%)	0.4	0.6	0.7
FCF Yield (%)	0.6	-1.1	1.8

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	74.3	74.1	74.1
DII	7.3	7.6	7.9
FII	4.9	4.7	4.8
Others	13.5	13.7	13.3

FII Includes depository receipts

**CMP: INR1,667****TP: INR2,080 (+25%)****Buy**

## Volume recovery leads to a robust performance

- Vinati Organics (VO)'s revenue came above our estimate due to a robust recovery in volumes across products in 4QFY24. However, gross margin contracted 310bp YoY to 46.6%, while EBITDAM was down 110bp YoY to 27.3%. EBITDA rose 2% YoY to INR1.5b, while PAT was flat at INR1b (our est. INR630m).
- Management highlighted that destocking in ATBS is over now and it expects demand to be robust going forward, with double-digit growth seen in FY25. VO's global market share in ATBS remains 62-65%. Utilization stands at 100% currently, since demand remains strong. VO is enhancing its ATBS capacity by 50%, which is likely to come online in 2HFY25.
- Management highlighted that revenue from the Butyl Phenol (BP) segment was INR3b in FY24. Capacity utilization stood at 65-70% in FY24, but is now running at an optimum level. Management expects the peak revenue to be INR3-3.2b. IBB's revenue is expected to be at FY24 levels, while the customized products portfolio is anticipated to deliver good growth going forward as well.
- Management has guided a revenue CAGR of 20% in the next three years driven by new products as well as the existing product portfolio, with product mix being similar to the current one. Sustainable EBITDAM guidance stands at 26%. We expect a revenue/EBITDA/PAT CAGR of 25%/28%/29% during FY24-26, with EBITDAM gradually inching towards 26% by FY26.
- Due to the outperformance reported in 4QFY24, we raise our revenue/EBITDA/EPS estimates by 12%/16%/13% for FY25 and by 8%/9%/6% for FY26. The stock is trading at ~32x FY26E EPS of INR52 and ~23x FY26E EV/EBITDA. We value the stock at 40x FY26E EPS to arrive at our TP of INR2,080. **We reiterate our BUY rating on the stock.**

## Beat across the board, contraction in margins YoY

- Revenue was at INR5.5b (our est. at INR4.2b, +6% YoY).
- EBITDA was at INR1.5b (est. of INR958m, +2% YoY). Gross margin was 46.6% (-310bp YoY), with EBITDAM at 27.3% (-110bp YoY).
- PAT stood at INR1b (est. of INR630m, flat YoY).
- During FY24**, revenue stood at INR19b (-8% YoY), while EBITDA was INR4.7b (-18% YoY). PAT was INR3.2b (-23% YoY). EBITDAM was at 24.7% (-280bp YoY)
- The BoD recommended a final dividend of INR7/share.

## Valuation and view

- Veeral Organics Pvt. Ltd. (a wholly owned subsidiary of VO) has commissioned MEHQ and Guaiacol plants with other products (Anisole, 4-MAP, Iso Amylene, etc.), which are set to come online in FY25 as well. MEHQ and Guaiacol capacity is 3ktpa put together, with the Anisole capacity to be 5ktpa; the same for Iso Amylene is expected to be 30ktpa and 1ktpa for 4-MAP. These products are going to be the growth drivers for the company going forward.

- The supply of AOs also started in FY24, with a revenue of INR1.5b for the year. The amalgamation of VO with Veeral Additives Ltd. (VAL) has also been approved by the NCLT. VO is now the largest and only double-integrated manufacturer of AOs in India. The long-term view remains robust for the segment, although there is a threat of Chinese supplies.
- We continue to believe that VO will do well in the long term. The stock is trading at ~32x FY26E EPS of INR52 and ~23x FY26E EV/EBITDA. It had a fixed asset turnover of 1.5x as of FY24. We value the company at 40x FY26E EPS to arrive at our TP of INR2,080. **We reiterate our BUY rating on the stock.**

**Standalone - Quarterly Earning Model**

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Gross Sales</b>	<b>5,063</b>	<b>5,663</b>	<b>5,165</b>	<b>5,193</b>	<b>4,310</b>	<b>4,629</b>	<b>4,480</b>	<b>5,503</b>	<b>20,727</b>	<b>19,000</b>	<b>4,246</b>	<b>30%</b>
YoY Change (%)	31.0	51.4	40.0	6.8	-14.9	-18.3	-13.3	6.0	28.3	-8.3	-15.6	
Gross Margin (%)	45.5%	45.0%	50.0%	49.6%	47.6%	45.8%	47.2%	46.6%	48.2%	46.8%	45.4%	1.2%
<b>EBITDA</b>	<b>1,309</b>	<b>1,485</b>	<b>1,480</b>	<b>1,472</b>	<b>1,090</b>	<b>1,048</b>	<b>1,147</b>	<b>1,502</b>	<b>5,712</b>	<b>4,701</b>	<b>958</b>	<b>57%</b>
Margin (%)	25.8	26.2	28.6	28.3	25.3	22.6	25.6	27.3	27.6	24.7	22.6	4.7
Depreciation	128	130	166	165	132	173	193	194	590	728	203	
Interest	5	0	2	7	3	9	10	9	14	36	8	
Other Income	187	200	113	116	153	106	88	96	524	388	93	
<b>PBT before EO expense</b>	<b>1,363</b>	<b>1,554</b>	<b>1,424</b>	<b>1,415</b>	<b>1,109</b>	<b>972</b>	<b>1,032</b>	<b>1,396</b>	<b>5,632</b>	<b>4,325</b>	<b>840</b>	<b>66%</b>
<b>PBT</b>	<b>1,363</b>	<b>1,554</b>	<b>1,424</b>	<b>1,415</b>	<b>1,109</b>	<b>972</b>	<b>1,032</b>	<b>1,396</b>	<b>5,632</b>	<b>4,325</b>	<b>840</b>	<b>66%</b>
Tax	351	394	355	368	276	247	262	351	1,440	1,091	210	
Rate (%)	25.7	25.3	24.9	26.0	24.9	25.4	25.4	25.1	25.6	25.2	24.9	
<b>Reported PAT</b>	<b>1,012</b>	<b>1,160</b>	<b>1,069</b>	<b>1,047</b>	<b>832</b>	<b>725</b>	<b>770</b>	<b>1,045</b>	<b>4,192</b>	<b>3,234</b>	<b>630</b>	<b>66%</b>
YoY Change (%)	25.0	42.6	28.4	3.5	-17.7	-37.5	-28.0	-0.2	20.9	-22.8	-45.4	
Margin (%)	20.0	20.5	20.7	20.2	19.3	15.7	17.2	19.0	20.2	17.0	14.8	4.1



# Zee Entertainment

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR141      TP: INR160 (+14%)      Neutral**

Bloomberg	Z IN
Equity Shares (m)	961
M.Cap.(INRb)/(USD\$b)	135.3 / 1.6
52-Week Range (INR)	300 / 129
1, 6, 12 Rel. Per (%)	-5/-57/-48
12M Avg Val (INR M)	4443

## Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	86.4	95.5	107.7
EBITDA	9.1	12.2	17.0
Adj. PAT	4.3	7.0	10.3
EBITDA Margin (%)	10.5	12.7	15.8
Adj. EPS (INR)	4.5	7.3	10.7
EPS Gr. (%)	-4.9	61.5	47.1
BV/Sh. (INR)	113.2	118.7	127.7

## Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	4.0	6.3	8.7
RoCE (%)	3.4	6.4	8.7
Payout (%)	0.0	24.6	16.7

## Valuations

P/E (x)	31.2	19.3	13.1
P/B (x)	1.2	1.2	1.1
EV/EBITDA (x)	13.8	10.0	6.9
Div. Yield (%)	0.0	1.1	1.1
FCF Yield (%)	4.8	4.3	4.5

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	4.0	4.0	4.0
DII	35.6	43.6	38.2
FII	19.2	28.2	36.4
Others	41.3	24.2	21.4

FII Includes depository receipts

## Ad revenue rebounds; recovery to remain gradual

- Zee's revenue grew 10% YoY (8% beat) in 4QFY24, led by a recovery in FMCG ad spending. Accordingly, EBITDA/adj. PAT were up 39%/58% YoY (big beat), aided by cost control.
- The management expects a recovery in ad revenue in FY25 and improvement in margins, which we have already factored into our estimates of a revenue/EBITDA CAGR of 12%/37% over FY24–26. As a result, we largely maintain our revenue/EBITDA estimates for FY25-26. With the merger process now being called off, the company's future growth plans would remain the key monitorable. We maintain our Neutral rating on the stock with a target price of INR160/share.

## Revenue up 10% YoY (8% beat) led by FMCG ad revenues

- Zee's consolidated revenue grew 10% YoY to INR21.7b (8% beat), led by advertising revenues.
  - Advertising revenues grew 10% YoY to INR11.1b (16% beat), led by a recovery in the macro advertising environment and a pickup in spending by FMCG clients.
  - Subscription revenue grew 12% YoY to INR9.5b (in line), driven by a pickup in linear subscription revenue post NTO 3.0 and ZEE5.
  - Revenues from other sales and services declined 57% YoY, mainly due to a fewer releases during the quarter.
- Zee's total operating expenses were flat YoY at INR19.6b, led by controlled programming and content costs.
- As a result, EBITDA increased 39% YoY to INR2.1b (80% beat) and margins improved 250bp YoY to 9.7% (390bp beat).
- ZEE5 revenue came in at INR2.4b (8% YoY), driven by improved subscription. EBITDA losses stood at INR2.7b. Adjusted for ZEE5, linear TV business revenue/EBITDA grew 2%/3% YoY.
- The company reported an exceptional loss of INR276m, attributed to merger-related employee expenses and restructuring costs.
- PAT stood at INR122m (vs. loss of INR729m YoY). PAT (adj. for exceptional items) stood at INR1.06b (vs. INR669m in 4QFY23).
- FY24 revenue grew by 7% and EBITDA/PAT declined 18%/21% YoY. EBITDA margin impacted by investments in content and technology.
- The company recommended a dividend of INR1.

## Highlights from the management commentary

- **Recovery in FY25:** In FY25, the company expects a gradual recovery in revenues, driven by FMCG spending, expectation of normal monsoon and rural recovery. In FY26, ZEE aspires to deliver 18-20% EBITDA margin.
- **Could see impact in 1QFY25:** For 1HFY25, the company expects 1QFY25 to see one-time higher costs, which could reduce margins. From 2QFY25, ZEE expects a gradual margin improvement to kick in.

- **No M&A plan:** The company has withdrawn its merger implementation application from the NCLT. The company is not planning to merge with any other entity.
- **Slowdown in ZEE5 buying content:** It is operating at its peak cost structure and expects overall costs to trend down as the company concludes the streamlining process. There is a slowdown in content purchasing, but the company will deploy capital back into ZEE5 once it improves.

### Valuation and view

- Positively, there seems to be a resurgence in ad revenue due to increased spending by FMCG companies. We expect the recovery to remain gradual given the continued weakness in the rural segment and IPL in 1QFY25.
- The outlook on subscription revenue is expected to improve with the implementation of NTO 3.0.
- The improvement in profitability in ZEE5 is positive after remaining a drag for a long period. The management expects EBITDA margin to improve to 18-20% in FY26.
- With the merger process now being called off, it would be important to see the company's growth plans from hereon, with the focus remaining on a recovery in the ad market and decision about its digital platform.
- The management expects a recovery in ad revenue in FY25 and improvement in margins, which we have already factored into our estimates of revenue/EBITDA CAGRs of 12%/37% over FY24-26. As a result, we broadly keep our revenue/EBITDA estimates unchanged for FY25/FY26, building in a gradual recovery in ad revenues and margins. We maintain our Neutral rating and a TP of INR160/share, based on 15x FY26E EPS.

### Consolidated - Quarterly Earning Model

Y/E March	(INR m)											
	FY23				FY24E				FY23	FY24	FY24	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	Est (%)	
<b>Revenue</b>	<b>18,457</b>	<b>20,213</b>	<b>21,088</b>	<b>21,121</b>	<b>19,838</b>	<b>24,378</b>	<b>20,457</b>	<b>21,699</b>	<b>80,879</b>	<b>86,372</b>	<b>20,090</b>	8.0
YoY Change (%)	4.0	2.1	-0.2	-9.0	7.5	20.6	-3.0	2.7	-1.2	6.8	-4.9	
Total Expenditure	16,100	16,737	17,427	19,604	18,289	21,050	18,365	19,597	69,868	77,301	18,919	3.6
<b>EBITDA</b>	<b>2,358</b>	<b>3,476</b>	<b>3,660</b>	<b>1,517</b>	<b>1,549</b>	<b>3,328</b>	<b>2,092</b>	<b>2,102</b>	<b>11,011</b>	<b>9,071</b>	<b>1,172</b>	79.5
EBITDA Margin (%)	12.8%	17.2%	17.4%	7.2%	7.8%	13.6%	10.2%	9.7%	13.6%	10.5%	5.8%	66
Depreciation	778	679	837	833	785	772	761	772	3,128	3,091	770	0.2
Interest	81	95	130	396	234	234	183	69	702	721	212	-67.4
Other Income	338	169	148	142	145	718	276	154	797	1,292	302	-49.1
Fair Value through P&L gain/(loss)	0	0	58	0	38	0			58	38	0	
<b>PBT before EO expense</b>	<b>1,837</b>	<b>2,871</b>	<b>2,900</b>	<b>430</b>	<b>713</b>	<b>3,039</b>	<b>1,423</b>	<b>1,415</b>	<b>8,037</b>	<b>6,590</b>	<b>491</b>	188.1
Extra-Ord expense	150	615	1,690	900	706	1,198	603	-276	3,355	2,784	0	
<b>PBT</b>	<b>1,687</b>	<b>2,255</b>	<b>1,210</b>	<b>-470</b>	<b>6</b>	<b>1,842</b>	<b>819</b>	<b>1,691</b>	<b>4,682</b>	<b>3,806</b>	<b>491</b>	244.3
Tax	621	648	637	260	-31	544	288	1,018	2,167	1,818	-4	
Rate (%)	36.8	28.7	52.7	-55.3	-480.0	29.5	35.1	60.2	46.3	47.8	-0.9	
MI & P/L of Asso. Cos.	-1	1	2	-1	-1	-1	-1	-1	1	-4	0	
<b>Reported PAT</b>	<b>1,066</b>	<b>1,606</b>	<b>570</b>	<b>-729</b>	<b>39</b>	<b>1,299</b>	<b>532</b>	<b>674</b>	<b>2,514</b>	<b>1,992</b>	<b>496</b>	36.1
<b>Adj PAT</b>	<b>1,161</b>	<b>1,426</b>	<b>1,312</b>	<b>669</b>	<b>496</b>	<b>1,726</b>	<b>1,065</b>	<b>1,059</b>	<b>4,568</b>	<b>4,346</b>	<b>496</b>	113.7
YoY Change (%)	-47	-50	-58	-77	-57	21	-19	58	-59	-5	-26	

E: MOFSL Estimates





# Restaurant Brands Asia

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	RBA IN
Equity Shares (m)	496
M.Cap.(INRb)/(USDb)	52.6 / 0.6
52-Week Range (INR)	138 / 95
1, 6, 12 Rel. Per (%)	9/-22/-25
12M Avg Val (INR M)	329

## Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	24.4	30.1	36.4
Sales growth (%)	18.6	23.3	21.0
EBITDA	2.4	3.8	5.0
Margins (%)	9.9	12.5	13.7
Adj. PAT	-2.4	-0.5	0.5
Adj. EPS (INR)	-4.8	-1.1	0.9
EPS Growth (%)	N/M	N/M	L/P
BV/Sh.(INR)	12.7	11.6	12.5

## Ratios

RoE (%)	-32.1	-8.9	7.5
RoCE (%)	-4.7	3.6	9.2

## Valuations

P/E (x)	N/M	N/M	116.8
P/BV (x)	8.4	9.1	8.5
EV/EBITDA (x)	27.2	16.7	12.8
EV/EBITDA (x) *	260.7	42.4	27.1
EV/Sales (x)	2.7	2.1	1.8

\* pre Ind-AS

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	15.4	15.4	40.8
DII	23.2	23.7	9.9
FII	24.9	26.9	27.5
Others	36.6	34.1	21.8

FII Includes depository receipts

**CMP: INR106 TP: INR140 (+32%) Buy**

## Outperforming in India; Indonesia progressing toward profitability

- RBA's India business posted 20% YoY revenue growth (in line), led by 16% YoY increase in store additions and an SSSG of 2%. Amid a tough demand environment, most other QSR brands have delivered weak growth metrics (SSSG, ADS). RBA sustained its outperformance throughout FY24.
- India GM expanded 130bp YoY to 67.7% (est. 67.2%) through optimization of product mix, and entry-level pricing and offers. The company ROM (Pre-Ind AS) declined 40bp YoY to 7.8%. The company EBITDA margin (pre-Ind AS) expanded 90bp YoY to 2.4%. Reported EBITDA is up 30% YoY to INR551m (est. INR621m).
- The Indonesia business reported 6% YoY revenue growth, despite being adversely impacted by geopolitical crises. Indonesia ROM (Pre-Ind As) expanded 780bp YoY to 1% on cost-saving initiatives and closure of 12 non-performing BK stores. The company does not plan to add any stores in Indonesia in FY25.
- Consolidated reported EBITDA was up 153% YoY to INR692m, with a margin expansion of 630bp YoY to 11.6% (est. 9.1%), led by healthy improvement in the Indonesia business. High depreciation (up 49% YoY) and interest cost (up 48% YoY) led to consolidated loss increasing to INR921m from a loss of INR800m in 4QFY23 (est. loss of INR461m). Partial increase in depreciation/interest was due to store closures in Indonesia.
- With an aggressive store addition outlook in India (700 stores by FY27), RBA will continue to enjoy high-store growth. The QSR industry is seeing demand challenges, thereby, near-term growth metrics in India along with Indonesia profitability will be a key monitorable. **We maintain our BUY rating on the stock with a TP of INR 140.**

## India outperforms; Indonesia improves operational profitability

### India Business

- **Healthy revenue growth with positive SSSG**- India business revenue was up 20% YoY (in line) to INR4.4b, led by 16% store growth and 2% growth in same-store-sales (0.2% est). India business ADS declined 3% YoY and 12% QoQ to INR105k.
- **Store Expansion** – The company added 16 stores and closed 2 stores in 4QFY24 in India, taking the count to 455 stores. Increased the BK Café store count to 351 stores from 275 in FY23. (77% of total BK stores).
- **Margin Expansion** - India GP was up 23% YoY (in line) to INR3b and margins went up 130bp YoY/60bp QoQ to 67.7%. India ROM increased 14% YoY to INR342m. Margins declined 40bp YoY to 7.8%. Pre Ind AS EBITDA increased 96% YoY to INR106m and margins were up 90bp YoY to 2.4%. Reported margins expanded 100bp YoY to 12.5%. (est. 14.2%).
- India EBITDA was up 30% YoY to INR551m (est. INR621m). Higher depreciation and interest led to loss in the India business to INR310m (est. loss of INR162mn).
- **In FY24**, India business net sales/EBITDA grew 22%/129% YoY.

### Consolidated Business

- Consol revenue was up 16% YoY to INR6b (6% miss), led by weak revenue growth of the Indonesia business.
- Consolidated store count went up to 630 stores (455/175 India BK/Indonesia stores).
- Consol GP was up 16% YoY to INR3.8b and margins were flattish YoY to 64.2%.
- Consol EBITDA was up 153% YoY to INR692m (24% beat) and margins were up 630bp YoY to 11.6%.
- High depreciation (up 49% YoY) and interest cost (up 48% YoY) led to consolidated loss increasing to INR921m from INR800m loss in 4QFY23 (est. loss of INR461m).
- In FY24, Consol. business net sales/EBITDA grew 19%/117% YoY.

### Key takeaways from the management commentary

- The company is rolling out a new initiative called King's Journey, designed to enhance customer experience through display ordering kiosks, app-based ordering, and QR food ordering at the table. Currently, 99 stores offer a fully digital ordering experience.
- The company has given the guidance for 450 stores in FY24 and beaten that guidance with 455 restaurants as of March 31. The company is targeting 700 restaurants by FY27.
- Indonesia sales has done well in 1HFY24, but was adversely impacted in 2HFY24 by the geopolitical crises. The company has closed 12 non-performing BK store during the quarter, which led the lower expenses and helped in margin improvement.
- Gross margins and contributions are expected to continue improving through optimization of product mix, entry-level pricing and offers.
- The company has seen significant improvement in delivery sales and continues to drive traffic into its restaurants through better products, increased product portfolio, and better assets.

### Valuation and view

- There is no material change in our EPS estimates for FY25E/FY26E.
- We remain cautious about near-term QSR demand, which has adversely impacted growth and margins for most players in the industry. However, RBA's focus on the value segment to drive footfalls has been outperforming its peers. The company remains aggressive on store addition (700 stores by FY27), leading to strong store-led growth. BK Café is likely to be a key growth and margin driver over the medium term. EBITDA margin should also improve, due to a recovery in dine-in traffic, better traction/penetration of BK Café, and other cost-saving initiatives.
- As more and more stores mature, improving contribution of new stores in the network would also support the margin recovery. Indonesia business should also witness a healthy revenue growth and margin expansion in the medium term.
- We retain our BUY rating on RBA with TP of INR140, premised on a 35x FY26E EV/EBITDA (pre-Ind AS 116).

**Quarterly Standalone Performance**

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4Q		
<b>SSSG (%)</b>	66.0	27.0	8.6	8.3	3.6	3.5	2.6	1.9	23.1	2.9	0.2	
<b>No. of stores</b>	328	334	379	391	396	404	441	455	391	455	460	
<b>Net Sales</b>	3,369	3,680	3,698	3,649	4,221	4,535	4,454	4,391	14,397	17,601	4,374	0.4
YoY change (%)	125.0	50.0	32.1	35.8	25.3	23.2	20.5	20.3	-3.4	22.3	19.9	
<b>Gross Profit</b>	2,236	2,443	2,454	2,422	2,806	3,031	2,990	2,971	9,555	11,798	2,939	1.1
Margin (%)	66.4	66.4	66.4	66.4	66.5	66.8	67.1	67.7	66.4	67.0	67.2	
<b>EBITDA</b>	332	421	479	423	485	634	708	551	1,654	2,377	621	-11.3
EBITDA growth %	2,064.8	64.4	45.8	39.8	45.9	50.7	47.9	30.3	109.4	128.6	46.9	
Margin (%)	9.9	11.4	12.9	11.6	11.5	14.0	15.9	12.5	11.5	13.5	14.2	
Depreciation	461	426	434	481	507	494	522	586	1,802	2,110	530	
Interest	196	206	220	274	264	273	281	324	896	1,141	291	
Other Income	97	79	63	86	65	40	32	48	325	185	38	
<b>PBT</b>	-227	-133	-112	-246	-222	-93	-64	-310	-718	-689	-162	-91.5
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Adjusted PAT</b>	-227	-133	-112	-246	-222	-93	-64	-310	-718	-689	-162	-91.5
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates



# Avalon Technologies

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR489      TP: INR570 (+17%)      Buy**

## The US business drags overall performance; recovery visible

### Earnings lower than our estimate

- Avalon Technologies (Avalon) reported a weak quarter, with revenue declining 20%/8% YoY in 4QFY24/FY24, led by a continued slowdown in the US business (reported a loss of ~INR300m in FY24) and muted growth of only ~3% YoY in the India business in FY24.
- The order book exhibited some resilience, with order inflows at ~INR3.1b across sectors (such as Industrial, Clean energy, Automotive, and Railways). The inflows led to an 11% YoY increase in the closing order book to INR13.7b as of Mar'24.
- Factoring in the weak 4QFY24 performance and lower growth guidance for FY25, we reduce our EPS estimates for FY25/FY26 by 6%/7%.

**Reiterate BUY with a TP of INR570.**

### Weak margins due to adverse operating leverage

- Consolidated revenue declined 18% YoY, while it was up only 1% QoQ to INR2.2b (in line) in 4QFY24, due to challenges within the US business. EBITDA margin contracted 720bp/20bp YoY/QoQ to 7.9% (est. 8.3%), dragged down by operating deleverage. EBITDA declined 58% YoY (up 4% QoQ) to INR172m (est. INR181m). Adjusted PAT was down 69% YoY, while it grew 7% QoQ to INR71m (est. of INR77m).
- During FY24, Avalon's revenue/EBITDA/Adj. PAT declined 8%/45%/47% YoY to INR8.7b/INR626m/INR280m.
- The Indian market's revenue for FY24 grew only 3% YoY, but challenging conditions in the US market led to a decline in the US business revenue by 16% YoY. As a result, overall revenue declined 8% YoY during the period.
- Net debt as of Mar'24 stood at INR576m vs. net cash of INR1.2b as of Mar'23. Net working capital days increased to 161 from 144 in Mar'23, primarily led by higher inventory days (up 12 days).

### Highlights from the management commentary

- **Guidance:** Management guided revenue growth of ~14-18% YoY in FY25, with major growth likely to be in 2HFY25. Profitability is likely to be notably higher than FY24 led by favorable operating leverage and the shift of a part of the production to India from the US. Avalon expects to double the revenue in the next three years.
- **Revival in the US business:** Management highlighted that weakness in the US business has bottomed out and it is expecting a strong recovery in 2HFY25.
- The company's large US home electrification customer in the clean energy segment has finally received the license from the US government. The company is expecting strong order flows as the customer will carry out the commercial launch of the project in late 2QFY25, and ramp up production in 2HFY25.

Bloomberg	AVALON IN
Equity Shares (m)	66
M.Cap.(INRb)/(USDb)	32.1 / 0.4
52-Week Range (INR)	732 / 366
1, 6, 12 Rel. Per (%)	-7/-11/1
12M Avg Val (INR M)	214

### Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	8.7	10.8	14.1
EBITDA	0.6	1.1	1.6
Adj. PAT	0.3	0.6	1.0
EBITDA Margin (%)	7.2	10.1	11.5
Cons. Adj. EPS (INR)	4.3	9.7	15.8
EPS Gr. (%)	(53.0)	127.7	62.8
BV/Sh. (INR)	83.3	93.0	108.8

### Ratios

Net D:E	(0.0)	(0.1)	(0.1)
RoE (%)	5.2	11.0	15.6
RoCE (%)	5.2	10.1	14.4

### Valuations

P/E (x)	114.6	50.3	30.9
EV/EBITDA (x)	51.0	29.0	19.4

### Shareholding pattern (%)

As on	Mar-24	Dec-23	Mar-23
Promoter	50.9	51.0	70.7
DII	22.5	17.1	0.0
FII	2.4	5.7	0.0
Others	24.2	26.3	29.3

Note: FII includes depository receipts

**Valuation and view**

- With the recovery of the US operations in sight, we believe Avalon’s revenue and profitability will improve in FY25. We also believe the long-term trajectory of the company continues to be strong, backed by: 1) addition of new customers in the US and Indian markets; and 2) order inflows from the high-growth/high-margin industries, such as Clean Energy and Aerospace.
- Factoring in the weak 4QFY24 performance and lower growth guidance for FY25, we reduce our EPS estimates for FY25/FY26 by 6%/7%. **Reiterate BUY with a TP of INR570 (premised on 36x FY26E EPS).**

**Consolidated - Quarterly Earnings Model**

Y/E March	FY23				FY24				FY23	FY24	FY24E	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var %
<b>Gross Sales</b>	<b>1,960</b>	<b>2,447</b>	<b>2,327</b>	<b>2,718</b>	<b>2,351</b>	<b>2,010</b>	<b>2,143</b>	<b>2,168</b>	<b>9,447</b>	<b>8,672</b>	<b>2,174</b>	<b>0</b>
YoY Change (%)	NA	NA	NA	NA	19.9	-17.9	-7.9	-20.2	350.4	-8.2	-20.0	
Total Expenditure	1,765	2,161	2,125	2,307	2,189	1,884	1,977	1,996	8,319	8,046	1,994	
<b>EBITDA</b>	<b>195</b>	<b>286</b>	<b>202</b>	<b>411</b>	<b>162</b>	<b>126</b>	<b>165</b>	<b>172</b>	<b>1,128</b>	<b>626</b>	<b>181</b>	<b>-5</b>
Margins (%)	10.0	11.7	8.7	15.1	6.9	6.3	7.7	7.9	11.9	7.2	8.3	
Depreciation	46	49	50	52	53	55	60	61	197	229	65	
Interest	71	100	86	95	56	32	36	39	348	164	40	
Other Income	66	64	12	38	51	47	22	28	144	148	30	
<b>PBT before EO expense</b>	<b>145</b>	<b>201</b>	<b>78</b>	<b>302</b>	<b>105</b>	<b>86</b>	<b>91</b>	<b>99</b>	<b>727</b>	<b>381</b>	<b>106</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>145</b>	<b>201</b>	<b>78</b>	<b>302</b>	<b>105</b>	<b>86</b>	<b>91</b>	<b>99</b>	<b>727</b>	<b>381</b>	<b>106</b>	
Tax	52	53	21	75	34	13	25	29	202	101	29	
Rate (%)	35.8	26.6	26.7	24.7	32.4	15.2	27.5	29.0	27.8	26.5	27.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>93</b>	<b>148</b>	<b>57</b>	<b>227</b>	<b>71</b>	<b>73</b>	<b>66</b>	<b>71</b>	<b>525</b>	<b>280</b>	<b>77</b>	
<b>Adj PAT</b>	<b>93</b>	<b>148</b>	<b>57</b>	<b>227</b>	<b>71</b>	<b>73</b>	<b>66</b>	<b>71</b>	<b>525</b>	<b>280</b>	<b>77</b>	<b>-9</b>
YoY Change (%)	NA	NA	NA	NA	-23.9	-50.7	14.7	-68.9	NA	-46.7	-66.0	
Margins (%)	4.7	6.0	2.5	8.4	3.0	3.6	3.1	3.3	5.6	3.2	3.6	



# Data Pattern (India)

BSE SENSEX  
74,006

S&P CNX  
22,502

**CMP: INR3,320**

**Buy**

## Conference Call Details



**Date:** 21<sup>st</sup> May 2024

**Time:** 10:30pm IST

**Dial-in details:**

[Click Here](#)

## Earnings below our estimate

- Consolidated revenue declined 2% YoY, while it grew 31% QoQ to INR1.8b (est. INR2.3b) during the quarter.
- Gross margin improved 1,410bp/420bp YoY/QoQ to 71.9%
- EBITDA grew 27%/55% YoY/QoQ to INR930m (est. INR1b).
- EBITDA margin expanded 1,140bp/800bp YoY/QoQ to 51% (est. 44.7%).
- Adjusted PAT grew 29%/39% YoY/QoQ to INR711m (est. of INR746m).
- **During FY24**, revenue/EBITDA/Adjusted PAT grew 15%/29%/47% YoY to INR5.2b/INR2.2b/INR1.8b.

### Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>684</b>	<b>882</b>	<b>1,118</b>	<b>1,851</b>	<b>897</b>	<b>1,083</b>	<b>1,395</b>	<b>1,823</b>	<b>4,535</b>	<b>5,198</b>	<b>2,304</b>	<b>-21</b>
YoY Change (%)	NA	136.8	88.8	322.2	31.2	22.9	24.8	-1.5	45.9	14.6	24.5	
Total Expenditure	471	580	648	1,117	619	676	795	893	2,816	2,982	1,275	
<b>EBITDA</b>	<b>213</b>	<b>302</b>	<b>470</b>	<b>734</b>	<b>278</b>	<b>408</b>	<b>600</b>	<b>930</b>	<b>1,718</b>	<b>2,217</b>	<b>1,029</b>	<b>-10</b>
Margins (%)	31.1	34.2	42.1	39.6	31.0	37.6	43.0	51.0	37.9	42.6	44.7	
Depreciation	20	21	21	22	28	31	33	70	84	162	42	
Interest	16	12	21	28	17	23	23	30	77	93	35	
Other Income	17	19	19	38	116	108	113	123	92	460	45	
<b>PBT before EO expense</b>	<b>194</b>	<b>287</b>	<b>446</b>	<b>721</b>	<b>349</b>	<b>463</b>	<b>657</b>	<b>953</b>	<b>1,649</b>	<b>2,422</b>	<b>997</b>	
<b>PBT</b>	<b>194</b>	<b>287</b>	<b>446</b>	<b>721</b>	<b>349</b>	<b>463</b>	<b>657</b>	<b>953</b>	<b>1,649</b>	<b>2,422</b>	<b>997</b>	
Tax	52	76	113	168	91	125	148	242	409	605	251	
Rate (%)	26.7	26.6	25.4	23.3	25.9	27.0	22.4	25.4	24.8	25.0	25.2	
<b>Reported PAT</b>	<b>142</b>	<b>211</b>	<b>333</b>	<b>554</b>	<b>258</b>	<b>338</b>	<b>510</b>	<b>711</b>	<b>1,240</b>	<b>1,817</b>	<b>746</b>	
<b>Adj PAT</b>	<b>142</b>	<b>211</b>	<b>333</b>	<b>554</b>	<b>258</b>	<b>338</b>	<b>510</b>	<b>711</b>	<b>1,240</b>	<b>1,817</b>	<b>746</b>	<b>-5</b>
YoY Change (%)	NA	104.4	158.5	517.9	81.4	60.5	53.0	28.4	32.2	46.6	34.8	
Margins (%)	20.8	23.9	29.8	29.9	28.8	31.2	36.5	39.0	27.3	35.0	32.4	



# Trent

BSE SENSEX  
74,006

S&P CNX  
22,502



Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1,650.5 / 19.8
52-Week Range (INR)	4,699 / 1,472
1,6,12 Rel. Per (%)	12 / 60 / 160
12M Avg Val (INR M)	2,306.0

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	123.8	169.3	210.9
EBITDA	19.2	25.3	31.7
NP	10.4	13.3	17.1
EBITDA Margin (%)	15.5	14.9	15.0
Adj. EPS (INR)	29.4	37.3	48.1
EPS Gr. (%)	163.7	27.0	29.0
BV/Sh. (INR)	122.4	162.3	213.8

### Ratios

Net D:E	0.0	0.3	0.2
RoE (%)	31.3	28.0	27.4
RoCE (%)	18.0	23.4	22.1
Payout (%)	0.0	0.0	0.0

### Valuations

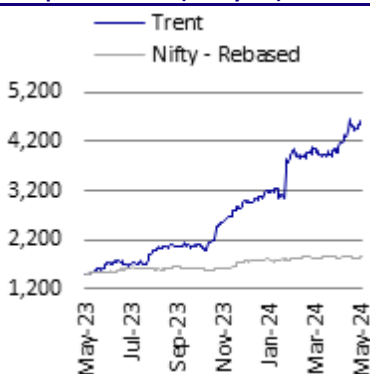
P/E (x)	158.2	124.6	96.5
EV/EBITDA (x)	85.9	65.9	52.7
EV/Sales (x)	13.5	9.9	8.0
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.6	0.4	1.0

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	37.0	37.0	37.0
DII	13.9	14.8	16.1
FII	26.8	25.9	24.4
Others	22.3	22.3	22.4

FII Includes depository receipts

### Stock's performance (one-year)



CMP: INR4,643

TP: INR5,100 (+10%)

Buy

## Conviction intact!

We met with the CEO and CFO of Trent Limited (TRENT), Mr. P. Venkatesalu and Mr. Neeraj Basur, who stated that the opportunity in the value retail space is still substantial, with the company's market share at 2%/8% of total/organized retail value market size. The company remained focused on being relevant to the customer needs, and hence, the store additions will not be a challenge for TRENT. It will be growing with a lighter balance sheet (FOCO/COCO model), which will be able to deliver a higher ROCE. The company will continue to expand the Westside, Zudio, and Star formats in the coming years.

## Huge market opportunity

The total market size of value retail is around INR5.0t, and it is growing at 15-16%. Out of this, only 30% (i.e. ~INR1.5t) is organized. TRENT's market share in the total/organized market is about 2%/8%. Growth will further be augmented by the transition from unorganized to organized and from organized to becoming a brand. As a result, Zudio and Westside have a modest market share in India, but the company still believes that it has a lot of potential. We are baking in 25 and 150 store additions for Westside and Zudio, respectively.

## Star poised for store acceleration

The company continues to remain confident about the grocery business, which could be an additional growth engine. Star has merely 66 stores (+1m sqft retail area) in 10 cities with a revenue of INR22b, and the grocery market size of +INR41t offers huge growth opportunity. The other players, such as Reliance Retail and DMART, have reached revenue sizes of ~INR910b and INR508b (with 565/15.15m stores/sqft), respectively. In FY24, Star has seen strong LFL growth in FY24, with revenue per sqft of ~INR27k, EBITDA breakeven (~1% EBITDA margin) and Asset turnover of 2.7x. We expect TRENT to accelerate store additions, as it is now on track to achieve healthy store economics.

## Growth model continues

The company will maintain its high ROCE by pursuing growth with profitability and maintaining a lighter balance sheet (a hybrid of the FOCO and COCO models). The company continues to sell its own brands exclusively through its own distribution channels (excluding EBOs) and without any advertising. In Star, the own brand contribution increased to 69% of total sales (from 60% in FY23). The product proposition, price point, and customer experience are the three cornerstones that will be the company's main focus areas.

## Valuation and view

- We believe TRENT offers a huge runway for growth over the next three years, supported by healthy productivity, robust footprint additions, and healthy scale up within the Zudio and Star formats.

- TRENT's strong performance, with 10% LFL growth and robust footprint additions, remains an outlier within our retail coverage universe, which is experiencing a challenging demand environment. Unlike peers who passed on the sharp raw material price increases last fiscal year, TRENT absorbed the impact. This decision resulted in strong customer reception, and now TRENT is reaping the benefits as raw material prices become more favorable.
- We factor in 32%/30%/38% standalone revenue/EBITDA/PAT CAGR over FY24-26E, fueled by a strong 20% YoY footprint addition and a healthy SSSG.
- We assign 52x EV/EBITDA to the standalone business (Westside and Zudio), which is at a premium over our Retail Universe, given its superior growth, 2x EV/sales to Star Bazaar, and 15x EV/EBITDA to Zara on FY26E, and arrive at our TP of INR5,100. Adjusting for Star and Zara's value, the stock is trading at 80x P/E on FY26E for the standalone business. **Reiterate BUY.**



# Fusion Micro Finance

BSE SENSEX 74,006 S&P CNX 22,502

CMP: INR481

TP: INR605 (+26%)

BUY



### Stock Info

Bloomberg	FUSION IN
Equity Shares (m)	101
M.Cap.(INRb)/(USDb)	48.6 / 0.6
52-Week Range (INR)	691 / 430
1, 6, 12 Rel. Per (%)	-1/-33/-21
12M Avg Val (INR M)	221

### Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
Total Income	16.2	19.4	23.3
PPP	10.3	12.2	14.8
PAT	5.1	6.7	8.3
EPS (INR)	50.2	66.3	82.8
EPS Gr. (%)	30	32	25
BV (INR)	283	349	432

### Valuations

NIM (%)	14.1	14.0	13.9
C/I ratio (%)	36.6	37.1	36.5
RoAA (%)	4.8	5.1	5.3
RoE (%)	19.5	21.0	21.2

### Valuations

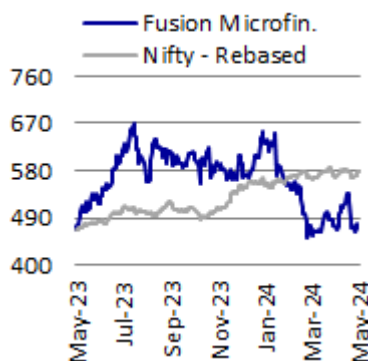
P/E (x)	9.6	7.3	5.8
P/BV (x)	1.7	1.4	1.1

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	57.7	57.7	68.2
DII	23.3	22.8	13.6
FII	6.4	7.2	6.3
Others	12.6	12.3	12.0

FII Includes depository receipts

### Stock's performance (one-year)



## Enhancing capabilities to build a robust franchise

We attended the analyst meet held by Fusion Micro Finance (FUSION), where the company highlighted the capabilities that it has built across its MFI and MSME verticals, treasury and finance, risk management, information technology, and internal audit. **Instead of focusing on steep guidance/targets, the management focused on its aim of building a granular and robust balance sheet that can withstand any external stress events.**

- The management guided for an AUM CAGR in mid-20s, which will come from 10-12% customer additions and 15-20% branch additions. **Over the next 2-3 years, the management targets to increase the management overlay to 1.0%-1-25% (from ~0.6% now).** In good years, it aims to strengthen the balance sheet through a management overlay to keep RoA in the range of 4.7%-4.9% and RoE around 18-20%.
- FUSION will focus on diversifying its liability franchise by reducing its dependence on bank term loans and replacing them predominantly with debt capital market instruments and external commercial borrowings (ECB). It will also explore opportunities in social/ESG/impact loans outside India.

## Key takeaways from the meet

- FUSION (like others in the sector) acknowledged that the center meeting discipline has deteriorated after Covid and it is making targeted efforts to incentivize customers for attending center meetings.
- The management shared that it does not plan to give out large unsecured loans to its existing MFI customers. In addition to its core MFI business, it will also be looking to build adjacencies while keeping the risk aspect in mind. It will be looking to build a secured ecosystem adjacent to its unsecured MFI loans. After scaling up MSME loans, it might also look at affordable housing and electric three wheelers, along with partnerships with banks.
- FUSION is looking to build a full-scale dedicated collection vertical even in its MFI business. The company now mandatorily makes a welcome call to its new customers across all the states to confirm that the customer is taking the loan and to transparently convey the terms and conditions of the loan. It has also started two-factor authentication for the last eight months. It has a regional and centralized tele-calling team, which works on the soft buckets. It already has a well-established collection mechanism for its MSME business.
- There are no further flows from Punjab, where it is currently not disbursing fresh loans and will take a call on fresh disbursements after elections. **It guided for credit costs of 2.6%-2.8% and additional 25-30bp of management overlay in FY25. The management expects NIM expansion to continue in FY25 with better visibility on its borrowing costs.** In the long term, it aims for NIM of 12% while optimizing the cost to borrowers and returns to shareholders.
- FUSION classifies states where it has a presence into low risk, medium risk and high. The loan ticket size and interest rates are decided as per the risk matrix. It is building and will be leveraging a lot of data to evaluate risk-based pricing.



## Building a sustainable franchise

### Tech stack to aid business growth; cost ratios to improve from 2HFY25

We met with the top management team of IDFC First Bank, represented by Mr. V Vaidyanathan – MD & CEO, Mr. Sudhanshu Jain – CFO, and Mr. Saptarshi Bapari – Head of IR, to discuss the bank's growth outlook, performance of new businesses, profitability goals, and other key focus areas. Here are the key takeaways from the discussion:

### Loan growth to remain robust; granularity to improve further

IDFC First Bank has made a strong progress in fortifying its balance sheet as it focused on granular retail segments while consistently reducing the mix of corporate and infrastructure loans. The consumer and rural finance segments, thus, account for ~71% of total loans, while the mix of legacy infrastructure books has declined to a mere 1.4% of loans. Over the past two years, the advances book has reported ~25% CAGR and the bank has guided for a sustained advances CAGR of ~20% over FY24-29, under its Guidance 2.0 roadmap. Management believes that the bank is well poised to grow in the early 20s over the coming years, aided by strong customer demand (riding on India's consumption narrative), superior customer service, and a healthy inflow of liabilities. The bank thus aims to grow its loan book to INR5t by FY29E from INR2t backed by a blend of robust retail and commercial loan offerings while remaining agile in seizing prudent corporate opportunities. We estimate IDFC First Bank to deliver a 22% CAGR in loan book over FY24-26 to reach INR2.9t.

### Robust tech platform enables a superior customer experience; liability momentum to remain strong

Despite being one of the late entrants in the banking system, IDFC First Bank has shown commendable performance in building its technological capabilities and mobile banking platform (10m App downloads with a 4.9 star rating). The bank has developed an end-to-end digital platform to meet a wide range of customer needs, offering products in a highly user-friendly manner. The strong digital and increasing physical presence in urban areas has helped the bank garner ~INR1.17t of retail deposits between FY20-24. We believe that with the best-in-class digital platform, improved brand goodwill, and a rising mix of affluent customers, IDFCFB is well positioned to sustain the ongoing momentum in deposits. Management thus indicated ~30% growth in deposits over FY25, which will enable it to retire the high-cost borrowings that are due for maturity as well as support healthy loan growth.

### CD ratio has improved 20% over the past two years; high-cost legacy borrowings to unwind by FY26E

IDFCFB has been making strong progress in replacing high-cost borrowings, while delivering robust loan growth driven by strong traction across segments. The bank has delivered ~38% CAGR in deposits over FY22-24, while CASA mix was broadly stable at ~47% over the similar period. CD ratio has thus eased to 97% currently (including credit substitutes) from 117% in FY22. We believe that with improving digital prowess and gradually expanding branch network, the bank is well poised to grow its deposit base at an industry leading run-rate. IDFC First Bank has retired its legacy high-cost borrowings (8.9% interest) amounting to ~INR60b in FY24, while it further has a repayment schedule of ~INR69b/INR46b worth of high-cost legacy borrowings in FY25/26E. The bank would thus benefit from the retirement of these high-cost borrowings, while the requirement for higher deposit mobilization will also ease

### IDFC First Bank



**Mr. V. Vaidyanathan, MD & CEO**

Mr. V. Vaidyanathan is the first MD & CEO of IDFC First Bank. He has over two decades of experience in financial services. Prior to IDFC First, he was a banker with Citibank, and then he set up ICICI Group's retail banking, where he built a large CASA, retail deposit, and retail lending businesses (during 2000-09). Subsequently, he became the MD & CEO of ICICI Prudential Life. In 2010, he quit the ICICI Group for an entrepreneurial opportunity to acquire an NBFC (Capital First), which later merged with IDFC Bank. He took over as the MD & CEO of the merged entity.



as, by FY26E, most of the high-cost legacy borrowings will run down. We expect the overall LDR to moderate to 88% by FY26E, while the bank has already guided for an LDR of 85% by FY29E.

### **Cost ratios to moderate from 2HFY25E; PPOP/PAT to clock 35%/30% CAGR over FY24-26E**

Being a relatively new entrant in banking, IDFC First Bank has made significant investments in building the business at an accelerated pace over the past 3-4 years. This has led to elevated cost ratios with the cost-to-income being consistently more than 70% (~72% in FY24) over the past few years. Management suggested that the cost ratios in the asset business has moderated sharply; however, the same remains elevated in branch banking (liability business). The ratios will improve with increasing economies of scale. The credit cards business, which has been reporting a healthy growth (58% YoY loan growth in the cards business) is also likely to achieve breakeven by end of FY25. This will thus aid improvement in the cost ratios. The bank has additional levers and is focusing on a branch-light and tech-heavy strategy to control costs besides looking at opportunities to augment healthy fee income. The re-pricing of the high-cost borrowings over FY25/26E will be beneficial for margins and support revenue growth. Management suggested a steady improvement in the cost ratios from 2HFY25 onwards with C/I ratio moderating towards 67-68% by 4QFY25 from ~73% in 4QFY24.

### **Asset quality remains steady; SMA1 & 2 too trending up well**

IDFC First Bank has been able to demonstrate strong asset quality over the past couple of years, which allows it to earn significantly higher risk-adjusted margins than peers. While asset quality did experience stress during Covid-19, the recovery since has been quick and sharp, thus reinforcing faith in the strength of the business model. The bank has a 10-step stringent underwriting process, wherein only 40-60% of the applications are approved and this has enabled lower cheque bounces rates. This has reflected in controlled SMA 1&2 at 0.85% in 4QFY24 vs 0.87% 4QFY23. GNPA/NNPA ratios have also improved to 1.9%/0.6%, while the coverage ratio stood at a healthy 69%. The bank has guided for a credit cost of 1.65% over FY25, with 2HFY25 is likely showing improving trends. We built in stable asset quality ratios over FY24-26E, while PCR is likely to improve to ~74%.

### **Other highlights**

- The bank has significantly improved its PSL compliance and has met all the requirements in FY24 vs regular shortfalls that it used to witness earlier.
- While the Tier-1 ratio stands comfortable at ~13.4%, the bank may look at a capital raise during FY25 to support the strong growth momentum.
- The bank expects lending yields to remain broadly stable which along with an improvement in funding cost and retirement of high-cost borrowings will help maintain steady margins.

### **Valuations and view: Reiterate Neutral with a TP of INR88**

IDFC First Bank has been on track to deliver sustained improvement in earnings. The bank has built a strong retail franchise with >70% mix of retail assets and has delivered on most parameters under Guidance 1.0, barring the C/I ratio, on which the bank suggests a strong progress from 2HFY25. Management remains confident on delivering industry-leading business growth while focusing on building a diversified retail portfolio. Cost ratios have been sticky as the bank continued to make significant investments in the business, expediting the transition journey from an NBFC into a bank with robust liability franchise and a well-diversified loan portfolio with top notch digital capabilities. However, management has suggested for a continued improvement in cost ratios, mainly from 2HFY25E, as operating leverage improves and the bank follows a branch-light distribution and sourcing model. We thus estimate IDFC First Bank to deliver a PPOP/PAT CAGR of 35%/30% over FY24-26E leading to an RoA/RoE of 1.3%/13.2%. **Reiterate Neutral with a TP of INR88 (premised on 1.6x FY26E ABV).**



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
<b>Automobiles</b>																
Amara Raja Ener.	Neutral	1158	850	-27	51.1	57.7	60.9	19.6	13.0	5.5	22.7	20.1	3.3	3.0	15.6	17.7
Apollo Tyres	Buy	493	550	12	29.0	30.1	34.6	79.0	3.9	14.8	17.0	16.3	1.8	1.6	13.9	13.1
Ashok Ley.	Buy	210	240	14	8.7	10.5	11.8	92.2	20.9	12.1	24.3	20.1	6.0	4.8	27.1	26.5
Bajaj Auto	Neutral	8813	8360	-5	276.1	325.7	374.9	28.9	18.0	15.1	31.9	27.1	9.9	8.8	30.7	34.4
Balkrishna Inds	Neutral	2799	2535	-9	76.5	91.1	114.4	46.7	19.1	25.6	36.6	30.7	6.1	5.4	18.0	18.7
Bharat Forge	Neutral	1490	1370	-8	20.6	38.7	48.9	72.3	88.1	26.3	72.4	38.5	9.7	8.2	13.8	23.1
Bosch	Neutral	30847	27280	-12	599.8	778.1	921.2	24.2	29.7	18.4	51.4	39.6	7.3	6.6	15.0	17.4
CEAT	Buy	2442	2930	20	169.4	160.9	195.6	226.6	-5.0	21.6	14.4	15.2	2.4	2.2	18.3	15.1
Craftsman Auto	Buy	4448	5305	19	144.2	174.5	230.6	22.6	21.0	32.2	30.8	25.5	5.7	4.7	20.1	20.2
Eicher Mot.	Sell	4681	4020	-14	146.3	163.3	182.1	37.3	11.6	11.5	32.0	28.7	7.1	6.1	24.2	22.9
Endurance Tech.	Buy	2188	2515	15	47.3	65.8	81.1	36.5	39.1	23.3	46.3	33.3	6.2	5.4	14.2	17.2
Escorts Kubota	Neutral	3921	3145	-20	94.9	101.6	120.9	85.0	7.0	19.0	41.3	38.6	4.7	4.7	12.1	12.9
Exide Ind	Neutral	476	320	-33	12.4	15.0	16.7	16.5	20.8	11.8	38.4	31.8	3.1	2.9	8.0	9.0
Happy Forgings	Buy	1047	1115	7	25.3	33.6	42.9	8.3	32.9	27.8	41.4	31.2	6.2	5.3	18.4	18.3
Hero Moto	Buy	5103	5320	4	204.6	238.3	279.8	40.5	16.5	17.4	24.9	21.4	5.7	5.1	23.6	25.1
M&M	Buy	2504	2720	9	89.4	102.2	120.2	35.0	14.4	17.6	28.0	24.5	5.7	4.9	22.4	21.5
CIE Automotive	Buy	494	565	14	21.1	24.5	29.6	16.8	16.0	21.1	23.4	20.2	3.1	2.8	14.4	14.6
Maruti Suzuki	Buy	12603	14700	17	424.4	499.0	564.6	56.1	17.6	13.1	29.7	25.3	4.7	4.1	15.7	16.3
MRF	Sell	128934	92000	-29	4,990.2	4,584.0	5,112.3	175.2	-8.1	11.5	25.8	28.1	3.3	3.0	13.5	11.1
Samvardh. Motherson	Buy	130	150	15	3.3	6.1	7.1	44.2	82.7	16.6	39.0	21.4	3.7	3.3	9.7	16.1
Motherson Wiring	Buy	69	80	16	1.4	1.9	2.3	31.1	29.7	20.4	47.9	36.9	18.2	14.2	42.5	43.3
Sona BLW Precis.	Neutral	613	630	3	8.9	11.7	14.0	31.6	30.6	19.6	68.5	52.5	12.8	11.0	20.6	22.6
Tata Motors	Neutral	953	955	0	58.7	58.3	67.1	2,628.0	-0.7	15.2	16.2	16.4	4.3	3.3	34.5	22.6
TVS Motor	Neutral	2191	1930	-12	43.8	55.3	65.1	44.4	26.1	17.8	50.0	39.6	13.5	10.4	30.2	29.7
Tube Investments	Buy	3802	4400	16	34.4	62.3	77.0	-15.1	81.0	23.7	110.4	61.0	14.4	12.0	14.7	21.5
<b>Aggregate</b>								<b>93.1</b>	<b>13.8</b>	<b>15.9</b>	<b>27.6</b>	<b>24.3</b>	<b>5.3</b>	<b>4.6</b>	<b>19.3</b>	<b>18.9</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	624	735	18	23.0	30.5	39.6	4.3	33	30.1	27.2	20.5	3.3	2.7	13.1	14.5
Axis Bank	Neutral	1143	1200	5	80.7	89.9	104.3	13.0	11.4	16.1	14.2	12.7	2.3	2.0	18.0	16.9
Bandhan Bank	Neutral	183	200	9	13.8	22.4	26.9	1.3	62	20.1	13.1	8.1	1.4	1.3	10.8	16.1
DCB Bank	Neutral	132	155	18	17.1	20.3	24.5	14.6	18.4	20.7	7.7	6.5	0.8	0.8	11.9	12.6
Equitas Small Fin.	Buy	94	125	33	7.1	8.6	11.2	46.6	20.6	30.5	13.2	11.0	1.8	1.6	14.4	15.3
Federal Bank	Buy	164	195	19	16.3	18.2	21.9	14.5	11.6	19.8	10.0	9.0	1.4	1.2	14.7	14.3
HDFC Bank	Buy	1465	1950	33	80.0	92.4	107.7	1.0	15.4	16.6	18.3	15.9	2.5	2.2	14.6	15.0
ICICI Bank	Buy	1130	1300	15	58.4	65.1	76.5	27.5	11.5	17.5	19.4	17.4	3.4	2.9	18.9	17.9
IDFC First Bk	Neutral	77	88	14	4.3	5.3	7.2	13.8	23.1	35.0	17.9	14.6	1.7	1.5	10.2	11.0
IndusInd	Buy	1418	1850	30	115.5	137.4	169.3	20.3	18.9	23.2	12.3	10.3	1.8	1.5	15.3	15.8
Kotak Mah. Bk	Neutral	1696	1700	0	90.4	100.2	116.6	19.1	10.8	16.3	18.8	16.9	2.6	2.3	15.3	14.1
RBL Bank	Neutral	252	280	11	19.3	25.2	33.9	31.1	30.5	34.8	13.1	10.0	1.0	1.0	8.2	10.0
SBI Cards	Neutral	715	850	19	25.4	31.7	42.1	6.2	24.7	33.0	28.1	22.6	5.6	4.6	22.0	22.4
<b>Aggregate</b>								<b>26.9</b>	<b>14.6</b>	<b>18.2</b>	<b>17.4</b>	<b>15.1</b>	<b>2.6</b>	<b>2.3</b>	<b>15.1</b>	<b>15.1</b>
<b>Banks - PSU</b>																
BOB	Buy	263	300	14	34.4	39.4	45.0	26.1	14.7	14.2	7.6	6.7	1.2	1.1	17.9	17.7
Canara Bank	Buy	115	130	14	16.0	18.6	21.2	37.3	16.0	14.0	7.1	6.2	1.3	1.1	20.0	19.3
Indian Bank	Buy	540	625	16	62.2	75.6	88.5	46.7	21.6	17.0	8.7	7.1	1.3	1.1	17.1	17.8
Punjab Natl. Bank	Neutral	126	130	3	7.5	12.1	15.6	228.8	61.6	28.9	16.8	10.4	1.4	1.2	8.7	12.8
SBI	Buy	821	925	13	75.2	89.2	103.1	20.6	19	15.6	10.9	9.2	1.8	1.5	18.8	18.9
Union Bank (I)	Buy	141	165	17	18.9	20.8	23.7	52.9	10	13.8	7.5	6.8	1.2	1.0	16.7	16.3
<b>Aggregate</b>								<b>34.0</b>	<b>21</b>	<b>16</b>	<b>10</b>	<b>8.2</b>	<b>1.5</b>	<b>1.3</b>	<b>15.4</b>	<b>16.3</b>
<b>NBFCs</b>																
AAVAS Financiers	Neutral	1580	1750	11	62.0	76.0	95.3	14.0	22.5	25.4	25.5	20.8	3.3	2.9	13.9	14.8
Aditya Birla Cap	Buy	223	260	16	10.1	13.2	17.3	19.0	30.6	30.7	22.1	16.9	2.2	1.9	11.2	12.1
Angel One	Buy	2757	4200	52	135.9	173.6	214.7	26.4	27.8	23.7	20.3	15.9	7.5	3.8	43.3	31.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Bajaj Fin.	Neutral	6735	7800	16	233.7	283.0	364.5	22.8	21.1	28.8	28.8	23.8	5.4	4.5	22.0	20.7
BSE	Neutral	2794	3000	7	57.0	71.7	87.0	275.5	25.8	21.3	49.0	39.0	11.5	10.5	23.4	27.0
Cams Services	Buy	3317	3700	12	71.6	86.2	103.4	23.3	20.3	20.0	46.3	38.5	17.7	15.3	41.3	42.7
Can Fin Homes	Neutral	758	820	8	56.4	64.3	73.3	20.8	14.1	14.0	13.4	11.8	2.3	2.0	18.8	18.1
Cholaman.Inv.&Fn	Buy	1281	1500	17	40.7	56.3	72.0	25.6	38.1	27.9	31.4	22.8	5.5	4.5	20.2	21.7
CreditAccess	Buy	1423	1725	21	90.7	105.7	129.7	74.5	16.5	22.7	15.7	13.5	3.5	2.8	24.8	23.0
Fusion Micro	Buy	482	605	26	50.2	66.3	82.8	30.2	31.9	24.9	9.6	7.3	1.7	1.4	19.5	21.0
Five-Star Business	Buy	740	950	28	28.6	35.2	43.3	38.0	23.2	23.0	25.9	21.0	4.2	3.5	17.5	18.0
HDFC Life Insur.	Neutral	570	670	18	7.3	10.1	11.9	15.4	38.2	18.4	78.1	56.5	2.6	2.2	20.1	16.4
Home First Fin.	Buy	841	1070	27	34.5	41.4	51.6	33.2	19.8	24.8	24.4	20.3	3.5	3.0	15.5	16.0
ICICI Pru Life	Buy	589	700	19	5.9	6.3	6.5	5.0	5.6	4.7	99.5	94.2	2.0	1.7	18.8	19.7
ICICI Lombard	Buy	1674	2100	25	38.9	50.3	59.4	11.0	29.1	18.1	43.0	33.3	6.9	6.0	17.2	19.4
ICICI Securities	Under Review	730	-	-	52.6	56.0	63.8	50.7	6.5	14.0	13.9	13.0	6.5	5.5	52.5	46.0
IIFL Finance	Buy	401	535	33	49.1	54.6	68.1	24.4	11.2	24.8	8.2	7.4	1.5	1.2	19.1	18.1
360 ONE WAM	Buy	784	950	21	22.4	26.9	31.5	21.3	20.1	16.9	35.0	29.1	8.2	7.7	24.5	27.2
IndoStar	Buy	248	280	13	8.5	13.2	21.1	-48.5	54.6	60.2	29.2	18.9	1.0	1.0	3.7	5.4
L&T Finance	Buy	160	210	31	9.3	11.7	15.6	42.4	26.0	33.0	17.2	13.7	1.7	1.6	10.3	11.9
Life Insurance Corp.	Buy	974	1270	30	58.5	61.4	67.3	1.6	4.9	9.7	16.7	15.9	0.9	0.8	20.3	12.6
LIC Hsg Fin	Buy	646	790	22	86.6	90.8	94.0	64.8	4.9	3.5	7.5	7.1	1.1	1.0	16.3	15.0
MCX	Buy	4040	4400	9	16.3	92.8	115.6	-44.2	469.4	24.6	247.9	43.5	14.9	14.0	5.8	33.2
Manappuram Fin.	Buy	182	230	26	26.3	30.0	35.7	48.6	14.0	18.8	6.9	6.1	1.3	1.1	21.0	20.0
MAS Financial	Buy	296	390	32	15.1	19.7	24.4	23.3	30.2	24.1	19.6	15.0	2.8	2.4	15.6	17.3
Max Financial	Neutral	1024	1040	2	16.0	21.6	26.4	74.4	34.9	22.0	63.9	47.3	2.3	1.9	19.9	19.2
M&M Fin.	Buy	264	325	23	14.3	22.5	27.9	-11.4	58.1	23.8	18.5	11.7	1.9	1.7	10.4	15.2
Muthoot Fin	Neutral	1703	1450	-15	100.2	115.8	132.1	15.8	15.5	14.1	17.0	14.7	2.8	2.5	17.8	17.8
Piramal Enterp.	Neutral	828	925	12	-75.0	30.9	65.8	-200.1	LP	112.7	NM	26.8	0.7	0.7	-5.8	2.6
PNB Housing	Buy	748	1015	36	58.1	71.3	87.7	-6.3	22.8	23.0	12.9	10.5	1.3	1.2	11.6	11.7
Poonawalla Fincorp	Buy	465	570	23	13.3	18.8	25.6	72.2	40.8	36.4	34.9	24.8	4.4	3.8	14.1	16.5
Repco Home Fin	Neutral	510	540	6	63.1	69.7	73.8	33.3	10.5	5.9	8.1	7.3	1.1	1.0	14.6	14.1
Spandana Sphoorty	Buy	810	1075	33	70.2	92.5	112.8	3,922.1	31.8	21.9	11.5	8.8	1.6	1.3	14.8	16.6
Shriram Finance	Buy	2370	2950	24	191.3	224.6	275.9	19.8	17.4	22.9	12.4	10.6	1.8	1.6	15.7	16.2
SBI Life Insurance	Buy	1439	1700	18	18.9	19.9	21.2	10.0	5.3	6.6	76.1	72.3	2.5	2.0	26.5	22.7
Star Health Insu	Buy	554	730	32	14.4	19.2	24.2	35.8	32.7	26.2	38.4	28.9	4.9	4.2	12.8	15.6
<b>Aggregate</b>								<b>-0.8</b>	<b>24.6</b>	<b>24.5</b>	<b>20.3</b>	<b>16.3</b>	<b>2.9</b>	<b>2.5</b>	<b>14.4</b>	<b>15.5</b>
<b>Chemicals</b>																
Alkyl Amines	Neutral	2038	2010	-1	29.1	39.4	57.4	-34.9	35.5	45.6	70.0	51.7	8.2	7.4	12.2	15.1
Atul	Neutral	5974	5670	-5	103.4	131.0	162.0	-38.8	26.6	23.7	57.8	45.6	3.4	3.2	6.2	7.3
Clean Science	Neutral	1338	1375	3	23.0	27.9	34.4	-17.3	21.6	23.0	58.2	47.9	11.8	9.7	22.1	22.3
Deepak Nitrite	Neutral	2514	2115	-16	56.3	75.1	87.8	-9.9	33.5	16.9	44.7	33.5	7.2	6.1	17.3	19.6
Fine Organic	Sell	4373	3785	-13	120.0	109.9	108.1	-37.7	-8.4	-1.6	36.4	39.8	7.2	6.2	21.8	16.7
Galaxy Surfact.	Buy	2571	3480	35	87.7	103.0	120.4	-18.4	17.4	16.9	29.3	25.0	4.3	3.8	15.5	16.0
Navin Fluorine	Neutral	3429	3110	-9	46.1	62.7	88.9	-39.1	35.9	41.8	74.4	54.7	7.1	6.5	10.0	12.4
NOCIL	Neutral	262	250	-5	7.0	10.2	13.3	-22.0	46.8	29.8	37.7	25.7	2.7	2.5	7.3	10.2
PI Inds.	Buy	3575	4490	26	108.8	119.9	138.4	34.5	10.2	15.5	32.9	29.8	6.2	5.3	20.8	19.1
SRF	Neutral	2279	2100	-8	47.5	56.6	73.1	-37.7	19.2	29.2	48.0	40.3	5.9	5.3	13.0	13.9
Tata Chemicals	Neutral	1080	980	-9	36.1	34.9	50.4	-60.5	-3.5	44.6	29.9	31.0	1.2	1.2	4.4	4.0
Vinati Organics	Buy	1665	2080	25	31.2	42.3	52.0	-23.5	35.6	22.9	53.4	39.4	7.0	6.2	13.8	16.7
<b>Aggregate</b>								<b>-26.2</b>	<b>24.2</b>	<b>21.4</b>	<b>47.7</b>	<b>38.4</b>	<b>5.8</b>	<b>5.2</b>	<b>12.2</b>	<b>13.5</b>
<b>Capital Goods</b>																
ABB India	Buy	8415	8500	1	58.9	90.5	111.9	81.9	53.7	23.5	142.9	92.9	30.0	23.1	22.9	28.1
Bharat Electronics	Neutral	259	210	-19	5.1	5.8	6.6	24.2	14.4	12.2	50.7	44.3	11.9	10.3	23.6	23.3
Cummins India	Buy	3872	3300	-15	55.5	65.1	77.6	23.6	17.3	19.2	69.7	59.5	18.0	16.1	27.2	28.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Hitachi Energy	Sell	11385	5466	-52	24.7	66.0	116.9	11.6	167.1	77.0	460.8	172.5	36.6	30.2	7.9	17.5
Kalpataru Proj.	Buy	1196	1360	14	32.6	53.7	73.9	8.3	64.6	37.7	36.7	22.3	3.4	3.0	9.6	14.3
KEC International	Neutral	792	710	-10	13.5	24.5	39.2	97.0	81.8	60.0	58.7	32.3	5.0	4.5	8.8	14.6
Kirloskar Oil	Buy	1289	1220	-5	25.0	34.7	44.6	33.8	38.7	28.6	51.6	37.2	7.1	6.2	14.6	17.9
Larsen & Toubro	Buy	3464	4400	27	94.5	105.8	136.0	24.5	12.0	28.5	36.7	32.7	5.5	4.9	14.8	15.8
Siemens	Buy	7198	7800	8	55.1	80.2	96.1	55.5	45.5	19.9	130.7	89.8	19.6	16.9	15.9	20.2
Thermax	Neutral	4978	4180	-16	52.2	65.4	80.9	30.3	25.3	23.8	95.4	76.1	12.6	11.2	14.1	15.6
Triveni Turbine	Buy	638	720	13	8.5	11.0	14.8	39.8	29.9	34.5	74.6	57.5	20.9	16.6	31.3	32.2
<b>Aggregate</b>								<b>29.3</b>	<b>21.5</b>	<b>25.7</b>	<b>57.4</b>	<b>47.2</b>	<b>9.3</b>	<b>8.1</b>	<b>16.2</b>	<b>17.2</b>
<b>Cement</b>																
Ambuja Cem.	Neutral	619	600	-3	10.7	11.6	13.3	-15.8	8.1	15.3	57.9	53.5	3.7	3.2	11.8	10.1
ACC	Neutral	2524	2600	3	99.3	119.7	132.5	88.7	20.5	10.7	25.4	21.1	3.0	2.6	12.4	13.2
Birla Corp.	Buy	1489	1800	21	54.0	71.8	89.0	1,052.2	33.0	23.9	27.6	20.7	1.7	1.6	6.6	8.0
Dalmia Bhar.	Buy	1818	2300	27	41.1	52.3	71.0	12.6	27.2	35.8	44.2	34.8	2.1	2.0	4.8	5.8
Grasim Inds.	Buy	2433	2650	9	94.2	96.1	105.7	-4.3	2.1	10.0	25.8	25.3	3.3	3.2	4.6	3.0
India Cem	Sell	214	160	-25	-7.9	3.4	6.6	-48.1	LP	91.8	NM	62.6	1.2	1.2	-4.4	1.9
J K Cements	Buy	3900	5300	36	102.7	141.5	170.1	86.2	37.8	20.2	38.0	27.6	5.6	4.8	15.9	18.8
JK Lakshmi Ce	Buy	779	1000	28	35.8	43.6	52.6	17.6	21.6	20.7	21.7	17.9	2.9	2.5	14.1	15.1
Ramco Cem	Neutral	779	940	21	16.1	26.0	35.1	10.5	61.8	35.1	48.5	30.0	2.6	2.4	5.5	8.4
Shree Cem	Neutral	26256	28000	7	684.2	634.8	673.6	110.3	-7.2	6.1	38.4	41.4	4.6	4.3	12.8	10.7
Ultratech	Buy	9861	11500	17	244.5	288.2	345.5	39.4	17.9	19.9	40.3	34.2	4.7	4.2	12.3	13.1
<b>Aggregate</b>								<b>27.7</b>	<b>15.2</b>	<b>16.3</b>	<b>34.8</b>	<b>30.2</b>	<b>3.5</b>	<b>3.1</b>	<b>10.0</b>	<b>10.3</b>
<b>Consumer</b>																
Asian Paints	Neutral	2817	3000	7	57.9	58.6	64.7	30.9	1.1	10.4	48.6	48.1	14.4	13.3	32.0	28.8
Britannia	Neutral	5091	5250	3	88.7	102.8	115.5	10.1	15.9	12.3	57.4	49.5	31.1	26.8	57.2	58.1
Colgate	Neutral	2691	2500	-7	49.2	52.3	56.4	26.8	6.2	7.8	54.7	51.5	39.0	33.6	74.5	70.1
Dabur	Buy	540	650	20	10.6	12.2	13.5	9.2	15.5	10.0	51.0	44.2	9.7	8.9	19.9	21.0
Emami	Buy	516	550	7	18.7	20.5	21.0	21.5	9.2	2.8	27.6	25.2	8.7	7.7	33.6	32.4
Godrej Cons.	Buy	1300	1550	19	19.3	22.6	27.4	13.2	17.1	21.0	67.3	57.5	10.5	9.4	15.0	17.3
HUL	Buy	2327	2900	25	43.7	48.3	53.1	0.7	10.6	9.9	53.2	48.2	10.7	10.4	20.2	21.9
ITC	Buy	436	500	15	16.4	17.2	18.5	9.1	5.0	7.5	26.6	25.3	7.8	7.6	29.4	30.4
Indigo Paints	Buy	1365	1600	17	31.9	35.9	40.1	31.3	12.4	11.9	42.8	38.1	7.2	6.3	18.1	17.7
Jyothy Lab	Neutral	448	475	6	9.8	10.9	12.2	54.8	11.0	11.9	45.6	41.1	9.1	8.6	21.5	21.5
Marico	Buy	595	625	5	11.5	12.5	13.9	13.7	8.8	11.3	51.8	47.6	20.0	19.4	38.8	41.3
Nestle	Neutral	2502	2400	-4	41.0	35.8	40.9	62.5	-12.9	14.2	61.0	70.0	72.2	64.1	136.5	97.1
Page Inds	Neutral	35795	36500	2	526.4	636.2	738.3	2.8	20.9	16.1	68.0	56.3	24.8	21.1	36.5	37.5
Pidilite Ind.	Neutral	3012	2800	-7	35.9	42.7	49.4	42.2	18.9	15.7	84.0	70.6	18.2	16.0	23.3	24.1
P&G Hygiene	Neutral	15690	17000	8	252.1	283.6	314.7	31.8	12.5	11.0	62.2	55.3	51.1	43.1	84.3	84.6
Tata Consumer	Buy	1095	1350	23	14.6	17.9	19.9	28.7	22.4	10.8	74.8	61.1	6.5	4.9	8.6	9.7
United Brew	Sell	1919	1650	-14	15.5	25.5	32.4	24.7	63.9	27.1	123.5	75.4	12.1	11.2	10.1	15.4
United Spirits	Neutral	1181	1050	-11	16.0	18.3	20.4	25.8	14.5	11.6	73.9	64.6	12.0	10.1	16.3	15.7
Varun Beverages	Buy	1506	1720	14	15.8	21.1	26.5	37.3	33.4	25.7	95.2	71.3	28.2	20.9	34.2	33.7
<b>Aggregate</b>								<b>14.9</b>	<b>7.7</b>	<b>10.3</b>	<b>46.4</b>	<b>43.1</b>	<b>12.0</b>	<b>11.1</b>	<b>25.8</b>	<b>25.9</b>
<b>Consumer Durables</b>																
Havells India	Neutral	1822	1780	-2	20.3	26.2	32.4	18.5	29.4	23.3	89.9	69.4	15.3	13.4	17.1	19.3
KEI Industries	Buy	4227	5000	18	64.4	83.0	99.9	21.7	29.0	20.3	65.6	50.9	12.1	9.9	18.5	19.4
Polycab India	Buy	6496	7850	21	118.8	130.9	157.1	40.0	10.2	20.0	54.7	49.6	11.9	10.1	21.8	20.3
R R Kabel	Buy	1779	2200	24	27.0	40.7	54.8	60.3	51.0	34.5	65.9	43.7	10.8	9.0	18.6	22.5
Voltas	Buy	1296	1590	23	7.2	21.1	31.8	-36.8	191.7	50.9	179.2	61.4	7.4	6.7	4.1	10.8
<b>Aggregate</b>								<b>23.3</b>	<b>32.0</b>	<b>26.1</b>	<b>74.1</b>	<b>56.2</b>	<b>11.7</b>	<b>10.1</b>	<b>15.8</b>	<b>17.9</b>
<b>EMS</b>																
Avalon Tech	Buy	489	570	17	4.3	9.7	15.8	-53.0	127.8	62.9	114.6	50.3	5.9	5.2	5.2	11.0
Cyient DLM	Buy	689	840	22	7.7	14.6	21.9	92.9	89.8	49.2	89.3	47.1	6.0	5.3	11.1	12.0
Data Pattern	Neutral	3320	2330	-30	33.1	43.5	58.1	49.4	31.5	33.5	100.4	76.3	13.8	11.7	14.7	16.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Kaynes Tech	Buy	3245	3680	13	28.7	49.5	73.5	75.3	72.5	48.5	107.7	62.4	7.9	7.0	10.6	12.0
Syrma SGS Tech.	Buy	412	535	30	6.1	9.5	15.3	-9.3	55.5	60.7	67.3	43.3	4.5	4.2	6.9	10.0
<b>Aggregate</b>								<b>24.7</b>	<b>61.2</b>	<b>46.5</b>	<b>89.5</b>	<b>55.5</b>	<b>8.5</b>	<b>7.4</b>	<b>9.5</b>	<b>13.4</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	967	960	-1	31.5	35.7	40.2	43.9	13.7	12.6	30.7	27.0	3.9	3.5	13.5	13.6
Alkem Lab	Neutral	5439	5160	-5	164.0	180.9	196.0	54.6	10.3	8.4	33.2	30.1	6.2	5.3	20.1	19.1
Ajanta Pharma	Buy	2395	2565	7	62.3	74.4	85.4	26.6	19.5	14.8	38.5	32.2	8.5	7.1	22.7	24.0
Apollo Hospitals	Buy	5957	7280	22	62.2	96.4	136.1	29.2	55.0	41.1	95.8	61.8	11.8	10.0	13.5	18.1
Aurobindo	Neutral	1203	1180	-2	51.2	60.3	69.4	33.2	17.9	15.1	23.5	19.9	2.4	2.1	10.6	11.3
Biocon	Neutral	305	280	-8	2.2	6.9	12.0	-65.1	218.6	73.3	140.0	44.0	1.8	1.8	1.4	4.1
Cipla	Buy	1404	1600	14	52.5	58.9	65.8	39.0	12.3	11.7	26.8	23.8	4.2	3.7	15.9	15.4
Divis Lab	Neutral	3926	3440	-12	54.2	75.7	91.8	-16.4	39.7	21.2	72.4	51.9	7.6	6.9	10.9	13.9
Dr Reddy's	Neutral	5815	6070	4	317.1	323.9	339.1	29.6	2.1	4.7	18.3	18.0	3.5	2.9	20.7	17.7
ERIS Lifescience	Neutral	897	910	1	30.4	31.7	42.4	9.5	4.2	33.7	29.5	28.3	4.9	4.4	17.8	16.4
Gland Pharma	Buy	1779	2240	26	51.8	65.3	74.5	2.7	26.0	14.2	34.3	27.3	3.3	3.0	10.2	11.5
Glenmark	Neutral	1042	900	-14	1.5	37.7	45.9	-88.3	2,336.7	21.8	674.4	27.7	3.0	2.7	0.5	10.3
GSK Pharma	Neutral	2356	2270	-4	43.3	45.8	50.8	20.5	5.8	10.9	53.1	50.2	21.9	18.7	41.3	37.2
Global Health	Buy	1406	1530	9	18.4	24.0	28.0	51.4	30.4	16.8	76.5	58.7	13.3	11.2	18.8	20.8
Granules India	Buy	407	465	14	17.4	25.3	32.2	-19.5	45.9	27.3	23.4	16.1	3.1	2.6	13.9	17.4
IPCA Labs	Neutral	1311	1140	-13	22.2	35.5	46.9	6.5	60.1	32.2	59.2	37.0	5.2	4.7	9.2	13.3
Laurus Labs	Buy	445	480	8	3.0	8.6	13.7	-79.6	185.3	59.2	147.4	51.6	5.8	5.3	4.0	10.8
Lupin	Neutral	1660	1550	-7	41.5	50.2	58.7	382.6	20.9	16.9	40.0	33.1	5.3	4.6	14.1	14.9
Max Healthcare	Buy	846	950	12	13.9	17.9	21.8	20.4	28.5	21.9	60.6	47.2	8.7	7.4	15.5	16.9
Piramal Pharma	Buy	150	190	27	0.4	2.5	5.1	-170.2	497.6	102.9	353.2	59.1	2.3	2.2	0.8	4.1
Sun Pharma	Buy	1531	1870	22	40.1	47.3	56.6	12.2	17.9	19.5	38.2	32.4	5.8	5.0	16.1	16.5
Torrent Pharma	Neutral	2705	2540	-6	48.4	65.4	81.6	30.2	35.1	24.7	55.9	41.4	11.0	5.5	22.6	26.7
Zydus Lifesciences	Neutral	1104	1045	-5	37.0	40.6	42.0	65.1	9.7	3.4	28.3	25.8	5.4	4.3	18.5	16.1
<b>Aggregate</b>								<b>22.6</b>	<b>22.6</b>	<b>17.7</b>	<b>38.8</b>	<b>31.7</b>	<b>5.1</b>	<b>4.5</b>	<b>13.0</b>	<b>14.1</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	1545	1590	3	69.0	76.4	97.6	-21.7	10.8	27.6	22.4	20.2	2.5	2.3	12.0	11.8
IRB Infra	Neutral	69	61	-11	1.0	1.6	2.1	-15.9	61.2	27.6	68.7	42.6	3.0	2.9	4.5	6.9
KNR Constructions	Buy	259	320	23	14.8	16.9	20.0	0.3	14.0	18.4	17.5	15.4	2.3	2.0	14.2	14.1
<b>Aggregate</b>											<b>36.6</b>	<b>28.2</b>	<b>2.7</b>	<b>2.5</b>	<b>7.4</b>	<b>8.9</b>
<b>Logistics</b>																
Adani Ports	Buy	1339	1550	16	41.3	49.1	58.5	16.5	19.1	19.1	32.4	27.2	5.5	4.7	18.1	18.5
Blue Dart Express	Buy	7153	7860	10	121.6	176.0	233.2	-21.2	44.7	32.5	58.8	40.6	11.8	9.9	21.4	26.5
Concor	Buy	1100	1260	14	20.3	27.4	35.0	5.8	34.9	27.7	53.6	39.7	5.6	5.2	10.7	13.6
JSW Infra	Buy	275	300	9	5.8	6.7	9.5	6.8	16.4	41.1	47.5	40.8	7.0	6.4	19.8	16.5
Mahindra Logistics	Neutral	448	420	-6	-8.2	6.4	18.0	-322.8	LP	183.7	NM	70.4	6.5	6.2	-11.0	8.8
Transport Corp.	Buy	919	1080	17	45.8	50.9	62.9	10.1	11.2	23.4	20.1	18.1	3.5	3.0	18.7	17.7
TCI Express	Buy	1079	1270	18	34.4	38.3	44.6	-5.4	11.5	16.5	31.4	28.1	5.9	5.0	20.3	19.3
VRL Logistics	Buy	591	700	18	10.1	18.0	25.1	-46.5	79.4	39.1	58.8	32.8	5.2	4.8	8.9	15.2
<b>Aggregate</b>											<b>36.5</b>	<b>29.9</b>	<b>5.6</b>	<b>4.9</b>	<b>15.5</b>	<b>16.4</b>
<b>Media</b>																
PVR Inox	Neutral	1325	1400	6	11.7	7.8	34.0	-152.3	-33.2	336.1	113.7	170.1	1.8	1.8	1.6	1.0
Sun TV	Buy	675	750	11	47.1	49.4	51.2	10.7	5.0	3.7	14.3	13.7	2.7	2.5	18.6	17.9
Zee Ent.	Neutral	141	160	14	4.5	7.3	10.7	-5.4	62.2	46.6	31.2	19.3	1.2	1.2	3.4	6.4
<b>Aggregate</b>								<b>12.3</b>	<b>13.3</b>	<b>24.3</b>	<b>22.4</b>	<b>19.7</b>	<b>1.9</b>	<b>1.8</b>	<b>8.3</b>	<b>9.0</b>
<b>Metals</b>																
Coal India	Buy	469	530	13	60.7	55.9	66.0	17.8	-7.9	18.1	7.7	8.4	3.5	2.9	45.2	34.6
Hindalco	Buy	660	670	2	44.6	57.8	60.2	-1.5	29.5	4.1	14.8	11.4	1.9	1.6	13.4	15.2
Hind. Zinc	Neutral	619	370	-40	18.4	24.6	29.4	-26.2	34.2	19.2	33.7	25.1	17.2	12.7	55.2	58.3
JSPL	Buy	1016	1090	7	58.4	62.4	94.5	60.4	6.9	51.4	17.4	16.3	2.3	2.0	14.1	13.3
JSW Steel	Buy	891	1070	20	37.2	69.2	78.7	153.1	86.0	13.7	24.2	13.0	2.8	2.4	12.5	19.8
Nalco	Neutral	200	150	-25	8.3	10.0	12.6	6.5	20.1	26.4	24.0	20.0	2.6	2.4	11.3	12.6





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
NMDC	Buy	280	250	-11	21.3	23.0	26.0	27.4	8.1	13.0	13.1	12.2	3.1	2.7	25.6	23.9
SAIL	Neutral	169	140	-17	2.8	10.8	13.1	-40.2	289	21.2	60.9	15.6	1.2	1.2	2.1	7.7
Tata Steel	Neutral	168	150	-11	2.6	10.3	13.0	-62.7	290	26.3	63.6	16.3	2.3	2.1	3.5	13.6
Vedanta	Neutral	459	360	-21	13.3	25.4	30.6	-53.1	92	20.5	34.6	18.0	5.6	5.4	14.1	30.3
<b>Aggregate</b>								<b>0.4</b>	<b>31.3</b>	<b>18.8</b>	<b>17.6</b>	<b>13.4</b>	<b>2.8</b>	<b>2.5</b>	<b>16.1</b>	<b>18.8</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Neutral	631	430	-32	14.8	16.0	17.2	0.8	8.8	7.2	42.7	39.3	5.7	5.2	14.0	13.9
BPCL	Neutral	629	660	5	129.3	72.3	73.3	1,271.9	-44.1	1.4	4.9	8.7	1.7	1.6	41.9	19.0
Castrol India	Buy	195	240	23	8.7	9.6	10.5	6.0	10.0	9.3	22.3	20.3	9.1	8.6	43.1	43.4
GAIL	Buy	209	235	13	13.7	13.1	16.5	69.9	-4.4	26.0	14.9	15.6	2.0	1.9	15.0	12.9
Gujarat Gas	Buy	553	650	17	16.0	20.9	23.3	-27.8	30.7	11.3	34.6	26.5	5.0	4.4	15.0	17.6
Gujarat St. Pet.	Buy	297	350	18	22.8	11.6	12.1	35.9	-48.9	4.1	13.1	25.5	1.6	1.6	13.1	6.3
HPCL	Buy	505	600	19	112.9	71.9	72.1	-329.4	-36.3	0.3	4.5	7.0	1.5	1.3	40.4	20.2
IOC	Buy	165	195	18	29.5	12.5	13.4	344.7	-57.6	7.4	5.6	13.2	1.2	1.2	25.1	9.1
IGL	Sell	444	390	-12	25.0	27.4	29.3	21.0	9.5	7.2	17.8	16.2	3.6	3.1	22.4	20.8
Mahanagar Gas	Buy	1321	1565	18	132.3	106.6	110.6	65.4	-19.4	3.7	10.0	12.4	2.5	2.3	28.2	19.3
MRPL	Sell	214	175	-18	20.5	14.0	13.6	36.4	-31.6	-3.5	10.4	15.2	3.0	2.6	32.1	18.2
Oil India	Buy	646	694	7	65.2	67.0	74.0	3.9	2.7	10.4	9.9	9.6	1.8	1.6	21.4	17.6
ONGC	Buy	279	315	13	37.5	43.2	47.9	23.4	15.2	10.9	7.4	6.5	1.2	1.0	16.3	16.9
PLNG	Neutral	313	300	-4	23.7	23.2	25.0	9.6	-2.2	7.9	13.2	13.5	2.8	2.5	22.4	19.5
Reliance Ind.	Buy	2869	3245	13	102.9	117.7	135.9	4.4	14.4	15.4	27.9	24.4	2.3	2.1	8.6	9.6
<b>Aggregate</b>								<b>72.7</b>	<b>-11.2</b>	<b>11.5</b>	<b>13.6</b>	<b>15.3</b>	<b>2.0</b>	<b>1.8</b>	<b>14.6</b>	<b>11.8</b>
<b>Real Estate</b>																
Brigade Enterpr.	Buy	1194	1250	5	14.7	36.9	41.5	21.4	151.4	12.4	81.3	32.3	7.0	5.8	8.9	19.5
DLF	Neutral	851	850	0	11.0	14.9	16.0	-3.5	35.0	7.6	77.4	57.3	3.9	3.6	7.1	9.0
Godrej Propert.	Buy	2854	3000	5	26.9	34.2	38.1	20.3	27.2	11.5	106.2	83.5	7.9	7.2	7.8	9.1
Kolte Patil Dev.	Buy	524	700	33	3.3	10.1	20.8	-75.7	207.0	106.4	159.4	51.9	3.9	3.7	2.4	7.3
Oberoi Realty	Neutral	1738	1435	-17	53.0	50.5	70.8	1.2	-4.7	40.2	32.8	34.4	4.6	4.1	14.8	12.6
Macrotech Devel.	Buy	1206	1415	17	16.9	25.0	37.3	6.0	47.9	49.0	71.3	48.2	6.6	5.8	10.7	12.8
Mahindra Lifespace	Neutral	621	600	-3	6.3	7.7	6.3	111.6	21.2	-18.1	98.4	81.1	5.1	4.9	5.3	6.2
Sunteck Realty	Buy	452	640	42	9.1	16.6	22.9	8,909.9	82.4	38.1	49.7	27.3	2.3	2.1	4.7	8.1
Sobha	Buy	1830	2150	17	5.1	35.2	74.2	-52.9	590.2	110.8	358.9	51.9	7.0	6.2	4.7	10.4
Prestige Estates	Buy	1596	1535	-4	20.6	21.1	26.5	7.0	2.7	25.1	77.6	75.5	5.3	5.0	7.2	6.8
Phoenix Mills	Neutral	3118	3220	3	61.6	60.8	82.2	50.7	-1.3	35.2	49.4	50.0	5.7	5.2	12.3	10.9
<b>Aggregate</b>								<b>18.9</b>	<b>30.6</b>	<b>28.2</b>	<b>67.0</b>	<b>51.3</b>	<b>5.6</b>	<b>5.1</b>	<b>8.4</b>	<b>10.0</b>
<b>Retail</b>																
Avenue Supermarts	Buy	4666	5310	14	39.0	53.3	70.8	6.2	36.8	32.8	119.7	87.5	16.2	13.7	14.6	17.0
Aditya Birla Fashion	Neutral	264	270	2	-7.5	-6.4	-6.7	977.3	Loss	Loss	NM	NM	9.5	7.2	-23.9	-19.8
Bata India	Neutral	1373	1460	6	23.1	30.3	41.7	-8.0	31.3	37.4	59.4	45.3	10.4	8.4	18.9	20.5
Barbeque-Nation	Neutral	538	600	12	-3.3	-0.1	1.9	-182.9	Loss	LP	NM	NM	5.4	5.4	-3.3	-0.1
Campus Activewe.	Buy	257	285	11	2.7	4.0	5.2	-29.6	46.9	32.2	95.3	64.9	12.4	10.4	13.0	16.0
Devyani Intl.	Buy	152	185	21	0.8	1.3	2.1	-66.5	65.6	65.6	197.8	119.5	17.4	23.4	9.2	16.7
Jubilant Food.	Neutral	470	520	11	4.2	5.2	6.7	-29.2	24.8	28.6	112.7	90.3	15.2	15.2	13.5	16.8
Metro Brands	Buy	1134	1320	16	11.6	15.3	19.6	-12.8	32.4	27.6	97.9	73.9	17.3	15.0	19.1	22.2
Raymond	Buy	2234	2585	16	104.1	134.5	149.4	10.2	29.2	11.1	21.5	16.6	3.2	2.7	18.4	17.7
Relaxo Footwear	Neutral	830	790	-5	8.1	10.1	13.2	29.8	25.7	30.0	103.0	81.9	10.3	9.4	10.4	12.0
Restaurant Brands	Buy	105	140	33	-4.8	-1.1	0.9	-2.1	Loss	LP	NM	NM	8.4	9.1	-32.1	-8.9
Sapphire Foods	Buy	1384	1650	19	8.2	15.3	25.3	-52.5	87.1	65.9	169.7	90.7	6.6	6.1	4.0	7.0
Shoppers Stop	Neutral	749	695	-7	7.2	14.8	18.5	-50.1	104.0	24.8	103.4	50.7	19.3	14.0	21.8	32.0
Titan Company	Buy	3361	4100	22	39.3	49.8	61.9	6.8	26.9	24.2	85.6	67.5	31.8	17.2	32.8	33.2
Trent	Buy	4643	5100	10	28.7	43.1	54.5	157.9	50.2	26.5	162.0	107.8	34.7	25.8	27.1	29.4
V-Mart Retail	Neutral	2197	2200	0	-53.5	-26.4	9.0	1,132.9	Loss	LP	NM	NM	5.3	5.7	NM	NM



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Vedant Fashions	Neutral	1026	1010	-2	17.1	20.5	25.2	-3.5	20.1	23.2	60.2	50.1	16.0	13.5	27.6	28.4
Westlife Foodworld	Neutral	835	775	-7	4.4	7.7	12.2	-38.0	74.3	57.6	188.2	107.9	22.1	15.3	12.0	16.7
<b>Aggregate</b>								<b>-2.3</b>	<b>40.4</b>	<b>30.7</b>	<b>116.1</b>	<b>82.7</b>	<b>18.3</b>	<b>14.2</b>	<b>15.8</b>	<b>17.1</b>
<b>Technology</b>																
Cyient	Buy	1778	2500	41	68.2	86.0	112.0	30.3	26.1	30.2	26.1	20.7	5.3	4.8	20.9	24.2
HCL Tech.	Buy	1339	1700	27	57.9	62.8	73.6	5.6	8.4	17.3	23.1	21.3	5.3	5.4	23.5	25.1
Infosys	Buy	1444	1650	14	63.3	63.8	74.0	10.0	0.7	16.0	22.8	22.6	6.8	6.8	29.8	30.0
LTI Mindtree	Neutral	4751	5020	6	154.8	168.4	200.9	2.0	8.8	19.3	30.7	28.2	7.0	6.1	24.4	23.2
L&T Technology	Buy	4452	6750	52	125.0	151.1	177.7	13.1	20.9	17.6	35.6	29.5	9.0	7.7	25.9	28.2
Mphasis	Neutral	2321	2600	12	81.5	94.5	112.7	-6.3	15.9	19.3	28.5	24.6	5.1	4.7	18.8	20.2
Coforge	Neutral	4731	6310	33	140.6	190.3	225.2	7.7	35.3	18.3	33.6	24.9	8.5	7.2	26.3	31.1
Persistent Sys	Neutral	3528	4055	15	74.2	95.1	117.4	19.3	28.2	23.4	47.6	37.1	10.8	9.4	25.6	27.5
TCS	Buy	3850	4600	19	126.3	147.5	169.6	9.5	16.8	15.0	30.5	26.1	15.5	15.9	50.9	59.9
Tech Mah	Neutral	1306	1210	-7	41.1	50.8	67.3	-28.2	23.7	32.3	31.8	25.7	4.3	4.2	13.3	16.6
Wipro	Neutral	462	490	6	20.4	22.4	26.9	-1.5	10.0	19.9	22.7	20.6	3.3	3.3	14.4	16.0
Zensar Tech	Neutral	624	600	-4	26.8	24.6	28.5	86.9	-8.3	15.9	23.2	25.3	4.2	3.8	19.3	15.8
<b>Aggregate</b>								<b>3.8</b>	<b>12.6</b>	<b>17.0</b>	<b>28.9</b>	<b>25.7</b>	<b>8.1</b>	<b>8.1</b>	<b>28.1</b>	<b>31.5</b>
<b>Telecom</b>																
Bharti Airtel	Buy	1348	1640	22	20.2	38.1	54.4	38.6	88.6	42.7	66.7	35.3	9.2	6.1	14.2	20.7
Indus Towers	Neutral	345	340	-1	22.4	24.8	27.6	151.1	10.7	11.1	15.4	13.9	3.4	2.8	25.1	22.0
Vodafone Idea	Neutral	13	15	13	-11.1	-10.1	-8.9	9.3	Loss	Loss	NM	NM	-0.4	-0.4	NM	NM
Tata Comm	Neutral	1807	1910	6	42.3	48.1	83.5	-30.0	13.8	73.6	42.7	37.6	28.8	18.2	72.9	59
<b>Aggregate</b>								<b>Loss</b>	<b>Loss</b>	<b>LP</b>	<b>-72</b>	<b>-2,081</b>	<b>145.6</b>	<b>36.4</b>	<b>-201.4</b>	<b>-1.7</b>
<b>Others</b>																
APL Apollo Tubes	Buy	1669	1800	8	26.4	37.9	55.7	14.1	43.7	46.7	63.2	44.0	12.8	10.3	22.2	26.0
Cello World	Buy	942	1100	17	15.7	19.6	24.2	25.3	25.0	23.3	59.9	47.9	29.4	18.2	49.1	38.1
Coromandel Intl	Buy	1251	1400	12	55.8	65.1	73.2	-18.5	16.6	12.5	22.4	19.2	3.9	3.4	19.0	18.8
DreamFolks Services	Buy	518	650	26	13.2	16.6	21.6	-1.2	25.6	30.5	39.2	31.2	11.9	8.6	37.4	33.0
EPL	Buy	197	250	27	8.2	11.2	13.8	13.5	37.3	22.6	24.1	17.6	3.0	2.7	12.7	16.2
Godrej Agrovet	Neutral	556	570	2	18.7	22.1	25.9	44.1	18.2	17.0	29.7	25.1	4.2	3.9	14.8	16.2
Indiamart Inter.	Buy	2635	3000	14	51.9	65.6	86.2	11.8	26.5	31.4	50.8	40.2	6.8	6.1	14.3	15.9
Indian Hotels	Buy	571	680	19	8.9	11.2	13.3	25.9	26.0	19.2	64.4	51.1	8.6	7.4	14.4	15.6
Interglobe	Neutral	4367	4065	-7	224.1	187.1	187.5	-2,828.6	-17	0	19.5	23	71.8	17.6	-436.0	121.3
Info Edge	Neutral	6202	5720	-8	63.5	68.4	81.6	99.5	7.8	19.2	97.7	90.7	6.8	6.3	0.0	0.0
Kajaria Ceramics	Buy	1273	1500	18	27.2	33.4	38.2	27.2	23.0	14.2	46.8	38.1	7.8	7.2	17.1	19.2
Lemon Tree Hotel	Buy	147	170	16	1.7	3.1	4.2	9.9	85.3	35.8	88.3	47.7	11.7	9.4	14.1	21.8
One 97	Neutral	344	475	38	-20.8	-15.0	8.5	-25.9	Loss	LP	NM	NM	1.7	1.8	-10.3	-7.8
Qess Corp	Neutral	633	600	-5	20.6	33.6	46.4	79.4	63.5	38.0	30.8	18.8	2.7	2.4	11.8	17.9
SIS	Buy	425	590	39	21.4	34.5	45.1	-7.9	61.3	30.6	19.9	12.3	1.1	0.9	12.8	17.9
Team Lease Serv.	Buy	3381	3620	7	70.0	104.1	150.9	7.5	48.7	45.0	48.3	32.5	6.2	5.2	13.3	16.9
UPL	Neutral	511	560	10	3.7	27.8	46.7	-93.7	660.8	67.5	139.6	18.4	1.0	1.0	1.1	8.4
Updater Services	Buy	330	465	41	10.6	16.1	21.8	56.5	51.6	35.6	31.1	20.5	2.5	2.2	11.2	11.6
Zomato	Buy	194	220	13	0.4	1.1	2.7	-134.7	168.2	140.0	470.0	175.2	8.4	8.1	1.8	4.7



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	<b>0.1</b>	<b>2.1</b>	<b>20.5</b>
<b>Nifty-50</b>	<b>0.2</b>	<b>2.3</b>	<b>24.1</b>
<b>Nifty Next 50</b>	<b>0.8</b>	<b>9.1</b>	<b>67.4</b>
<b>Nifty 100</b>	<b>0.3</b>	<b>3.4</b>	<b>30.7</b>
<b>Nifty 200</b>	<b>0.3</b>	<b>3.8</b>	<b>34.6</b>
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>0.2</b>	<b>8.5</b>	<b>69.5</b>
Amara Raja Ener.	0.3	16.6	79.3
Apollo Tyres	0.7	4.1	33.5
Ashok Leyland	1.3	24.1	37.9
Bajaj Auto	0.4	-2.3	95.1
Balkrishna Inds	5.0	19.9	27.7
Bharat Forge	0.7	25.6	94.7
Bosch	-0.9	2.8	61.7
CEAT	2.0	-2.6	29.7
Craftsman Auto	0.4	2.4	24.7
Eicher Motors	-0.2	7.7	31.0
Endurance Tech.	0.9	17.2	57.5
Escorts Kubota	3.2	30.0	88.3
Exide Inds.	0.0	5.9	131.5
Happy Forgings	-0.6	11.8	
Hero Motocorp	0.2	20.0	86.5
M & M	-0.4	23.6	101.0
CIE Automotive	-1.3	2.4	11.7
Maruti Suzuki	-0.3	1.6	39.2
MRF	-0.1	-0.2	32.9
Sona BLW Precis.	0.1	-9.5	17.6
Motherson Sumi	0.5	3.3	65.2
Motherson Wiring	0.8	-1.2	24.7
Tata Motors	0.9	-1.8	87.6
TVS Motor Co.	0.3	12.9	76.7
Tube Investments	-0.2	8.0	41.2
<b>Banks-Private</b>	<b>0.2</b>	<b>1.8</b>	<b>7.9</b>
AU Small Fin. Bank	0.0	0.5	-16.5
Axis Bank	0.2	11.7	25.0
Bandhan Bank	1.1	5.7	-25.0
DCB Bank	0.8	9.5	15.5
Equitas Sma. Fin	-0.2	1.8	128.5
Federal Bank	-0.1	7.6	29.2
HDFC Bank	0.1	-1.9	-10.9
ICICI Bank	0.0	7.1	19.5
IDFC First Bank	0.3	-6.2	16.1
IndusInd Bank	0.4	-3.9	14.4
Kotak Mah. Bank	0.0	-5.0	-12.0
RBL Bank	0.2	2.5	77.5
SBI Cards	0.0	-1.5	-19.4
<b>Banks-PSU</b>	<b>0.7</b>	<b>2.9</b>	<b>80.8</b>
BOB	0.4	1.4	45.6
Canara Bank	0.6	-1.9	94.0
Indian Bank	0.0	5.6	88.1
Punjab Natl.Bank	0.8	-2.7	160.3
St Bk of India	0.4	10.2	43.0
Union Bank (I)	1.5	-0.9	101.4

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>0.4</b>	<b>4.0</b>	<b>37.6</b>
<b>Nifty Midcap 100</b>	<b>0.5</b>	<b>5.9</b>	<b>59.3</b>
<b>Nifty Smallcap 100</b>	<b>0.8</b>	<b>4.4</b>	<b>72.0</b>
<b>Nifty Midcap 150</b>	<b>0.5</b>	<b>6.4</b>	<b>58.4</b>
<b>Nifty Smallcap 250</b>	<b>0.9</b>	<b>5.0</b>	<b>64.6</b>
<b>NBFCs</b>	<b>0.1</b>	<b>2.9</b>	<b>11.0</b>
Aditya Birla Capital Ltd	-1.0	10.7	35.6
Angel One	0.3	-1.3	123.6
Bajaj Fin.	0.2	-2.3	-0.8
BSE	0.4	0.5	427.3
Cholaman.Inv.&Fn	-0.2	14.6	23.0
Can Fin Homes	0.1	-0.5	12.3
Cams Services	0.1	3.6	60.3
CreditAcc. Gram.	1.3	0.2	20.7
Fusion Microfin.	0.9	0.9	3.1
Five-Star Bus.Fi	0.3	7.7	40.7
Home First Finan	0.4	-4.2	21.0
Indostar Capital	2.7	0.6	82.8
IIFL Finance	0.5	-1.5	-10.3
L&T Finance	-0.3	-0.7	61.1
LIC Housing Fin.	-1.1	0.4	76.3
MCX	0.4	3.9	198.4
M & M Fin. Serv.	0.4	-9.0	-7.1
Muthoot Finance	1.4	2.9	62.2
Manappuram Fin.	-1.0	-3.8	63.5
MAS Financial Serv.	1.9	3.1	21.0
ICICI Sec	0.3	3.9	48.6
360 One	-0.1	-1.6	95.6
PNB Housing	1.6	-0.6	55.6
Repco Home Fin	2.1	8.9	148.0
Shriram Finance	0.0	0.0	76.1
Spandana Sphoort	1.3	-5.6	27.1
<b>Insurance</b>			
HDFC Life Insur.	-0.1	-6.0	1.4
ICICI Pru Life	-0.1	-2.1	39.0
ICICI Lombard	0.3	-2.1	52.9
Life Insurance	0.4	1.4	71.5
Max Financial	0.5	2.0	52.3
SBI Life Insuran	0.4	-1.2	24.9
Star Health Insu	0.1	-2.3	-6.5
<b>Chemicals</b>			
Alkyl Amines	1.2	-0.5	-19.7
Atul	-0.6	1.6	-10.5
Clean Science	-0.3	2.2	-10.9
Deepak Nitrite	2.1	9.6	28.5
Fine Organic	-1.9	1.9	-1.6
Galaxy Surfact.	-1.6	-1.4	-3.2
Navin Fluo.Intl.	0.0	6.2	-25.8
NOCIL	0.2	1.1	17.1
P I Inds.	0.2	-3.5	10.1
SRF	0.2	-9.7	-5.9
Tata Chemicals	-0.5	-2.3	9.6
Vinati Organics	2.9	1.8	-14.3



Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>	<b>0.5</b>	<b>-1.2</b>	<b>56.3</b>
A B B	0.5	32.1	115.9
Bharat Electron	4.3	12.0	140.1
Cummins India	2.2	24.0	135.6
Hitachi Energy	2.7	37.3	186.3
K E C Intl.	0.0	12.7	64.6
Kalpataru Proj.	-0.2	1.8	128.5
Kirloskar Oil	0.1	44.6	199.8
Larsen & Toubro	0.4	-2.4	58.3
Siemens	0.2	29.1	87.9
Thermax	0.9	5.1	118.6
Triveni Turbine	1.3	23.0	63.7
<b>Cement</b>			
Ambuja Cem.	0.0	0.8	55.5
ACC	-0.1	4.4	47.1
Birla Corp.	0.8	1.0	49.2
Dalmia Bhar.	0.0	-6.9	-12.1
Grasim Inds.	0.4	9.4	43.3
India Cem	1.3	-3.5	13.3
J K Cements	0.0	-5.6	29.1
JK Lakshmi Cem.	-0.5	-3.6	-2.8
The Ramco Cement	0.5	-2.3	-0.1
Shree Cement	-0.6	7.0	9.0
UltraTech Cem.	-0.3	5.1	29.7
<b>Consumer</b>	<b>0.3</b>	<b>4.5</b>	<b>12.9</b>
Asian Paints	0.2	0.3	-9.4
Britannia Inds.	0.2	8.5	11.6
Colgate-Palm.	0.4	0.9	64.6
Dabur India	0.8	7.2	3.2
Emami	0.0	17.6	32.5
Godrej Consumer	0.3	11.8	28.8
Hind. Unilever	0.3	5.1	-11.4
ITC	0.1	4.3	4.1
Indigo Paints	-0.2	4.1	-2.9
Jyothy Lab.	1.1	8.0	114.9
Marico	-0.4	17.4	11.6
Nestle India	2.4	1.7	15.5
Page Industries	0.9	1.6	-13.9
Pidilite Inds.	1.1	5.1	18.3
P & G Hygiene	0.6	-2.1	14.2
Tata Consumer	0.0	-3.5	41.1
United Breweries	-0.2	4.5	35.1
United Spirits	0.0	2.9	48.4
Varun Beverages	-0.5	7.8	91.3
<b>Consumer Durables</b>	<b>0.4</b>	<b>5.9</b>	<b>40.7</b>
Polycab India	0.1	21.9	90.8
R R Kabel	0.1	8.9	
Havells	0.6	22.2	44.3
Voltas	0.8	0.5	62.8
KEI Industries	1.4	11.5	120.1
<b>EMS</b>			
Kaynes Tech	5.0	26.9	184.7
Avalon Tech	0.2	-4.1	21.7

Company	1 Day (%)	1M (%)	12M (%)
Syrma SGS Tech.	4.4	-12.8	29.4
Cyient DLM	2.1	2.8	
Data Pattern	4.1	21.3	106.9
<b>Healthcare</b>	<b>0.7</b>	<b>3.1</b>	<b>56.1</b>
Alembic Pharma	0.5	3.6	72.5
Alkem Lab	0.0	16.9	63.4
Apollo Hospitals	0.0	-2.0	34.1
Ajanta Pharma	0.6	15.2	88.2
Aurobindo	3.2	7.9	100.5
Biocon	-0.4	14.0	24.3
Zydus Lifesci.	5.0	17.8	117.3
Cipla	0.4	4.2	53.5
Divis Lab	0.4	5.9	24.6
Dr Reddy's	0.2	-2.4	31.4
ERIS Lifescience	1.2	3.1	42.6
Gland Pharma	-0.7	0.8	33.6
Glenmark	2.2	0.1	72.6
Global Health	-1.2	2.3	150.0
Granules	1.0	-2.1	46.2
GSK Pharma	3.2	25.0	84.1
IPCA Labs	0.3	-3.5	93.3
Laurus Labs	1.0	3.1	43.3
Lupin	0.5	4.2	113.1
Max Healthcare	0.6	8.9	58.6
Piramal Pharma	-0.4	5.2	111.3
Sun Pharma	0.2	1.2	65.0
Torrent Pharma	0.0	6.0	63.6
<b>Infrastructure</b>	<b>0.4</b>	<b>4.0</b>	<b>61.9</b>
G R Infraproject	-1.5	16.1	42.2
IRB Infra.Devl.	1.3	5.5	139.2
KNR Construct.	0.7	-0.6	7.6
<b>Logistics</b>			
Adani Ports	0.2	3.3	101.3
Blue Dart Exp.	-0.8	17.1	18.1
Container Corpn.	1.3	19.1	74.4
JSW Infrast	1.4	15.0	
Mahindra Logis.	1.3	-0.3	25.6
Transport Corp.	-1.3	7.2	38.4
TCI Express	0.4	3.3	-27.9
VRL Logistics	-0.6	6.0	-9.0
<b>Media</b>	<b>1.2</b>	<b>-2.9</b>	<b>10.3</b>
PVR INOX	0.1	-7.1	-3.6
Sun TV	0.0	11.0	58.2
Zee Ent.	4.4	-2.7	-23.9
<b>Metals</b>	<b>0.5</b>	<b>8.9</b>	<b>71.5</b>
Hindalco	0.7	7.8	62.4
Hind. Zinc	5.0	53.0	99.7
JSPL	0.1	12.2	94.1
JSW Steel	-1.8	5.4	28.7
Nalco	2.6	10.2	147.2
NMDC	1.3	19.1	167.3
SAIL	1.3	16.8	105.0
Tata Steel	0.3	4.9	59.6



Company	1 Day (%)	1M (%)	12M (%)
Vedanta	3.6	18.0	64.6
<b>Oil &amp; Gas</b>	<b>0.5</b>	<b>2.3</b>	<b>60.4</b>
Aegis Logistics	4.9	25.2	71.5
BPCL	0.1	6.7	74.4
Castrol India	0.7	-6.4	72.7
GAIL	2.4	2.6	96.6
Gujarat Gas	0.4	0.1	13.7
Gujarat St. Pet.	0.7	-22.9	7.0
HPCL	-0.4	5.8	98.5
IOCL	0.5	-2.4	91.7
IGL	0.8	1.5	-7.5
Mahanagar Gas	0.1	-5.8	26.7
MRPL	2.2	-4.2	222.2
Oil India	1.2	7.3	141.4
ONGC	0.6	1.8	67.7
PLNG	0.4	3.8	38.2
Reliance Ind.	-0.1	-2.0	29.4
<b>Real Estate</b>	<b>0.8</b>	<b>7.7</b>	<b>121.0</b>
Brigade Enterpr.	0.0	15.5	127.4
DLF	0.3	-0.5	85.1
Godrej Propert.	-0.4	12.0	117.1
Kolte Patil Dev.	0.6	-1.9	88.6
Mahindra Life.	0.5	-1.2	56.3
Macrotech Devel.	0.6	2.2	144.0
Oberoi Realty Ltd	-0.2	24.3	95.3
Sobha	-1.7	13.4	250.2
Sunteck Realty	0.9	3.1	52.2
Phoenix Mills	2.8	-1.0	116.1
Prestige Estates	2.5	30.4	233.9
<b>Retail</b>			
Aditya Bir. Fas.	-0.5	14.8	36.1
Avenue Super.	-0.3	0.9	38.7
Bata India	1.6	2.3	-9.9
Campus Activewe.	-0.6	6.8	-26.7
Barbeque-Nation	1.8	-3.0	-12.6
Devyani Intl.	0.2	-5.9	-17.2
Jubilant Food	-0.4	6.1	-1.2
Metro Brands	-1.3	5.3	24.4
Raymond	-0.8	17.0	44.3
Relaxo Footwear	-0.2	1.3	-5.0
Restaurant Brand	-0.9	6.4	-14.3
Sapphire Foods	-0.5	-7.8	5.3
Shoppers St.	-0.2	7.2	3.6
Titan Co.	0.0	-4.6	23.5
Trent	0.2	13.6	211.5
V-Mart Retail	-1.7	5.9	7.0
Vedant Fashions	-1.7	13.7	-17.8
Westlife Food	-0.7	0.4	9.9
<b>Technology</b>	<b>0.2</b>	<b>-0.2</b>	<b>19.9</b>
Cyient	0.3	-11.7	38.1
HCL Tech.	0.4	-8.7	24.0
Infosys	0.0	1.7	15.9
LTIMindtree	-0.2	1.2	0.9

Company	1 Day (%)	1M (%)	12M (%)
L&T Technology	0.2	-15.4	16.1
Mphasis	0.5	-0.6	24.7
Coforge	0.4	-9.2	12.4
Persistent Sys	-0.4	-8.2	48.6
TCS	0.5	-0.3	20.4
Tech Mah	0.0	10.7	24.5
Wipro	0.3	4.1	20.9
Zensar Tech	1.1	7.6	78.5
<b>Telecom</b>	<b>0.5</b>	<b>4.7</b>	<b>70.8</b>
Bharti Airtel	0.4	6.7	68.9
Indus Towers	0.1	0.1	133.7
Idea Cellular	0.4	0.8	90.0
Tata Comm	0.2	-2.6	47.9
<b>Utilities</b>	<b>0.6</b>	<b>9.7</b>	<b>104.1</b>
Coal India	-0.1	7.1	96.0
NTPC	0.2	4.3	109.2
Power Grid Corpn	1.2	13.1	79.3
<b>Others</b>			
APL Apollo Tubes	-1.8	8.9	49.7
Cello World	0.0	10.1	
Coromandel Intl	-0.4	12.1	33.1
Dreamfolks Servi	0.3	0.1	4.4
EPL Ltd	1.0	11.1	3.0
Indiamart Inter.	-0.2	3.6	-6.7
Godrej Agrovet	0.1	1.6	31.2
Havells	0.6	22.2	44.3
Indian Hotels	0.0	-3.8	55.8
Interglobe	0.2	21.8	93.1
Info Edge	-0.3	8.4	65.6
Kajaria Ceramics	0.1	3.8	9.3
Lemon Tree Hotel	1.6	9.5	55.3
One 97	0.6	-11.4	-51.4
Piramal Enterp.	0.2	-1.5	10.9
Quess Corp	0.6	1.4	62.3
SIS	0.3	-7.3	9.2
Team Lease Serv.	-1.4	1.7	49.6
UPL	0.0	6.9	-24.1
Updater Services	0.7	7.1	
Voltas	0.8	0.5	62.8
Zomato Ltd	-0.2	5.0	206.3

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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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