Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	76,607	0.2	6.0
Nifty-50	23,323	0.2	7.3
Nifty-M 100	54,226	1.0	17.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,421	0.9	13.7
Nasdaq	17,608	1.5	17.3
FTSE 100	8,215	0.8	6.2
DAX	18,631	1.4	11.2
Hang Seng	6,359	-1.4	10.2
Nikkei 225	38,877	-0.7	16.2
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	81	0.8	4.7
Gold ($/OZ)	2,325	0.3	12.7
Cu (US$/MT)	9,821	2.0	16.0
Almn (US$/MT)	2,518	1.8	7.4
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	83.5	0.0	0.4
USD/EUR	1.1	0.6	-2.1
USD/JPY	156.7	-0.3	11.1
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.0	0.00	-0.2
10 Yrs AAA Corp	7.6	0.00	-0.2
Flows (USD b)	**12-Jun**	**MTD**	**CYTD**
FIIs	0.1	-0.99	-3.8
DIIs	0.03	1.41	26.4
Volumes (INRb)	**12-Jun**	**MTD***	**YTD***
Cash	1,283	1736	1225
F&O	5,91,201	3,85,915	3,77,470

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Mankind Pharma | Initiating Coverage: Disruptor with a dose of care

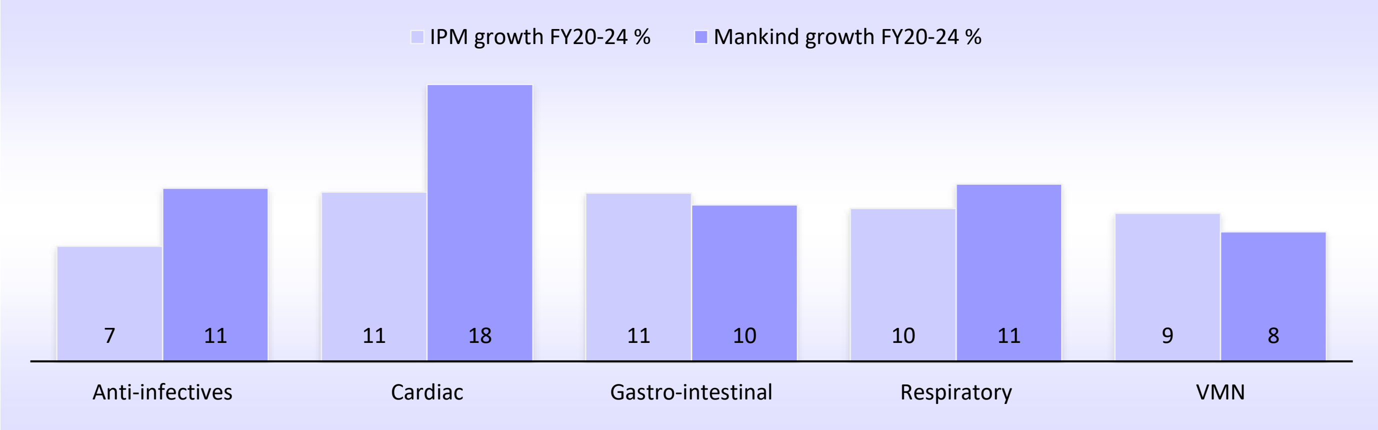
- Mankind Pharma (MANKIND) has built a robust domestic formulation (DF) franchise and become the fourth largest player by market share.
- MANKIND has followed a disruptive strategy to establish its DF business by approaching customers and influencers in tier II and below cities, becoming the industry leader in terms of the number of prescriptions. It has diversified its portfolio in terms of both therapies and brands.
- MANKIND is working on multiple levers to boost growth over the next three to five years: a) increasing the scope of business in chronic therapies by expanding niche products in portfolio, b) enhancing its presence in metro/Tier-I cities (53% of DF sales in FY24), and c) investing aggressively in brand building in the prescription and consumer healthcare segments.
- Accordingly, we expect a 16% earnings CAGR for MANKIND over FY24-27. Considering its strong brand visibility, sustainable earning growth and superior return ratios, we value MANKIND at 40x12M forward earnings (30% premium to the Healthcare sector PE) to arrive at a TP of INR2,650.

Research covered

Cos/Sector	Key Highlights
Mankind Pharma | Initiating Coverage	Disruptor with a dose of care
Trent	Robust expansion continues with better profitability
Tata Communications	Focusing on digital platform growth
Fund Folio	Equity inflows accelerate amid volatilities, supported by higher NFOs
India Strategy	Nifty-500: 4QFY24 earnings review
Other Updates	Oil & Gas | EcoScope (a. Household net financial savings; b. May CPI inflation) | Capital Market Monthly

Chart of the Day: Mankind Pharma (Disruptor with a dose of care)

MANKIND outperformed across major therapies over FY20-24



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Fed holds rates steady, sees just one cut in 2024 despite inflation progress

The markdown in the outlook for rate cuts, from three quarter-percentage-point reductions seen in the Fed's March projections, was made despite the central bank's acknowledgement in its new policy statement of "modest further progress" towards its 2% inflation target

2

Investment of USD 190-215 bn needed for India's 500 GW RE capacity: Moody's

India's infrastructure companies will be spending on energy transition to meet demand resulting from the country's relatively strong economic growth. However, government policies and stable regulatory frameworks will support credit quality

3

Retail inflation eases to 12-month low of 4.75% in May

The fall in headline rate comes despite little change in food inflation levels that remained elevated at 7.9 percent in May

4

NBFC-MFIs largest provider of micro-credit: Report

NBFC-MFIs and scheduled banks dominate micro-credit disbursal in India, with NBFC-MFIs leading. The gross loan portfolio for micro-credit reached Rs 4.33 lakh crore by March 31, 2024.

5

360 ONE WAM to acquire ET MONEY in strategic move to strengthen wealth management services

360 ONE WAM has revealed that the acquisition, subject to regulatory approvals, will involve a stock swap deal and part cash, allowing the company to acquire 100% of ET MONEY

6

Babycare boom in Bharat: Babycare products report 30% growth in online order volumes across tier 2 and 3 cities

Marketplaces and brand websites saw an increase in volumes with 34 and 21 per cent year-on-year (YoY) rise in order volumes respectively during FY 2024

7

Telecom cos reiterate demands over fair share charge, 6 GHz spectrum

COAI said OTTs not paying any charge for data, cost the government Rs 10,000 crore in taxes

Mankind Pharma

BSE SENSEX	S&P CNX
76,607	23,323

Stock Info

Bloomberg	MANKIND IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	891.4 / 10.7
52-Week Range (INR)	2490 / 1467
1, 6, 12 Rel. Per (%)	-6/9/25
12M Avg Val (INR M)	1515
Free float (%)	25.1

Financials Snapshot (INR b)

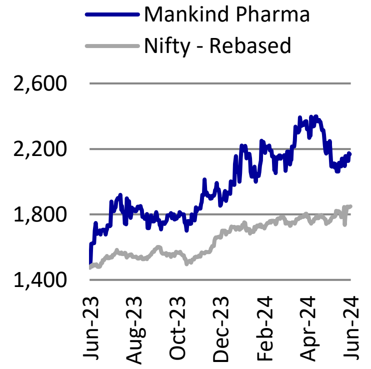
Y/E March	FY24	FY25E	FY26E
Sales	103.3	114.2	127.7
EBITDA	25.4	29.0	33.6
Adjusted PAT	19.1	21.2	25.0
EBIT Margin (%)	24.5	25.4	26.3
Cons. Adj EPS (INR)	47.8	52.9	62.4
EPS Growth (%)	38.5	10.8	17.9
BV/Share (Rs)	233.7	274.2	321.9
Ratios			
Net D-E	-0.4	-0.5	-0.6
RoE (%)	22.8	20.8	20.9
RoCE (%)	22.8	20.8	20.9
Payout (%)	20.0	20.0	20.0
Valuations			
P/E (x)	46.4	41.8	35.5
EV/EBITDA (x)	34.9	30.2	25.4
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	2.7	4.7	4.6
EV/Sales (x)	8.6	7.7	6.7

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	74.9	76.5	76.5
DII	11.1	9.8	2.6
FII	9.9	6.7	2.6
Others	4.1	7.0	18.3

FII Includes depository receipts

Stock performance (one-year)



CMP: INR2,214 TP: INR2,650 (+20%) Buy

Disruptor with a dose of care

- **In a span of 30 years, Mankind Pharma (MANKIND) has built a robust domestic formulation (DF) franchise and become the fourth largest player by market share.**
- **Contrary to common wisdom, MANKIND has followed a disruptive strategy to establish its DF business by approaching customers and influencers in tier II and below cities, becoming the industry leader in terms of the number of prescriptions.**
- **It has diversified its portfolio in terms of both therapies and brands.**
- **MANKIND is working on multiple levers to boost growth over the next three to five years: a) increasing the scope of business in chronic therapies (36% of DF sales in FY24) by expanding niche products in portfolio, b) enhancing its presence in metro/Tier-I cities (53% of DF sales in FY24), and c) investing aggressively in brand building in the prescription and consumer healthcare segments.**
- **Accordingly, we expect a 16% earnings CAGR for MANKIND over FY24-27. Considering its strong brand visibility, sustainable earning growth and superior return ratios, we value MANKIND at 40x12M forward earnings (30% premium to the Healthcare sector PE) to arrive at a TP of INR2,650.**
- **Initiate coverage with a BUY rating.**

Focus on chronic therapies to support growth

- After establishing a meaningful presence in acute therapies, MANKIND is making efforts to expand its chronic portfolio. It has delivered a 15% sales CAGR in chronic therapies over FY20-24. In FY24, MANKIND's revenue growth of 14% outperformed the industry by 400bp YoY and achieved chronic sales of INR34b (36% of total DF sales).
- The company is expanding its presence in chronic therapies, such as transplant, urology, nephrology and oncology, and is also firming up its presence with a new differentiated launch, along with an in-licensing opportunity. It has increased the field force for chronic therapies to expand its reach in metro/Tier-I cities. Overall we expect a 12% sales CAGR in chronic therapies over FY24-27.

Cardiovascular - Launches/wider reach to aid robust outlook

- MANKIND clocked a 17% sales CAGR in cardiovascular (CVD) therapies over MAT Apr'20-24 vs. a 10.7% CAGR for the industry (IPM). In MAT Apr'24, its CVD sales grew 19% YoY (14% of FY24sales) vs. IPM growth of 10.5%. MANKIND has diversified offerings and widened its prescriber base as well.
- It launched new formulations to treat heart failure. In addition to own development, the company also plans to acquire brands. For instance, it in-licensed Neptaz (Sacubitril + Valsartan) from Novartis, which are used to treat chronic heart failure. The combination of Sacubitril + Valsartan helps to reduce blood pressure by relaxing blood vessels in different ways.
- We expect 19% sales CAGR in CVD to reach INR22.5b over FY24-27.

Respiratory – Enough scope to expand product offerings

- MANKIND has considerably outperformed the industry in respiratory therapies, with a 11% sales CAGR vs. industry sales CAGR of 10% over MAT Apr'20-24. Its top products in this segment are cough preparation and bronchodilator inhalant preparation.
- However, due to a ban on Codistar, a key brand, in Jun'23, respiratory sales declined by 2.5% YoY in FY24. To strengthen its focus on inhalers, the company acquired Combihaler from Dr. Reddy's, in-licensed Symbicort from Astrazenca and leveraged the specialty chronic division launched 3-4 years ago to increase penetration in metro/tier-I cities. We expect a 10% sales CAGR to INR11b over FY24-27.

Anti-infectives – A strong base therapy

- With improved hygienic conditions, growth has been moderating in anti-infective (8% CAGR in MAT Apr'20-24). However, MANKIND outperformed the industry in this therapy by a wide margin (11% CAGR), forming ~14% of total FY24 sales. In addition to the current portfolio of penicillin, cephalosporin, macrolides and quinolones, MANKIND has added critical care anti-infective. We expect MANKIND to sustain its outperformance (8.5% sales CAGR) in this segment over FY24-27.

Enhancing niche portfolio through own development/in-licensing

- In addition to extending reach, MANKIND is also focusing on differentiated offerings. MANKIND has entered into the transplant segment through the acquisition of Panacea Biotec. It has in-licensed specialty limited competition products like Neptaz (Sacubitril + Valsartan) and Symbicort from Novartis and Nobeglar (Insulin glargine) from Biocon.
- With the launch of these brands, MANKIND is further deepening its presence in therapies like Cardiology, Diabetes and Respiratory to aid superior growth.
- Further, it is expanding its presence across segments, from sexual wellness to consumer wellness, through the launch of line extensions, leveraging e-commerce channels, and introducing products from Rx to OTC channels.

Dydroboon – Case of niche product development/scale-up

- Dydroboon's manufacturing process involves the complex conversion of natural Progesterone. MANKIND has not only manufactured and introduced its own branded generic version of Dydrogesterone, but also served as a manufacturing partner for other Indian companies.
- MANKIND garnered annual sales of INR2.5b from dydroboon in a period of four years since launch. This product highlights MANKIND's capability to not only develop but also scale up the manufacturing of complex molecules.

Consumer healthcare – Brand building beyond prescription

- In addition to a strong brand franchise in the prescription space, MANKIND has built a robust portfolio of consumer healthcare, comprising OTC drugs, contraceptives and herbal/traditional products. Total sales of this segment stood at INR7b, forming 6.8% of FY24 sales.

- MANKIND is implementing strategies to improve growth visibility like line extensions, increasing reach, introducing new digital initiatives and investments in brand building. We expect a 7% sales CAGR in this segment to reach INR8.6b over FY24-27.

Valuation and view: Initiate with BUY

- Overall, we expect a 16% earnings CAGR over FY24-27, led by a 12% sales CAGR and a 270bp margin expansion. Considering a) expanding product offerings in major therapies, b) capitalizing on leverage, c) a gradual increase in the share of chronic therapies, d) increasing more brands to INR500m-INR1b size, e) improving MR productivity, and f) footprint expansion in metro/Tier-I cities, we assign a multiple of 40x on 12M forward earnings, which represents a 30% premium to the pharma sector's valuation of 31x on 12M forward basis, given the company's superior execution and sustained visibility for earnings.
- Accordingly, we initiate coverage on MANKIND with a BUY rating and a TP of INR2,650.

Key Risks:

- Lower-than-expected growth in the DF segment, muted off-take in exports, and a reduced MR productivity are key risks to our BUY rating and TP.

Valuation table (INR b)

Company	Reco	MCap (USDb)	DF Sales FY24	EPS (INR)			EPS Gr. YoY (%)		PE (x)		EV/EBITDA (x)		ROE (%)		
				FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY24	FY25E	FY26E
MNC Pharma															
Abbott India*	Not Rated	7.0	58	565	718	922	27.0	28.4	38.4	29.9	30.2	23.6	34.9	32.8	46.2
GSK Pharma	Neutral	5.3	35	43	46	51	5.7	10.9	57.2	51.6	33.8	29.9	41.3	37.2	34.7
Sanofi*	Not Rated	2.8	21	262	316	336	20.5	6.4	31.9	30.0	23.0	21.4	52.7	36.2	47.8
Pfizer*	Not Rated	2.7	22	122	131	157	7.4	19.8	37.5	31.2	28.9	24.9	16.2	15.8	17.1
Large-Cap Indian Pharma															
Alkem	Neutral	7.3	84	159.7	173.1	192.2	8.4	11.0	29.4	26.5	23.6	20.6	19.7	18.6	17.9
Cipla	Buy	14.9	109	52.5	58.9	65.8	12.3	11.7	26.1	23.4	17.0	14.9	15.9	15.4	14.9
Dr Reddy's Labs	Neutral	12.1	46	317.1	323.9	339.1	2.1	4.7	18.7	17.8	10.6	9.5	20.7	17.7	15.9
Lupin	Neutral	8.8	67	41.5	50.2	58.7	20.9	16.9	32.0	27.3	17.2	14.7	14.1	14.9	15.1
Sun Pharma	Buy	43.3	149	41.4	47.0	57.6	13.5	22.4	32.0	26.1	24.7	20.2	16.7	16.5	17.4
Torrent Pharma	Neutral	11.7	50	47.1	64.7	80.4	37.4	24.3	44.5	35.8	24.7	21.1	24.4	29.0	32.9
Zydus Life Science	Neutral	13.2	54	37.6	41.3	42.8	9.7	3.6	26.6	25.6	17.6	16.7	20.3	18.5	16.1
Mankind Pharma	**BUY**	**10.7**	**100**	**47.8**	**52.9**	**62.4**	**10.8**	**17.9**	**41.8**	**35.5**	**30.2**	**25.4**	**22.8**	**20.8**	**20.9**
Mid-Cap Indian Pharma															
Ajanta Pharma	Buy	3.6	12	62.3	74.4	85.4	19.4	14.9	32.3	28.1	21.7	18.7	22.7	24.0	23.1
Alembic Pharma	Neutral	2.1	22	31.5	35.7	40.2	13.7	12.6	25.0	22.2	16.8	14.7	13.5	13.6	13.6
Eris Lifescience	Neutral	1.7	20	29.2	33.1	44.4	13.1	34.1	30.6	22.8	17.5	14.9	16.8	16.4	18.9
Glenmark Pharma	Neutral	4.1	34	2.5	44.1	50.4	NA	14.4	27.3	23.8	14.2	12.5	0.8	14.8	14.7
IPCA Labs	Neutral	3.6	31	20.8	31.3	40.2	50.4	28.7	37.8	29.4	19.0	16.2	8.7	11.9	13.7
JB Chemical*	Not Rated	3.5	19	35.7	54.3	64.4	52.4	18.5	34.8	29.4	23.3	20.5	20.5	22.5	21.3

*Note: Estimates are taken from Bloomberg; Source: MOFSL, Bloomberg

Trent

BSE SENSEX	S&P CNX
76,607	23,323

CMP: INR5,028 TP: INR5,500 (+9%) Buy

Robust expansion continues with better profitability

Ready to launch Star Bazaar; prioritizing Westside, Zudio and Star

Stock Info

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1787.4 / 21.4
52-Week Range (INR)	5090 / 1585
1, 6, 12 Rel. Per (%)	7/63/190
12M Avg Val (INR M)	2515
Free float (%)	63.0

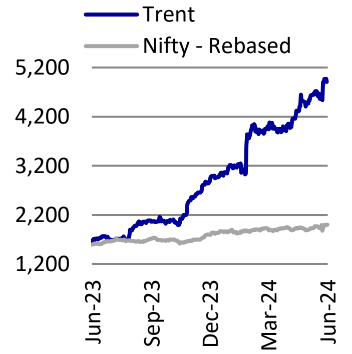
Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	123.8	176.3	224.1
EBITDA	19.2	26.8	34.5
NP	10.4	17.5	22.3
EBITDA Margin (%)	15.5	15.2	15.4
Adj. EPS (INR)	29.2	49.4	62.7
EPS Gr. (%)	162.5	68.9	27.0
BV/Sh. (INR)	122.4	175.2	242.3
Ratios			
Net D:E	0.0	0.3	0.2
RoE (%)	31.2	35.5	32.1
RoCE (%)	18.0	23.0	19.9
Payout (%)	7.7	0.0	0.0
Valuations			
P/E (x)	171.6	101.6	80.0
EV/EBITDA (x)	92.8	67.2	52.0
EV/Sales (x)	14.5	10.3	8.1
Div. Yield (%)	0.1	0.0	0.0

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

Stock Performance (1-year)



We attended Trent's AGM. Here are the key takeaways:

Stellar performance

Trent continues to post strong standalone/consolidated revenue growth of 55%/ 50% YoY to INR119b/INR124b in FY24, aided by 37% YoY store addition and 10% LFL growth. Despite a slight contraction of 20bp in standalone gross margin (due to high mix of Zudio), EBITDA margin (pre-Ind-AS) improved to 11.7% (up 300bp YoY), aided by lower ad spending and operating leverage. Standalone adj. PAT improved to INR10.3b (vs. INR5.5b in FY23). In addition, the Booker subsidiary and Star (JV) losses have declined, which boosted consolidated PAT to INR10.4b (vs. INR4b in FY23). On the standalone basis, Trent generated FCF of INR4b (vs. -INR275m in FY23).

The expansion momentum to continue

Trent added gross 30/203 Westside/Zudio stores in FY24, which is in line with its guidance provided in the last year's AGM. Westside has consolidated small stores into larger stores; hence, net store adds were 18. Total standalone store count stands at 811, including 22 Utsa stores, 10 Misbu stores and two Samoh stores. Going forward, **the company aims to maintain the pace of store additions at 30/200 Westside/Zudio stores.** Despite its robust expansion plan, we do not see any deterioration in Trent's store economics. The company may maintain a slow pace of store expansion in Utsa, Misbu and Samoh until they are able to crack the perfect model, pricing and other relevant factors for their brands, which are under incubation before going into expansion phase.

Ready to launch Star Bazaar

The management highlighted yet again that Star will be its third engine of growth (delivered 27% LFL in FY24). **The management targets to add 20-25 stores in FY25** by following the cluster strategy to expand and focus on its own brands, which offer 20-30% savings to consumers. In FY24, despite an improvement in gross margins (+150bp YoY), Star posted EBITDA of INR255m (vs. INR1.7b in FY23) and margins of ~1%, which could be due to the reclassification of lease liability and the cost of modification of stores. Trent has funded the losses mainly through the liquidation of certain financial assets and issue of equity. For the last two years, the company has been constantly optimizing the format. We believe Star Bazaar might need funds for its expansion for a year, but going forward it may fund its growth internally as the size of the grocery market is INR76t, which provides tailwinds for the sector.

Valuation and View

- The discretionary category continues to see muted demand, but Trent has far outpaced the industry. It delivered industry-leading LFL growth of 10% and hence gained market share over other retailers in the apparel segment (especially in value format). Further, despite aggressive store addition, it has limited balance sheet risk or weakness in operations. Trent's industry-leading revenue growth is mainly driven by: 1) strong SSSG and productivity, 2) healthy footprint additions, and 3) Zudio's strong value proposition.
- Trent's successful store performance, healthy store economics, and aggressive growth strategy offer a huge runway for growth over the next three-to-five years. Star's improving store metrics further offer a further opportunity.
- We have raised our standalone revenue/EBITDA estimates by 4%/6% for FY25/FY26, factoring in higher store addition for Zudio.
- We estimate a CAGR of 36%/34% in standalone revenue/EBITDA over FY24-26, led by 23% store addition and healthy SSSG, which justify the premium valuation for the stock. We have ascribed 54x to standalone business, 2x EV/sales to Star Bazaar, and 15x EV/EBITDA to Zara to arrive at our TP of INR5,500. Adjusting Star's and Zara's values, the stock is trading at 82x FY26E EPS for the standalone business. Retain BUY.

Valuation based on FY26

Particulars	Financial metric	Multiple	EBITDA/Sales	Enterprise Value
Westside and Zudio	EBITDA	54	34.6	1,870
Star	Sales	2	19.4	39
Zara	EBITDA	15	3.3	49
Total Enterprise Value				1,958
Net Debt				2
Equity Value				1,955
Shares (m)				356
Target Price				**5,500**
CMP				5028
Upside				9%

Source: MOFSL, Company

MOTILAL OSWAL | MORNING INDIA

13 June 2024

Company Update | Sector: Telecom

Tata Communications

BSE SENSEX	S&P CNX
76,607	23,323

TATA COMMUNICATIONS

Bloomberg	TCOM IN
Equity Shares (m)	285
M.Cap.(INRb)/(USDb)	540.6 / 6.5
52-Week Range (INR)	2085 / 1447
1, 6, 12 Rel. Per (%)	3/-2/3
12M Avg Val (INR M)	1721
Free float (%)	41.1

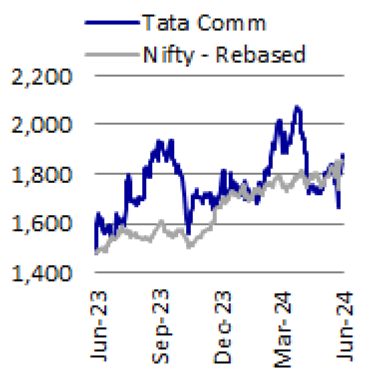
Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Net Sales	209.7	242.9	273.0
EBITDA	42.3	49.1	61.1
Adj. PAT	12.0	13.7	23.8
EBITDA Margin (%)	20.2	20.2	22.4
Adj. EPS (INR)	42.3	48.1	83.5
EPS Gr. (%)	-30.0	13.8	73.6
BV/Sh. (INR)	62.7	99.2	171.0
Ratios			
Net D:E	4.9	2.3	0.5
RoE (%)	72.9	59.4	61.8
RoCE (%)	14.4	14.6	22.0
Payout (%)	39.5	20.8	12.0
Valuations			
EV/EBITDA (x)	14.8	12.3	9.3
P/E (x)	44.7	39.3	22.6
P/BV (x)	30.2	19.1	11.1
Div. Yield (%)	0.9	0.5	0.5
FCF Yield (%)	1.8	5.2	7.3

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	58.9	58.9	58.9
DII	13.1	12.1	14.0
FII	18.2	19.2	17.0
Others	9.8	9.8	10.1

Stock Performance (1-year)



CMP: INR 1,897 TP: INR 1,950 (+3%) Neutral

Focusing on digital platform growth

We attended TCOM's analyst meet, where management presented its GTM 'product-to-platform' strategy and discussed about the expanding growth in new products/portfolios and geographies. Below are the key highlights:

- **Management reiterated its ambition to double data revenue by FY27 to INR280b (at 18% revenue CAGR), driven by the DPS segment that is likely to contribute more than 60% of data revenue.**
- **This will require higher capex and opex, totaling ~USD300m in FY25E, and is projected to increase with a capex-to-sales range of 10-11%.**
- **Further, TCOM aspires to maintain its EBITDA margin at 23-25% by FY27E, but management expects that the near-term margins may be hit by harmonization and restructuring following the acquisition.**
- **Management believes that the balance sheet discipline will be maintained with >25% ROCE and <2x net debt to EBITDA by FY27E.**
- **We have factored in a revenue/EBITDA CAGR of 14%/20% over FY24-26E. Margin improvement and data revenue growth should be the key catalysts for further valuation re-rating. Reiterate Neutral.**

Data Revenue- key forte

Management reiterated its aspiration to double data revenue by FY27, implying an 18% CAGR (vs. 10% CAGR in the last four years). This growth will be fueled by the digital portfolio services, which currently account for 40% of the data revenue and are projected to increase to 60% (implying 34% CAGR), while the core services offering (commoditized connectivity solutions) is likely to post a 3% CAGR. The growth could be due to a combination of organic and inorganic opportunities, as well as an increase in the number of million-dollar club customers. The company is well placed to reap benefits from its recent investments in international markets and even in India.

- Cloud and security services are expected to benefit from an increasing Total Addressable Market (TAM), which is likely to post 16% CAGR over FY25-28E,
- Interactive and IoT fabric are expected to clock 14% and 10% CAGR over FY25-28E, respectively,
- Media: The focus remains on cloud and leadership in transmission, but the capability of Switch (a new division of video production) will be keenly monitored.

Strengthening capabilities to propel growth

The medium-term structural drivers for TCOM include leadership in the Indian market, expansion in international markets, increased customer relevance through portfolio expansion (in media), and new product rollouts such as AI cloud, multi-cloud connectivity, and CloudLyte. As a B2B specialist, TCOM boasts a strong network by owning a subsea network with extensive coverage. The company provides connectivity in over 190 countries and directly connects 35% of the internet routes. TCOM plans to leverage its digital platform capabilities and believes it has the right to win.

Investing in growth

To drive accelerated growth, TCOM believes it will need to invest in growth. It has raised its capex guidance to USD300m from ~USD250m in FY24 (likely to maintain the capex-to-sales ratio at 10-11%). Further, TCOM will continue to intensify its opex. Therefore, management maintains its 23-25% EBITDA margin guidance despite aiming to increase scale. The core EBITDAM is operating at an optimum level, while the acquisitions have dragged down margins for some time. However, margins are expected to improve soon. Management expects that FY25 EBITDAM could be higher than FY24. The company expects gradual improvement, with the first improvement expected in leverage (the net debt-to-EBITDA ratio to fall below 2.0x by FY27), followed by improvements in ROCE (25%+ by FY27), and then EBITDA margins (23-25% by FY27). However, ROCE may experience further dilution for the next couple of quarters before gradually improving.

Valuation and view

- We estimate a 14%/20% CAGR in revenue/EBITDA over FY24-26.
- The company has set an ambitious revenue growth target of INR280b by FY27 in the digital portfolio, which will be supported by both organic and inorganic initiatives.
- Net debt jumped 60% YoY to INR90b due to inorganic acquisitions. However, TCOM's strong FCF of ~INR20b annually would allow it to explore growth opportunities, while maintaining a healthy RoCE of over 25%.
- At a P/E of 23x and EV/EBITDA of 9.3x on FY26E, we see limited upside potential for the stock. Margin improvement and data revenue growth should be the key catalysts for further valuation re-rating. **Reiterate Neutral with a TP of INR1,950.** We assign 10x/3x EBITDA to its Data/Voice businesses.

Valuation based on FY26E EBITDA

Particulars	FY26E
EBITDA (INR m)	61,096
multiple (x)	9.5
Voice EBITDA (INR m)	1,368
multiple (x)	3
Data EBITDA (INR m)	59,728
multiple (x)	10
Enterprise Value (INR m)	**5,82,273**
Net Debt (INR m)	26,428
Equity value (INR m)	**5,55,845**
No of shares (m)	285
Equity value/share (INR)	**1,950**
% Upside(Downside)	3%

Source: MOFSL, Company

Fund Folio

Indian Mutual Fund Tracker

Equity inflows accelerate amid volatilities, supported by higher NFOs

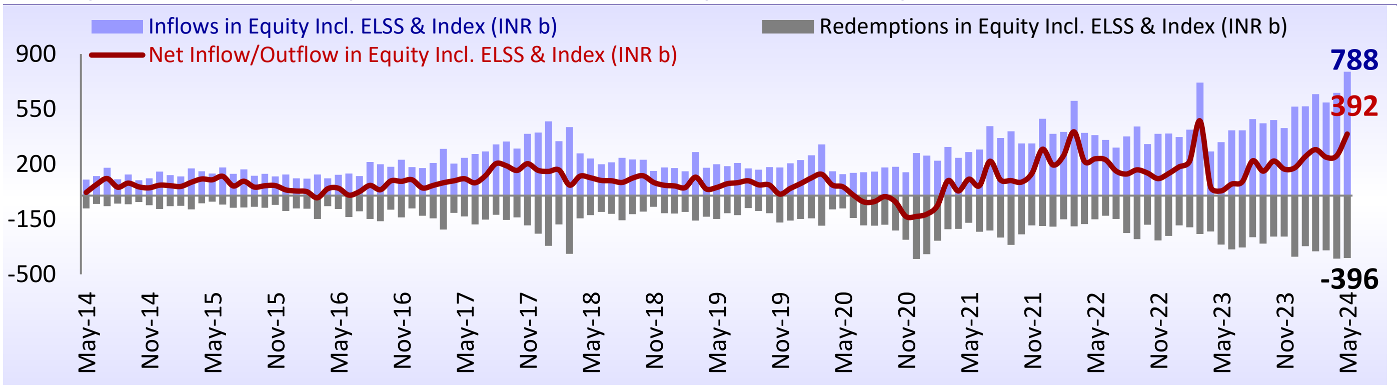
Key observations

- The Nifty, after scaling a new high of 23,111 in May'24, ended its three-month winning streak. The index oscillated 1,290 points before closing 74 points (or 0.3%) lower MoM at 22,531. DIIs recorded the tenth consecutive month of inflows in May'24 at USD6.7b, while FIIs reported outflows of USD3b.
- Equity AUM for domestic MFs (including ELSS and index funds) increased 2.7% MoM to INR27.7t in May'24 despite a weak market sentiment (with Nifty marginally declining 0.3% MoM). This rise in equity AUM was due to higher NFOs launched by mutual fund houses vs. the previous month, which led to an increase in equity scheme sales (up 20.4% MoM to INR788b). At the same time, redemptions decreased 1% MoM to INR396b. Consequently, net inflows rose significantly to INR392b in May'24 from INR254b in Apr'24.
- Total AUM of the MF industry rose 2.9% MoM to INR58.9t in May'24, driven by a MoM increase in AUM for equities (INR721b), liquid (INR382b), other ETFs (INR153b), income (INR150b), and arbitrage (INR144b) funds.
- Investors continued to park their money in mutual funds, with inflows and contributions in systematic investment plans (SIPs) reaching a new peak of INR209b in May'24 (up 2.6% MoM and 41.7% YoY).

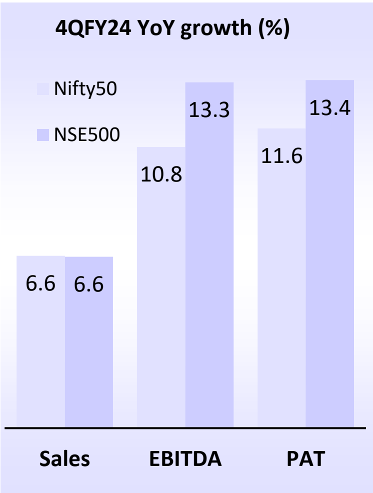
Some interesting facts

- The month saw **notable changes in the sector and stock allocation of funds.** On a MoM basis, the weights of Capital Goods, Automobiles, Telecom, Metals, Consumer Durables, Real Estate, and Infrastructure increased, while those of Technology, Oil & Gas, NBFCs, Healthcare, PSU Banks, Retail, and Chemicals moderated.
- **Capital Goods' weight increased to an eight and half-year high of 8.5%** (+60bp MoM and +160bp YoY) in May'24. The sector now ranks third in mutual fund allocation – it was in the fourth position a month back and sixth a year back.
- **Automobiles' weight rose to a 68-month high of 8.7%** (+40bp MoM, +80bp YoY) in May'24.
- **Technology slipped to the fourth place from the third spot in MF allocation,** with weights declining for the third consecutive month to touch a 51-month low of 7.8% (-20bp MoM, -180bp YoY).
- **In terms of value increase MoM, divergent interests were visible within sectors:** The top 5 stocks that saw a maximum rise in value were HDFC Bank (+INR92.2b), Bharat Electronics (+INR57.3b), M&M (+INR56.8b), Kotak Mah. Bank (+INR51.3b), and L&T (+INR40.1b).

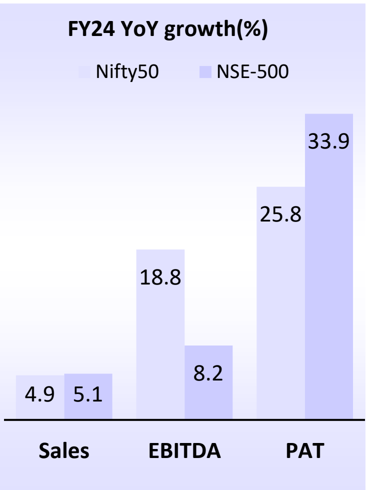
Monthly trends in sales, redemptions, and net amount raised by MFs (towards equities)



Earnings performance in 4QFY24: Nifty-500 outperforms Nifty-50



Annual performance: Broader markets outperform by a wide margin



Nifty-500: 4QFY24 earnings review

The broad basing of earnings continues

BFSI and Auto drive earnings; O&G's earnings moderate

- The Nifty-500 companies delivered a healthy 4QFY24 performance amid global volatility. The 4Q earnings were mainly fueled by domestic cyclicals, such as BFSI and Autos, while global cyclicals (Oil & Gas and Metals) dragged down earnings.
- In 4QFY24, Nifty-500 companies reported sales/EBITDA/adj. PAT growth of 7%/ 13%/13% to ~INR35t/INR6.7t/INR3.9t.
- Auto/BFSI posted strong earnings growth of 83%/24% YoY, while Capital Goods/ Cement grew 31%/18% YoY in 4Q. Within the BFSI pack, Banks clocked ~26% YoY earnings growth and accounted for 64% of the BFSI sector earnings. Chemicals/Metals/O&G reported an earnings decline of 51%/21%/12% YoY.
- Nifty-500, excluding BFSI, recorded an aggregate earnings growth of 8% YoY, whereas aggregate earnings jumped 22% YoY (ex-global commodities).
- **EBITDA margin of Nifty-500 (ex-BFSI) came in at 15.5%,** up 80bp YoY but down 40bp QoQ. EBITDA margin, excluding commodities (i.e. Metals and O&G), came in at 23.4% (up 140bpYoY, down 50bp QoQ).
- Among the broader markets, 243 companies reported earnings growth of over 15% YoY in 4QFY24. However, 131 companies posted a decline in their earnings.
- **FY24:** Sales/EBITDA/adj. PAT grew 5%/8%/34% to ~INR136t/INR23t/INR14t led by BFSI, Auto, and O&G. Excluding BFSI, the FY24 aggregate sales/EBITDA/PAT rose 2%/24%/34% YoY. Excluding Metals and O&G, sales/EBITDA /PAT was +10%/flat/+32% YoY during the fiscal.
- **EBITDA margin, excluding BFSI,** expanded 290bp at 16.2%; however, excluding Metals and O&G, operating margin contracted 200bp YoY to 19.0%.
- **The broad basing of earnings continues:** The earnings performance of Nifty-500 companies in FY24 was more broad based than in FY23. The top 100 companies by market cap accounted for 65% of incremental profit (with 75% of profit pool) vs. 91% of incremental profit (with 82% of profit pool) in FY23.
- Of the 20 key sectors, **18 reported a profit growth**, while only two sectors posted a decline in FY24.
- In FY24, while 361 companies recorded YoY earnings growth, 138 companies registered a decline. Among the companies that declared profit, 277 companies reported earnings growth of over 15% YoY during the fiscal.
- **Heavyweights' dominance moderate**: The FY23 earnings were much more skewed in favor of the Nifty-50, but in FY24 the distribution was relatively symmetric. Among them, BFSI, Oil & Gas, and Auto drove a majority of the incremental earnings in FY24. The top 10 companies by market cap contributed only 18% to the incremental YoY earnings in FY24 vs. 68% in FY23.

Key sectoral highlights

- **BFSI leads the earnings growth** with robust business growth and controlled provisions. NIM performance was mixed, with several banks reporting margin improvements. Credit growth was healthy, supported by a strong traction in the retail and MSME segments. PSBs continued to report strong improvement in their operating performances. NII growth also remained strong, which, along with steady fee income and treasury gains, led to healthy PAT growth. Sector earnings rose 18% YoY in 4Q and 20% in FY24. Private/PSU banks added ~37%/ 31% YoY of incremental profits in 4Q and ~41%/34% YoY of incremental profits in FY24.

- **Auto sector's recovery continues:** Auto volumes (ex-tractors) grew 20% YoY in 4QFY24, fueled by a healthy recovery in 2Ws and steady growth in the SUV segment. We have witnessed significant volume growth across segments over the last two years, and input costs also appear to have bottomed out. Earnings for auto companies surged 83% YoY (+52% QoQ) in 4Q and 137% YoY in FY24.
- **Consumers**: The demand trends were largely stable, but most companies have reported a recovery in rural demand by the end of 4QFY24. There were signs of improvement towards the end; however, the majority of FY24 was dominated by price cuts, competition from local players, and subdued demand. The sector reported an earnings growth of 11% YoY in 4Q and 19% YoY in FY24.
- The **Oil & Gas** sector was the key laggard in 4QFY24. Its sales/EBITDA grew 3%/8% YoY, but adj. PAT declined 12% YoY. However, in FY24, while the sector's revenue declined 4% YoY, its EBITDA/PAT jumped 58%/67% YoY.
- **Technology:** The 4QFY24 results for Tier-1 companies remained weak due to lower-than-expected growth, weak demand, and the re-scope of contracts, as well as project cancellations (INFO, LTIM). Discretionary spending showed no signs of acceleration, and the near-term outlook remains bleak.

Sector-wise 4QFY24 performance of Nifty-500 companies (INR b)

Nifty-500 - Sectors	Net Sales / NII (INR b)	Sales Change (%)		EBITDA / Op. Profit (INR b)	EBITDA Change (%)		Adj. PAT (INR b)	PAT Change (%)		EBITDA Margin (%)	EBITDA margin Change (bp)	
	4QFY24	YoY	QoQ	4QFY24	YoY	QoQ	4QFY24	YoY	QoQ	4QFY24	YoY	QoQ
Automobiles	3,318	14	6	499	27	9	360	83	52	15.1	160	30
BFSI	5,813	18	13	2,252	20	12	1,525	24	14	-	-	-
Banks-Private	1,098	21	4	839	53	12	516	27	7	-	-	-
Banks-PSU	1,128	7	5	770	6	29	462	25	21	-	-	-
NBFCs	1,063	30	8	606	29	12	361	31	6	-	-	-
Insurance	2,524	16	25	37	-71	-71	187	4	39	-	-	-
Capital Goods	1,566	15	29	252	24	57	165	31	78	16.1	120	290
Cement	987	10	16	184	35	7	74	18	18	18.6	350	-150
Chemicals	635	-12	4	65	-42	2	31	-51	33	10.3	-520	-20
Consumer	961	5	-1	194	5	-13	154	11	-5	20.15	-	-280
Consumer Durables	365	23	26	32	18	45	22	22	58	8.8	-40	110
Healthcare	960	11	3	211	31	2	113	13	-16	22.0	330	-20
Infrastructure	381	19	22	84	57	5	48	31	26	22.1	540	-360
Media	70	22	9	9	9	-21	3	829	-47	12.8	-150	-490
Metals	2,930	-2	8	437	-4	1	157	-21	-5	14.9	-30	-110
Oil & Gas	9,495	3	1	1,046	8	4	523	-12	4	11.0	50	30
Real Estate	160	18	48	48	45	55	37	23	71	30.3	560	140
Retail	1,339	-11	19	40	8	-25	17	-7	-32	3.0	50	-180
Technology	2,013	3	-0	447	2	2	329	8	7	22.2	-	50
Telecom	653	6	2	269	-3	-7	-18	-5	-55	41.2	-400	-380
Textiles	138	8	6	18	18	2	7	8	-5	12.7	100	-60
Utilities	1,503	7	6	499	14	1	250	-3	-3	33.2	210	-160
Others	1,716	8	3	182	15	-10	105	32	-14	10.6	60	-150
Nifty-500 aggregate	**35,002**	**7**	**7**	**6770**	**13**	**6**	**3901**	**13**	**12**	**-**	**-**	**-**
Nifty-500 Ex-BFSI	29,189	5	6	4,517	10	4	2,376	8	11	**15.5**	80	-40
Nifty-500 Ex-Metals and O&G	22,577	10	9	5,286	16	7	3,220	22	15	**23.4**	140	-50

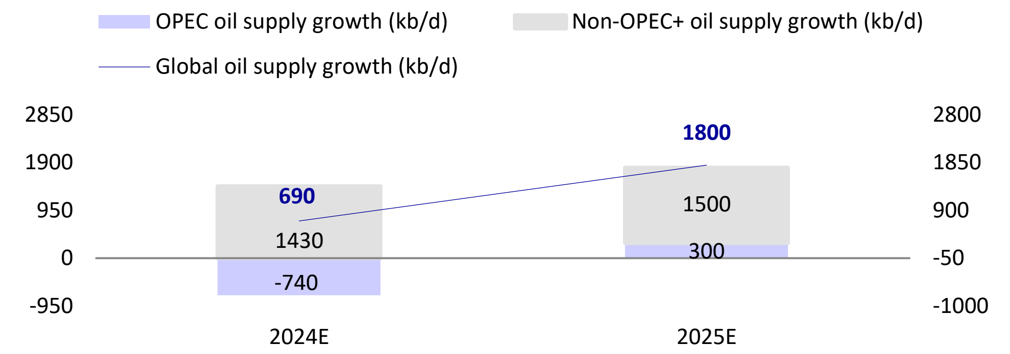
Source: MOFSL, Capital line

Oil & Gas

Oil fundamentals to be under pressure in CY25

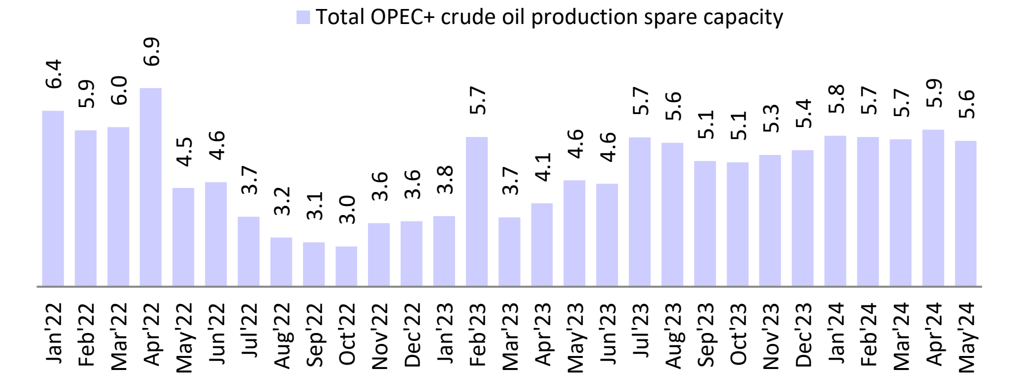
- **Demand estimate downgraded further:** IEA lowered its global oil demand estimate for CY24 by 100kb/d to 960kb/d. It also lowered demand projection for CY25 to 1mb/d (vs 1.2mb/d previously). The persistent weakness in oil demand, as per IEA, is **driven by low demand in the key oil markets such as OECD countries, dull economic growth, an expanding EV fleet and an increase in vehicle efficiency.**
- **Non-OPEC supply remains robust:** For CY24, IEA expects the global oil supply to increase by 690kb/d (vs. 580kb/d rise estimated previously). This increase is attributed to a 1.4mb/d growth in non-OPEC+ output (in line with May'24 est.), while OPEC+ production is projected to decline by 740kb/d (vs. 840kb/d est. in May'24). In CY25, global supply is estimated to rise by 1.8md/d (in line with May'24 est.), as non-OPEC+ output is expected to rise by 1.5mb/d (1.4mb/d est. in May'24).
- **Inventories continue to rise:** In Apr'24, global oil inventories increased by 19.3mb (increase by 34.6mb in Mar'24), with oil stored at sea decreasing by 64.2mb. Conversely, onshore stocks increased by 83.5mb. Total OECD stocks rose by 32.1mb, the first monthly increase since Oct'23. Preliminary data suggests that global oil stocks continued to rise in May'24.
- **US EIA lowers CY24 oil price forecast by 5%:** Brent crude oil spot price forecast for CY24 was revised down by 5% to USD84/bbl from May'24 forecast of USD88/bbl. CY25 forecast remains unchanged at USD85/bbl. US crude oil production forecast remains unchanged for CY24 and CY25 at 13.2mb/d and 13.7mb/d, respectively. The increase in production forecast (+4% YoY) is led by Permian region, Eagle Ford region and the Federal Gulf of Mexico.
- **US EIA raises HH gas price forecast:** CY24 forecast for natural gas price at Henry Hub was revised up by 14%, in comparison to May'24 forecasts, to USD2.5/mmbtu. CY25 forecast was revised up by 3%, in comparison to May'24 forecasts, to USD3.2/mmbtu. US liquefied natural gas gross exports forecast remains unchanged for CY24 and CY25 at 12bcf/d and 14bcf/d, respectively.
- **In CY25, risk to oil price from rising supply; Buy OMCs:** We note that as per IEA, CY25 oil demand growth is estimated at 1mb/d, while global oil supply growth is estimated at 1.8mb/d. With OPEC+ is looking to unwind spare production capacity, we see some risk to net realizations of USD73-74/bbl for upstream companies in CY25. We think that the best way to play in a range-bound oil price environment with rising downside risks is oil marketing companies, where HPCL is our preferred pick.
- **HPCL (BUY):** HPCL remains our preferred pick among the three OMCs. We see the following as key catalysts for the stock: 1) demerger and potential listing of lubricant business, 2) the commissioning of its bottom upgrade unit, and 3) the start of Rajasthan refinery in 4QFY25. **We reiterate our BUY rating on the stock, valuing it at 1.4x FY26E P/BV to arrive at our TP of INR600.**

Global oil supply expected to increase by 690kb/d in CY24 and 1.8mb/d in CY25



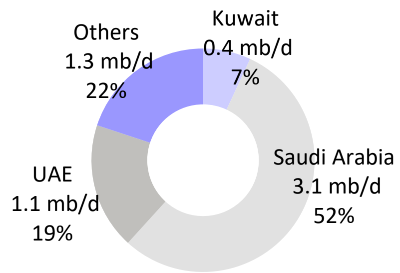
Source: IEA, MOFSL

OPEC surplus crude oil production capacity (mb/d)



Source: IEA, MOFSL

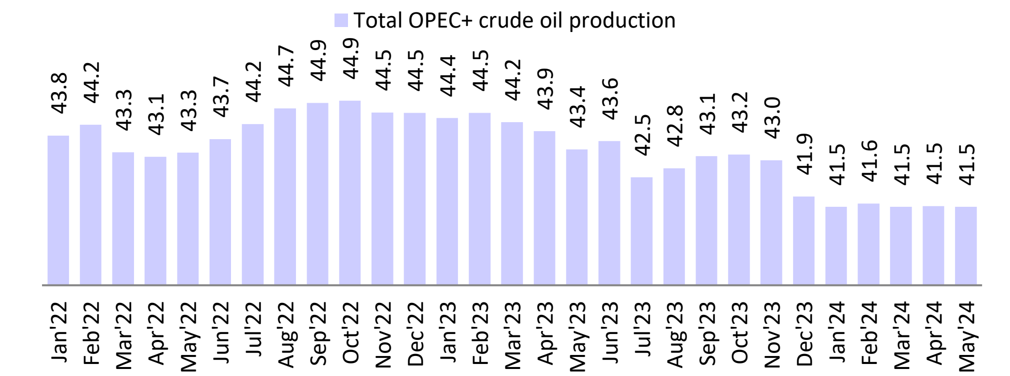
OPEC+ May'24 crude production spare capacity break-up (mb/d)



May 2024 OPEC+ spare capacity (mb/d) (5.6mb/d)

Source: IEA, MOFSL

Exhibit 1: OPEC+ crude oil production (mb/d)



Source: IEA, MOFSL

HPCL: Financial summary and assumptions – BUY (TP: INR600)

Key assumptions

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Exchange Rate (INR/USD)	70.0	70.9	74.3	74.5	80.4	82.8	83.9	85.0
Brent Crude (USD/bbl)	70.1	61.2	44.4	80.5	96.1	83.4	85.0	85.0
Market Sales (MMT)	38.7	39.6	36.6	39.1	43.5	46.8	48.7	50.6
YoY (%)	*5*	*2*	*(8)*	*7*	*11*	*8*	*4*	*4*
GRM (USD/bbl)	5.0	1.0	3.9	7.2	12.1	9.1	8.0	8.0
Singapore GRM (USD/bbl)	4.9	3.2	0.5	5.0	10.7	6.6	6.0	6.0
Prem/(disc) (USD/bbl)	*0*	*(2)*	*3*	*2*	*1*	*2*	*2.0*	*2.0*
Total Refinery throughput (MMT)	18.4	17.2	16.4	14.0	19.1	22.3	24.5	24.5
YoY (%)	*1%*	*-7%*	*-4%*	*-15%*	*37%*	*17%*	*10%*	*0%*
Refining capacity utilization (%)	**117%**	**109%**	**104%**	**88%**	**85%**	**91%**	**100%**	**100%**
Blended marketing margin incld inventory (INR/lit)	**4.3**	**4.0**	**6.3**	**4.3**	**(0.8)**	**5.4**	**4.5**	**4.5**
Consolidated EPS	**47.2**	**25.7**	**75.1**	**51.4**	**-49.2**	**112.9**	**71.9**	**72.1**

Source: Company, MOFSL

Financial summary (INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Sales	2,755	2,691	2,332	3,499	4,407	4,339	4,197	4,317
EBITDA	115.3	56.6	160.0	102.4	-72.1	249.3	188.4	193.6
Adj. PAT	66.9	36.4	106.6	72.9	-69.8	160.1	102.0	102.3
Adj. EPS (INR)	47.2	25.7	75.1	51.4	-49.2	112.9	71.9	72.1
EPS Gr. (%)	-7.3	-45.6	192.8	-31.6	PL	LP	-36.3	0.3
BV/Sh.(INR)	214.2	218.3	268.4	291.8	227.4	330.7	382.8	434.6
Ratios								
Net D:E	0.8	1.3	1.1	1.1	2.1	1.3	1.1	1.0
RoE (%)	23.9	11.9	30.9	18.4	-19.0	40.4	20.2	17.6
RoCE (%)	12.9	12.0	14.9	8.3	-7.8	15.9	9.2	8.5
Payout (%)	43.0	76.0	30.3	27.2	0.0	27.9	27.6	28.2
Valuations								
P/E (x)	10.6	19.6	6.7	9.8	-10.2	4.4	7.0	6.9
P/BV (x)	2.3	2.3	1.9	1.7	2.2	1.5	1.3	1.2
EV/EBITDA (x)	8.4	19.5	7.1	11.3	-19.1	5.4	7.1	6.9
Div. Yield (%)	3.2	1.9	4.5	2.8	0.0	6.3	3.9	4.0
FCF Yield (%)	-3.8	-11.7	8.7	5.3	-18.0	19.5	7.4	7.1

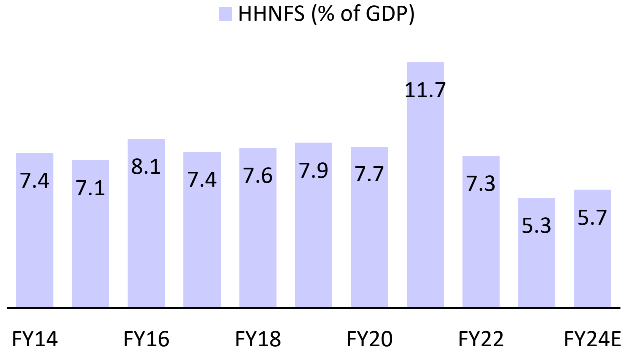
Source: Company, MOFSL

HHNFS likely picked up to 5.7% of GDP in FY24

Household debt may have risen to a new high of 41% of GDP in FY24

- **Household net financial savings (HHNFS) stood at a 47-year low of 5.3% of GDP in FY23, down from 7.3% of GDP in FY22 and an average of 7.6% of GDP between FY12 and FY20. As of 3QFY24, our calculations had suggested that HHNFS were broadly unchanged YoY. However, 4QFY24 data indicates a pick-up in HHNFS to 5.7% of GDP in FY24 *(Exhibit 1)*. Better-than-expected income growth and weaker physical savings have supported this improvement.**
- **HHNFS is a function of gross financial savings (GFS) and their financial liabilities (FL). Our estimates suggest that GFS increased to around 12% of GDP in FY24 vs. ~11% each in the previous two years *(Exhibit 2)*, which was partly offset by higher borrowings in FY24.**
- **GFS has six major components – deposits, currency, insurance, pension & provident funds (P&PFs), capital market investments (shares & debentures, S&D), and small savings. The rise in deposits, insurance and small savings (as % of GDP) in FY24 was partly offset by lower currency holdings *(Exhibit 3)*. Further, the share of S&D and P&PFs was broadly unchanged YoY in FY24.**
- **Our calculations suggest that annual household borrowings surged to 6.2% of GDP in FY24 *(Exhibit 4)*, the second highest in the post-independence period (it was 6.7% of GDP in FY07), and compared to ~ 4% of GDP in the previous few years.**
- **A comparison of our estimates with official estimates (published by the RBI) suggests that the two are very close to each other, with minor differences and some gaps *(Exhibit 5)*.**
- **Although the estimation of household savings is not done directly in India, it is effectively the difference between personal disposable income (PDI) and personal final consumption expenditure (PFCE). A slower growth of 8.5% YoY in PFCE (vs. 14.2% in FY23) vs. an expected 9.5% growth in PDI (vs. 13.3%) confirms an improvement in HH savings in FY24.**
- **Our calculations suggest that total household savings increased to ~19% of GDP in FY24, from a six-year low of 18.4% of GDP in FY23 *(Exhibit 6)*. Within that, physical savings rose marginally to 13.3% of GDP from 13.2% of GDP in FY23, which means that HHNFS improved to 5.7% of GDP in FY24 from a multi-decade low in FY23. HHNFS in FY24 was driven by better growth in PDI (vs. our earlier projection of ~9%) and the first contraction in 14 quarters in physical savings in 4QFY24 (which pulled down its full-year growth).**
- **An improvement in HHNFS was also in line with a sharp narrowing in current account deficit (CAD) in FY24, along with a marginal pick-up in total investments. Our calculations suggest that India's gross domestic savings (GDS) increased to ~32% of GDP in FY24, from ~30% of GDP in FY23. It means that not only HHNFS improved, but fiscal dis-savings also narrowed (in line with lower fiscal deficit) and corporate savings also likely increased, as profits of NIFTY500 companies soared to a 15-year high in FY24 *(Exhibit 7)*.**
- **As discussed in our recent strategy note, weak income growth, coupled with robust consumption and investment growth (i.e., physical savings), can occur only if HHNFS declines significantly. This is exactly what transpired in FY23. It partly reversed in FY24, as consumption grew slower than income *(Exhibit 8)*. There is, however, an element of uncertainty. As per the provisional estimates, the statistical authorities are not able to distribute real GDP growth appropriately into consumption, investments and foreign trade, due to which discrepancies accounted for as much as 50% to real GDP growth last year *(Exhibit 9)*. It is, thus, possible that as more data becomes available, consumption growth is revised up (leading to lower discrepancies). If so, either physical savings or HHNFS could be revised down.**
- **Finally, with annual borrowings amounting to 6.2% of GDP (led by banks and NBFCs), our estimates suggest that household debt increased to all-time peak of 40.9% of GDP in FY24 *(Exhibit 10)*. Based on banks' data, it is clear that non-mortgage personal loans (NMPL) continue to grow at the fastest pace within HH debt, followed by mortgage debt (MD), agricultural loans (AL), and business loans (BL) *(Exhibit 10-11)*.**
- **What about FY25? Unlike FY24, investments are unlikely to be the primary driver of real GDP growth since government investments are likely to grow at a slower pace. Corporate investments may pick up (as is the hope after general elections); however, with a revival in the investment deflator, real investments are likely to grow much slower in FY25 vs. FY24. In contrast, with slightly higher HHNFS (FY25-S2), better income growth could push nominal private spending growth (consumption + investments) higher in FY25. Real GDP growth, however, is likely to be weaker *(Exhibit 12)*.**

Exhibit 1: HHNFS is estimated to have picked up to 5.7% of GDP from 47-year low of 5.3% of GDP in FY23



CSO data up to FY23; MOFSL estimates for FY24

Exhibit 2: HHGFS likely increased to 12% of GDP last year, from ~11% of GDP each in the previous two years

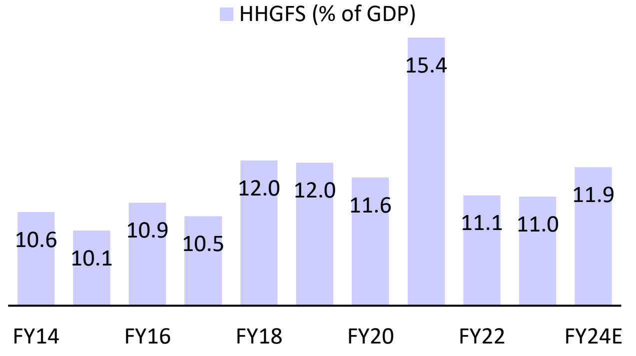
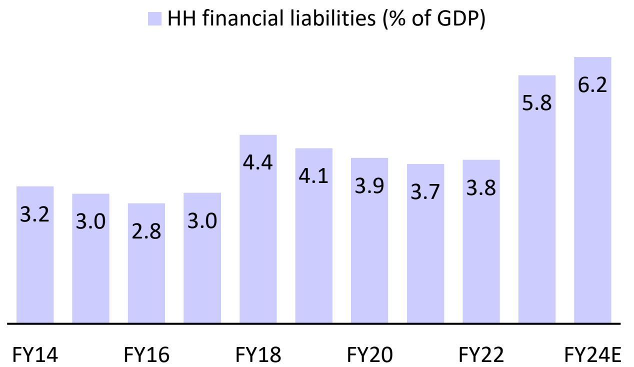


Exhibit 3: Our detailed estimates of HH financial savings

% of GDP, unless stated otherwise	Annual data~					
	FY19	FY20	FY21	FY22	FY23	FY24E
GFS	**12.0**	**11.6**	**15.4**	**11.1**	**11.0**	**11.9**
Deposits	4.3	4.4	6.3	3.5	4.1	4.6
Currency	1.5	1.4	1.9	1.1	0.9	0.5
Insurance	2.1	1.7	2.9	1.9	2.0	2.2
P&PFs^	2.1	2.3	2.4	2.4	2.5	2.4
Investments@	0.9	0.5	0.5	0.9	0.8	0.7
Ow: MFs	0.8	0.3	0.3	0.7	0.7	0.7
Small savings	1.1	1.3	1.3	1.2	0.7	1.5
Financial liabilities	**4.1**	**3.9**	**3.7**	**3.8**	**5.8**	**6.2**
Bank loans	3.1	2.4	3.2	3.3	4.4	5.1
HFCs*	0.3	0.0	0.3	0.4	0.4	-0.1
NBFCs	0.5	1.2	0.4	0.1	0.9	1.1
NFS	**7.9**	**7.7**	**11.7**	**7.3**	**5.3**	**5.7**

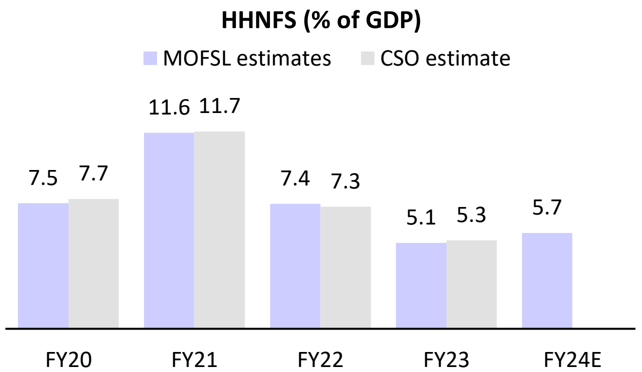
~CSO's data up to FY23
*For comparison sake, HDFC Ltd. is included in HFCs in FY24
@ Including net flows into MFs and capital raised
Source: Various national sources, CEIC, MOFSL

Exhibit 4: Annual borrowings stood at the second-highest level in the post-independence period



CSO data up to FY23; MOFSL estimates for FY24

Exhibit 5: Our estimates of HHNFS are broadly in line with the official estimates



May CPI inflation at 12-month low of 4.7%

Monetary easing likely to happen in late CY24 or early CY25

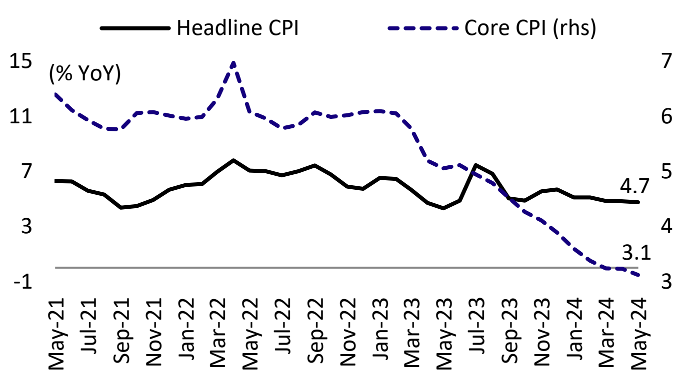
- **Headline CPI inflation eased to a 12-month low of 4.7% YoY in May'24 vs. 4.8% in Apr'24, mainly led by lower core inflation, which came in at an all-time low of 3.1%, and continued contraction in prices of fuel and light components (-3.8% in May'24 vs. -4% in Apr'24). On the other hand, food inflation remained elevated at 8.7% during the month. The inflation number was largely in line with our expectation and Bloomberg consensus of 4.8%.**
- **Food inflation came in at 8.7% YoY in May'24, same as in Apr'24. Details suggest that high food inflation was mainly driven by the prices of cereals and pulses, which were almost entirely offset by fall in prices of meat & fish, milk products and spices. Prices of cereals rose to a five-month high of 8.7% in May'24 vs. 8.6% in Apr'24. Prices of pulses went up 17.1% in May'24 vs. 16.8% in Apr'24. At the same time, prices of fruits and vegetables (6% weight) also remained firm. The prices of vegetables rose 27.3% YoY, following a 27.8% YoY increase in Apr'24. CPI, excluding veggies, came in at a 55-month low of 3.4% in May'24 vs. 3.6% in Apr'24. On the other hand, inflation in milk products came in at a 35-month low of 2.6% in May'24 vs. 3% in Apr'24. At the same time, inflation in spices came down to a 29-month low of 4.3% in May'24 from its peak of 23.2% in Aug'23 and 7.8% in Apr'24. Standard core inflation (excluding food & energy) came down to 3.2% YoY in May'24 (vs. 3.4% in Apr'24, lowest since Jan'15).**
- **Notably, the prices of fuel and light items contracted for the ninth straight month in May'24. It contracted 3.8% YoY in May'24 vs. a contraction of 4% in Apr'24.**
- **Other details suggest that: 1) Core inflation stood at a new low of 3.1% in May'24; 2) Inflation in core services dropped below 3% for the first time ever, while goods inflation remained firm at 5.4%; 3) Prices of imported items (weight = 12%) contracted 0.3% in May'24 (lowest contraction in 14 months, vs. -1.4% in Apr'24) and at the same time, domestically generated inflation came down to a 12-month low of 5.5% YoY in May'24; 4) the details of 299 items suggest that about 26% of CPI basket posted 5%+ inflation last month, the lowest level since Jan'20.**
- **IIP growth decelerated to 5% YoY in Apr'24 (vs. 5.4% in Mar'24), the lowest in three months. The number was better than the Bloomberg consensus of 4.5% but lower than our forecast of 5.6%. The deceleration in growth was mainly led by manufacturing, which was only partly offset by higher growth in mining and electricity sectors.**
- **Growth in manufacturing activity decelerated to 3.9% in Apr'24 (lowest in three months) vs. 5.8% in Mar'24 and 5.5% in Apr'23. Details of the manufacturing sector confirm that 56.7% of the items within the sector grew at a slower rate compared to last year (vs. 47.2% in Mar'24) and 67% of the items grew at a rate less than 5% (vs. 51% in Mar'24). On the other hand, growth in electricity output accelerated sharply to a six-month high of 10.2% in Apr'24 vs. a growth of 8.6% in Mar'24 and a contraction of 1.1% in Apr'23. Mining output grew 6.7% in Apr'24 (highest in six months) vs. 1.3% in Mar'24 and 5.2% in Apr'23.**
- **According to the use-based classification, the output of infra & construction goods remained robust in Apr'24 (8% vs. 7.4% in Mar'24). Even, primary goods output growth accelerated to a 5-month high of 7% in Apr'24 vs. 3% in Mar'24. On the other hand, capital goods output growth slowed to 3.1% in Apr'24 vs. 6.6% in Mar'24. Additionally, consumer goods output growth slowed to 2.1% in Apr'24 vs. 7% in Mar'24. Within consumer goods, growth of consumer durables remained strong (9.8% in Apr'24), while consumer non-durables contracted 2.4% in Apr'24.**
- **Going forward, we believe headline inflation could undershoot the RBI projections in 1HFY25, increasing the prospects of a rate cut (or change in stance). We believe, however, that a rate cut is likely only in late CY24 or early CY25.**

CPI inflation eases to a 12-month low: Headline CPI inflation eased to a 12-month low of 4.7% YoY in May'24 vs. 4.8% in Apr'24, mainly led by lower core inflation, which hit an all-time low of 3.1%, and continued contraction in prices of fuel and light components (-3.8% in May'24 vs. -4% in Apr'24). On the other hand, food inflation remained elevated at 8.7% during the month *(Exhibit 1).* The inflation number was largely in line with our expectation and Bloomberg consensus of 4.8%.

- **Food inflation remains elevated:** Food inflation came in at 8.7% YoY in May'24, same as in Apr'24. Details suggest that high food inflation was mainly driven by the prices of cereals and pulses, which were almost entirely offset by fall in prices of meat & fish, milk products and spices. Prices of cereals rose to a five-month high of 8.7% in May'24 vs. 8.6% in Apr'24. Prices of pulses went up 17.1% in May'24 vs. 16.8% in Apr'24. At the same time, prices of fruits and vegetables (weight = 6%) also remained firm. The prices of vegetables rose 27.3% YoY, following a 27.8% YoY increase in Apr'24. CPI, excluding veggies, came in at a 55-month low of 3.4% in May'24 vs. 3.6% in Apr'24. On the other hand, inflation in milk products came in at a 35-month low of 2.6% in May'24 vs. 3% in Apr'24. At the same time, inflation in spices came down to a 29-month low of 4.3% in May'24 from its peak of 23.2% in Aug'23 and 7.8% in Apr'24. The prices of fuel and light items contracted 3.8% YoY in May'24 vs. a contraction of 4% in Apr'24. Standard core inflation (excluding food & energy) came down to 3.2% YoY in May'24 (vs. 3.4% in Apr'24, lowest since Jan'15). *(Exhibit 2)*
- **Other details suggest that:** 1) Core inflation stood at a new low of 3.1% in May'24; 2) Inflation in core services dropped below 3% for the first time ever, while goods inflation remained firm at 5.4% *(Exhibit 3);* 3) Prices of imported items (weight = 12%) contracted 0.3% in May'24 (lowest contraction in 14 months, vs. -1.4% in Apr'24) and at the same time, domestically generated inflation came down to a 12-month low of 5.5% YoY in May'24; 4) the details of 299 items suggest that about 26% of CPI basket posted 5%+ inflation last month, the lowest level since Jan'20 *(Exhibit 4)*.

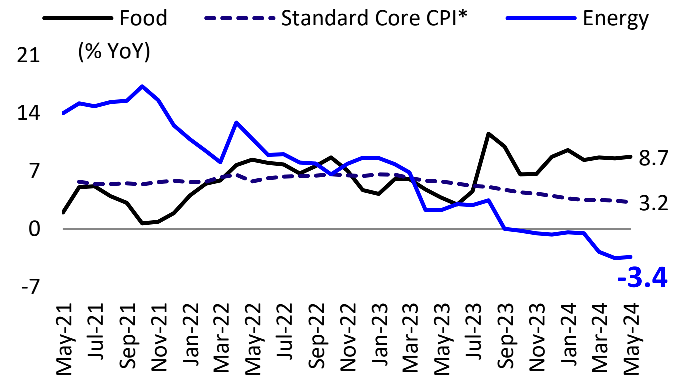
Our view: Going forward, we believe that headline inflation could undershoot the RBI projections in 1HFY25, increasing the prospects of a rate cut (or change its stance). We believe, however, that a rate cut is likely only in late CY24 or early CY25.

Exhibit 1: Retail inflation at a 12-month low of 4.7% in May'24 vs. 4.8% in Apr'24



Core CPI excludes food & beverages and fuel & light

Exhibit 2: Food inflation remained elevated at 8.7% in May'24, same as in Apr'24



* Excluding food & energy

Capital Market Monthly

Capital Market Tracker

Sequentially overall ADTO declines, while NSE active clients increase

MoM demat additions surged; CDSL's demat market share increased QoQ

Overall ADTO declined ~3% MoM to INR433t, with F&O ADTO down ~3% and Cash ADTO up ~5.5%. Retail cash ADTO increased ~5% MoM to INR485b. Demat account additions surged to ~3.6m in May'24 (average monthly additions of 3.1m since Apr'23). Further, the number of active users on NSE increased to ~42.9m in May'24 from ~31.2m in May'23.

Key statistics

Parameter	May'24	YoY (%)	MoM (%)
Demat A/c (m)	158	34	2
NSE Active (m)	43	37	3
ADTO (INR t)			
Overall	433	71	-3
- F&O	432	71	-3
- Cash (INR b)	1,199	88	5
- Retail Cash (INR b)	485	91	9

Source: MOFSL, NSE, BSE, CDSL, NSDL

Demat additions surged to 3.6m MoM

- The total number of demat accounts increased to 158m in May'24. New account additions surged to 3.6m in May'24 (average monthly additions stood at 3.1m since Apr'23).
- In May'24, CDSL continued to gain market share in terms of the total number of demat accounts and increased its overall market share MoM. On a YoY basis, NSDL lost 400bp/440bp market share in total/incremental demat accounts.

NSE active clients increase sequentially

- The number of active clients on NSE increased 2.6% MoM to 42.9m in May'24. Currently, the top five discount brokers account for 64.1% of total NSE active clients vs. 59.6% in May'23.
- Performance of key discount brokers:
  - Zerodha reported a 1.5% MoM increase in its client count to 7.5m, with a 20bp fall in market share to 17.5%.
  - Groww reported a 4.4% MoM increase in its client count to 10.4m, with a 40bp rise in market share to 24.2%.
  - Angel One reported a 2.9% MoM increase in its client count to 6.5m, with a market share of 15.1%.
  - Upstox reported a 1.4% MoM increase in its client count to 2.6m, with a 10bp fall in market share to 6%.
- Performance of key traditional brokers:
  - ICICI Sec reported a 0.7% MoM increase in its client count to 1.9m, with a 10bp fall in market share to 4.4%.
  - IIFL Sec reported a 0.7% MoM increase in its client count to 0.4m, with a market share of 1%.

BSE F&O ADTO increases MoM

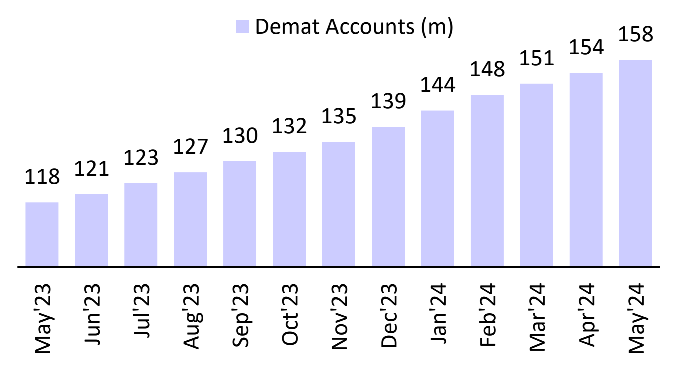
- Total ADTO declined 3% MoM (up 71% YoY) to INR433t, with F&O ADTO down 3% and Cash ADTO up 5.5%.
- Total ADTO for BSE increased 18% MoM (led by growth in F&O volumes), whereas total ADTO for NSE declined 7.8% MoM.
- On a MoM basis, the market share of BSE in the total cash T/O segment declined to ~6.4% in May'24 (~6.7% in Apr'24). BSE's market share in the total options notional T/O segment improved to ~23% from ~19% in Apr'24 and declined in options premium T/O to ~9.7% from ~9.8% in Apr'24.

Overall ADTO on MCX increased ~13% MoM

- Total volumes on MCX increased MoM to INR 41t in May'24; volumes in OPTFUT increased 19.2% MoM to INR 34.8t.
- Overall ADTO increased 13% MoM to INR1.8t. Options ADTO increased 14% MoM. Futures ADTO increased 7.7% MoM, led by an increase in Silver ADTO (3% MoM) and Natural Gas ADTO (44% MoM).
- Options ADTO increased 14% MoM on account of a 2%/141%/112% increase in Crude Oil/Natural Gas/Gold ADTO. On the other hand, Silver ADTO declined 64% on a MoM basis.

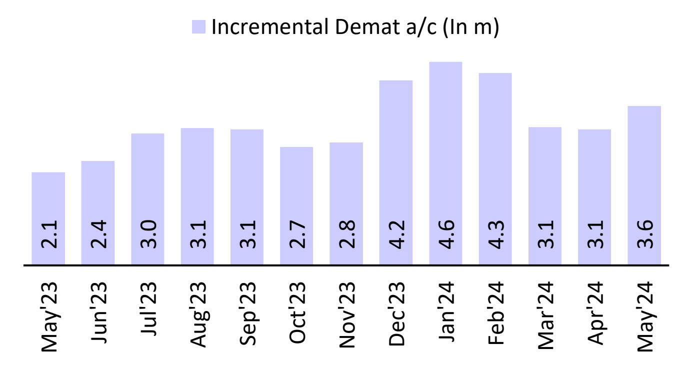
Primary market: In May'24, an amount of INR96.1b was raised via five IPOs.

The number of demat accounts rises to 158m



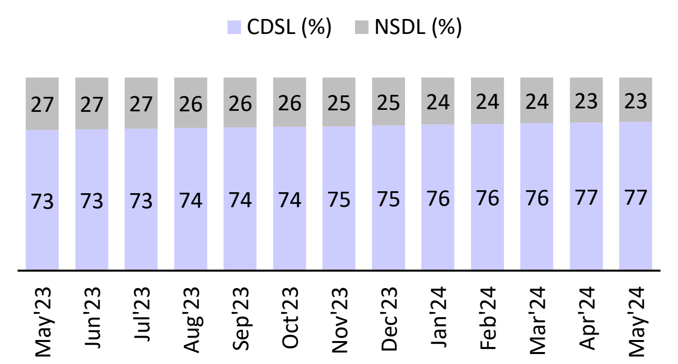
Source: MOFSL, CDSL, NSDL

Incremental demat accounts



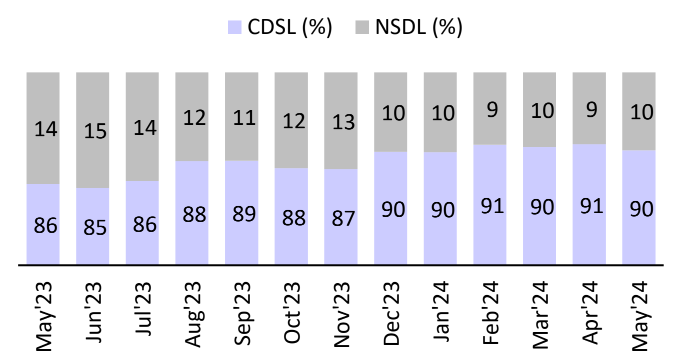
Source: MOFSL, CDSL, NSDL

Market share led by CDSL



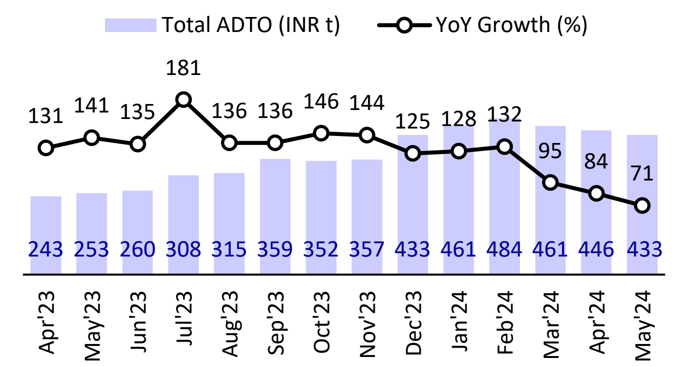
Source: MOFSL, CDSL, NSDL

Market share in incremental accounts led by CDSL



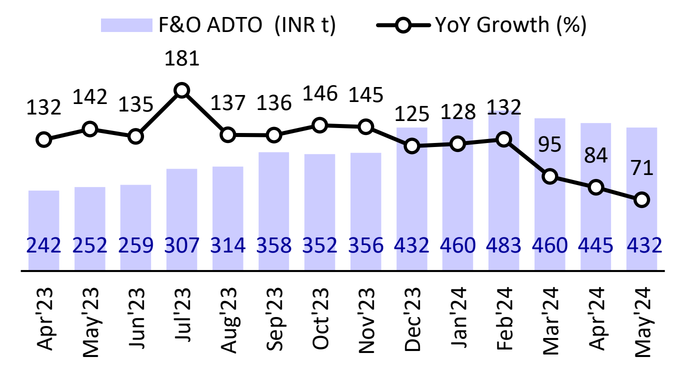
Source: MOFSL, CDSL, NSDL

Overall ADTO and growth



Source: MOFSL, NSE, BSE

F&O ADTO and growth



Source: MOFSL, NSE, BSE

Manappuram Fin : Expects to launch asirvad MFI IPO in 2-3 months; VP Nandakumar, MD & CEO

- Expect gold loan growth of 10%-12% for FY25
- 63% of older loans were in online mode, which is via bank account
- Avg ticket size in home loans are less than Rs10 Lakhs
- NIMs may decline slightly from Q4FY24 levels

Read More

Gopal Snacks : Demand has seen a pickup in Q1FY25 even in tier 3-4 cities; Mukesh Shah, CFO

- Tremendous growth seen in wafers segment
- Wafer segment contributes 12-13% of rev vs previous 8%
- New launches designed to target the youth in the urban market
- Increase in rev from wafers segment will aid margin going ahead
- Confident of maintaining the margins of 12-14% in FY25

Read More

Raymond Realty : Revenue potential to be Realised over the next 4-4.5 yrs; Harmohan Sahni, CEO

- New redevelopment projects has a revenue potential of Rs2,000 cr
- Projects typically see a 20-25% margin profile
- Sales value of total projects between Rs25,000 – Rs 30,000 cr
- May look at pune a second market as the next step
- Not looking at any fundraising other than construction funding for 18-20 months

Read More

HUDCO : PMAY expansion will kick off the entire infra in the rural sectors; Sanjay Kulshrestha, CMD

- Huge demand towards rural housing front
- Lowering of COF will aid reduction in spreads
- Eyeing Rs35,000 cr of disbursements in FY25
- Expect to see the extension of the CLSS from the government
- NIM can be maintained at 3-3.5%

Read More

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

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

Disclosures:
The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

MOFSL, it's associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:
a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
(b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.
To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:
This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification
The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	**Companies where there is interest**
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)
This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:
This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.
MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under

applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.