

**Market snapshot**



Equities - India	Close	Chg .%	CYTD.%
Sensex	71,645	-0.1	-0.8
Nifty-50	21,697	-0.1	-0.2
Nifty-M 100	48,298	-0.6	4.6
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	4,846	0.0	1.6
Nasdaq	15,164	0.0	1.0
FTSE 100	7,662	0.4	-0.9
DAX	16,865	-0.2	0.7
Hang Seng	5,223	0.6	-9.4
Nikkei 225	36,011	-0.8	7.6
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	83	0.0	6.6
Gold (\$/OZ)	2,034	-0.3	-1.4
Cu (US\$/MT)	8,501	0.0	0.4
Almn (US\$/MT)	2,241	0.0	-4.4
Currency	Close	Chg .%	CYTD.%
USD/INR	83.0	-0.1	-0.3
USD/EUR	1.1	-0.2	-2.2
USD/JPY	146.8	-0.1	4.1
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.1	-0.08	-0.1
10 Yrs AAA Corp	7.7	0.00	-0.1
Flows (USD b)	1-Feb	MTD	CYTD
FII	-0.2	6.80	21.4
DII	0.11	1.66	22.3
Volumes (INRb)	1-Feb	MTD*	YTD*
Cash	1,532	1244	1244
F&O	4,97,165	4,06,819	4,06,819

Note: Flows, MTD includes provisional numbers.  
\*Average



**Today's top research theme**

**Union Budget 2024-25 Government stays focused on long-term macro stability**

**Committed to achieving fiscal deficit of 4.5% of GDP by FY26**

- ❖ The Interim Union Budget 2024 was presented on 1st Feb'24. Although the Finance Minister had already informed that no "spectacular announcements" are forthcoming, the market participants had some expectations.
- ❖ However, notwithstanding the general elections, the ability of the GoI to resist any populist schemes or incentives is extremely commendable. Not only this, the fact that the GoI has budgeted a fiscal deficit of 5.1% of GDP for FY25 (and lower than budgeted in FY24RE), it is extremely serious about its (tall) task of achieving 4.5% of GDP by FY26.
- ❖ This clearly shows that the GoI is totally committed towards the long-term macro-economic stability, even if it comes at the sacrifice of growth in the short-term.



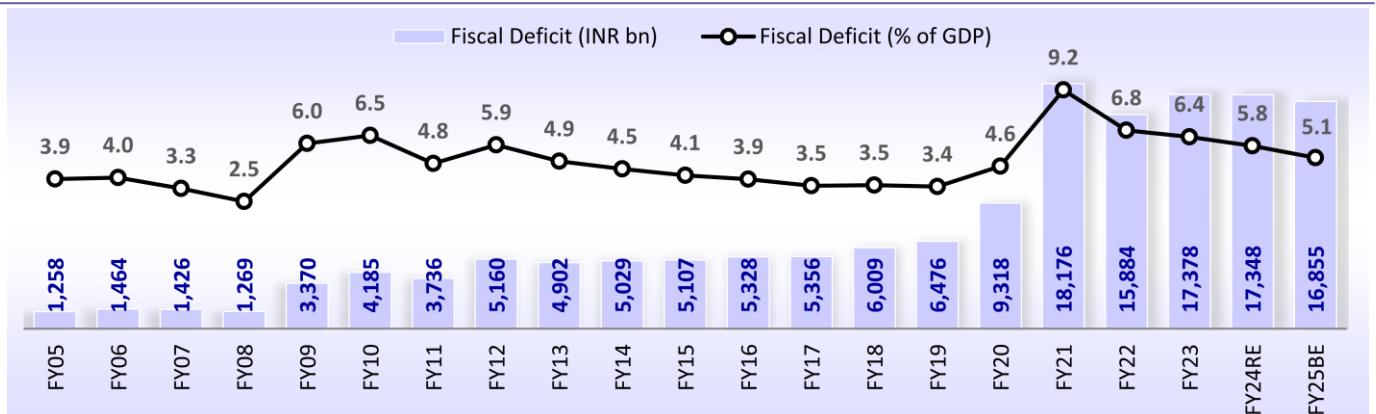
**Research covered**

Cos/Sector	Key Highlights
<b>Union Budget 2024-25</b>	<b>Government stays focused on long-term macro stability</b>
<b>Titan Company Adani</b>	<b>Broad-based growth; a miss on margins</b>
<b>Ports &amp; SEZ Max</b>	<b>In-line performance</b>
<b>Healthcare</b>	<b>Improved realization led to growth in earnings</b>
<b>Other updates</b>	<b>Aditya Birla Cap   IRB Infra.Devl.   India Cements   Tube Investments   Max Healthcare   Indian Hotels   Mphasis   Castrol India   Bata India   Raymond   AAVAS Financiers   Godrej Agrovet   Avalon Tech   One 97 Comm.   Airtel Africa   Automobiles</b>



**Chart of the Day: Union Budget 2024-25 (Government stays focused on long-term macro stability)**

**Trends in fiscal deficit over the past two decades; fiscal deficit expected to decline to 5.1% of GDP in FY25BE**



Source: Government, MOFSL

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

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Kindly click on textbox for the detailed news link

1

### Coal India production rises 9 pc in January

Coal production by CIL in April-January period also increased to 610.3 MT from 550.9 MT in the corresponding period of previous fiscal, the filing said. Coal offtake in January increased to 67.6 MT from 64.4 MT in the corresponding month of previous fiscal.

2

### Bandhan Bank appoints Santosh Nair as its consumer lending and mortgages head

Nair, a veteran with over three decades of experience in banks and financial services companies, will drive Bandhan Bank's housing finance portfolio and also the retail lending franchise and distribution.

3

### Jindal Steel MD Bimlendra Jha resigns, citing personal reasons

Jindal Steel and Power's MD Bimlendra Jha has resigned from the services of the firm, with effect from the close of business hours of January 31, 2024.

4

### Nykaa to raise \$2.5 million from Nessa International in two tranches

Nykaa's parent company, FSN E-Commerce Ventures, has approved an investment proposal by Nessa International Holdings into Nysaa Beauty

5

### Temasek Holdings exits PB Fintech for ₹2,425 crore

Singapore-based global investment firm Temasek Holdings Pte Ltd on Thursday sold its entire stake in PB Fintech, which operates PolicyBazaar and PaisaBazaar, in a transaction valued at ₹2,425.4 crore.

6

### Government approves continuation of export incentive scheme for apparel, garment till March 2026

Government approves continuation of export incentive scheme for apparel, garment till March 2026

7

### Budget: Gail, EIL plan to issue bonus shares worth Rs 3,000 cr to govt

Gail's bonus shares to the government would be worth ₹ 2,840 crore while EIL's would be worth ₹ 99 crore, according to the revised budgetary estimates.



# Union Budget 2024-25



## Government stays focused on long-term macro stability

### Committed to achieving fiscal deficit of 4.5% of GDP by FY26

The Interim Union Budget 2024 was presented on 1<sup>st</sup> Feb'24. Although the Finance Minister had already informed that no “spectacular announcements” were forthcoming, the market participants had some expectations. However, the government did not announce any new schemes or incentives and followed the fiscal deficit consolidation path by maintaining its investment-led spending growth strategy.

### Fiscal deficit budgeted at 5.1% of GDP in FY25BE, reduced to 5.8% of GDP in FY24RE:

In stark contrast to the market expectations of 5.3-5.4% of GDP (and our forecast of 5.2% of GDP), the Government of India (GoI) has budgeted a fiscal deficit of 5.1% of GDP for FY25, implying a consolidation of 70 basis points (bp) next year. Moreover, the GoI has also lowered its deficit target for FY24 to 5.8% of GDP, notwithstanding the fact that the nominal GDP growth estimate for FY24 was also revised down. Therefore, the fiscal deficit for FY24 is revised down to INR17.35t from the target of INR17.87t. For FY25, the fiscal deficit is budgeted at INR16.8t. Total liabilities of the GoI are likely to ease to 56% of GDP in FY25BE from 56.9% of GDP in FY24RE, owing to lower national small saving funds (NSSF). The GoI has budgeted gross market borrowings (GMBs) at INR14.1t in FY25BE vs. INR15.4t in FY24RE, and net market borrowings (NMBs) and NSSF are kept unchanged at INR11.8t and INR4.7t, respectively.

### Tax receipts could surpass the budgeted growth of 12.5%/11.5% YoY in FY24RE/FY25BE:

The GoI has raised its FY24 gross tax receipt forecasts by INR760b to INR34.4t. However, due to higher devolution and lower divestments, total receipts are raised by only INR400b. The GoI has budgeted 11.5% growth in gross taxes for FY25, with total receipts growing by 11.8%. As highlighted in our Budget [preview](#), we believe that gross taxes could be higher due to corporate income taxes. Therefore, while we expect gross taxes and receipt growth for FY25 at ~12% (similar to FY25BE), we believe that total receipts could come in at INR31.3t, about INR500b higher than FY25BE. Further, the GoI has halved its divestment receipts to INR300b in FY24 and budgeted it at INR500b for FY25 (in line with our forecasts).

**GoI continues to focus on better spending quality:** At a time when there were high expectations to announce measures to support the rural sector, the GoI kept revenue expenditure growth at just 3.2% YoY, and propelled capital expenditure (capex) strongly for the fifth consecutive year. Excluding interest payment subsidies, revenue expenditure is budgeted to grow 5.7% YoY in FY25, marking the slowest growth in 12 years. The GoI's capital spending, however, is budgeted to grow 16.9% YoY in FY25BE (due to downward revision in FY24), following an average of 30% YoY during FY21-FY24RE. Since the GoI's total expenditure is budgeted to grow just 6.1% in FY25BE, the share of capital spending is budgeted to rise to 23.3% of total spending, marking the highest share in the past three decades.

**IEBR capex finally expected to grow after four years of consecutive declines:**

Notably, as highlighted in our recent [report](#), a large portion of the GoI's higher capex is re-allocated from the internal and extra-budgetary resources (IEBR) of central public sector enterprises (CPSEs). After declining at an average of 10% during the last four years, IEBR capex is expected to grow 2.4% YoY in FY25BE.

**Overall, notwithstanding the general elections, the GoI's ability to resist any populist schemes or incentives is extremely commendable. Moreover, given the fact that it has budgeted a fiscal deficit of 5.1% of GDP for FY25 (and lower than budgeted in FY24RE), the GoI looks serious about its (tall) task of achieving 4.5% of GDP by FY26. This clearly shows that the GoI is totally committed to long-term macro-economic stability, even if it comes at the expense of growth in the short term.**

## Market strategy

The Vote-on-Account was presented against the backdrop of a bullish macro and micro environment for India, with equity markets reaching new highs. Further, this was the last budget before the forthcoming Lok Sabha Elections in Apr-May'24, and thus expectations of some populism were not unfounded considering the underlying weak consumption demand in the economy, especially in rural India.

However, the Budget presented by the Honorable Finance Minister has eschewed populism and instead adhered to the path of fiscal consolidation without making any populist announcements for any section of the society. There were no changes or adjustments to direct or indirect taxes. In an election year, the government is proposing a modest 3.2% revenue expenditure growth with no increase in allocation for any subsidy/rural spending. The budget maintains its emphasis on capex, with a 17% higher allocation for capital spending in FY25 BE (capex has gone up to INR9.5t in FY24 RE from INR3.1t in FY19).

As in the recent past, the budget math appears quite credible with 10.5% nominal GDP growth and 5.1% fiscal deficit for FY25E. This highlights the government's intent to achieve the 4.5% fiscal deficit target committed for FY26. This will keep the 10Y yields under check and provide a conducive framework for higher private capex in the economy. The bond market, of course, reacted favorably. Sticking to fiscal consolidation in a year of high-stake general elections augurs well strategically from the country's rating perspective, even as India prepares for its inclusion in the global bond indices.

Consumption, however, has not received any push in the budget from a near-term perspective. Therefore, to that extent, it's a dampener. Corporate earnings in 3QFY24 have once again highlighted the prevailing weak consumption demand in the economy.

Overall from an equity market perspective, we believe the budget further reinforces India's strong macro-micro positioning in an increasingly fragile world. Equity markets would benefit from a long-term focus on fiscal consolidation and capex, in our opinion. Combination of 7% GDP growth and ~15% Nifty earnings CAGR over FY24-26, supported by a stable currency and moderating inflation puts India in a quasi-goldilocks scenario, in our view.

We anticipate the market to quickly discount the budget and shift focus to the trajectory of corporate earnings growth, which has remained resilient so far in 9MFY24 (albeit, witnessing some challenges with downgrades outweighing upgrades in 3QFY24). We continue to expect 20%+ earnings growth for Nifty in FY24. Valuations for Nifty remain in line with its LPA at 19.5-20x one-year forward earnings. We prefer PSU Banks, Industrials (Capital Goods, Cement), Real Estate, Consumer Discretionary and NBFCs, while we are UW on IT, and Metals. We recently upgraded Energy to Neutral and downgraded Auto and Pharma to Neutral in [our model portfolio revision](#)

**Top ideas: Large-caps** – L&T, SBI, ICICI Bank, Coal India, Titan, M&M, Gail, ITC, HCL Tech, Cipla.

**Mid-caps** – Indian Hotels, Zomato, Godrej Property, Sobha Developers, Dalmia Bharat, Angel One, IIFL Finance, PNB Housing, Lemon Tree, Restaurant Brands Asia.





# Titan Company

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR3,627      TP: INR4,200 (+16%)      Buy**

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USD\$)	3220.4 / 38.8
52-Week Range (INR)	3887 / 2269
1, 6, 12 Rel. Per (%)	-1/11/31
12M Avg Val (INR M)	2820

## Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	512.8	588.5	681.3
Sales Gr. (%)	26.4	14.8	15.8
EBITDA	55.3	68.8	81.2
EBITDA Margin (%)	10.8	11.7	11.9
Adj. PAT	37.0	47.2	57.1
Adj. EPS (INR)	41.5	53.1	64.1
EPS Gr. (%)	12.9	27.8	20.8
BV/Sh.(INR)	161.9	199.7	243.3

## Ratios

RoE (%)	28.1	29.4	29.0
RoCE (%)	23.6	24.5	24.5
Payout (%)	28.0	38.0	39.0

## Valuation

P/E (x)	87.3	68.3	56.6
P/BV (x)	22.4	18.2	14.9
EV/EBITDA (x)	57.7	46.1	38.7
Div. Yield (%)	0.3	0.6	0.7

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	52.9	52.9	52.9
DII	10.5	10.1	11.3
FII	18.9	19.1	17.5
Others	17.8	17.9	18.3

FII Includes depository receipts

## Broad-based growth; a miss on margins

- Titan Company (Titan) posted sales growth of 22% YoY in 3QFY24, largely in line with our estimate. This was driven by a 22% surge in jewelry sales, attributed to the festive season, which resulted in double-digit growth in the number of buyers. Studded revenue rose 14% YoY only, due to soft demand in Dec'23.
- The Watch segment grew 22% YoY, well supported by the premiumization trend. Analog watches rose 18% YoY while Wearables grew 65% YoY.
- Jewelry EBIT improved 19% YoY, which was lower than expected due to a slow growth in Studded jewelry. The EBIT margin was at 11.6%, down 30bp YoY. The Studded ratio was at 24% in 3Q (vs. 26% YoY), leading to a miss on margin. Gold reported 16% YoY inflation that intensified competition, leading to higher consumer offers to protect market share.
- We model 15% revenue CAGR with an EBITDA margin of ~11-12% during FY24-FY26E. In a slower consumption environment, the Jewelry category growth is still outperforming. We will watch the near-term consumption trend, but will continue to like Titan for its best-in-class execution track record and its hunger to keep expanding the user base. Consumers' preference towards branded Jewelers will continue to keep the category growth rate at an attractive level. **Reiterate BUY with a TP of INR4,200.**

## In-line sales; lower studded ratio results in a miss on margin

- TTAN's consolidated revenue grew 22% YoY to INR141.6b (est. INR145.3b).
- EBITDA grew 16.2% YoY to INR15.7b (est. INR17.7b) in 3QFY24.
- PBT increased 10.8% YoY to INR13.8b (est. INR16.4b) in 3QFY24.
- Recurring PAT came in at INR10.5b (est. INR12.4b) in 3QFY24, up 15.5% YoY.
- Consolidated gross margin contracted 60bp YoY and flat QoQ to 23.3% (est. 25.8%).
- As a percentage of sales, staff costs, advertisement costs, and other expenses remained stable YoY. Therefore, EBITDA margin contracted 60bp YoY to 11.0% (est. 12.2%).
- Segmental performance:
  - Jewelry sales grew 22% YoY to INR127.4b (excluding gold ingots, sales rose 24% YoY to INR125.6b), while margin declined 30bp YoY to 11.6%.
  - Watches sales grew 21.6% YoY to INR9.9b, while EBIT margin contracted 440bp YoY to 5.7% in 3QFY24.
- In 9MFY24, net sales/EBITDA/Adj. PAT rose 28%/8%/7%.

## Highlights from the management commentary

- The significant growth was propelled by the jewelry and watches sectors, whereas sales growth in the eye care, ethnic wear, and perfume categories faced challenges.

- 36 Tanishq stores were opened domestically, with the remaining seven dedicated to international locations. Additionally, 50 Mia stores and 40 CaratLane stores were opened.
- Same-store growth remained consistent for CaratLane, Tanishq, and some Mia stores. However, Tanishq experienced some sluggishness in the sub-100K segment, possibly due to economic challenges faced by modern, digitally-inclined consumers in this category.

#### Valuation and view

- We cut our EPS by 7.4%/3.4% in FY24/FY25 and reset our margin assumption.
- Titan is one of the few consumer companies that has been growing revenue at this pace despite the high base and discretionary nature of its product segments. This underscores the superior brand positioning and the prowess of its franchise. Titan is on track to achieve the existing jewelry revenue guidance of 2.5x FY22 revenue by FY27, implying an impressive CAGR of 20%. With a current market share of ~8-9% in a sizable ~INR5t market, there is significant headroom for growth.
- The gradual recovery in the studded ratio is expected to support improved gross margin in the future. Its healthy growth outlook, favorable industry trends, and strong balance sheet make it a compelling option in the discretionary sector.
- We model a 15% revenue CAGR with an EBITDA margin of ~11-12% during FY24-FY26E. In a slower consumption environment, the Jewelry category growth is still outperforming. We will watch the near-term consumption trend, but will continue to like Titan for its best-in-class execution track record and its hunger to keep expanding the user base. Consumers' preference towards branded Jewelers will continue to keep the category growth rate at an attractive level.
- **Reiterate BUY with a TP of INR4,200 (premised on 68xDec'25E EPS). We continue to maintain Titan as our top consumer discretionary play in India.**

#### Consolidated Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
<b>Net Sales</b>	<b>94.4</b>	<b>91.6</b>	<b>116.1</b>	<b>103.6</b>	<b>119.0</b>	<b>125.3</b>	<b>141.6</b>	<b>126.9</b>	<b>405.8</b>	<b>512.8</b>	<b>145.3</b>	-2.5
YoY change (%)	171.9	22.3	15.7	32.9	26.0	36.7	22.0	22.5	40.9	26.4	25.1	
<b>Gross Profit</b>	<b>24.1</b>	<b>25.3</b>	<b>27.7</b>	<b>25.1</b>	<b>26.4</b>	<b>29.3</b>	<b>32.9</b>	<b>29.2</b>	<b>102.2</b>	<b>117.9</b>	<b>37.4</b>	
Margin (%)	25.5	27.6	23.9	24.3	22.2	23.4	23.3	23.0	25.2	23.0	25.8	
<b>EBITDA</b>	<b>12.0</b>	<b>12.5</b>	<b>13.5</b>	<b>10.9</b>	<b>11.3</b>	<b>14.1</b>	<b>15.7</b>	<b>14.3</b>	<b>48.8</b>	<b>55.3</b>	<b>17.7</b>	-11.4
EBITDA growth %	773.0	28.8	-6.6	24.3	-5.9	13.2	16.2	31.1	42.5	13.3	31.1	
Margin (%)	12.7	13.6	11.6	10.5	9.5	11.3	11.0	11.3	12.0	10.8	12.2	
Depreciation	1.0	1.1	1.1	1.2	1.3	1.4	1.5	1.4	4.4	5.7	1.2	
Interest	0.7	0.6	0.8	1.0	1.1	1.4	1.7	1.6	3.0	5.8	1.1	
Other Income	0.4	0.6	0.9	1.1	1.1	1.2	1.4	1.5	3.1	5.2	1.1	
<b>PBT</b>	<b>10.7</b>	<b>11.4</b>	<b>12.4</b>	<b>9.9</b>	<b>10.0</b>	<b>12.5</b>	<b>13.8</b>	<b>12.7</b>	<b>44.5</b>	<b>49.0</b>	<b>16.4</b>	-15.9
Tax	2.8	3.1	3.3	2.5	2.5	3.4	3.3	3.0	11.7	12.1	4.0	
Rate (%)	26.3	26.9	26.7	25.5	24.6	26.9	23.6	23.5	26.4	24.6	24.2	
<b>Adjusted PAT</b>	<b>7.9</b>	<b>8.4</b>	<b>9.1</b>	<b>7.4</b>	<b>7.6</b>	<b>9.2</b>	<b>10.5</b>	<b>9.7</b>	<b>32.7</b>	<b>37.0</b>	<b>12.4</b>	-15.2
YoY change (%)	#	30.3	-9.9	11.0	-4.3	9.6	15.5	32.1	40.2	12.9	36.2	

E: MOFSL Estimates



# Adani Ports & SEZ

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR1,219      TP: INR1,470 (+21%)      Buy**

## In-line performance; well placed to surpass volume guidance of FY24

Bloomberg	ADSEZ IN
Equity Shares (m)	2160
M.Cap.(INRb)/(USD\$b)	2632.9 / 31.7
52-Week Range (INR)	1240 / 395
1, 6, 12 Rel. Per (%)	17/49/123
12M Avg Val (INR M)	6941

### Financial Snapshot (INR b)

Y/E MARCH	2024E	2025E	2026E
Sales	269.4	310.7	353.6
EBITDA	160.4	184.2	214.6
Adj. PAT	90.8	103.9	126.7
EBITDA Margin (%)	59.5	59.3	60.7
Adj. EPS (INR)	42.0	48.1	58.6
EPS Gr. (%)	20.1	14.4	21.9
BV/Sh. (INR)	243.7	279.8	323.8

### Ratios

Net D:E	0.8	0.6	0.4
RoE (%)	18.5	18.4	19.4
RoCE (%)	11.2	11.6	12.7
Payout (%)	23.5	25.0	20.5

### Valuations

P/E (x)	29.0	25.4	20.8
P/BV (x)	5.0	4.4	3.8
EV/EBITDA(x)	19.0	16.3	13.7
Div. Yield (%)	0.8	1.0	1.0
FCF Yield (%)	3.5	3.8	4.8

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	65.9	65.5	65.1
DII	12.0	13.3	14.5
FII	14.7	13.8	13.8
Others	7.4	7.7	6.6

FII Includes depository receipts

- Adani Ports & SEZ Ltd (APSEZ) reported a revenue growth of 45% YoY to INR69.2b in 3QFY24 (in line). During the quarter, APSEZ recorded ~44% YoY growth in cargo volumes to reach 108.6 MMT.
- EBITDA margin came in at 60.5% in 3QFY24 vs. our estimate of 59.5% (down 240bp YoY, up 210bp QoQ). While EBITDA grew 39% YoY to INR41.9b, APAT increased 52% YoY to INR23.5b (our estimate was INR 21.1b).
- In 3QFY24, Port revenues grew 41% YoY to INR55.4b. EBITDA margins in the Ports business stood at 71% in 3QFY24 (70% in 3QFY23). Logistics revenues grew 8% YoY to INR6b. EBITDA margins in the Logistics business stood at 28% in 3QFY24 (29% in 2QFY23). During 9MFY24, revenue increased 32% YoY to INR 198b, EBITDA increased 24% YoY to INR 118b, and APAT stood at INR 66b (+19% YoY).
- APSEZ reported a robust 9MFY24 by handling 311 MMT of cargo volume in the period. The management recently revised its FY24 cargo volume guidance to 400 MMT from ~380 MMT earlier. Further, through debt reduction, APSEZ has achieved its net Debt to EBITDA target of 2.5x, well ahead of its given timeline and aspires to sustain this level in the future.
- APSEZ has a diversified cargo mix along with sticky cargo and customer base. The operational ramp-up at the recently acquired ports is expected to drive a 14% growth in cargo volumes over FY23-26. This would drive a revenue/EBITDA/PAT CAGR of 19% over FY23-26. We marginally increase our estimates with improved growth outlook and reiterate our BUY rating with a revised TP of INR1,470 (premised on 16x FY26E EV/EBITDA).**

## APSEZ records highest-ever cargo volume in 9MFY24, led by its flagship port at Mundra

- On YTD basis (Apr-Dec' 23), APSEZ has handled 311 MMT of total cargo, up 23% YoY. EBITDA margin of the domestic port business improved 200bp to 72% in 9MFY24 vs. 70% in 9MFY23.
- APSEZ's market share in India stood at ~25% in Dec'23. APSEZ's domestic cargo volumes growth in 9MFY24 was over ~2.5x India's cargo volume growth rate. Nine of the company's domestic ports recorded their highest-ever cargo volumes in 9MFY24.
- APSEZ is focused on expanding its footprint in the existing ports and diversifying the cargo base within these facilities.

## Logistics business well placed for faster growth ahead

- In 3QFY24, Adani Logistics Ltd (ALL) registered an ~8% YoY growth in revenue and EBITDA margins of 28% (29% in 3QFY23).
- ALL currently operates 11 multi-modal logistics parks (MMLPs), equipped with 116 trains, 2.4m sq. ft. of warehousing space, and 1.1mmt of grain silos. ALL plans to expand its footprint and build a pan-India presence in the form of logistic parks and warehouses.



### Highlights from the management commentary

- While a prolonged issue in the Red Sea may disrupt the overall supply chain and lead to container shortages, the impact on overall volumes is expected to be marginal, given that only 10% of the company's total container volumes move through the Red Sea route.
- APSEZ reached a record quarterly cargo volume of 108.6 MMT, with Mundra, its main port, achieving the highest-ever monthly volume for any Indian port in Oct'23. Domestic cargo growth was over 2.5x India's growth rate, with nine of the company's domestic ports/terminals recording their highest-ever cargo volumes in 9MFY24.
- In the logistics business, initiatives include adding two more MMLP in North India and Mumbai (to be commissioned in the next two to three years), and increasing the rake count from 115 to 300 by FY28, primarily driven by GPWI and followed by the container business.
- A USD 325m bond buy-back in 9MFY24 improved the Net Debt-to-EBITDA ratio to 2.5x as of Dec'23, compared to 2.8x in Sep'23. The company aims to maintain this ratio.

### Valuation and view

- APSEZ achieved a notable 2x industry growth, elevating its market share to ~25% as of Dec'23 from 10% in Mar'13. During 9MFY24, total cargo volume handled by APSEZ stood at 311 MMT (up 23% YoY), positioning the company to achieve higher end of its FY24 volume guidance of 400 MMT.
- As utilization and volumes continue to ramp up existing and newly acquired ports, we expect strong growth to continue ahead. We marginally increase our estimates with improved growth outlook and reiterate our BUY rating with a revised TP of INR1,470 (premised on 16x FY26E EV/EBITDA).

### Quarterly Snapshot – Consolidated

Y/E March	FY23				FY24				FY23				FY24E		FY24		Var.	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	1Q	2Q	3Q	4QE	3QE	3QE	3QE	3QE	vs Est	
<b>Net Sales</b>	<b>50,581</b>	<b>52,108</b>	<b>47,862</b>	<b>57,969</b>	<b>62,476</b>	<b>66,464</b>	<b>69,201</b>	<b>71,249</b>	<b>2,08,519</b>	<b>2,69,390</b>	<b>68,620</b>	<b>1</b>						
YoY Change (%)	8.3	32.8	17.5	40.0	23.5	27.6	44.6	22.9	21.8	29.2	43.4							
<b>EBITDA</b>	<b>32,905</b>	<b>32,603</b>	<b>30,114</b>	<b>32,713</b>	<b>37,537</b>	<b>38,805</b>	<b>41,860</b>	<b>42,168</b>	<b>1,28,335</b>	<b>1,60,369</b>	<b>40,486</b>	<b>3</b>						
Margins (%)	65.1	62.6	62.9	56.4	60.1	58.4	60.5	59.2	61.5	59.5	59.0							
Depreciation	8,404	8,543	8,836	8,449	9,496	9,745	9,853	9,925	34,232	39,019	9,800							
Interest	6,512	6,345	5,448	7,631	7,061	7,153	6,864	6,928	25,936	28,007	7,203							
Other Income	4,681	4,381	2,650	3,823	3,837	3,055	5,069	5,128	15,535	17,088	3,207							
<b>PBT before EO expense</b>	<b>22,669</b>	<b>22,096</b>	<b>18,479</b>	<b>20,457</b>	<b>24,816</b>	<b>24,962</b>	<b>30,211</b>	<b>30,443</b>	<b>83,701</b>	<b>1,10,431</b>	<b>26,690</b>	<b>13</b>						
Extra-Ord expense	12,232	4,271	3,258	14,146	-844	213	1,822	0	33,907	1,191	0							
<b>PBT</b>	<b>10,437</b>	<b>17,825</b>	<b>15,221</b>	<b>6,311</b>	<b>25,660</b>	<b>24,749</b>	<b>28,389</b>	<b>30,443</b>	<b>49,794</b>	<b>1,09,240</b>	<b>26,690</b>	<b>6</b>						
Tax	-721	1,626	2,274	-2,215	3,714	7,591	5,331	7,397	964	24,033	5,818							
Rate (%)	-6.9	9.1	14.9	-35.1	14.5	30.7	18.8	24.3	1.9	22.0	21.8							
MI and Associates	17	573	11	-253	799	-320	973	-1,579	348	-127	-300							
<b>Reported PAT</b>	<b>11,141</b>	<b>15,626</b>	<b>12,936</b>	<b>8,779</b>	<b>21,147</b>	<b>17,479</b>	<b>22,084</b>	<b>24,624</b>	<b>48,482</b>	<b>85,334</b>	<b>21,172</b>	<b>4</b>						
<b>Adj PAT</b>	<b>20,927</b>	<b>19,043</b>	<b>15,543</b>	<b>20,095</b>	<b>20,472</b>	<b>22,200</b>	<b>23,542</b>	<b>24,624</b>	<b>75,608</b>	<b>90,839</b>	<b>21,172</b>	<b>11</b>						
YoY Change (%)	25.6	41.8	-2.1	25.0	-2.2	16.6	51.5	22.5	23.0	20.1	36.2							



# Max Healthcare

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR803      TP: INR930 (+16%)      Buy**

## Improved realization led to growth in earnings

### On track to expand bed capacity

Bloomberg	MAXHEALT IN
Equity Shares (m)	970
M.Cap.(INRb)/(USDb)	780.5 / 9.4
52-Week Range (INR)	813 / 412
1, 6, 12 Rel. Per (%)	17/30/59
12M Avg Val (INR M)	1586

- Max Healthcare (MAX) delivered in-line 3QFY24 performance. Despite 3Q being a seasonally weak quarter, MAX had exhibited healthy mid-teens (15%) growth in both revenue and EBITDA. The EBITDA per bed continues to inch up, backed by payor mix/case mix optimization. The company remains on track with its bed expansion initiative.
- We raise our earnings estimate by 2%/4%/4% for FY24/FY25/FY26, factoring in a) improved ARPOB across institutional/international patients, and b) better operational efficiency. We also raise EV/EBITDA multiple to 28x (from 25x earlier) on the back of a) superior execution across both – operating hospitals as well as building hospitals, b) calibrated approach to drive profitable growth and deliver better-than-industry performance. Accordingly, we value MAX on SOTP basis (28x EV/EBITDA for hospital business, 20x EV/EBITDA for Max Lab, 4x EV/Sales for Max@home) to arrive at a TP of INR930.
- We remain positive on MAX as it remains one of the leading hospitals delivering consistent growth in earnings, driven by a combination of increased patient base as well as optimizing patient realization. Further, the potential for adding hospitals in the next five years is substantial, given a significant portion of it being brownfield projects. Reiterate BUY.

### Financials & Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	68.8	84.6	101.4
EBITDA	19.0	23.7	28.8
Adj. PAT	14.2	17.6	21.4
EBIT Margin (%)	23.8	24.2	25.0
Cons. Adj. EPS (INR)	14.6	18.1	22.1
EPS Gr. (%)	26.5	23.9	21.9
BV/Sh. (INR)	97.5	115.7	137.8

### Ratios

	(0.1)	(0.2)	(0.3)
Net D:E			
RoE (%)	16.2	17.0	17.4
RoCE (%)	14.8	16.3	17.0
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	55.0	44.4	36.4
EV/EBITDA (x)	40.4	31.9	25.6
Div. Yield (%)	11.2	8.9	7.3
FCF Yield (%)	0.2	1.5	2.4
EV/Sales (x)	11.2	8.9	7.3

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	49.1	49.1	45.7
DII	18.9	18.0	13.8
FII	6.5	6.5	8.7
Others	25.5	27.2	31.8

FII Includes depository receipts

### Volume of patients treated stable YoY/EBITDA per bed trends upwards

- For 3QFY24, Max network revenues (including trust business) grew 15% YoY to INR16.8b (in line).
- EBITDA margin was flat at 27.6% (our est. 27.5%).
- Accordingly, EBITDA grew 15% YoY to INR4.7b (in line).
- Adj. PAT grew 20% YoY to INR3.4b (est: INR3.5b), led by strong operational performance and interest income in 3QFY24 (vs. interest expense in 3QFY23).
- EBITDA per bed (annualized) stood at INR7.6m (+14% YoY and +1% QoQ).
- In 9MFY24, Revenue/EBITDA/PAT grew 16%/17%/24% to INR50b/INR14b/INR10b. EBITDA margin expanded 30bp YoY to 27.4%.
- In 3QFY24, ARPOB stood at INR76.8K (+15% YoY/+3% QoQ). The growth in ARPOB was driven by a) a general improvement in ARPOB across all specialties and hospitals compared to 3QFY23, and b) an increase in the share of Oncology, contributing to both YoY and QoQ growth in ARPOB. The occupancy came in at 73% in 3QFY24 (vs. 77% in 3QFY23) and was 77% in 2QFY24.

### Highlights from the management commentary

- The 15% CAGR in ARPOB over the past three years comprise price hikes (3%), increased OPDs (2%), oncology-led growth (3%), payor mix, and other specialties (6-7%).
- International patients formed 5.8% of the bed share and witnessed a notable 9% YoY increase in realization during the quarter.

**Consolidated - Quarterly Earning**

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
<b>Gross Sales</b>	<b>13,903</b>	<b>14,717</b>	<b>14,640</b>	<b>15,490</b>	<b>16,220</b>	<b>17,190</b>	<b>16,820</b>	<b>18,537</b>	<b>58,750</b>	<b>68,767</b>	<b>16,690</b>	<b>0.8</b>
YoY Change (%)	5.5	9.6	13.5	26.9	16.7	16.8	14.9	19.7	13.6	17.1	14.0	
Total Expenditure	10,228	10,712	10,590	11,150	11,930	12,350	12,170	13,269	42,680	49,719	12,100	
<b>EBITDA</b>	<b>3,675</b>	<b>4,005</b>	<b>4,050</b>	<b>4,340</b>	<b>4,290</b>	<b>4,840</b>	<b>4,650</b>	<b>5,269</b>	<b>16,070</b>	<b>19,049</b>	<b>4,590</b>	<b>1.3</b>
Margins (%)	26.4	27.2	27.7	28.0	26.4	28.2	27.6	28.4	27.4	27.7	27.5	
Depreciation	650	630	630	690	640	660	700	707	2,600	2,707	668	
Interest	200	140	70	-20	-30	-170	-140	-126	390	-466	-55	
Other Income	30	100	130	30	70	130	60	49	290	309	140	
<b>PBT before EO expense</b>	<b>2,855</b>	<b>3,335</b>	<b>3,480</b>	<b>3,700</b>	<b>3,750</b>	<b>4,480</b>	<b>4,150</b>	<b>4,737</b>	<b>13,370</b>	<b>17,117</b>	<b>4,117</b>	
Extra-Ord expense	110	120	180	-20	190	190	40	0	390	420	0	
<b>PBT</b>	<b>2,745</b>	<b>3,215</b>	<b>3,300</b>	<b>3,720</b>	<b>3,560</b>	<b>4,290</b>	<b>4,110</b>	<b>4,737</b>	<b>12,980</b>	<b>16,697</b>	<b>4,117</b>	
Tax	456	-1,896	610	530	660	910	730	539	-300	2,839	576	
Rate (%)	16.6	-59.0	18.5	14.2	18.5	21.2	17.8	11.4	-2.3	17.0	14.0	
<b>Reported PAT</b>	<b>2,289</b>	<b>5,111</b>	<b>2,690</b>	<b>3,190</b>	<b>2,900</b>	<b>3,380</b>	<b>3,380</b>	<b>4,199</b>	<b>13,280</b>	<b>13,859</b>	<b>3,541</b>	
<b>Adj PAT</b>	<b>2,381</b>	<b>2,835</b>	<b>2,837</b>	<b>3,173</b>	<b>3,055</b>	<b>3,530</b>	<b>3,413</b>	<b>4,199</b>	<b>11,226</b>	<b>14,196</b>	<b>3,541</b>	<b>-3.6</b>
YoY Change (%)	15.6	31.6	12.2	53.5	28.3	24.5	20.3	32.3	27.5	26.5	24.8	
Margins (%)	17.1	19.3	19.4	20.5	18.8	20.5	20.3	22.7	19.1	20.6	21.2	

E: MOFSL Estimates; \*Network financials from 1QFY22



# Aditya Birla Capital

Bloomberg	ABCAP IN
Equity Shares (m)	2595
M.Cap.(INRb)/(USD\$)	433.8 / 5.2
52-Week Range (INR)	199 / 134
1, 6, 12 Rel. Per (%)	1/-25/-1
12M Avg Val (INR M)	761

## Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
<b>PBT Break-up</b>			
NBFC	29.9	37.9	45.9
Housing	3.9	4.8	5.9
AMC	9.8	11.2	12.8
Life Insurance	2.5	2.7	3.1
Other businesses	4.4	3.0	3.2
<b>Consol PBT</b>	<b>45.3</b>	<b>56.9</b>	<b>71.0</b>
<b>Consol PAT Post MI</b>	<b>27.7</b>	<b>35.2</b>	<b>44.4</b>
Growth (%)	-	27.0	26.0
<b>RoE (%)</b>	<b>12.2</b>	<b>13.2</b>	<b>14.7</b>
Con PE	15.6	12.3	9.8
Cons. PBV	1.7	1.5	1.3

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	69.0	69.0	71.1
DII	8.4	8.2	8.1
FII	10.6	11.3	8.1
Others	12.0	11.8	12.8

FII Includes depository receipts

**CMP: INR167**

**TP: INR220 (+32%)**

**Buy**

## Marching on despite a calibration in personal/consumer loans

- Aditya Birla Capital (ABFL)'s 3QFY24 consolidated revenue rose 29% YoY to ~INR100b, and consolidated PAT (post-minority) grew 39% YoY to ~INR7.4b.
- It added ~59 branches in 3QFY24, taking the total branch count to 1,463. The management has exhibited great agility in achieving its articulated operating metrics and leveraging the ABG ecosystem.

## NBFC: NIMs stable QoQ; the share of SME, HNI, and Retail remains stable

- The NBFC loan book grew 35% YoY/5% QoQ to ~INR986b. Retail and SME segments' AUM grew 39% YoY and comprises ~68% of the AUM mix. The 3QFY24 disbursements grew 26% YoY to ~INR166b.
- ABFL raised its lending rates by ~20-25bp across product and customer segments, aiding a sequentially stable NIM of ~6.9%. Management shared that it expects a minor rise in CoB in 4Q but can mitigate its impact through improvements in yields.
- Asset quality continued to improve, with GS2 and GS3 assets declining ~40bp to ~4.9%. The S3 PCR rose ~2pp QoQ to ~50%.
- The parent ABCL has infused ~INR8.5b in the NBFC business in 3QFY24 and ~INR16b since it last raised equity capital.
- ABFL continued to expand its geographical reach by adding 25 branches in 3QFY24 and now has 400 branches as of Dec'23.
- The company tightened the underwriting in the Personal and Consumer loans, consequent to which sequential growth in this segment declined to ~1%. Consumer loans (including BNPL) declined to ~INR27b at the end of Dec'23 from ~INR41b (in Sep'23).

## Housing Finance: AUM growth healthy even as NIM moderates QoQ

- The company reported broad-based growth in 3QFY24 across customer segments, with 45% YoY growth in disbursements to ~INR20.2b. The loan book grew 27% YoY to INR165b as of Dec'23.
- NIM contracted ~20bp QoQ to ~5.4%. Management expects the competitive intensity to remain high in the last quarter but still targets delivering strong loan growth through market share gains from peers.
- GS2 and GS3 assets declined ~85bp QoQ to ~3.5%.

## Asset Management: Domestic equity share rises

- The quarterly average AUM (QAAUM) rose 11% YoY to INR3.12t in 3QFY24. Individual monthly average AUM grew 14% YoY to INR1.66t in Dec'23.
- The domestic equity mix rose to ~44% (PQ: ~42%). SIP inflows grew 7% YoY to ~INR10.1b in Dec'23. Passive AUM stood at INR293b, up 36% YoY.

## Life Insurance: VNB margin improves with healthy 13th month persistency

- Individual FYP for 3QFY24 grew 8% YoY to ~INR19.8b, while renewal premium grew 20% YoY to INR58.2b.

- 9MFY24 Net VNB margin improved ~5bp YoY to 15.6%. 13th month persistency remained stable at ~87% (PY: ~86%).
- Aditya Birla Life Insurance (ABLI) commenced business with newer partner banks like IDFC First and Bank of Maharashtra. It also signed a Corporate Agency agreement with Axis Bank during the quarter.

**Health Insurance: Market share among SAHIs stable; net loss widens**

- GWP grew 29% YoY to ~INR24b in 9MFY24. Health Insurance business continues to build scale with a focus on expenses, even as the combined ratio in 9MFY24 rose to ~121% (1H FY24: 119%). Management expects the combined ratio to contract in 4QFY24.
- Market share among standalone health insurers (SAHIs) remained stable at ~10.7% in 9MFY24. Net loss in 9MY24 rose to INR2.7b (9MFY23: net loss of ~INR2.2b).

**Highlights from the management commentary**

- **NBFC:** All the digital sourcing journeys are designed for end-to-end control with complete control over customers. Buy Now Pay Later (BNPL) will be dialed down further before it could see any deterioration in asset quality.
- The majority of allocation from the earlier capital raise will be for the lending businesses, and management does not foresee any capital raise until Mar'25.
- The Aditya Birla Capital App is in the closed-user group pilot stage and is expected to be launched next month.

**Strengthening the franchise by leveraging the ABC ecosystem; Retain BUY**

- ABCL has exhibited a significant improvement in operational metrics across all business segments in 9HFY24. But for some jitteriness around digital/fintech-sourced consumer and personal loans, FY25 will see an uptick in growth, lower credit costs, and better return ratios.
- The asset management business is likely to churn out better profitability, driven by an improvement in revenue as well as cost rationalization. VNB margin and persistency margin in the Life Insurance business continue to improve. The drag on consolidated PAT from other segments, such as Health Insurance, will decline thereby improving the overall profitability.
- We expect a consolidated PAT CAGR of ~39% over FY23-26. The thrust on cross-selling, investments in digital, and leveraging 'One ABC' will lead to healthy return ratios, even as we build in a consolidated RoE of ~15% in FY26. **Reiterate BUY with our SoTP (Mar'26E)-based TP of INR220.**

**ABCL: SOTP – Mar'26**

	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
NBFC	100	317	3.9	122	55	1.5x PBV
HFC	100	46	0.6	18	8	1.4x PBV
AMC	50	77	0.9	30	14	16x Earnings
LI	51	88	1.1	34	15	1.2x EV
Health Ins	46	37	0.5	14	7	2x GWP
Others		5	0.1	2	1	
<b>Target Value</b>		<b>571</b>	<b>6.9</b>	<b>220</b>	<b>100</b>	

Source: MOFSL

**Quarterly Performance**

(INR M)

Y/E March	FY23				FY24			FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
<b>ABFSL - NBFC arm</b>									
Net Income	8,895	9,979	11,947	13,419	14,337	15,200	16,488	30,921	44,240
Opex	2,790	3,140	3,570	4,668	4,370	4,370	5,320	9,330	14,168
Cost to Income Ratio (%)	31.4	31.5	29.9	34.8	30.5	28.7	32.3	30.2	32.0
Operating Profits	6,105	6,839	8,377	8,751	9,967	10,830	11,168	21,591	30,072
Provisions	1,520	1,960	2,980	2,710	3,060	3,470	3,500	6,720	9,170
Profit Before Tax	4,585	4,879	5,397	6,041	6,907	7,360	7,668	14,871	20,902
Change YoY (%)	45.7	26.0	40.4	50.7	50.6	50.9	42.1	44.2	40.6
<b>Consolidated Earnings</b>									
Cons PBT Before JV Interest	7,034	8,451	8,510	9,425	10,258	11,141	11,366	26,230	33,420
Growth YoY %	35.4	26.6	19.5	30.2	45.8	31.8	33.6	34.6	27.4
Lending	5,301	5,636	6,182	6,868	7,752	8,330	8,669	17,404	23,987
NBFC	4,585	4,879	5,397	6,041	6,907	7,360	7,668	14,871	20,902
HFC	716	757	784	828	845	969	1,002	2,532	3,085
AMC	1,408	2,494	2,227	1,810	2,403	2,368	2,635	8,947	7,939
Life Insurance	335	557	446	628	200	424	521	1,749	1,965
Health Insurance	-700	-762	-649	-69	-625	-795	-1,313	-3,087	-2,180
Others*	690	527	305	188	528	815	854	1,217	1,710
Taxes	1,900	2,110	2,140	1,960	2,460	2,840	2,890	4,690	5,340
Tax rate %	27.0	25.0	25.1	20.8	24.0	25.5	25.4	17.9	16.0
Profit After Tax	4,240	4,790	5,460	6,360	6,660	7,250	7,600	16,411	17,916
MI and Others	-60	-90	160	270	170	200	250	-420	-500
PAT	4,300	4,880	5,300	6,090	6,490	7,050	7,350	16,831	18,416
Growth YoY %	1.3	-5.3	-1.5	7.6	50.9	44.5	38.7	10.0	9.4
<b>Details on lending business</b>									
Loans (INR B)	699	774	860	944	1004	1090	1151		
Change YoY (%)	22.2	31.1	40.0	40.2	43.7	40.7	33.9		
NBFC	578	650	730	806	859	935	986		
Change YoY (%)	26.1	36.1	46.6	46.0	48.5	43.9	35.1		
HFC	120	125	130	138	145	154	165		
Change YoY (%)	6.6	10.0	12.0	13.9	20.4	24.0	27.3		
Net Interest Margins									
NBFC	6.47	6.58	7.00	6.88	6.98	6.87	6.88		
HFC	4.77	5.13	5.35	5.03	5.11	4.88	4.63		
GNPA %									
NBFC	3.20	3.08	3.62	3.12	2.80	2.64	2.59		
HFC	2.16	3.60	3.50	3.23	2.67	2.63	21.80		
<b>Details on Other business</b>									
<b>AMC Business</b>									
QAAUM (INR B)	2,926	2,938	2,930	2,862	3,084	3,235	3,247		
Change YoY (%)	2.1	-5.8	-5.7	-6.9	5.4	10.1	10.8		
Life Ins - 13th Mt persistency	85.0	86.0	86.0	87.0	88.0	87.0	87.0		



# IRB Infrastructure

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR65      TP: INR60 (-8%)      Neutral**

## In-line performance; execution poised to accelerate with a robust order book

Bloomberg	IRB IN
Equity Shares (m)	6039
M.Cap.(INRb)/(USD\$b)	393.1 / 4.7
52-Week Range (INR)	70 / 23
1, 6, 12 Rel. Per (%)	56/147/108
12M Avg Val (INR M)	1022

### Financials & Valuations (INR b)

Y/E Mar	2024E	2025E	2026E
Sales	73.8	81.8	92.9
EBITDA	34.0	38.7	44.7
PAT	6.8	9.9	13.2
EBITDA (%)	46.1	47.3	48.1
EPS (INR)	1.1	1.6	2.2
EPS Gr. (%)	-6.0	45.6	33.7
BV/Sh. (INR)	22.9	24.2	26.0

### Ratios

Net D/E	1.0	0.9	0.8
RoE (%)	5.0	6.9	8.7
RoCE (%)	7.6	8.2	9.1
Payout (%)	32.2	22.1	16.6

### Valuations

P/E (x)	58.0	39.8	29.8
P/BV (x)	2.8	2.7	2.5
EV/EBITDA (x)	15.5	13.5	11.5
Div Yield (%)	0.5	0.5	0.5

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	34.4	34.4	34.2
DII	7.9	7.4	6.8
FII	47.2	47.3	48.6
Others	10.6	10.4	10.5

FII Includes depository receipts

- IRB Infrastructure (IRB)'s revenue grew 30% YoY to INR19.7b in 3QFY24 (8% above our estimate). EBITDA margin came in at 44.2% (down 500bp YoY, below our estimate of 45.8% margin). EBITDA grew 17% YoY to INR8.7b, in line with estimates. Higher interest cost was offset by lower tax outgo, which led to APAT growth of 33% YoY to INR 1.9b, in line.
- Construction revenues stood at INR 13.5b, up 38% YoY during the quarter, while BOT revenue stood at INR 6.15b (+16% YoY).
- The order book stood at ~INR362b (excl GST) at 3Q end. The O&M order book stood at INR293b and the construction order book stood at INR69b.
- In 3QFY24, IRB's Private InvIT was awarded TOT-12 and TOT-13 projects in Madhya Pradesh and Rajasthan. With these order wins, IRB's market share in the TOT space rose to 38%, the highest among any private player in the sector. Further, IRB witnessed 25% YoY growth in toll collection, driven by higher traffic and increased tariff.
- While FY24 has been muted so far in terms of order awarding, there is a large pipeline of tenders, which would likely get awarded in 4QFY24. With a strong order book of INR362b as of Dec'23 and a robust tender pipeline, driven by BOT projects, we expect a revenue CAGR of ~13% over FY23-26. We increase our APAT estimate for FY26 by ~19%, given strong order execution outlook and stable margin profile. We reiterate our Neutral rating with a revised SoTP-based TP of INR60 per share.**

### Robust order book despite subdued awarding activity by NHAI

- Awarding by NHAI has been muted in FY24 with only 1,000 kms of projects awarded until date. Despite this, IRB has secured orders worth INR 160b YTD FY24. The tender pipeline is strong and IRB's priority would be BOT toll projects, followed by TOT projects, and then HAM projects.
- As of Dec'23, the order book stood at INR362b. In the order book, the EPC segment accounted for INR69b, providing robust revenue visibility for the construction segment for the next two-to-three years. The O&M order book is close to INR292b.

### Key takeaways from the management commentary

- In Jan'24, Yedeshi Aurangabad Tollway Ltd (YATL), with IRB as the EPC Contractor, secured a INR 16.8b arbitration award. YATL intends to allocate the award to IRB to compensate for the time and cost overrun encountered during the construction period. It could take 1-1.5 years for IRB to receive funds from this award.
- IRB Infrastructure Trust successfully concluded the debt refinancing for its five project SPVs, totaling INR 63.9b. This will lead to a reduction in the interest rate by 1.1% and savings of ~INR 10b in amortization over the next five years.

- The construction vertical is expected to clock a CAGR of ~15-20% over the next two-three years with stable EBITDA margins.
- IRB's Private InvIT was awarded TOT-12 and TOT-13 projects in Madhya Pradesh and Rajasthan.

#### Valuation and view

- Fueled by a robust order book and a strong tender pipeline, primarily fueled by BOT projects, we expect execution to pick up, leading to ~13% CAGR in revenue, coupled with sustained margins. We revise our APAT estimate for FY26 upward by ~19%. We reiterate our Neutral rating on the stock with a revised SoTP-based TP of INR60 per share.

#### Consolidated quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	%	
<b>Net Sales</b>	<b>19,246</b>	<b>13,430</b>	<b>15,141</b>	<b>16,200</b>	<b>16,342</b>	<b>17,450</b>	<b>19,685</b>	<b>20,312</b>	<b>64,016</b>	<b>73,789</b>	<b>18,219</b>	<b>8</b>
YoY Change (%)	18.4	(8.3)	18.4	13.0	(15.1)	29.9	30.0	25.4	10.3	15.3	20.3	
<b>EBITDA</b>	<b>10,606</b>	<b>6,651</b>	<b>7,446</b>	<b>7,588</b>	<b>7,778</b>	<b>7,946</b>	<b>8,695</b>	<b>9,615</b>	<b>32,291</b>	<b>34,034</b>	<b>8,350</b>	<b>4</b>
Margins (%)	55.1	49.5	49.2	46.8	47.6	45.5	44.2	47.3	50.4	46.1	45.8	
Depreciation	2,031	1,919	2,150	2,221	2,367	2,327	2,513	2,536	8,321	9,743	2,300	
Interest	3,850	3,893	3,671	3,733	3,815	4,346	4,327	4,335	15,146	16,823	3,950	
Other Income	708	959	560	789	1,112	1,295	1,088	1,171	3,016	4,666	1,100	
<b>PBT</b>	<b>5,434</b>	<b>1,799</b>	<b>2,185</b>	<b>2,423</b>	<b>2,709</b>	<b>2,569</b>	<b>2,942</b>	<b>3,915</b>	<b>11,840</b>	<b>12,134</b>	<b>3,200</b>	
Tax	1,468	702	646	753	836	858	561	868	3,569	3,123	960	
Rate (%)	27.0	39.0	29.6	31.1	30.9	33.4	19.1	22.2	30.1	25.7	30.0	
Share of profit in Associates	(334)	(244)	(125)	(367)	(535)	(753)	(507)	(452)	(1,069)	(2,247)	(450)	
<b>Reported PAT</b>	<b>3,632</b>	<b>854</b>	<b>1,414</b>	<b>1,303</b>	<b>1,338</b>	<b>958</b>	<b>1,874</b>	<b>2,595</b>	<b>7,202</b>	<b>6,764</b>	<b>1,790</b>	
<b>Adj PAT</b>	<b>3,632</b>	<b>854</b>	<b>1,414</b>	<b>1,303</b>	<b>1,338</b>	<b>958</b>	<b>1,874</b>	<b>2,595</b>	<b>7,202</b>	<b>6,764</b>	<b>1,790</b>	<b>5</b>
YoY Change (%)	405.1	101.7	94.5	(25.3)	(63.2)	12.2	32.6	99.2	99.3	(6.1)	26.6	
Margins (%)	18.9	6.4	9.3	8.0	8.2	5.5	9.5	12.8	11.3	9.2	9.8	





# India Cements

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR242 TP: INR185 (-24%) Sell**

## Weak volume and higher cost led earnings miss

### Capacity utilization was ~51% vs. 56% in 3QFY23

Bloomberg	ICEM IN
Equity Shares (m)	308
M.Cap.(INRb)/(USDb)	75.1 / 0.9
52-Week Range (INR)	277 / 167
1, 6, 12 Rel. Per (%)	-7/1/2
12M Avg Val (INR M)	960

- India Cements (ICEM) reported EBITDA of INR490m (vs. estimated INR895m) in 3QFY24. Sales volume declined ~9% YoY (15% miss) to 2mt. Its blended EBITDA/t stood at INR247 (vs. estimated INR383). Adjusted net loss stood at INR345m (vs. estimated INR130m net loss).
- Management highlighted that cement prices have improved in 3Q, which led to better NPR for the company. However, sales volume was adversely impacted due to working capital crunch. The company continues to focus on lowering variable cost and improving NPR. During the quarter, the company successfully sold a ship for a profit of INR262m (shown as exceptional) and in Jan'24, it acquired a new ship.
- We cut our FY24E earnings (EBITDA cut ~20%), considering lower-than-expected volume and profitability; however, we reiterate our FY25/FY26 estimates. We reiterate our **Sell** rating on the stock with a TP of INR185 (premised on 11x FY26E EV/EBITDA).

### Financial Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	52.5	56.0	58.7
EBITDA	1.6	6.8	7.3
Adj. PAT	-2.1	1.9	2.4
EBITDA Margin (%)	3.1	12.1	12.4
Adj. EPS (INR)	-6.8	6.2	7.7
EPS Gr. (%)	n/m	n/m	24.0
BV/Sh. (INR)	175.6	181.9	189.1

### Ratios

Net D:E	0.5	0.5	0.4
RoE (%)	-3.8	3.5	4.2
RoCE (%)	-0.2	4.3	4.8
Payout (%)	0.0	8.1	13.0

### Valuations

P/E (x)	n/m	38.8	31.3
P/BV (x)	1.4	1.3	1.3
EV/EBITDA(x)	n/m	15.1	13.7
EV/ton (USD)	79	77	76
Div. Yield (%)	0.0	0.2	0.4

### Volumes declined 9% YoY; realization was up 6% QoQ

- ICEM's revenue declined 11% YoY to INR11b in 3QFY24 (14% below our estimate). Sales volume declined 9% YoY to 2mt (15% below our estimate). Blended realization/t was up ~6% QoQ to INR5,450 (cement realization/t was also up ~6% QoQ).
- Opex/t declined 12% YoY, led by a 20%/6% YoY drop in variable cost/freight costs. However, other expenses/t increased 10% YoY. OPM stood at 4.5% (est. ~7%). Interest costs declined 2% YoY, whereas 'other income' grew 328% YoY. Depreciation increased 5% YoY. ICEM reported an adjusted net loss of INR345m (adjusted for profit on the sale of a ship) vs. a net loss of INR1.4b in 3QFY23.
- In 9MFY24, revenue declined 6% YoY to INR37b due to a 1%/5% decline in volume/realization/t. EBITDA stood at INR622m vs. an operating loss of INR1.3m in 9MFY23. Net loss stood at INR1.9b vs. INR3.5b in 9MFY23.

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	28.4	28.4	28.4
DII	8.9	10.0	9.9
FII	13.6	13.4	13.1
Others	49.1	48.5	48.6

FII Includes depository receipts

### Highlights from the management commentary

- Cement prices in the Tamil Nadu market was weak, owing to reduced demand over the past few months, due to factors such as excessive rains, a transporters' strike, and the Pongal festivals. Cement demand is expected to increase in Feb-Mar'24 in the south region, which may also drive improvement in cement prices.
- Fuel costs stood at INR2/kcal vs. INR2.04/kcal in 2QFY24. Fuel cost is estimated to decline to INR1.9/Kcal in 4QFY24, considering the existing carrying inventory.
- For Shipping/Windmill/RMC, revenue stood at INR23m/INR10m/INR293m. It reported EBITDA of INR23m in RMC and operating loss of INR7m/1m in Shipping/Windmill.

**Valuation expensive; reiterate Sell**

- ICEM lost a significant market share (800bp+ over FY10-23) due to a lack of capacity additions. We expect its market share loss in the south to continue, given capacity additions by peers.
- Net debt stood at INR27b vs. INR28b as of Sep'23. We would monitor the progress on divestment of non-core assets (land). ICEM's current valuation at 15x/13.7x FY25E/FY26E EV/EBITDA appears expensive. **We reiterate Sell with a TP of INR185, premised on 11x FY26E EV/EBITDA.**

**Standalone quarterly performance**

Y/E March	FY23				FY24				FY23	FY24E	FY24	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var. (%)
Sales Volumes (mt)	2.7	2.3	2.2	2.8	2.7	2.4	2.0	3.0	9.9	10.0	2.3	(15)
Change (YoY %)	37.4	(4.5)	3.5	4.8	(0.2)	5.1	(9.0)	6.7	9.1	1.0	7.0	
<b>Realization (INR/ton)</b>	<b>5,413</b>	<b>5,566</b>	<b>5,589</b>	<b>5,244</b>	<b>5,225</b>	<b>5,157</b>	<b>5,450</b>	<b>5,215</b>	<b>5,439</b>	<b>5,251</b>	<b>5,392</b>	1
Change (YoY %)	3.0	10.4	6.3	0.1	(3.5)	(7.4)	(2.5)	(0.6)	4.7	(3.5)	(3.5)	
Change (QoQ %)	3.3	2.8	0.4	(6.2)	(0.4)	(1.3)	5.7	(4.3)			4.6	
<b>Net Sales</b>	<b>14.5</b>	<b>12.5</b>	<b>12.2</b>	<b>14.6</b>	<b>13.9</b>	<b>12.2</b>	<b>10.8</b>	<b>15.5</b>	<b>53.8</b>	<b>52.5</b>	<b>12.6</b>	(14)
Change (YoY %)	41.4	5.4	10.0	4.9	(3.7)	(2.6)	(11.3)	6.1	14.2	(2.5)	3.2	
<b>EBITDA</b>	<b>0.3</b>	<b>(0.9)</b>	<b>(0.7)</b>	<b>(0.4)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.5</b>	<b>1.0</b>	<b>(1.7)</b>	<b>1.6</b>	<b>0.9</b>	(45)
Margin (%)	2.1	(7.3)	(5.7)	(3.0)	0.4	0.7	4.5	6.6	(3.2)	3.1	7.1	
Depreciation	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	2.1	2.2	0.5	4
Interest	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.6	2.3	2.4	0.6	1
Other Income	0.1	0.0	0.0	0.2	0.1	0.1	0.2	0.0	0.3	0.3	0.1	111
<b>PBT before EO expense</b>	<b>(0.7)</b>	<b>(2.1)</b>	<b>(1.8)</b>	<b>(1.3)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>(5.9)</b>	<b>(2.6)</b>	<b>(0.2)</b>	NM
Extra-Ord. expense	-	-	(2.9)	1.1	-	-	(0.3)	-	(1.8)	(0.3)	-	
<b>PBT</b>	<b>(0.7)</b>	<b>(2.1)</b>	<b>1.1</b>	<b>(2.4)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(4.1)</b>	<b>(2.3)</b>	<b>(0.2)</b>	NM
Tax	(1.5)	(0.7)	0.2	(0.2)	(0.2)	(0.2)	(0.1)	0.0	(2.2)	(0.5)	(0.0)	
Rate (%)	205.7	33.5	20.5	10.1	23.9	17.6	31.3	(14.9)	53.7	20.0	17.6	
<b>Reported PAT</b>	<b>0.8</b>	<b>(1.4)</b>	<b>0.9</b>	<b>(2.2)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(1.9)</b>	<b>(1.9)</b>	<b>(0.1)</b>	NM
Tax	(1.5)	-	-	(0.2)	-	-	-	-	(1.7)	-	-	
<b>Adj. PAT</b>	<b>(0.7)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.2)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>(4.7)</b>	<b>(2.1)</b>	<b>(0.1)</b>	NM
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Margin (%)	(5.0)	(11.0)	(11.7)	(7.9)	(5.4)	(6.7)	(3.2)	(0.9)	(8.7)	(4.0)	(1.0)	

**Per tonne analysis**

	(INR/t)											
RM Cost	769	1,042	945	1,043	1,068	918	989	923	947	973	950	4
Employee Expenses	340	394	443	294	345	416	434	365	362	386	413	5
Power, Oil, and Fuel	2,370	2,709	2,602	2,211	2,046	1,942	1,863	1,807	2,454	1,914	1,792	4
Freight cost	1,199	1,145	1,158	1,160	1,104	1,054	1,085	1,210	1,167	1,120	1,155	(6)
Other Expenses	619	681	759	696	643	793	832	564	686	693	699	19
<b>Total Expense</b>	<b>5,297</b>	<b>5,971</b>	<b>5,907</b>	<b>5,404</b>	<b>5,206</b>	<b>5,122</b>	<b>5,203</b>	<b>4,869</b>	<b>5,615</b>	<b>5,086</b>	<b>5,008</b>	4
<b>EBITDA</b>	<b>115</b>	<b>(405)</b>	<b>(319)</b>	<b>(160)</b>	<b>19</b>	<b>34</b>	<b>247</b>	<b>346</b>	<b>-176</b>	<b>165</b>	<b>383</b>	(36)
YoY (%)	(86.2)	NM	NM	NM	(83.6)	NM	NM	NM	NM	NM	NM	

## Tube Investments

BSE SENSEX  
71,645S&P CNX  
21,697

CMP:INR3779

Buy

## Conference Call Details



Date: 02nd Feb 2024

Time: 10am IST

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

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## Financials &amp; Valuations (INR b)

INR b	FY23	FY24E	FY25E
Sales	149.6	168.1	192.9
EBITDA	18.9	22.8	26.8
Adj. PAT	7.8	11.4	14.1
EPS (INR)	40.5	59.2	73.2
EPS Gr. (%)	7.4	46.0	23.7
BV/Sh. (INR)	205	255	317
<b>Ratios</b>			
RoE (%)	22.3	25.8	25.6
RoCE (%)	38.7	40.9	40.9
Payout (%)	8.6	14.8	15.0
<b>Valuations</b>			
P/E (x)	92.8	63.5	51.4
P/BV (x)	18.4	14.8	11.9
Div. Yield (%)	0.1	0.2	0.3
FCF Yield (%)	1.4	2.5	2.5

## Miss due to pressure in all businesses

- TIINDIA's revenue grew 11% YoY to INR19b (vs. est. INR20.4b), adversely impacted by lower-than-estimated growth in engineering business/metal formed business and a sharp decline in the mobility business.
- Gross margin declined 80bp YoY (down 20bp QoQ) to 36.1%.
- EBITDA rose 12% YoY to INR2.4b (vs. est. INR2.7b). EBITDA margin improved 10bp YoY to 12.6% (vs. est. 13.2%). The sequential decline in margins was attributed to operating deleverage.
- Further, adj. PAT grew 14% YoY to INR1.6b (vs. est. INR1.9b).
- 9MFY24 revenue/EBITDA/adj. PAT grew 1%/6%/13% YoY.
- Revenue for the Mobility business declined 15% YoY to INR1.5b. PBIT margin for this business stood at -5.6% (vs. -1.7%/1.4% in 2QFY24/3QFY23 and est. 1.2%).
- Revenue for the engineering business grew 14% YoY to INR12.3b. PBIT margin for this business stood at 12.4% (vs. 13.3%/12.4% in 2QFY24/3QFY23 and est. 13%).
- Revenue for the Metal Formed Product business grew 6% YoY to INR3.9b. PBIT margin for this business stood at 12.1% (vs. 13.4%/11.4% in 2QFY24/3QFY23 and est. 13.2%).
- Revenue from the others business vertical grew 32% YoY to INR2.2b. PBIT margin for this business stood at 6.3% (vs. 8.4%/6.9% in 2QFY24/3QFY23 and est. 8.2%).
- Consol. business revenue grew 15% YoY to INR42b, but EBITDA/Adj. PAT declined 1%/6% YoY to INR4.7b/INR2.7b.
- The company declared an interim dividend for FY24, amounting to INR2/share.
- FCF during the quarter stood at INR660m (vs. INR1.1b in 2QFY24 vs. INR1.15b in 3QFY23)
- **Valuation view:** The stock trades at 63.5x/51.4x FY24E/FY25E EPS.

**Quarterly performance (S/A)**

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
<b>Net Sales</b>	<b>19,570</b>	<b>19,059</b>	<b>17,097</b>	<b>16,634</b>	<b>17,801</b>	<b>19,696</b>	<b>18,983</b>	<b>22,374</b>	<b>72,360</b>	<b>78,855</b>	<b>20,402</b>
YoY Change (%)	55.7	14.4	0.5	-4.1	-9.0	3.3	11.0	34.5	13.8	9.0	19.3
<b>EBITDA</b>	<b>2,040</b>	<b>2,512</b>	<b>2,144</b>	<b>2,106</b>	<b>2,160</b>	<b>2,514</b>	<b>2,395</b>	<b>3,285</b>	<b>8,803</b>	<b>10,353</b>	<b>2,696</b>
Margins (%)	10.4	13.2	12.5	12.7	12.1	12.8	12.6	14.7	12.2	13.1	13.2
Depreciation	325	346	337	448	331	346	361	474	1,456	1,511	360
Interest	36	52	60	68	70	77	74	59	216	279	70
Other Income	120	145	171	1,717	219	358	137	1,957	2,152	2,671	250
<b>PBT before EO expense</b>	<b>1,800</b>	<b>2,258</b>	<b>1,919</b>	<b>3,306</b>	<b>1,979</b>	<b>2,448</b>	<b>2,096</b>	<b>4,710</b>	<b>9,283</b>	<b>11,233</b>	<b>2,516</b>
Tax	457	599	542	507	502	634	521	1,195	2,104	2,852	634
Tax Rate (%)	25.4	29.6	28.2	16.8	25.4	25.9	24.9	25.4	24.0	25.4	25.2
<b>Adj PAT</b>	<b>1,343</b>	<b>1,603</b>	<b>1,377</b>	<b>2,729</b>	<b>1,477</b>	<b>1,814</b>	<b>1,575</b>	<b>3,515</b>	<b>7,053</b>	<b>8,382</b>	<b>1,882</b>
YoY Change (%)	38.5	32.0	14.3	100.2	10.0	13.2	14.4	28.8	46.7	18.8	36.7

**Segmental Mix (INR m)**

	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q
<b>Mobility business</b>	<b>2,456</b>	<b>2,261</b>	<b>1,737</b>	<b>1,545</b>	<b>1,867</b>	<b>1,766</b>	<b>1,473</b>	<b>2,173</b>	<b>7,999</b>	<b>7,279</b>	<b>1,819</b>
Growth (%)	42.5	(13.8)	(38.0)	(37.8)	(24.0)	(21.9)	(15.2)	40.6	(17.0)	(9.0)	4.7
PBIT margin (%)	3.9	4.4	1.4	(3.2)	1.1	(1.7)	(5.6)	6.4	2.1	0.7	1.2
Contribution (%)	12.6	11.9	10.2	9.3	10.5	9.0	7.8	9.7	11.1	9.2	8.9
<b>Engineering business</b>	<b>12,437</b>	<b>11,924</b>	<b>10,812</b>	<b>10,444</b>	<b>11,416</b>	<b>12,741</b>	<b>12,289</b>	<b>14,525</b>	<b>45,616</b>	<b>50,971</b>	<b>13,123</b>
Growth (%)	52.7	16.1	8.5	1.4	(8.2)	6.9	13.7	39.1	17.9	11.7	21.4
PBIT margin (%)	9.5	13.8	12.4	12.6	11.8	13.3	12.4	13.7	12.0	12.9	13.0
Contribution (%)	63.5	62.6	63.2	62.8	64.1	64.7	64.7	64.9	63.0	64.6	64.3
<b>Metal formed business</b>	<b>3,348</b>	<b>3,710</b>	<b>3,707</b>	<b>3,471</b>	<b>3,419</b>	<b>3,996</b>	<b>3,917</b>	<b>4,470</b>	<b>14,237</b>	<b>15,803</b>	<b>4,156</b>
Growth (%)	36.6	13.0	12.2	3.2	2.1	7.7	5.7	28.8	14.8	11.0	12.1
PBIT margin (%)	11.5	12.9	11.4	12.9	12.8	13.4	12.1	14.6	12.2	13.3	13.2
Contribution (%)	17.1	19.5	21.7	20.9	19.2	20.3	20.6	20.0	19.7	20.0	20.4
<b>Other business</b>	<b>2,226</b>	<b>1,879</b>	<b>1,662</b>	<b>1,910</b>	<b>1,776</b>	<b>2,068</b>	<b>2,195</b>	<b>2,188</b>	<b>7,677</b>	<b>8,226</b>	<b>2,192</b>
Growth (%)	153.2	57.6	3.8	(1.8)	(20.2)	10.1	32.1	14.6	36.5	7.2	31.9
PBIT margin (%)	7.6	4.3	6.9	5.8	9.0	8.4	6.3	10.1	6.2	8.4	8.2
Contribution (%)	11.4	9.9	9.7	11.5	10.0	10.5	11.6	9.8	10.6	10.4	10.7
<b>Total Revenue (post inter segment)</b>	<b>19,570</b>	<b>19,059</b>	<b>17,097</b>	<b>16,634</b>	<b>17,801</b>	<b>19,696</b>	<b>18,983</b>	<b>22,374</b>	<b>72,360</b>	<b>78,855</b>	<b>20,402</b>
Growth (%)	55.7	14.4	0.4	(4.1)	(9.0)	3.3	11.0	34.5	13.8	9.0	19.3

E:MOFSL Estimates

## Indian Hotels

BSE SENSEX

71,645

S&amp;P CNX

21,697

CMP: INR495

Buy

## Conference Call Details

Date: 2<sup>nd</sup> Feb'24

Time: 8:00am IST

Concall Link:

[Click Here](#)

## Operating performance in line with our estimate

## Consolidated

- Revenue grew 16% YoY/37% QoQ to INR19.6b (in line).
- EBITDA grew 23% YoY/2x QoQ to INR7.3b (est. INR7b).
- Adj. PAT grew 18% YoY/2.7x QoQ to INR4.5b (est. INR4.2b).
- For 9MFY23, revenue/EBITDA/Adj. PAT grew 16%/18%/25% YoY to INR48.6b/INR15b/INR8.4b.
- Net cash stood at INR15.5b as of Dec'23 vs. INR9.9b as of Mar'23.
- Subsidiary (consol. less standalone) sales at INR6.8b grew 9% YoY/26% QoQ. Subsidiary EBIDTA came in at INR1.7b, up 10% YoY/2.2x QoQ.
- IH's new business vertical comprising Ginger, Qmin, amã Stays & Trails, The Chambers (membership fee) and TajSATS reported a revenue of INR4.2b.

## Standalone

- Standalone revenue was up 21% YoY/43% QoQ at INR12.8b (in line).
- EBITDA grew 27% YoY/2x QoQ to INR5.6b (in line).
- Adj. PAT grew 34% YoY/2.1x QoQ to INR3.8b (est. INR3.6b).
- For 9MFY23, revenue/EBITDA/Adj. PAT grew 19%/23%/37% YoY to INR30.6b/INR11.3b/INR7.5b.
- Occupancy rose 470bp YoY/90bp QoQ, to 76.8% in 3QFY24. ARR grew 17% YoY/40% QoQ to INR18,111.**

## Consolidated - Quarterly Earning Model

(INRM)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E Var 3Q (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Gross Sales	12,661	12,326	16,858	16,254	14,664	14,332	19,638	17,717	58,099	66,351	19,134	3
YoY Change (%)	267.5	69.2	51.7	86.4	15.8	16.3	16.5	9.0	90.1	14.2	13.5	
Total Expenditure	8,882	9,386	10,886	10,899	10,562	10,784	12,315	11,561	40,054	45,222	12,050	
EBITDA	3,779	2,940	5,972	5,355	4,102	3,548	7,324	6,156	18,046	21,129	7,084	3
Margins (%)	29.8	23.9	35.4	32.9	28.0	24.8	37.3	34.7	31.1	31.8	37.0	
Depreciation	1,026	1,026	1,033	1,076	1,091	1,112	1,143	1,190	4,161	4,536	1,170	
Interest	624	600	567	570	565	591	532	510	2,361	2,197	540	
Other Income	271	250	577	291	493	477	398	450	1,389	1,818	550	
PBT before EO expense	2,401	1,564	4,949	4,000	2,939	2,322	6,047	4,906	12,914	16,215	5,924	
Extra-Ord expense	91	-123	-1	0	0	0	0	0	-33	0	0	
PBT	2,309	1,687	4,950	4,000	2,939	2,322	6,047	4,906	12,946	16,215	5,924	
Tax	648	443	1,161	980	833	723	1,667	1,472	3,232	4,695	1,777	
Rate (%)	28.1	26.3	23.4	24.5	28.4	31.1	27.6	30.0	25.0	29.0	30.0	
Minority Interest & P/L of Asso. Cos.	-39	28	-38	-263	-118	-70	-140	-289	-312	-617	-42	
Reported PAT	1,701	1,216	3,827	3,283	2,224	1,669	4,520	3,723	10,026	12,136	4,189	
Adj PAT	1,769	1,123	3,826	3,283	2,224	1,669	4,520	3,723	10,001	12,136	4,189	8
YoY Change (%)	NA	NA	357.2	430.2	25.7	48.6	18.1	13.4	NA	21.1	9.5	
Margins (%)	14.0	9.1	22.7	20.2	15.2	11.6	23.0	21.0	17.2	18.3	21.9	

BSE SENSEX 71,645  
S&P CNX 21,697

CMP: INR2,600

Neutral

## Conference Call Details

Date: 2<sup>nd</sup> February 2024

Time: 10:00 am IST

Dial-in details:

+91-22 6280 1165

+91-22 7115 8066

## Financials &amp; Valuations (INR b)

Y/E Mar	2024E	2025E	2026E
Sales	133.0	149.9	171.5
EBIT Margin (%)	14.9	15.7	16.6
PAT	15.4	18.8	22.6
EPS (INR)	80.7	98.8	118.6
EPS Gr. (%)	(7.1)	22.3	20.1
BV/Sh. (INR)	453.1	492.9	540.7
<b>Ratios</b>			
RoE (%)	18.6	21.0	23.1
RoCE (%)	16.3	18.0	20.0
Payout (%)	60.5	60.5	60.5
<b>Valuations</b>			
P/E (x)	32.2	26.3	21.9
P/BV (x)	5.7	5.3	4.8
EV/EBITDA (x)	19.6	17.0	14.2
Div yld (%)	1.9	2.3	2.8

Note: Estimates are under review since we will revise them post earnings call.

## Strong execution on margins; deal TCV moderated further in 3Q

3QFY24 CC revenue down 6.4% YoY CC, INR EBIT down 7.1% YoY, and INR PAT down 9.4% YoY

## Revenue highlights

- Revenue of USD402.3m, up 1.0% QoQ CC, was in line with our estimates. The revenue includes contributions from Silverline, with organic USD growth at -2.8% QoQ (as per our estimate).
- Direct revenue was up 2.0% QoQ CC and down 3.3% YoY CC.
- Insurance led the growth pack with 6.9% QoQ; BFS (~47% of revenues) was flat QoQ, while TMT was down 9.1% QoQ.

## Margin highlights

- EBIT margin stood at 14.9% (including Silverline integration cost of 110bp QoQ), beating our estimates by 50bp QoQ. Adjusted core EBIT margin stood at 16.0% in 3Q.
- PAT was INR3.7b (down 4.7% QoQ), in line with our estimate. Other income was lower at INR14m vs INR150m in 2Q.

## Other highlights

- New TCV of USD241m (down 5.5% QoQ) vs USD255m reported in 2Q. About 85% of the deal wins is in Gen Services.
- Offshore Utilization (excl. trainees) declined 300bp QoQ to 74%. Net headcount addition of 220 QoQ in 3Q.

**Valuation and view:** We would revisit our estimates post the earnings call. We await further clarity on the near-term outlook, Direct, and DR Business. We reiterate our **Neutral** stance on the stock.

## Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E	Est. Var. (% / 3QFY24)	bp
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	436	440	429	412	398	398	402	414	1,718	1,613	402	0.2
QoQ (%)	1.2	1.0	-2.5	-4.1	-3.4	0.1	1.0	3.0	7.8	-6.1	0.8	17bp
Revenue (INR m)	34,113	35,198	35,062	33,612	32,520	32,765	33,380	34,266	1,37,985	1,32,931	33,254	0.4
YoY (%)	26.8	22.7	12.2	2.5	-4.7	-6.9	-4.8	1.9	15.4	-3.7	-5.2	36bp
GPM (%)	29.8	28.1	28.5	29.2	29.1	28.9	31.3	27.3	28.9	29.1	28.2	309bp
SGA (%)	12.2	10.5	10.8	11.4	11.1	10.7	13.3	10.5	11.2	11.4	11.1	219bp
EBITDA	6,001	6,177	6,175	5,987	5,869	5,956	6,007	5,753	24,340	23,585	5,686	5.6
EBITDA Margin (%)	17.6	17.5	17.6	17.8	18.0	18.2	18.0	16.8	17.6	17.7	17.1	90bp
EBIT	5,205	5,376	5,354	5,152	4,995	5,067	4,972	4,690	21,087	19,724	4,784	3.9
EBIT Margin (%)	15.3	15.3	15.3	15.3	15.4	15.5	14.9	13.7	15.3	14.8	14.4	51bp
Other income	125	174	156	189	263	150	14	274	644	701	266	-94.7
ETR (%)	24.6	24.6	25.2	24.1	24.7	24.9	25.1	25.1	24.6	24.9	24.9	21bp
PAT	4,020	4,184	4,123	4,053	3,961	3,920	3,736	3,720	16,380	15,337	3,795	-1.5
QoQ (%)	2.5	4.1	-1.5	-1.7	-2.3	-1.0	-4.7	-0.4			-3.2	
YoY (%)	18.3	17.1	15.3	3.4	-1.5	-6.3	-9.4	-8.2	13.2	-6.4	-8.0	
EPS (INR)	21.2	22.1	21.8	21.5	20.9	20.6	19.6	19.6	86.9	80.6	20.0	-1.6

## Castrol India

BSE SENSEX  
71,645S&P CNX  
21,697

CMP: INR189

Buy

## Conference Call Details

Date: 2<sup>nd</sup> February 2024

Time: 12:15pm IST

Dial-in details:

+91 22 6280 1164

+91 22 7115 8065

## Beat due to lower-than-expected RM costs

- 4QCY23 revenue was in line with our estimate at INR12.6b (+7% YoY).
- EBITDA was 11% higher than our est. at INR3.3b (+31% YoY) due to lower-than-expected RM costs.
  - EBITDA margin stood at 26% (vs. 22.7% in 3QCY23).
- PAT was 12% above our est. at INR2.4b (+25% YoY).
- The board has recommended a final dividend of INR4.5 per share.
  - The total dividend for CY23 stood at INR7.5 per share.
- For CY23, revenue stood at INR50.7b (+2% YoY), EBITDA at INR12b (+8% YoY) and PAT at INR8.6b (+6% YoY).
- EBITDAM came in at 23.7% (-15bp YoY).

## Key highlights of 4QCY23 and CY23:

- Castrol unveiled a revamped global brand identity, reinforcing its distinct positioning to meet evolving customer needs.
- Foraying into the auto care segment, CSTRL now offers a comprehensive product range in over 21,000 outlets and e-commerce platforms across India.
- Castrol CRB TURBOMAX's #Badhterahoagey campaign and its on-ground extension, Castrol CRB TURBOMAX Pragati Ki Paathshaala, were launched to upskill truckers.
- Trained more than 1,000 independent car and bike mechanics, till date, on EV readiness to make them future ready.

Further details awaited.

## Quarterly Performance

Y/E December											(INR m)		
	CY22				CY23					Var. (%)	YoY (%)	QoQ (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	4QAct				
<b>Net Sales</b>	<b>12,357</b>	<b>12,417</b>	<b>11,211</b>	<b>11,760</b>	<b>12,939</b>	<b>13,338</b>	<b>11,829</b>	<b>12,592</b>	<b>12,640</b>	<b>0%</b>	<b>7%</b>	<b>7%</b>	
YoY Change (%)	8.5	39.6	4.5	7.8	4.7	7.4	5.5	7.1	7.5				
<b>EBITDA</b>	<b>3,172</b>	<b>2,861</b>	<b>2,571</b>	<b>2,506</b>	<b>2,950</b>	<b>3,098</b>	<b>2,686</b>	<b>2,965</b>	<b>3,291</b>	<b>11%</b>	<b>31%</b>	<b>23%</b>	
YoY Change (%)	-6.7	44.9	-2.0	-5.7	-7.0	8.3	4.4	18.3	31.3				
Margin (%)	25.7	23.0	22.9	21.3	22.8	23.2	22.7	23.5	26.0	2.5	4.7	3.3	
Depreciation	202	196	208	208	227	218	229	234	250				
Interest	7	5	12	16	17	15	24	25	20				
Other Income	150	137	187	196	176	186	202	228	223				
<b>PBT</b>	<b>3,113</b>	<b>2,797</b>	<b>2,538</b>	<b>2,479</b>	<b>2,883</b>	<b>3,050</b>	<b>2,635</b>	<b>2,934</b>	<b>3,243</b>	<b>11%</b>	<b>31%</b>	<b>23%</b>	
Tax	829	735	667	546	858	797	691	771	824				
Rate (%)	26.6	26.3	26.3	22.0	29.8	26.1	26.2	26.3	25.4				
<b>Adj. PAT</b>	<b>2,284</b>	<b>2,063</b>	<b>1,872</b>	<b>1,933</b>	<b>2,025</b>	<b>2,253</b>	<b>1,944</b>	<b>2,163</b>	<b>2,419</b>	<b>12%</b>	<b>25%</b>	<b>24%</b>	
YoY Change (%)	-6.2	47.3	0.7	2.5	-11.3	9.2	3.9	11.9	25.2				

## Bata India

BSE SENSEX  
71,645S&P CNX  
21,697

CMP: INR1,459

Neutral

## Conference Call Details

Date: 06<sup>th</sup> Feb 2024

Time: 03:30PM IST

## Financials &amp; Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	34.5	35.4	38.6
EBITDA	7.9	8.7	9.8
Adj. PAT	3.2	3.3	4.5
EBITDA Margin (%)	23.0	24.5	25.4
Adj. EPS (INR)	25.1	27.7	35.3
EPS Gr. (%)	213.3	10.3	27.4
BV/Sh. (INR)	111.9	137.2	172.5
<b>Ratios</b>			
Net D:E	0.4	0.1	-0.1
RoE (%)	19.9	22.2	22.8
RoCE (%)	14.4	15.5	16.5
RoIC (%)	20.0	20.3	24.6
<b>Valuations</b>			
P/E (x)	58.2	52.7	41.4
EV/EBITDA (x)	24.6	22.1	19.0
EV/Sales (X)	5.6	5.4	4.8
Div. Yield (%)	0.9	0.0	0.0
FCF Yield (%)	2.9	3.6	3.7

## Soft revenue growth and higher opex drag operating profits (a big miss)

- BATA's consolidated revenue for the quarter remained flat YoY at INR9b (5% miss), dragged by continued headwinds within discretionary spending.
- Gross profits, however, grew modestly at 3% YoY to INR5.1b, with margin expanding ~130bp YoY to 56.1% (vs. 58.2% estimated). This could possibly be due to the softening of RM prices and an improved product mix.
- Employee costs remained flat on a YoY basis at INR1b, while other expenses grew 20% YoY to INR2.2b. This led to an EBITDA decline of 11% YoY to INR1.8b (a big miss). EBITDA margin contracted 270bp YoY and stood at 20.2% (vs. 26.8% estimated).
- The Depreciation/Finance costs grew 14%/3% YoY. The other income rose 47% YoY during the quarter.
- PAT declined 30% YoY to INR580m (a big miss), mainly due to the weak operating performance.

## Highlights from the management commentary

- BATA continued with its footprint addition initiative and added 54 stores through the Franchise & SIS network. It further renovated 36 stores in 3Q.
- The company's execution of its portfolio casualization strategy is on track, with Sneaker Studio being implemented in 655 stores.
- The latest segment, "Nine-West", is on track for launch in stores from 4QFY24 onwards.
- The company's open footwear-focused segment, "Floatz", continued to do well with 65% growth, backed by the addition of Floatz banner in seven new stores.
- The premiumization strategy continues with healthy performance seen within the Red Label, Floatz, Comfit, and Hush Puppies segments.



Consolidated - Quarterly Earnings

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	Var (%)	
<b>Revenue</b>	<b>9,430</b>	<b>8,298</b>	<b>9,002</b>	<b>7,786</b>	<b>9,581</b>	<b>8,191</b>	<b>9,035</b>	<b>8,566</b>	<b>34,516</b>	<b>35,373</b>	<b>9,496</b>	<b>-4.9</b>
YoY Change (%)	253.1	35.1	7.0	17.0	1.6	-1.3	0.4	10.0	44.6	2.5	5.5	
Gross Profit	5,339	4,562	4,931	4,547	5,246	4,755	5,065	5,097	19,379	20,163	5,531	-8.4
Gross margin%	56.6	55.0	54.8	58.4	54.7	58.1	56.1	59.5	56.1	57.0	58.2	
Total Expenditure	6,983	6,688	6,941	5,966	7,186	6,375	7,210	5,936	26,579	26,707	6,951	3.7
<b>EBITDA</b>	<b>2,447</b>	<b>1,609</b>	<b>2,061</b>	<b>1,820</b>	<b>2,395</b>	<b>1,817</b>	<b>1,824</b>	<b>2,631</b>	<b>7,936</b>	<b>8,666</b>	<b>2,545</b>	<b>-28.3</b>
EBITDA margin	25.9	19.4	22.9	23.4	25.0	22.2	20.2	30.7	23.0	24.5	26.8	
Change YoY (%)	-876.5	35.0	22.2	12.2	-2.1	12.9	-11.5	44.6	89.6	9.2	23.5	
Depreciation	693	736	754	765	811	817	860	790	2,948	3,278	824	4.4
Interest	249	272	286	272	281	284	295	282	1,078	1,143	286	3.1
Other Income	93	119	75	99	133	155	111	103	386	501	119	-7.4
<b>PBT before EO expense</b>	<b>1,597</b>	<b>720</b>	<b>1,096</b>	<b>882</b>	<b>1,436</b>	<b>870</b>	<b>780</b>	<b>1,661</b>	<b>4,296</b>	<b>4,747</b>	<b>1,555</b>	<b>-49.8</b>
Extra-Ord expense	0	0	0	0	0	409	0	0	0	409	0	
<b>PBT</b>	<b>1,597</b>	<b>720</b>	<b>1,096</b>	<b>882</b>	<b>1,436</b>	<b>461</b>	<b>780</b>	<b>1,661</b>	<b>4,296</b>	<b>4,338</b>	<b>1,555</b>	<b>-49.8</b>
Tax	404	172	265	226	367	121	201	396	1,067	1,084	389	-48.4
Rate (%)	25.3	23.9	24.2	25.6	25.5	26.3	25.7	23.8	24.8	25.0	25.0	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0			0	
<b>Reported PAT</b>	<b>1,194</b>	<b>548</b>	<b>831</b>	<b>656</b>	<b>1,069</b>	<b>340</b>	<b>580</b>	<b>1,265</b>	<b>3,229</b>	<b>3,253</b>	<b>1,166</b>	<b>-50.3</b>
<b>Adj PAT</b>	<b>1,194</b>	<b>548</b>	<b>831</b>	<b>656</b>	<b>1,069</b>	<b>641</b>	<b>580</b>	<b>1,265</b>	<b>3,229</b>	<b>3,555</b>	<b>1,166</b>	<b>-50.3</b>
YoY Change (%)	-272	47	15	4	-10	17	-30	93	213	10	40	
Margins (%)	13%	7%	9%	8%	11%	8%	6%	15%	9%	10%	12%	

E: MOFSL Estimates

BSE SENSEX  
71,645S&P CNX  
21,697

CMP: INR1,776

BUY

## Conference Call Details

Date: 2<sup>nd</sup> Feb 2024

Time: 15:30 IST

## Financials &amp; Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Net Sales	82.1	88.5	98.8
EBITDA	12.0	13.1	14.7
PAT	6.3	7.9	8.9
EPS (INR)	94.4	118.7	133.3
GR. (%)	44.5	25.7	12.3
BV/Sh (INR)	435	698	831
ROE (%)	23.9	20.9	17.4
RoCE (%)	17.5	17.0	14.8
RoIC (%)	20.2	17.8	17.1
P/E (X)	18.8	15.0	13.3
P/BV (X)	4.1	2.5	2.1
EV/EBITDA (X)	10.8	9.5	8.0
Div Yield (%)	0.2	0.0	0.0

## Revenue/EBITDA up 10%/13% YoY (in line); real estate led growth

- Consolidated revenues were up 10% YoY to INR23.9b (in line), led by Real estate (+50% YoY) and Branded Apparel (+20% YoY).
- Gross profit grew 10% YoY to INR10b (in line), while margins expanded 20bp YoY to 42%.
- EBITDA was up 13% YoY to INR3.6b (in line), while margins expanded 50bp YoY to 15.2%
- Adj PAT was up 80% YoY to INR1.9b (9% miss), due to higher interest cost. Margins were up 300bp YoY to 7.9%.

## Segment wise

- Overall Lifestyle segment revenue/EBITDA grew 6% YoY/13% YoY to INR18.4b/INR3.1b with margin improvement of 110bp YoY to 16.9%. Growth is broadly led by branded apparel.
- Branded textile** (contributes 38% of revenue) grew 1% YoY to INR9.1b.
  - EBITDA margin stood at 21.6% (+70bp YoY), led by EBITDA growth of 4% YoY INR2b.
- Branded apparel** (contributes 18% of revenue) grew 20% YoY to INR4.4b, led by store adds (+8% YoY) and SSSG. The recently added 59 stores drove up the total store count to 1,512 stores (including 105 Ethnix stores).
- Post EBITDA margin stood at 13.9% (+270bp YoY), due to operational efficiency, which led to EBITDA growth of 49% YoY to INR607m.
- Pre Ind-AS EBITDA margin is expected to be approx. 8-8.5%, up 100bp YoY, due to scale benefits.** The company possesses the capability to further enhance the pre-Ind-AS EBITDA margin to 12-12.5% as revenue reaches the scale of INR22-25b.
- Garmenting** (contributes 12% of revenue) was flat YoY to INR2.8b, due to sustained demand in US & Europe markets.
  - Margins improved to 10.8% (+170bp YoY) and EBITDA grew 19% YoY to INR303m.
  - High Value Cotton Shirting** (contributes 9% of revenue) grew 10% YoY to INR2.1b.
- Posted a 10.9% EBITDA margin (+20bp YoY)
- Engineering** revenue grew 4% YoY to INR2.2b due to sluggish export market, while the domestic market witnessed growth.
  - Posted a decline in EBITDA margin to 13.9% (-200bp YoY), which led to 9% YoY decline in EBITDA
- Real Estate business** - Total booking value was INR4.3b in the launched projects with ~88% of total units in Ten X Habitat, ~90% of total units in The Address by GS, ~38% in TenX Era, ~39% of launched units in The Address by GS 2.0', and ~32% of launched units in Invictus by GS project being sold. Construction momentum was maintained in all five projects.
  - Showcased a strong sales performance with 50% YoY growth to INR4.4b.

**Quarterly Performance**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est. Var
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
<b>Total Revenue</b>	<b>17,281</b>	<b>21,682</b>	<b>21,682</b>	<b>21,502</b>	<b>17,715</b>	<b>22,534</b>	<b>23,862</b>	<b>24,428</b>	<b>82,147</b>	<b>88,538</b>	<b>24,087</b>	-1
<b>YoY %</b>	109%	40%	18%	10%	3%	4%	10%	14%	33%	8%	11%	
Total expenditure	15,197	18,333	18,490	18,134	15,748	19,388	20,242	20,064	70,153	75,442	20,496	-1
<b>EBITDA</b>	<b>2,085</b>	<b>3,350</b>	<b>3,192</b>	<b>3,368</b>	<b>1,966</b>	<b>3,146</b>	<b>3,619</b>	<b>4,364</b>	<b>11,994</b>	<b>13,096</b>	<b>3,591</b>	1
<b>EBITDA margin (%)</b>	<b>12.1%</b>	<b>15.4%</b>	<b>14.7%</b>	<b>15.7%</b>	<b>11.1%</b>	<b>14.0%</b>	<b>15.2%</b>	<b>17.9%</b>	<b>14.6%</b>	<b>14.8%</b>	<b>14.9%</b>	<b>26</b>
Depreciation and amortization	584	575	578	616	597	654	703	667	2,354	2,621	685	3
Finance Costs	591	634	705	643	795	893	1,035	562	2,573	3,285	799	30
Other income	263	226	314	420	550	673	642	960	1,223	3,143	677	-5
Exceptional items	0	96	45	930	94	230	0	0	1,072	324	0	
<b>Profit before Tax</b>	<b>1,172</b>	<b>2,271</b>	<b>2,177</b>	<b>1,599</b>	<b>1,030</b>	<b>2,042</b>	<b>2,523</b>	<b>4,096</b>	<b>7,219</b>	<b>10,010</b>	<b>2,784</b>	-9
Tax	365	709	1,161	-231	267	507	626	1,032	2,004	2,433	702	-11
<b>Profit after Tax</b>	<b>807</b>	<b>1,562</b>	<b>1,017</b>	<b>1,830</b>	<b>763</b>	<b>1,535</b>	<b>1,897</b>	<b>3,064</b>	<b>5,216</b>	<b>7,577</b>	<b>2,082</b>	-9
Margin (%)	4.7%	7.2%	4.7%	8.5%	4.3%	6.8%	7.9%	12.5%	6.3%	8.6%	8.6%	-70
Minority Interest	-10	-31	-18	-21	-15	-14	-19	-19	-80	-66	-14	37
Share of Profit in Associated Companies	12	57	-51	135	9,904	77	-43	0	154	9,938	0	
<b>Net Income</b>	<b>809</b>	<b>1,589</b>	<b>948</b>	<b>1,944</b>	<b>10,653</b>	<b>1,598</b>	<b>1,835</b>	<b>3,045</b>	<b>5,289</b>	<b>17,449</b>	<b>2,069</b>	-11
<b>Adjusted income</b>	<b>797</b>	<b>1,627</b>	<b>1,044</b>	<b>2,739</b>	<b>842</b>	<b>1,751</b>	<b>1,878</b>	<b>3,045</b>	<b>6,207</b>	<b>7,835</b>	<b>2,069</b>	-9
Margin (%)	4.7%	7.3%	4.4%	9.0%	60.1%	7.1%	7.7%	12.5%	6.4%	19.7%	8.6%	-90

## AAVAS Financiers

BSE SENSEX  
71,645S&P CNX  
21,697

CMP: INR1,504

Neutral

## Conference Call Details



Date: 02/02/2024

[Link for the call](#)

Time: 9.00am IST

Dial in: +91 22 6280 1309

## Financials &amp; Valuations (INR b)

INR b	FY24E	FY25E	FY26E
NII	9.2	11.0	13.4
PPP	6.5	7.9	9.9
PAT	5.0	6.0	7.6
EPS (INR)	62.7	76.4	95.9
EPS Gr. (%)	15	22	26
BV/Sh. (INR)	476	553	649
<b>Ratios (%)</b>			
NIM	5.9	5.8	5.7
C/I ratio	45.5	44.3	42.3
Credit cost	0.14	0.16	0.13
RoA	3.3	3.4	3.5
RoE	14.1	14.8	16.0
<b>Valuation</b>			
P/E (x)	24.0	19.7	15.7
P/BV (x)	3.2	2.7	2.3

## PPoP/PAT miss led by NIM compression and elevated credit costs

## Disbursements weaker than estimates

- AAVAS Financiers Ltd.'s (AAVAS) 3QFY24 PAT grew 9% YOY but declined 4% QoQ to ~INR1.2b (10% miss). NII grew 6% YoY to ~INR2.2b (in line). Other income grew 34% YoY, aided by higher assignment income of INR448m (vs. INR360m YoY) and fee income of ~INR206m (vs. ~INR150m YoY).
- Opex rose ~12% YoY to INR1.35b (in line). Opex to avg. AUM declined to 3.4% (vs. 3.5% QoQ and 3.7% YoY).
- PPoP grew 11% YoY to INR1.6b (~6% miss). Credit costs stood at INR80m (est. ~INR30m) and translated into annualized credit costs of ~20bp (vs. ~15bp QoQ, ~10bp YoY).
- Disbursements were weaker than estimates potentially because of disruptions from the technological transformation and high employee attrition in the prior quarters.

## AUM grew 23% YoY; disbursements up 13% YoY

- AUM grew ~23% YoY to ~INR161b. Disbursements rose 13% YoY to ~INR13.6b (v/s our estimates of ~INR14.2). The share of LAP in the disbursement mix increased ~100bp YoY to ~36%.
- Annualized run-off in the loan-book stood at ~16% (vs. ~21% YoY and ~16% QoQ). Securitization in 3Q amounted to INR3.2b (vs. INR2.2b YoY). Securitization margins were flat QoQ.

## Marginal deterioration in asset quality in a seasonally strong quarter

- Asset quality deteriorated in 3Q, with GS3/NS3 increasing by ~5bp to 1.1%/0.8%. PCR on Stage 3 increased ~5bp QoQ to 27.5%.
- 30+ dpd declined by ~15bp QoQ to 2.7% (vs. 2.85% in 1QFY24). ECL/EAD came in largely stable QoQ at 0.65%. **1+dpd rose ~15bp QoQ to 3.8%**
- CRAR stood at ~45% as of Dec'23 (vs. 48.2% in 2QFY24 and 49.5% in 3QFY23).

## Spreads contracted due to decline in yields and increase in CoF

- The ~25bp QoQ decline in yield (calc.) to ~13.8% and ~20bp increase in CoF (calc.) to 7.7% led to a ~45bp contraction in spreads to 6.1%.
- Reported 9MFY24 NIM declined ~5bp to ~7.95% (vs. 8% in 1HFY24). However, 3QFY24 NIM (calc.) declined ~30bp QoQ to ~7%. Reported spreads declined ~15bp QoQ to 5.1%.

## Valuation and view

AAVAS reported 9MFY24 RoA/RoE of 3.2%/13.5%, impacted by NIM compression and elevated credit costs. It has a sustainable business model that it can utilize to scale up profitably across its existing geographies over the long term. Its constant endeavor to improve its technological edge and its focus on asset quality have made it a standout player among peers. Notably, its 1+DPD remains below comfortable levels of sub-5%, driven by its focus on technology and efficient collection efforts. The company's customer-centric approach and extensive presence help it to achieve steady disbursement growth. Given the investments being made in sourcing, distribution, and technology, we expect the company to start seeing improvements in disbursement growth going ahead.

Quarterly performance

Y/E March	FY23								FY24E				INR m
	FY23				FY24E				FY23	FY24E	3QFY24E	v/s Est.	
	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24					
Interest Income	3,148	3,287	3,585	3,861	4,128	4,259	4,373	4,772	13,882	17,533	4,450	-2	
Interest Expenses	1,347	1,410	1,504	1,650	1,866	2,036	2,166	2,262	5,910	8,330	2,162	0	
<b>Net Income</b>	<b>1,802</b>	<b>1,877</b>	<b>2,082</b>	<b>2,211</b>	<b>2,262</b>	<b>2,223</b>	<b>2,208</b>	<b>2,510</b>	<b>7,971</b>	<b>9,203</b>	<b>2,288</b>	<b>-4</b>	
YoY Growth (%)	20	15	32	23	26	18	6	14	22	15	10		
Other income	380	664	534	641	540	716	719	768	2,220	2,743	745	-4	
<b>Total Income</b>	<b>2,182</b>	<b>2,541</b>	<b>2,616</b>	<b>2,852</b>	<b>2,802</b>	<b>2,938</b>	<b>2,926</b>	<b>3,278</b>	<b>10,191</b>	<b>11,945</b>	<b>3,033</b>	<b>-4</b>	
YoY Growth (%)	37	21	20	18	28	16	12	15	23	17	16		
Operating Expenses	1,026	1,147	1,201	1,203	1,339	1,308	1,349	1,445	4,577	5,441	1,358	-1	
YoY Growth (%)	53	33	32	14	30	14	12	20	31	19	13		
<b>Operating Profits</b>	<b>1,156</b>	<b>1,394</b>	<b>1,415</b>	<b>1,649</b>	<b>1,464</b>	<b>1,631</b>	<b>1,577</b>	<b>1,833</b>	<b>5,614</b>	<b>6,504</b>	<b>1,675</b>	<b>-6</b>	
YoY Growth (%)	26	13	12	22	27	17	11	11	17.6	15.9	18		
Provisions	9	16	35	64	57	65	80	-18	124	184	30	166	
<b>Profit before Tax</b>	<b>1,147</b>	<b>1,378</b>	<b>1,380</b>	<b>1,586</b>	<b>1,407</b>	<b>1,565</b>	<b>1,497</b>	<b>1,851</b>	<b>5,490</b>	<b>6,321</b>	<b>1,645</b>	<b>-9</b>	
Tax Provisions	254	310	307	318	310	348	331	376	1,189	1,365	355	-7	
<b>Profit after tax</b>	<b>892</b>	<b>1,068</b>	<b>1,073</b>	<b>1,268</b>	<b>1,097</b>	<b>1,217</b>	<b>1,166</b>	<b>1,475</b>	<b>4,301</b>	<b>4,955</b>	<b>1,290</b>	<b>-10</b>	
YoY Growth (%)	49	16	20	10	23	14	9	16	20.5	15.2	20		
<b>Key Parameters (%)</b>													
Yield on loans	12.7	12.9	13.0	13.1	13.3	13.2	13.1		13.7	14.0			
Cost of funds	6.9	7.0	7.3	7.6	7.7	7.9	8.0		6.6	7.6			
Spread	5.8	5.9	5.8	5.5	5.6	5.3	5.1		7.1	6.4			
NIM - YTD	7.7	8.2	8.2	8.3	8.0	8.0	7.9		6.2	5.9			
Credit cost	0.0	0.1	0.1	0.2	0.2	0.2	0.2		0.1	0.1			
Cost to Income Ratio (%)	47.0	45.1	45.9	42.2	47.8	44.5	46.1		44.9	45.5			
Tax Rate (%)	22.2	22.5	22.2	20.1	22.0	22.2	22.1		21.7	21.6			
<b>Balance Sheet Parameters</b>													
<b>AUM (INR B)</b>	<b>118.9</b>	<b>125.4</b>	<b>130.9</b>	<b>141.7</b>	<b>146.5</b>	<b>153.2</b>	<b>160.8</b>		<b>141.7</b>	<b>172.2</b>			
Change YoY (%)	23.7	23.6	23.3	24.8	23.2	22.1	22.9		24.8	21.6			
<b>AUM mix (%)</b>													
Home loans	71.1	70.9	70.1	69.9	69.8	69.7	69.3		69.9	69.0			
Mortgage loans	28.9	29.1	29.9	30.1	30.2	30.3	30.7		30.1	31.0			
<b>Loans (INR B)</b>	<b>95.9</b>	<b>100.8</b>	<b>105.5</b>	<b>114.8</b>	<b>119.1</b>	<b>124.0</b>	<b>129.9</b>		<b>114.8</b>	<b>139.5</b>			
% of AUM	80.6	80.4	80.6	81.0	81.3	81.0	80.8		26.8	21.6			
<b>Disbursements (INR B)</b>	<b>10.9</b>	<b>11.5</b>	<b>12.0</b>	<b>15.8</b>	<b>10.7</b>	<b>12.6</b>	<b>13.6</b>		<b>50.2</b>	<b>56.1</b>			
Change YoY (%)	136.5	27.2	26.5	22.9	-2.3	9.7	13.3		39.5	11.7			
<b>Borrowings (INR B)</b>	<b>82.9</b>	<b>85.7</b>	<b>91.6</b>	<b>98.9</b>	<b>106.8</b>	<b>111.4</b>	<b>114.7</b>		<b>98.4</b>	<b>121.4</b>			
Change YoY (%)	27.8	24.1	26.7	24.0		30.0	25.2		23.4	23.3			
Borrowings/Loans (%)	86.4	85.0	86.8	86.2	89.6	89.9	88.3		85.7	87.0			
Debt/Equity (x)	2.9	2.8	2.9	3.0	3.2	3.2	3.2		3.0	3.2			
<b>Asset Quality (%)</b>													
<b>GS 3 (INR M)</b>	<b>1,045</b>	<b>1,113</b>	<b>1,204</b>	<b>1,067</b>	<b>1,193</b>	<b>1,295</b>	<b>1,425</b>		<b>1,067</b>				
G3 %	1.08	1.10	1.13	0.92	1.00	1.04	1.09		0.92				
<b>NS 3 (INR M)</b>	<b>805</b>	<b>848</b>	<b>917</b>	<b>780</b>	<b>872</b>	<b>939</b>	<b>1,033</b>		<b>780</b>				
NS3 %	0.84	0.84	0.87	0.68	0.73	0.76	0.79		0.68				
<b>PCR (%)</b>	<b>22.9</b>	<b>23.8</b>	<b>23.9</b>	<b>26.9</b>	<b>26.9</b>	<b>27.5</b>	<b>27.5</b>		<b>26.9</b>				
ECL (%)	0.67	0.64	0.64	0.62	0.64	0.64	0.65		0.62				
<b>Return Ratios - YTD (%)</b>													
ROA (Rep)	3.2	3.4	3.4	3.5	3.2	3.3	3.2		3.5	3.3			
ROE (Rep)	12.5	13.4	13.6	14.1	13.2	13.6	13.5		14.2	14.1			

E: MOFSL Estimates

# Godrej Agrovet

BSE SENSEX 71,645 S&P CNX 21,697

**CMP: INR566**

**Neutral**

## Conference Call Details



**Date:** 5<sup>th</sup> February '24  
**Time:** 3:30pm IST  
**Dial-in details:**  
[click here](#)

## Operating performance above our estimates

### Performance in 3QFY24

- Godrej Agrovet's consolidated revenue grew 1% YoY to INR23.5b (est. INR23.3b) in 3QFY24.
- EBITDA margin expanded 90bp YoY to 6.8% (est. 6.1%). EBITDA stood at INR1.6b, up 17% YoY (est. INR1.4b) during the quarter.
- Adj. PAT grew 44% YoY to INR918m (est. INR626m), aided by lower effective tax rate of ~21.3% (est. 25.2%) for the quarter.
- For 9MFY24, revenue/EBITDA/Adj. PAT grew 2%/23%/39% YoY to INR74.2b/INR5.5b/INR3b.

### Segmental performance

- The Animal Feed business revenue grew ~1% YoY to INR12.9b. EBIT margin contracted 50bp YoY to 4%. EBIT stood at INR523m, down 10% YoY.
- Palm Oil business revenue declined 2% YoY to INR3.5b. EBIT margin contracted 290bp YoY to 19%. EBIT stood at INR672m, down 15% YoY.
- Crop Protection business revenue grew 3% YoY at INR2.2b. EBIT margin expanded 710bp YoY to 11.1%. EBIT stood at INR248m, up 2.9x YoY.
- Dairy business revenue rose 5% YoY to INR3.6b. Operating profit stood at INR102m in 3QFY24 vs. operating loss of INR136m in 3QFY23.
- Poultry and Processed Food business revenue declined 21% YoY to INR2.2b. Operating loss stood at INR73m in 3QFY24 vs. operating profit of INR132m in 3QFY23.

## Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>25,099</b>	<b>24,453</b>	<b>23,235</b>	<b>20,950</b>	<b>25,102</b>	<b>25,709</b>	<b>23,452</b>	<b>22,342</b>	<b>93,737</b>	<b>96,605</b>	<b>23,313</b>	<b>1</b>
YoY Change (%)	25.9	13.5	11.8	0.7	0	5.1	0.9	6.6	12.9	3.1	0.3	
Total Expenditure	23,483	22,950	21,872	20,204	23,173	23,694	21,861	21,163	88,509	89,891	21,891	
<b>EBITDA</b>	<b>1,616</b>	<b>1,503</b>	<b>1,363</b>	<b>746</b>	<b>1,929</b>	<b>2,014</b>	<b>1,591</b>	<b>1,180</b>	<b>5,228</b>	<b>6,714</b>	<b>1,422</b>	<b>12</b>
Margins (%)	6.4	6.1	5.9	3.6	7.7	7.8	6.8	5.3	5.6	7	6.1	
Depreciation	449	461	469	476	528	529	530	535	1,855	2,122	532	
Interest	216	257	249	270	295	279	251	260	991	1,084	255	
Other Income	77	88	76	126	115	112	84	127	367	438	100	
<b>PBT before EO expense</b>	<b>1,028</b>	<b>873</b>	<b>721</b>	<b>127</b>	<b>1,222</b>	<b>1,318</b>	<b>894</b>	<b>512</b>	<b>2,749</b>	<b>3,946</b>	<b>735</b>	
Extra-Ord expense	0	0	-708	0	0	0	0	0	-708	0	0	
<b>PBT</b>	<b>1,028</b>	<b>873</b>	<b>1,429</b>	<b>127</b>	<b>1,222</b>	<b>1,318</b>	<b>894</b>	<b>512</b>	<b>3,457</b>	<b>3,946</b>	<b>735</b>	
Tax	279	219	334	-8	353	369	191	129	823	1,042	185	
Rate (%)	27.1	25.1	23.4	-6.6	28.9	28	21.3	25.2	23.8	26.4	25.2	
Minority Interest & P/L of Asso. Cos.	-77	-64	-69	-175	-202	-104	-215	-193	-385	-714	-76	
<b>Reported PAT</b>	<b>827</b>	<b>718</b>	<b>1,164</b>	<b>310</b>	<b>1,071</b>	<b>1,053</b>	<b>918</b>	<b>576</b>	<b>3,019</b>	<b>3,618</b>	<b>626</b>	
<b>Adj PAT</b>	<b>827</b>	<b>718</b>	<b>640</b>	<b>310</b>	<b>1,071</b>	<b>1,053</b>	<b>918</b>	<b>576</b>	<b>2,495</b>	<b>3,618</b>	<b>626</b>	<b>47</b>
YoY Change (%)	-22	-34.3	-17.8	-74.6	29.5	46.7	43.5	85.7	-40.6	45	-2.2	
Margins (%)	3.3	2.9	2.8	1.5	4.3	4.1	3.9	2.6	2.7	3.7	2.7	

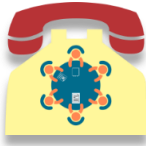
# Avalon Technologies

BSE SENSEX 71,645 S&P CNX 21,697

**CMP: INR525**

**Buy**

## Conference Call Details



**Date:** 2<sup>nd</sup> February 2024  
**Time:** 3:30pm IST  
**Dial-in details:**  
[Click Here](#)

## Earnings below our estimate

- Consolidated revenue declined 8% YoY, while it grew 7% QoQ to INR2.1b (est. INR2.7b) in 3QFY24.
- Gross margin improved 220bp YoY, while it contracted 20bp QoQ to 37%.
- EBITDA declined 18% YoY, while it grew 31% QoQ to INR165m (est. INR256m).
- EBITDA margin was down 100bp YoY, while it rose 140bp QoQ to 7.7% (est. 9.6%).
- Adjusted PAT grew 15% YoY, while it declined 10% QoQ to INR66m (est. of INR144m).
- During 9MFY24, Avalon's revenue/EBITDA/Adj. PAT declined 3%/34%/30% YoY to INR6.5b/INR454m/INR209m.

## Consolidated - Quarterly Earnings Model

Y/E March	(INR m)											
	FY23				FY24				FY23	FY24E	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	%	
<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>3,262</b>	<b>9,447</b>	<b>9,765</b>	<b>2,676</b>	<b>-20</b>
YoY Change (%)	NA	NA	NA	NA	19.9	-17.9	-7.9	20.0	350.4	3.4	15.0	
Total Expenditure	1,765	2,161	2,125	2,307	2,189	1,884	1,977	2,819	8,319	8,869	2,420	
<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>443</b>	<b>1,128</b>	<b>896</b>	<b>256</b>	<b>-35</b>
Margins (%)	10.0	11.7	8.7	15.1	6.9	6.3	7.7	13.6	11.9	9.2	9.6	
Depreciation	46	49	50	52	53	55	60	73	197	241	62	
Interest	71	100	86	95	56	32	36	40	348	165	37	
Other Income	66	64	12	38	51	47	22	45	144	165	40	
<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>375</b>	<b>727</b>	<b>656</b>	<b>197</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>375</b>	<b>727</b>	<b>656</b>	<b>197</b>	
Tax	52	53	21	75	34	13	25	101	202	173	53	
Rate (%)	35.8	26.6	26.7	24.7	32.4	15.2	27.5	27.0	27.8	26.4	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>274</b>	<b>525</b>	<b>483</b>	<b>144</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>274</b>	<b>525</b>	<b>483</b>	<b>144</b>	<b>-54</b>
YoY Change (%)	NA	NA	NA	NA	-23.9	-50.7	14.7	20.6	NA	-8.0	150.8	
Margins (%)	4.7	6.0	2.5	8.4	3.0	3.6	3.1	8.4	5.6	4.9	5.4	

# One 97 Communications

Bloomberg	PAYTM IN
Equity Shares (m)	649
M.Cap.(INRb)/(USDb)	386.8 / 4.7
52-Week Range (INR)	998 / 515
1, 6, 12 Rel. Per (%)	-6/-33/-7
12M Avg Val (INR M)	4006

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	0.0	0.0	0.0
DII	6.1	4.1	1.9
FII	63.7	60.9	72.8
Others	30.2	24.3	25.3

FII Includes depository receipts

**CMP: INR609      TP: INR 575 (-6%)      Neutral**

## Key takeaways from management concall

**PAYTM hosted an analyst call to discuss the impact of the RBI's restrictions on Paytm Payments Bank Ltd (PPBL) and the way forward. Following are the key takeaways:**

- PPBL, an associate company of One97 Communications Ltd. (PAYTM), has received regulatory directives from the RBI and is taking immediate steps to comply with the directives. PPBL users can use their savings account balances, wallets, FASTags, and NCMC account till 29th Feb'24.
- PAYTM, as a payments aggregator for online and offline merchants, works with various banks, including PPBL. Hereon, PAYTM will leverage its relationships with other banks and not with PPBL.
- As directed by the RBI, PAYTM and Paytm Payments Services Ltd. (PPSL) are in the process of moving their nodal accounts from PPBL to other large commercial banks.
- PAYTM's marketing and financial services businesses are not affected by the RBI action on PPBL.

## Partnerships with other banks to expand; other businesses to continue

- PAYTM highlighted that its payments services will continue as usual, while its financial services business may experience a temporary disruption in 4QFY24 as the company will focus on business transition.
- Additionally, on the partnership front, the company intends to collaborate with third-party banks to adhere to new regulations, maintaining operations similar to other payment companies.
- The company noted that products, like FASTag, are already being issued in collaboration with other banks. PAYTM clarified that unrelated businesses such as loan distribution, insurance distribution, and equity broking will continue unaffected by the PPBL situation.
- The Paytm Payment Gateway business for online merchants will continue to offer payment solutions to existing merchants. Offline merchant payment services, including Paytm QR, Paytm Soundbox, and Paytm Card Machine, will also continue, accommodating new offline merchants.

## Existing business to be transitioned to other banks

- To facilitate the business transition, the QR code VPA needs to be migrated to other banks. This extensive process will unfold in two phases: 1) reaching out to merchants and consumers; 2) the actual transition.
- The company anticipates that the terms of the new banks will resemble those of the existing VPA banks.



- As part of the transition, 10-15% of PPBL merchants that are receiving funds will need to shift their settlement accounts to other banks. On the customer side, less than 15% of those with mandates through PPBL must transfer their mandates to other partner banks. PAYTM is currently in discussions with three banks to shift nodal accounts to one of the partner banks.
- It has initiated discussions with NPCI to migrate to other bank accounts. The migration can occur on a one-to-one account basis or involve the transfer of all accounts together. With 40m merchants, the company awaits feedback from NPCI and RBI to begin the migration.

### **Estimate INR3-5b of Adj. EBITDA impact; profitability to improve gradually**

- The company stated that the regulatory measures are anticipated to have an annual impact of INR3-5b on its Adj. EBITDA in the worst-case scenario, affecting both the wallet and merchant services business.
- PAYTM anticipates the continuity of other segments, such as Paytm QR, Paytm Soundbox, and Paytm Card Machine, facilitating the onboarding of new offline merchants. QR codes will remain functional, with only the settlement account transitioning for merchants, ensuring no impact on the payments business. Consequently, the company expects profitability to improve gradually as other businesses remain largely intact.
- Since the existing PPI license (for wallets) belongs to PPBL, which has been barred from on-boarding new customers for the past two years, PAYTM will offer wallet services through other banking partners. For the existing wallet users, PPBL will contact the regulator for the transition of customers.

### **Other highlights**

- For products like FASTag, PPBL is working with PAYTM and other banks to further expand the partnership and the talks are progressing positively.
- Hereon, new users will not have the option to pay from PPBL banking account.
- The company is confident of retaining most merchants on the Paytm platform. It plans to give merchants the option to migrate.
- UPI incentive, which the company usually receives in 4Q, should be broadly similar to what PPBL used to get. It expects a small impact (5-10%) on UPI incentive due to the change in payment bank.
- Wallet is a good product due to its integration with FASTags. Wallet is not significant in terms of GMV, while UPI dominated 75% and Credit card dominated 15%, and the GMV remains quite small for wallets but it has a good contribution to the revenue.
- The company will have to make a few changes to customer journey, like moving out the linking to PPBL. Operational changes are expected to impact EBITDA temporarily; normal business is anticipated to resume from Mar'24 onward.
- There was an agreement between PAYTM and PPBL of no data sharing and both worked at an arm's length. PAYTM thus relied on its own data insights.
- Most of the merchants have various other bank accounts and the company will be giving reminders to the merchants to shift their accounts. If not done so, there will be physical intervention from the sales distribution team. The

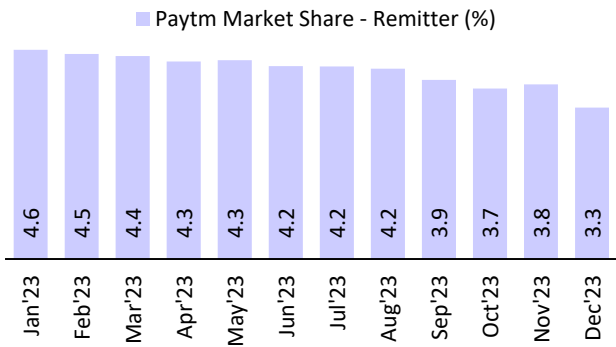
company at present has 40m merchant accounts and 12-15% of the nodal accounts are linked to PPBL.

- PAYTM acquires PoS machines from various banks, and PPBL was one of the acquirers. PPBL will only have to migrate the wallet VBA to other banks.
- PAYTM is engaging with multiple banks for payments business; emphasis will be much more on compliance and governance going forward.
- The nodal account is tech backed and has a lot of flexibility. This is already being addressed by the tech side of the company. The account shifted to other banks will have 99% similar features to those of the existing account.
- After the embargo, PAYTM partnered with other banks for FASTag services; a similar transition is expected for other businesses.

**Valuation and view**

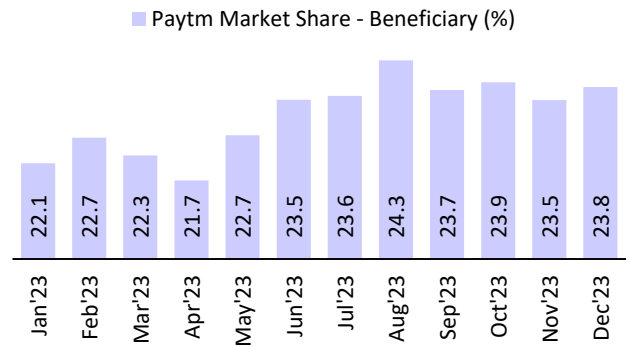
- The RBI's recent punitive actions will significantly affect Paytm's business performance.
- While the regulator had previously restricted new customer onboarding at PPBL, the latest measures go further, preventing PAYTM from conducting any credit or deposit transactions after 29th Feb'24.
- Apart from impacting payments, these measures will also affect PAYTM's financial business, as the company cross-sells financial products to platform users.
- We maintain a watchful stance on the resilience of PAYTM's business model and its ability to navigate the uncertain regulatory and macro environment. We maintain our Neutral rating with a TP of INR575.

**Exhibit 1: PAYTM's market share as remitter stands at ~3-4%**



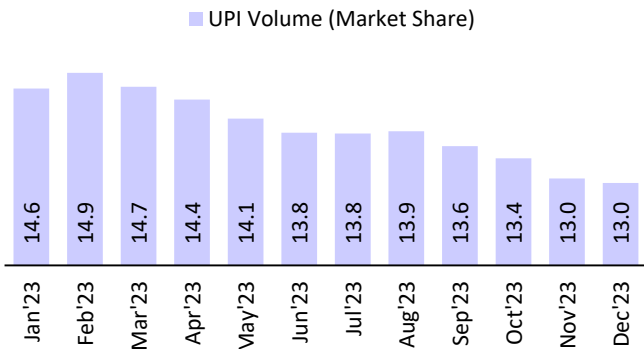
Source: MOFSL, Company

**Exhibit 2: Beneficiary market share stands at ~24%**



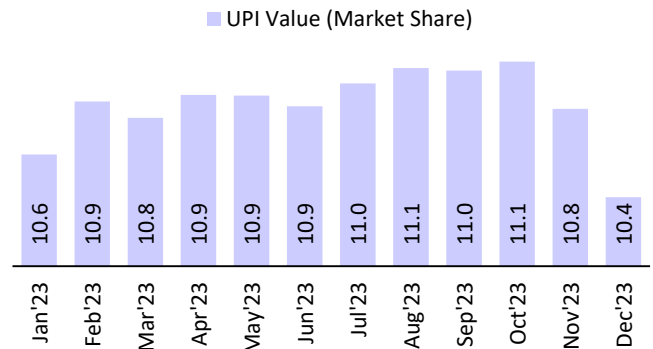
Source: MOFSL, Company

**Exhibit 3: PAYTM's UPI volume market share stands at 13%**



Source: MOFSL, Company

**Exhibit 4: In value terms UPI market share stands at 10.4%**



Source: MOFSL, Company

**Exhibit 5: Chronology of regulatory orders at Paytm**

Year	Regulations	Description	Site
2019	PIL against Paytm postpaid wallet	<p>1.PIL claims that PPBL’s postpaid service was operating contrary to the existing law and guidelines regulating such entities.</p> <p>2.The plea has sought directions to RBI "to take appropriate punitive actions against the Paytm Payments Bank Limited". The petition has also claimed that any new product launched by the payments bank needs prior approval of RBI, but in the instant case the central bank was not informed by Paytm about its 'post paid' service.</p> <p>3. The plea has also sought an investigation "against the directors, management and officers of the Paytm Payments Bank Ltd for alleged malpractice and violation of provision of Article 21 of the Indian Constitution, Banking Regulations Act, Payments and Settlements Act and other relevant banking acts". It has further sought directions to transfer all the profits earned from the Paytm 'post paid' service to the Prime Minister's Relief Fund for the welfare of the nation.</p>	<a href="https://www.livemint.com/industry/banking/pil-against-paytm-post-paid-wallet-rbi-company-oppose-it-1567608600373.html">https://www.livemint.com/industry/banking/pil-against-paytm-post-paid-wallet-rbi-company-oppose-it-1567608600373.html</a>
Mar, 2022	Regulatory approval for new customer on-boarding to boost investor confidence	<p>1.The RBI in Mar’22 barred Paytm Payments Bank from onboarding new customers, citing “material supervisory concerns” observed at the bank. The regulator also directed the bank to appoint an information technology (IT) audit firm to conduct a comprehensive audit of its IT system.</p> <p>2.In Nov’22, the management received the IT auditors’ report and subsequently the RBI’s observations on that report. These revolved largely around the strengthening of IT outsourcing processes and operational risk management.</p> <p>3. The management then submitted a response to the RBI, mentioning the remedial steps that would be taken. Post this, the RBI suggested to implement these measures in a time-bound manner.</p> <p>4. The bank is in the process of complying with these instructions and believes that the ban on new customer sourcing should be lifted in the near term. The ban has not materially impacted the overall business.</p> <p>5.It has also received the RBI’s approval to appoint veteran banker Mr. Surinder Chawla as its new Managing Director and CEO.</p>	<a href="https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR18504603E66DE7F84EB5A02479326FE5152B.PDF">https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR18504603E66DE7F84EB5A02479326FE5152B.PDF</a>
Nov,2022	Paytm Payments Services Limited: Awaiting payment months. It further asked the company to stop onboarding new online merchants from RBI and the approval to source online merchants	<p>1.The RBI did not approve Paytm’s payment aggregator application in the first go and instead asked the company in Nov’22 to resubmit its application after four months. It further asked the company to stop onboarding new online merchants. These directions have not materially impacted the business and revenue, as the ban was applicable to onboarding of only new online merchants. The company continues to onboard new offline merchants and offers all payment services.</p> <p>2. These directions have not materially impacted the business and revenue, as the ban was applicable to onboarding of only new online merchants. The company continues to onboard new offline merchants and offers all payment services.</p> <p>3. Further, as per the RBI, the company has filed an application with the government for past downward investment from One97 Communications Limited into PPSL to comply with FDI guidelines.</p>	<a href="https://www.livemint.com/companies/news/rbi-rejects-paytm-s-plea-for-payment-aggregator-license-11669438408274.html">https://www.livemint.com/companies/news/rbi-rejects-paytm-s-plea-for-payment-aggregator-license-11669438408274.html</a>
Oct, 2023	RBI imposes INR5.4cr penalty on Paytm payments bank	<p>RBI imposes INR 5.39 Cr Penalty On Paytm Payments Bank For Violating KYC Norms.</p> <p>The fine was imposed on the payments bank for violating norms related to cybersecurity and stringent monitoring of risk profiles of onboarded entities. The deficiencies in regulatory compliances came to the fore after a special scrutiny of the Paytm Payments Bank was undertaken by the RBI to check adherence to KYC/AML rules.</p>	<a href="https://www.livemint.com/companies/news/rbi-slaps-rs-5-4-crore-fine-on-paytm-payments-bank-over-non-compliance-of-guidelines-related-to-kyc-cybersecurity-11697110148025.html">https://www.livemint.com/companies/news/rbi-slaps-rs-5-4-crore-fine-on-paytm-payments-bank-over-non-compliance-of-guidelines-related-to-kyc-cybersecurity-11697110148025.html</a>
Jan,2024	Stop onboarding of new customers with immediate effect	<p>1.No further deposits or credit transactions or top ups shall be allowed in any customer accounts, prepaid instruments, wallets, FASTags, NCMC cards, etc. after February 29, 2024, other than any interest, cashbacks, or refunds which may be credited anytime.</p> <p>2.Withdrawal or utilisation of balances by its customers from their accounts including savings bank accounts, current accounts, prepaid instruments, FASTags, National Common Mobility Cards, etc. are to be permitted without any restrictions, up to their available balance.</p> <p>3. No other banking services, other than those referred in (ii) above, like fund transfers (irrespective of name and nature of services like AEPS, IMPS, etc.), BBPOU and UPI facility should be provided by the bank after February 29, 2024.</p> <p>4. The Nodal Accounts of One97 Communications Ltd and Paytm Payments Services Ltd. are to be terminated at the earliest, in any case not later than February 29, 2024.</p> <p>5.Settlement of all pipeline transactions and nodal accounts (in respect of all transactions initiated on or before February 29, 2024) shall be completed by March 15, 2024 and no further transactions shall be permitted thereafter.</p>	<a href="https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR1774PPBLBEDADC47266E41F7A65307C63180E2B1.PDF">https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR1774PPBLBEDADC47266E41F7A65307C63180E2B1.PDF</a>

# Airtel Africa

BSE SENSEX

71,645

S&amp;P CNX

21,697



## Currency devaluation hurts profitability

### Revenue/EBITDA up 6%/5% QoQ in constant currency (CC) terms

Airtel Africa reported a revenue/EBITDA decline of 1% QoQ each to USD1.2b/USD604m in 3QFY24 because of the impact of the Nigerian naira devaluation. In CC terms, revenue/EBITDA grew 6%/5% QoQ to USD1.3b/USD680m, led by growth in Nigeria (+12% YoY) and East Africa (+5% YoY). Subscribers rose 2% QoQ (+3.5m additions) to 151m, and ARPU improved 4% QoQ to USD2.6. Reported PAT dipped 80% QoQ to USD28m due to forex fluctuations.

### Nigeria leads the improved performance

- Nigeria's CC revenue reported a sequential growth of 12% to USD402m, supported by the 8%/4% QoQ increase in blended ARPU/subscriber base to USD2.7/51m. Voice/Data revenue grew 17%/7% QoQ, led by an increase in ARPU and subscribers. EBITDA in CC terms improved 14% QoQ to USD223m, and margin stood at 55.5% (+120bp QoQ). The churn improved 30bp QoQ to 2.8% during 3QFY24.
- East Africa's revenue grew 5% QoQ to USD587m, led by 5% QoQ growth in ARPU and 1% QoQ growth in subscribers. The decline in Voice ARPU was offset by subscriber growth, which led to flat revenue. Data revenue was up 6% QoQ, led by 5%/4% QoQ growth in ARPU/subscribers. EBITDA in CC terms improved 3% QoQ to USD310m, and margin stood at 52.8% (-90bp QoQ). The churn remained elevated at 4.4% (+60bp QoQ) in 3QFY24.
- Francophone Africa reported a sequential revenue growth of 2% (in CC) to USD347m driven by 2% QoQ increase in subscriber base. The decline in Voice ARPU was offset by subscriber growth, which led to a 1% decline in voice revenue. Data revenue grew 4% QoQ, led by a rise in subscriber base. EBITDA in CC terms remained flat QoQ at USD160m, while margin contracted to 46.1% (-120bp QoQ). The churn improved 20bp QoQ to 6.1%.

### FCF declines 3% YoY

- The capex for 9MFY24 stood at USD494m (vs. USD457m in 9MFY23). The operating FCF for 9MFY24 declined 3% YoY to USD1.4b, due to a 1% YoY decline in EBITDA and higher capex.
- Net debt remained flat at USD3.3b in 3QFY24.

### Highlights from the management commentary

- **Capex guidance** for the full year remains between USD800m and USD825m, as the company continues to invest in future growth. The company has not given a capex guidance for FY25, but it would remain around 14-15%.
- The remaining debt at HoldCo is USD550m, falling due in May'24, and the Group is expecting to fully **repay the HoldCo debt**.
- The Board intends to launch a **share buy-back** program of up to USD100m, starting Mar'24, over a 12-month period.

- The company will **invest in new opportunities**, such as its new data center business, post-Holdco debt repayment.

### Valuation continues to remain compelling

- Airtel Africa is trading at 3x on FY26E. Further, if we exclude the ~11% stake that was sold in the Mobile Money business to MasterCard and TPG Group at a 12x valuation, the remaining Airtel Africa business (growing at over ~14% over FY20-24) is valued at 2.3x on FY26. Over FY19-24, Airtel Africa has consistently delivered strong EBITDA growth at ~14% CAGR. A strong balance sheet with low leverage and healthy FCF further adds to its strong capabilities. Assuming a 4x multiple, there could be a potential 4% upside for Bharti Airtel. **Our SOTP-based TP for Bharti stands at INR1,200, which includes a value of INR97/share from Airtel Africa at 4x EV/EBITDA for FY26E.**

### Key takeaways from the management interaction

#### Key highlights

- **Capex guidance** for the full year remains between USD800m and USD825m, as the company continues to invest in future growth. The company has not given a capex guidance for FY25, but it would remain around 14-15%.
- The remaining debt at HoldCo is USD550m, falling due in May'24, and the Group is expecting to fully **repay the HoldCo debt**.
- The Board intends to launch a **share buy-back** program of up to USD100m, starting Mar'24, over a 12-month period.
- The company will invest in **new opportunities**, such as its new data center business, post-Holdco debt repayment.

#### Detailed highlights

##### Strategy

- **Capex guidance** for the full year remains between USD800m and USD825m, as the **company** continues to invest in future growth.
- The remaining debt at HoldCo is USD550m, falling due in May'24. Cash at the HoldCo was USD560m and the Group is expecting to fully repay the HoldCo debt when due, thereby **de-risking its balance sheet**. This will allow the company to continue investing in strategic priorities such as the new data center business, and Nextra by Airtel.
- The Board **intends** to launch a **share buy-back** program of up to USD100m, starting Mar'24, over a 12-month period.

##### Quarterly performance

- The devaluation of the Nigerian naira in June 2023 and the Malawian kwacha in November 2023 hurt the company's profitability.

##### NIN directive by NCC

- Airtel Nigeria does not **have** a significant number of customers generating material revenues that have yet to submit their NINs for verification. There are ~9.2m customers that are currently going through the process of NIN verification. Since the directive was issued in Dec'23, 4.5m customers have already been verified.

- In Dec'23, the **Nigerian** Communications Commission (NCC) informed Airtel Nigeria, in an industry-wide directive, to undertake full network barring all SIMs that have failed to submit their National Identity Numbers (NIN) on or before 28<sup>th</sup> Feb'24.

### Uganda IPO

- On 29<sup>th</sup> Aug'23, Airtel Uganda Limited issued a prospectus in relation to the offer for sale of 8b ordinary shares, representing 20% of Airtel Uganda Limited on the Uganda Stock Exchange (USE).
- On completion of the IPO, 4.3b shares (10.89% of Airtel Uganda's total share capital) were transferred to minority shareholders, while the entire 40b shares began trading on the USE.
- Airtel Uganda received a three-year waiver from the Uganda Securities Exchange from the requirement to transfer the remaining 9.11% that are required to meet the 20% shareholding listing requirement.

#### Exhibit 6: Airtel Africa's consolidated performance (CC, USD m)

Bharti Africa - In Constant Currency	3QFY23	2QFY24	3QFY24	YoY%	QoQ%
Revenue	1,103	1,260	1,335	21.0	6.0
Total Expenditure	693	645	680	-1.9	5.4
EBITDA	534	625	658	23.2	5.3
EBITDA margin (%)	48.4%	49.6%	49.3%	87.5	-31
Depreciation	227	200	213	-6.2	6.5
ARPU (USD)	3.1	2.5	2.6	-16.1	4.0
Subscriber base (000's)	139	148	151	9.2	2.4

#### Exhibit 7: Airtel Africa's consolidated performance (reported currency, USD m)

Bharti Africa - In Reported Currency	3QFY23	2QFY24	3QFY24	YoY%	QoQ%
Revenue	1,350	1,246	1,238	-8.3	-0.6
Total Expenditure	692	635	634	-8.4	-0.2
EBITDA	658	611	604	-8.2	-1.1
EBITDA margin (%)	48.7%	49.0%	48.8%	4.8	-25
Depreciation	215	197	198	-7.9	0.5
Net Finance Cost	161	190	365	126.7	92.1
Other Income	3	9	2	-33.3	-77.8
PBT	285	233	43	-84.9	-81.5
Tax	92	95	28	-69.6	-70.5
PAT	193	138	28	-85.5	-79.7

#### Exhibit 8: Segment-wise quarterly KPI

Africa Consolidated (in CC USDm)	3QFY23	2QFY24	3QFY24	YoY%	QoQ%
<b>Segmental Revenue</b>					
Voice Revenue	683	556	581	-14.9	4.5
Data Revenue	479	435	461	-3.8	6.0
Mobile Money Revenue	189	212	230	21.7	8.5
<b>Segmental ARPUs</b>					
Voice ARPU	1.7	1.3	1.3	-23.5	0.0
Data ARPU	3.2	2.5	2.5	-21.9	0.0
Mobile Money ARPU	2.0	2.0	2.1	3.9	5.0
<b>Segmental Subscribers (m)</b>					
Voice Subscribers	139	148	151	9.2	2.4
Data Subscriber	51	60	63	22.2	4.8
Mobile Money Subscribers	31	37	38	19.4	2.7
<b>Segmental KPIs</b>					
Subscriber base (m)	139	148	151	9.2	2.4
Net adds (QoQ) (m)	3.8	4.6	3.5	-7.9	-23.9
Monthly Churn	4.2%	4.1%	4.3%	10bps	20bps
ARPU (blended)	3.1	2.5	2.6	-16.1	4.0

**Exhibit 9: Consolidated segment-wise summary**

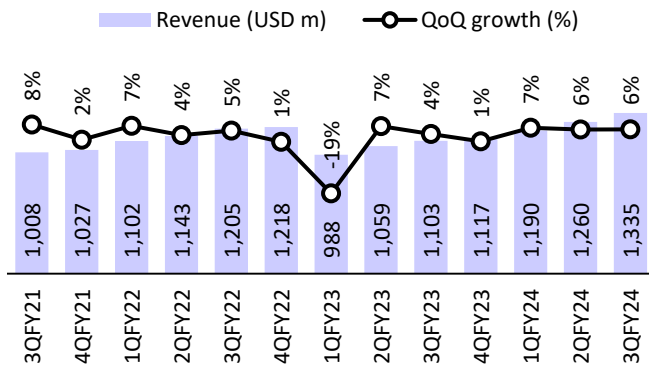
in Constant Currency USDm	3QFY23	2QFY24	3QFY24	YoY%	QoQ%
<b>Regional Revenue</b>					
Nigeria	322	359	402	24.8	12.0
East Africa	468	561	587	25.4	4.6
Rest of Africa	314	340	347	10.5	2.1
<b>Regional EBITDA</b>					
Nigeria	168	195	223	32.7	14.4
East Africa	255	301	310	21.6	3.0
Rest of Africa	137	161	160	16.8	-0.6
<b>Regional EBITDA Margins</b>					
Nigeria	52.2%	54.3%	55.5%	330bps	116bps
East Africa	54.5%	53.7%	52.8%	-168bps	-84bps
Rest of Africa	43.6%	47.4%	46.1%	248bps	-124bps

**Exhibit 10: Airtel Africa's consolidated region-wise performance**

Region Wise Performance (in CC USDm)	3QFY23	2QFY24	3QFY24	YoY%	QoQ%
<b>Nigeria Segmental Performance</b>					
Voice Revenue	299	165	193	-35.5	17.0
Voice ARPU	2.1	1.1	1.3	-38.1	18.2
Voice Subscribers	48	49	51	5.6	3.9
Data Revenue	238	161	172	-27.7	6.8
Data ARPU	3.7	2.2	2.3	-37.8	4.5
Data Subscribers	22	24	26	18.6	7.9
<b>Other KPIs</b>					
Subscriber base (m)	48	49	51	5.6	3.9
Net adds (m)	1.5	0.4	1.9	26.7	375.0
Monthly Churn	3.3%	3.1%	2.8%	-50bps	-30bps
ARPU (blended)	4.1	2.5	2.7	-34.1	8.0
<b>East Africa Segmental Performance</b>					
Voice Revenue	224	233	232	3.6	-0.4
Voice ARPU	1.2	1.2	1.1	-8.3	-8.3
Voice Subscribers (m)	62	68	69	10.6	1.3
Data Revenue	145	160	170	17.2	6.3
Data ARPU	2.4	2.1	2.2	-8.3	4.8
Data Subscribers (m)	21	26	27	25.5	3.5
<b>Other KPIs</b>					
Subscriber base (m)	62	68	69	10.6	1.3
Net adds (m)	1.0	3.1	0.9	-10.0	-71.0
Monthly Churn	4.3%	3.8%	4.4%	10bps	60bps
ARPU (blended)	2.2	2.1	2.2	0.0	4.8
<b>Rest of Africa Segmental Performance</b>					
Voice Revenue	162	159	157	-3.1	-1.3
Voice ARPU	1.9	1.8	1.7	-8.7	-5.6
Voice Subscribers (m)	28	31	32	11.8	2.3
Data Revenue	96	114	119	24.0	4.4
Data ARPU	3.8	4.0	4.0	3.9	0.0
Data Subscribers (m)	8.1	9.9	10.0	23.5	1.0
<b>Other KPIs</b>					
Subscriber base (m)	28	31	32	11.8	2.3
Net adds (m)	1.3	1.0	0.7	-46.2	-30.0
Monthly Churn	5.7%	6.3%	6.1%	40bps	-20bps
ARPU (blended)	3.5	3.4	3.3	-5.7	-2.9

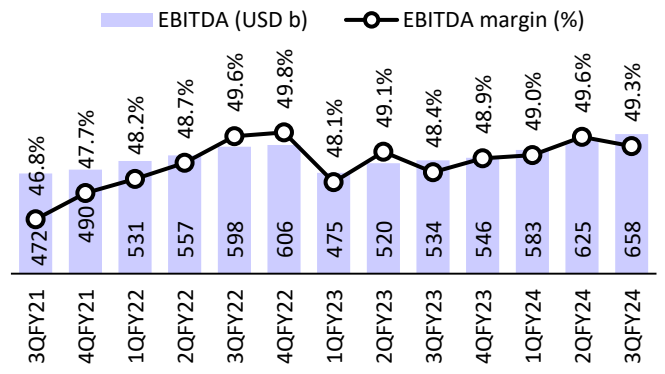
## Key exhibits

**Exhibit 11: Africa revenue up 6% QoQ (CC terms)**



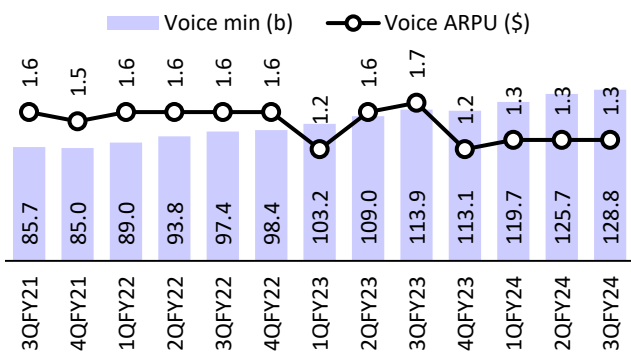
Source: MOFSL, Company

**Exhibit 12: EBITDA up 5% QoQ**



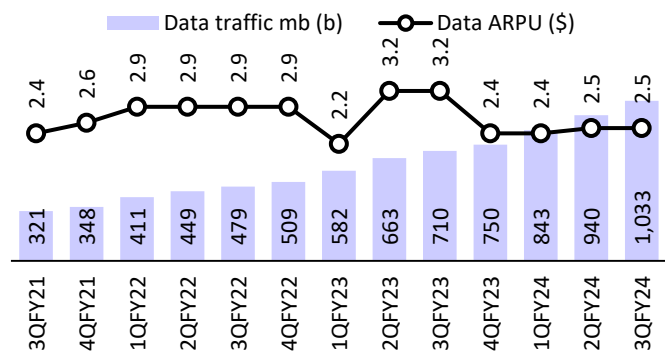
Source: MOFSL, Company

**Exhibit 13: Voice ARPU/mins improved**



Source: MOFSL, Company

**Exhibit 14: Data ARPU and traffic improved**



Source: MOFSL, Company

**Exhibit 15: Valuation**

**Valuation Summary (USD m)**

	FY23	FY26
Price (GBX)	113	113
Currency conversion	1.3	1.3
Price (USD)	1.43	1.4
No of Shares (m)	3,758	3,758
Market Cap (USDm)	5,365	5,365
Net Debt (including lease liability)	3,524	3,281
Enterprise Value	8,889	8,646
EBITDA (USDm)	2,557	2,914
EV/EBITDA (x)	3.5	3.0
Airtel Money's stake sale valuation	2,650	2,650
EBITDA (when sold- FY21)	216	216
EV/EBITDA (x)	12.3	12.3
Valuation (Ex of Mobile Money)		
EV (ex Airtel Money)	6,239	5,996
EBITDA (ex Airtel Money)	2,230	2,569
EV/EBITDA (x)	2.8	2.3

Source: MOFSL, Company



# Automobiles

“The industry stock in the beginning of the year was small due to various supply chain constraints and the demand was higher than the supply. These are not there this year – 2024. With the base becoming quite high, my expectation is that the year 2024 should be at good level as the GDP growth is positive for the industry. I would expect on a high base, low growth or a single-digit growth for the industry over 2023.

-Mr. Shashank Srivastava,  
Senior executive officer,  
Marketing and Sales, MSIL

## Jan'24: PVs surprised positively

### ...however, tractors and CVs decline

In Jan'24, overall dispatches across segments were in line with expectations, except for PVs/3Ws. Post inventory correction in Nov/Dec, PV wholesales grew 15% YoY with UVs growing 31% YoY. However, we noted that retail sales are expected to grow in single digits, as mentioned in our channel check note. 2W domestic dispatches grew 23% YoY, while exports improved 19% YoY. CV volumes declined 2% YoY, with MHCVs declining 3% YoY and LCVs remaining flat. Tractors declined 15% YoY on account of subdued agricultural activities, which is expected to pick up in the coming months. We believe demand momentum in 2Ws should continue to grow in the coming months, driven by factors such as increased demand due to weddings and a recovery in rural economy. CV demand growth is expected to slightly moderate in 4Q, due to the high base effect, and halt in new orders by the government before the elections. Tractor wholesales remained weak, but retails are expected to see double-digit growth.

- **2Ws dispatches grew 22% YoY (in line):** Overall 2W dispatches were in line, led by HMCL/BJAUT/TVSL, while RE was above est. Wholesales for HMCL/BJAUT/TVSL/RE grew 22%/27%/25%/2% YoY. Both domestic and export dispatches grew 23% YoY and 19% YoY, respectively. Our channel check note indicates that demand is steady in the domestic market; however, we expect potential challenges in the export recovery, primarily due to disruptions caused by the Red Sea crisis.
- **PVs (Above est.) – Dispatches grew 15.5% YoY (UVs grew 31% YoY):** Volumes for MSIL came in at 199.4k units (grew 15% YoY), while TTMT grew 12% YoY at ~54k units. MM UVs (incl pickups) grew 16% YoY to 66k units. We expect UVs to continue seeing sustained growth, while entry-level PVs to remain under pressure in the near term..
- **CVs (in line) – Dispatches declined 2% YoY:** MHCV volumes declined ~3% YoY, while LCVs volumes remained flat YoY. TTMT/AL/VECV volumes declined 2%/7%/2% YoY. We believe CV demand growth to slightly moderate in 4Q due to the high base effect. However, given macro tailwinds and resumption in tenders in underlying industries, we believe fundamental demand to remain intact, resulting in a rebound from FY25.
- **Tractors (in line) – Dispatches declined 15% YoY:** MM/ESC volumes declined 17%/7% YoY. As per M&M, “Retail momentum slowed down on account of tapering of agricultural activities. Rabi crop output is expected to be good with prevailing cold conditions helping the key crop of wheat. Government announcement of a good estimate of Horticulture production, and continued government support to boost rural economy will aid positive sentiments and support tractor demand in the coming months”. As per ESC, “The delay in Rabi sowing and lower water reservoir levels, especially in Central and Southern regions, has negatively impacted rural sentiments and affected tractor sales in the current month. However, with overall improved Rabi sowing and as we move towards the harvest season, we anticipate demand momentum to improve in the upcoming months”.

Surprise (Variance %)	In line (Variance %)	Disappointment (Variance %)
MSIL (+24%)	MM Tractors (-3%)	EIM VECV (-7%)
TTMT PV (+13%)	TVSL (-1%)	
MM UVs (+13%)	TTMT CV (-2%)	
EIM RE (+5%)	HMCL (-3.5%)	
	AL (-2.5%)	
	ESC (-1%)	
	BJAUT (+1.7%)	

- **Valuation and view:** We prefer 2Ws within the sector as we are already witnessing a reversal in demand patterns, wherein, we anticipate better growth potential in 2Ws compared to other segments over FY23-26E. On the other hand, we turn cautious on PV growth outlook due to a slowdown in demand trend and high base. M&M and HMCL are our top OEM picks. Among auto component stocks, we prefer ENDU.

**Snapshot of volumes for Jan-24 (incl Exports) \***

Company Sales	YoY			MoM			FY24YTD	FY23YTD	(% chg)	FY24E	Gr (%)
	Jan-24	Jan-23	YoY (%) chg	Dec-23	MoM (%) chg						
<b>2W</b>	<b>11,47,970</b>	<b>9,39,388</b>	<b>22.2</b>	<b>10,30,404</b>	<b>11.4</b>	<b>118,85,798</b>	<b>110,04,877</b>	<b>8.0</b>	<b>1,42,98,991</b>	<b>9.0</b>	
PVs	3,15,954	2,73,630	15.5	2,32,022	36.2	28,00,124	25,65,479	9.1	33,54,362	16.1	
3Ws	62,987	61,855	1.8	60,946	3.3	7,10,575	5,93,453	19.7	8,73,708	22.9	
M&HCVs	32,256	33,288	-3.1	36,417	-11.4	3,08,844	2,92,774	5.5	4,14,140	7.7	
LCVs	28,579	28,840	-0.9	26,198	9.1	2,70,903	2,85,629	-5.2	3,35,655	-3.8	
CVs	<b>60,835</b>	<b>62,128</b>	<b>-2.1</b>	<b>62,615</b>	<b>-2.8</b>	<b>5,79,747</b>	<b>5,78,403</b>	<b>0.2</b>	<b>7,49,795</b>	<b>2.2</b>	
Tractors	30,133	35,575	-15.3	23,674	27.3	4,11,480	4,31,914	-4.7	5,05,727	-1.0	

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

**Snapshot of volumes for Jan-24**

Company Sales	YoY			MoM			FY24YTD	FY23YTD	(% chg)	FY24E	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate	FY24 YTD Monthly Run rate
	Jan-24	Jan-23	YoY (%) chg	Dec-23	MoM (%) chg									
<b>Maruti Suzuki</b>	<b>1,99,364</b>	<b>1,72,535</b>	<b>15.5</b>	<b>1,37,551</b>	<b>44.9</b>	<b>17,50,796</b>	<b>16,23,772</b>	<b>7.8</b>	<b>20,84,391</b>	<b>6.0</b>	<b>-2.6</b>	<b>1,66,797</b>	<b>1,75,080</b>	
LCVs	3,412	4,019	-15.1	1,714	99.1	27,025	30,626	-11.8	32,305	-15.0	-28.5	2,640	2,703	
Vans	12,019	11,709	2.6	10,034	19.8	1,13,113	1,07,844	4.9	1,35,783	3.5	-2.9	11,335	11,311	
Mini Segment	15,849	25,446	-37.7	2,557	519.8	1,15,483	1,99,454	-42.1	1,29,104	-44.6	-59.3	6,811	11,548	
Compact (incl Dzire Tour)	81,762	77,615	5.3	49,916	63.8	7,35,036	7,43,640	-1.2	8,85,511	-1.9	-5.5	75,237	73,504	
Mid Size - CIAZ	363	1,000	-63.7	489	-25.8	9,266	12,518	-26.0	12,249	-10.0	173.2	1,492	927	
UVs	62,038	35,353	75.5	45,957	35.0	5,22,625	3,17,683	64.5	6,12,509	57.7	27.3	44,942	52,263	
Domestic	1,75,443	1,55,142	13.1	1,10,667	58.5	15,22,548	14,11,765	7.8	18,07,460	20.7	232.4	1,42,456	1,52,255	
Export	23,921	17,393	37.5	26,884	-11.0	2,28,248	2,12,007	7.7	2,76,930	6.8	2.9	24,341	22,825	
<b>Mahindra &amp; Mahindra</b>	<b>97,892</b>	<b>93,261</b>	<b>5.0</b>	<b>79,326</b>	<b>23.4</b>	<b>10,14,293</b>	<b>9,20,314</b>	<b>10.2</b>	<b>12,38,383</b>	<b>12.0</b>	<b>20.7</b>	<b>1,12,045</b>	<b>1,01,429</b>	
UV (incl. pick-ups)	65,969	56,825	16.1	52,510	25.6	6,04,476	5,18,611	16.6	7,36,983	17.0	19.1	66,254	60,448	
LCV & M&HCV	2,326	948	145.4	2,371	-1.9	12,975	7,490	73.2	13,662	36.1	-73.0	344	1,298	
Three-Wheelers	5,649	6,562	-13.9	5,307	6.4	66,152	47,473	39.3	84,269	44.0	64.0	9,058	6,615	
Tractors	23,948	28,926	-17.2	19,138	25.1	3,30,690	3,46,740	-4.6	4,03,470	-1.0	19.7	36,390	33,069	
<b>Tata Motors</b>	<b>86,125</b>	<b>81,069</b>	<b>6.2</b>	<b>77,855</b>	<b>10.6</b>	<b>7,90,375</b>	<b>7,83,873</b>	<b>0.8</b>	<b>9,77,549</b>	<b>2.4</b>	<b>9.6</b>	<b>93,587</b>	<b>79,038</b>	
HCV's	14,972	15,057	-0.6	17,591	-14.9	1,43,996	1,37,678	4.6	1,92,840	6.6	13.2	24,422	14,400	
LCV's	17,120	17,723	-3.4	16,589	3.2	1,74,502	1,92,473	-9.3	2,19,416	-5.7	11.6	22,457	17,450	
CV's	<b>32,092</b>	<b>32,780</b>	<b>-2.1</b>	<b>34,180</b>	<b>-6.1</b>	<b>3,18,498</b>	<b>3,30,151</b>	<b>-3.5</b>	<b>4,12,256</b>	<b>-0.3</b>	<b>12.4</b>	<b>46,879</b>	<b>31,850</b>	
PVs	54,033	48,289	11.9	43,675	23.7	4,71,877	4,53,722	4.0	5,65,293	4.5	6.9	46,708	47,188	
<b>Hero MotoCorp</b>	<b>4,33,598</b>	<b>3,56,690</b>	<b>21.6</b>	<b>3,93,952</b>	<b>10.1</b>	<b>46,62,630</b>	<b>44,14,744</b>	<b>5.6</b>	<b>56,05,347</b>	<b>5.2</b>	<b>3.2</b>	<b>4,71,358</b>	<b>4,66,263</b>	
<b>Bajaj Auto</b>	<b>3,56,010</b>	<b>2,88,130</b>	<b>23.6</b>	<b>3,26,806</b>	<b>8.9</b>	<b>36,38,367</b>	<b>33,56,231</b>	<b>8.4</b>	<b>43,41,848</b>	<b>10.5</b>	<b>23.1</b>	<b>3,51,741</b>	<b>3,63,837</b>	
Motorcycles	3,08,248	2,43,242	26.7	2,83,001	8.9	31,19,354	29,60,648	5.4	37,09,177	7.7	22.3	2,94,911	3,11,935	
Two-Wheelers	3,08,248	2,43,242	26.7	2,83,001	8.9	31,19,354	29,60,648	5.4	37,09,177	7.7	22.3	2,94,911	3,11,935	
Three-Wheelers	47,762	44,888	6.4	43,805	9.0	5,19,013	3,95,583	31.2	6,32,672	30.4	27.1	56,829	51,901	
Domestic	2,30,043	1,75,405	31.1	1,90,919	20.5	22,87,436	17,66,971	29.5	26,66,308	26.6	11.5	1,89,436	2,28,744	

Company Sales	YoY			MoM							Residual Growth (%)	Residual Monthly Run rate	FY24 YTD Monthly Run rate
	Jan-24	Jan-23	YoY (%) chg	Dec-23	MoM (%) chg	FY24YTD	FY23YTD	(%) chg	FY24E	Gr. (%)			
Exports	1,25,967	1,12,725	11.7	1,35,887	-7.3	13,50,931	15,89,260	-15.0	16,75,541	-8.0	39.9	1,62,305	1,35,093
<b>Ashok Leyland</b>	<b>15,939</b>	<b>17,200</b>	<b>-7.3</b>	<b>16,324</b>	<b>-2.4</b>	<b>1,54,355</b>	<b>1,49,708</b>	<b>3.1</b>	<b>2,02,827</b>	<b>5.5</b>	<b>14.1</b>	<b>24,236</b>	<b>15,436</b>
M&HCV	10,218	11,050	-7.5	10,800	-5.4	97,954	94,668	3.5	1,32,555	6.8	17.5	17,301	9,795
LCV	5,721	6,150	-7.0	5,524	3.6	56,401	55,040	2	70,272	3.2	6.2	6,935	5,640
<b>TVS Motor</b>	<b>3,39,513</b>	<b>2,75,115</b>	<b>23.4</b>	<b>3,01,898</b>	<b>12.5</b>	<b>34,67,978</b>	<b>30,88,766</b>	<b>12.3</b>	<b>42,19,127</b>	<b>14.6</b>	<b>27.0</b>	<b>3,75,574</b>	<b>3,46,798</b>
Motorcycles	1,55,611	1,21,042	28.6	1,48,049	5.1	16,34,709	14,65,763	11.5	19,79,117	14.2	28.8	1,72,204	1,63,471
Scooters	1,32,290	1,06,537	24.2	1,03,167	28.2	13,22,611	11,00,283	20.2	16,19,722	21.4	27.2	1,48,556	1,32,261
Mopeds	42,036	37,131	13.2	38,848	8.2	3,85,248	3,72,323	3.5	4,63,520	4.0	6.6	39,136	38,525
Three-Wheelers	9,576	10,405	-8.0	11,834	-19.1	1,25,410	1,50,397	-16.6	1,56,768	-6.3	86.2	15,679	12,541
Domestic	2,70,170	2,18,091	23.9	2,16,507	24.8	26,45,653	21,49,151	23.1	31,39,192	20.1	6.3	2,46,770	2,64,565
Exports	69,343	57,024	21.6	85,391	-18.8	8,22,325	9,39,615	-12.5	10,79,934	1.2	102.8	1,28,805	82,233
<b>Eicher Motors</b>													
<b>Royal Enfield</b>	<b>76,187</b>	<b>74,746</b>	<b>1.9</b>	<b>63,387</b>	<b>20.2</b>	<b>7,61,246</b>	<b>6,91,116</b>	<b>10.1</b>	<b>9,22,108</b>	<b>10.4</b>	<b>11.9</b>	<b>80,431</b>	<b>76,125</b>
<b>VECV</b>	<b>7,066</b>	<b>7,181</b>	<b>-1.6</b>	<b>8,026</b>	<b>-12.0</b>	<b>66,894</b>	<b>60,428</b>	<b>10.7</b>	<b>88,745</b>	<b>11.5</b>	<b>13.8</b>	<b>10,926</b>	<b>6,689</b>
Domestic LMD	3,211	3,599	-10.8	3,868	-17.0	32,253	30,101	7.1	42,441	9.0	15.3	5,094	3,225
Domestic HD	1,652	1,642	0.6	2,088	-20.9	16,705	14,141	18.1	21,999	16.0	9.8	2,647	1,671
Domestic Buses	1,640	1,550	5.8	1,512	8.5	12,954	10,523	23.1	17,761	19.0	9.2	2,403	1,295
VTI	208	189	10.1	237	-12.2	2,038	1,445	41.0	2,515	35.0	14.1	239	204
Domestic	<b>6,711</b>	<b>6,980</b>	<b>-3.9</b>	<b>7,705</b>	<b>-12.9</b>	<b>63,950</b>	<b>56,210</b>	<b>13.8</b>	<b>84,717</b>	<b>13.4</b>	<b>12.4</b>	<b>10,383</b>	<b>6,395</b>
Exports	355	201	76.6	321	10.6	2,944	4,218	-30.2	4,029	-18.3	51.7	542	294
<b>Escorts Kubota</b>	<b>6,185</b>	<b>6,649</b>	<b>-7.0</b>	<b>4,536</b>	<b>36.4</b>	<b>80,790</b>	<b>85,174</b>	<b>-5.1</b>	<b>1,02,257</b>	<b>-1.0</b>	<b>18.5</b>	<b>10,734</b>	<b>8,079</b>
Domestic	5,817	6,235	-6.7	4,131	40.8	76,144	78,420	-2.9	96,341	1.1	19.9	10,099	7,614
Exports	368	414	-11.1	405	-9.1	4,646	6,754	-31	5,916	-26	0.0	635	465
Construction Equipment	525	452	16.2	711	-26.2	5,275	3,544	49	6,376	38	2.3	550	528

Comparative valuations

	Rating	Mcap (INR b)	CMP (INR)	TP (INR)	P/E (x)			EV/EBITDA (x)			PB (x)			FY25 Yld (%)		EPS CAGR.%
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	Div	FCF	FY23-26E
<b>Auto OEM's</b>																
Bajaj Auto	Neutral	2,166	7,654	6,775	27.6	24.6	22.0	21.5	18.7	16.5	7.7	7.1	6.4	2.6	3.2	17.4
Hero MotoCorp	Buy	918	4,587	4,590	23.0	21.3	18.9	15.4	13.4	11.6	4.9	4.4	3.9	2.4	4.7	18.3
TVS Motor	Neutral	949	1,997	1,880	44.7	37.1	31.6	27.5	22.3	19.1	12.0	9.4	7.4	0.3	2.5	27.3
Eicher Motors	Neutral	1,076	3,933	3,815	26.7	23.5	20.1	24.3	20.6	17.8	6.0	5.1	4.3	1.3	4.0	22.1
Maruti Suzuki	Buy	3,343	10,631	11,850	25.1	24.0	22.3	17.2	15.4	14.0	4.6	3.6	3.2	1.1	1.9	20.9
M&M	Buy	2,041	1,704	2,005	19.1	18.1	16.3	13.7	11.8	10.2	2.0	1.7	1.5	1.3	5.1	17.1
Tata Motors	Buy	3,230	878	900	20.3	17.7	14.4	6.3	5.1	4.2	5.6	4.2	3.3	0.5	4.2	201.7
Ashok Leyland	Buy	513	175	215	19.8	16.0	14.2	11.3	9.6	8.3	6.1	3.9	3.2	1.1	6.6	39.1
Escorts	Neutral	353	2,883	2,900	31.9	27.6	24.0	24.5	19.1	16.1	3.8	3.4	3.0	0.3	3.2	32.7
<b>Auto Ancillaries</b>																
Bharat Forge	Buy	572	1,229	1,385	44.4	30.6	27.5	22.6	18.0	16.4	7.4	6.2	5.2	0.5	3.7	55.9
Exide Industries	Neutral	284	334	340	26.8	21.0	18.2	15.2	12.4	11.1	2.4	2.2	2.0	1.0	4.2	19.7
Amara Raja	Neutral	150	880	780	18.4	16.4	15.6	9.9	8.8	8.2	2.6	2.3	2.1	1.7	4.5	9.6
BOSCH	Neutral	698	23,679	20,097	42.5	33.1	29.1	33.1	24.9	21.3	5.6	5.2	4.7	1.4	1.8	18.8
Endurance Tech	Buy	303	2,153	2,160	44.4	34.8	29.9	22.7	18.5	16.0	6.1	5.3	4.6	0.4	1.8	27.3
SAMIL	Buy	781	115	120	26.9	22.4	20.2	10.7	9.2	8.5	3.2	2.9	2.6	1.3	8.6	34.7
CIE Automotive	Buy	188	496	555	22.3	18.7	16.1	12.8	10.9	9.2	3.2	2.9	2.5	0.9	4.1	19.4
CEAT	Buy	106	2,615	3,245	15.0	13.8	12.0	7.2	6.4	5.6	2.6	2.2	1.9	0.7	7.6	61.3
Balkrishna Ind	Neutral	471	2,436	2,360	35.9	26.5	21.7	21.8	17.3	14.3	5.7	5.0	4.3	1.4	2.6	29.1
MRF	Sell	605	142,735	104,185	26.5	26.6	24.1	12.9	12.3	11.0	3.6	3.2	2.8	0.1	2.4	48.4
Apollo Tyres	Buy	339	534	535	19.1	16.2	14.6	7.9	7.1	6.3	1.9	1.7	1.5	1.0	7.5	28.8
Sona BLW	Neutral	368	628	610	70.0	53.1	44.2	37.1	28.6	24.1	13.8	11.7	9.9	0.6	0.9	27.8
Tube Investments	Buy	706	3,763	3,958	63.5	51.4	45.0	31.1	25.8	22.8	14.8	11.9	9.7	0.3	2.6	27.3
MSUMI	Buy	309	70	75	48.2	37.3	32.3	28.6	22.4	19.3	18.4	14.5	11.9	1.7	2.3	25.3
CRAFTSMAN	Buy	91	4,329	5,395	26.1	21.8	16.6	11.8	9.7	7.8	5.8	4.8	3.8	0.4	4.0	30.4



### **Axis Bank: Lower Borrowing Number Could Be A Positive For The Bond Market; Neeraj Gambhir, Group Executive**

- Looking for an opportunity for rate cuts to happen
- US yields have significantly declined
- Expect consolidation in fiscal deficit
- Lower borrowing number could be a positive for the bond market

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### **Paytm: Now onwards, will only work with other banks & not Paytm Payments Bank; Vijay Shekhar, MD**

- Other banks have already started working with us
- We are overwhelmed by the support we have received from large banks in the country
- More large banks have reached out saying they will be happy to help us
- We are going to work with current & other incremental partners

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### **Cummins India: Would like govt to continue with its infrastructure spending; Ashwath Ram, CEO**

- Would like government to continue with its infrastructure spend
- Expect GST subsidy for tighter emissions for fossil fuels
- Government needs to continue its path for CPCBIV norms
- Utilisation level in factories now is more than 75%
- Industry is starting to invest in better equipment, needs government thrust for pvt capex

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### **Dixon Tech: India is emerging as a manufacturing hub for various product categories; Atul Lall, CEO**

- Import duty cut on mobile phone components is a big positive for the industry
- Will pass on price cuts to customers
- India is emerging as a manufacturing hub for various product categories
- Contribution of mobile biz will be more than 50% of total revenue
- Duty reduction will help us grow volumes

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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	880	780	-11	47.8	53.7	56.4	11.8	12.5	5.0	18.4	16.4	2.6	2.3	14.6	14.8
Apollo Tyres	Buy	534	535	0	27.9	33.0	36.6	63.1	18.0	11.0	19.1	16.2	1.9	1.7	13.0	13.8
Ashok Ley.	Buy	175	215	23	8.8	10.9	12.1	95.6	23.8	11.2	19.8	16.0	4.9	3.9	27.5	27.4
Bajaj Auto	Neutral	7654	6775	-11	277.3	310.9	348.5	29.5	12.1	12.1	27.6	24.6	7.7	7.1	29.4	30.0
Balkrishna Inds	Neutral	2436	2360	-3	67.9	91.9	112.3	30.2	35.3	22.1	35.9	26.5	5.7	5.0	16.6	20.1
Bharat Forge	Buy	1229	1385	13	27.7	40.2	44.6	138.2	45.0	11.1	44.4	30.6	7.4	6.2	17.9	22.0
Bosch	Neutral	23679	20115	-15	557.7	715.6	815.4	15.5	28.3	14.0	42.5	33.1	5.6	5.2	14.1	16.3
CEAT	Buy	2615	3250	24	174.6	189.5	217.6	236.5	8.5	14.9	15.0	13.8	2.6	2.2	18.8	17.3
Craftsman Auto	Buy	4329	5395	25	165.7	198.2	261.0	40.9	19.6	31.7	26.1	21.8	5.4	4.4	22.8	22.2
Eicher Mot.	Neutral	3933	3815	-3	147.5	167.2	195.2	38.4	13.4	16.8	26.7	23.5	6.0	5.1	24.6	23.6
Endurance Tech.	Buy	2153	2160	0	48.5	61.9	72.0	39.8	27.7	16.4	44.4	34.8	6.1	5.3	14.5	16.3
Escorts Kubota	Neutral	2883	2900	1	90.3	104.4	119.9	75.9	15.6	14.9	31.9	27.6	3.8	3.4	12.7	13.1
Exide Ind	Neutral	334	340	2	12.5	15.9	18.3	17.4	27.6	15.1	26.8	21.0	2.4	2.2	8.8	10.3
Hero Moto	Buy	4587	4590	0	199.7	215.7	242.4	37.2	8.0	12.4	23.0	21.3	4.9	4.4	22.7	22.0
M&M	Buy	1651	2005	21	89.4	94.4	104.7	37.8	5.6	11.0	18.5	17.5	3.8	3.3	22.5	20.2
CIE Automotive	Buy	480	555	16	22.3	26.5	30.7	23.3	19.2	15.8	21.6	18.1	3.1	2.8	15.5	16.3
Maruti Suzuki	Buy	10631	11850	11	428.0	447.4	483.0	57.5	4.5	7.9	24.8	23.8	4.6	3.6	18.2	14.8
MRF	Sell	142735	104185	-27	5,385.8	5,360.8	5,929.5	197.0	-0.5	10.6	26.5	26.6	3.6	3.2	14.4	12.6
Samvardh. Motherson	Buy	115	120	4	4.3	5.1	5.7	85.5	20.0	10.9	26.9	22.4	3.2	2.9	12.4	13.5
Motherson Wiring	Buy	70	75	7	1.4	1.9	2.2	31.6	29.2	15.6	48.2	37.3	18.4	14.5	42.5	43.5
Sona BLW Precis.	Neutral	628	610	-3	9.0	11.8	14.2	32.0	31.9	20.0	70.0	53.1	13.8	11.7	21.2	23.9
Tata Motors	Buy	878	900	2	43.2	49.5	61.1	1,907.3	14.7	23.4	20.3	17.7	5.6	4.2	31.4	26.6
TVS Motor	Neutral	1997	1880	-6	44.7	53.8	63.1	46.8	20.5	17.4	44.7	37.1	12.0	9.4	30.5	28.4
Tube Investments	Buy	3763	-	-	59.2	73.2	83.6	46.0	23.7	14.2	63.5	51.4	14.8	11.9	25.8	25.6
<b>Aggregate</b>								<b>83.6</b>	<b>13.0</b>	<b>14.4</b>	<b>25.4</b>	<b>22.5</b>	<b>5.1</b>	<b>4.2</b>	<b>19.9</b>	<b>18.7</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	636	800	26	23.7	31.2	39.8	7.7	32	27.5	26.8	20.4	3.5	3.0	13.7	15.7
Axis Bank	Neutral	1084	1175	8	78.3	89.9	107.3	9.7	14.9	19.3	13.8	12.1	2.3	1.9	17.7	17.4
Bandhan Bank	Neutral	226	270	20	20.4	25.7	30.9	50.0	26	20.3	11.0	8.8	1.7	1.5	15.9	17.7
DCB Bank	Neutral	137	150	9	16.6	19.5	23.3	11.3	17.4	19.2	8.3	7.0	0.9	0.8	11.5	12.2
Equitas Small Fin.	Buy	104	125	21	7.2	8.4	10.9	48.6	16.8	29.3	14.3	12.3	2.0	1.8	14.7	15.3
Federal Bank	Buy	147	175	19	16.7	18.5	21.7	17.2	10.3	17.6	8.8	8.0	1.2	1.1	15.1	14.5
HDFC Bank	Buy	1466	1950	33	79.8	96.2	115.8	0.6	20.6	20.4	18.4	15.2	2.6	2.3	14.6	15.8
ICICI Bank	Buy	1026	1230	20	58.2	66.0	77.1	27.2	13.3	16.8	17.6	15.5	3.1	2.6	18.9	18.3
IDFC First Bk	Neutral	83	85	2	4.5	5.8	7.7	19.1	29.3	31.1	18.4	14.3	1.8	1.6	10.5	11.7
IndusInd	Buy	1541	1900	23	116.0	140.5	170.5	20.8	21.2	21.4	13.3	11.0	1.9	1.7	15.4	16.2
Kotak Mah. Bk	Neutral	1822	2000	10	89.7	103.3	121.3	18.2	15.2	17.4	20.3	17.6	2.8	2.4	14.7	14.4
RBL Bank	Neutral	266	270	1	19.0	25.8	34.9	29.2	35.5	35.1	14.0	10.3	1.1	1.0	8.1	10.3
SBI Cards	Neutral	712	850	19	25.1	34.0	46.2	5.1	35.3	36.1	28.3	20.9	5.6	4.5	21.8	23.9
<b>Aggregate</b>								<b>26.2</b>	<b>18.1</b>	<b>19.8</b>	<b>17.2</b>	<b>14.5</b>	<b>2.6</b>	<b>2.3</b>	<b>15.3</b>	<b>15.7</b>
<b>Banks - PSU</b>																
BOB	Buy	256	290	13	34.3	39.8	45.7	25.8	16.1	14.9	7.5	6.4	1.2	1.0	17.8	17.8
Canara Bank	Buy	501	570	14	80.3	94.5	111.1	37.3	17.7	17.7	6.2	5.3	1.1	0.9	19.9	19.5
Indian Bank	Buy	525	525	0	62.0	70.6	83.1	46.2	13.9	17.7	8.5	7.4	1.3	1.1	17.0	16.7
Punjab Natl. Bank	Neutral	119	100	-16	7.4	10.5	14.0	224.0	43.0	32.6	16.1	11.3	1.3	1.1	8.5	11.0
SBI	Buy	648	800	23	70.7	90.5	106.3	13.3	28	17.5	9.2	7.2	1.4	1.2	17.3	18.9
Union Bank (I)	Buy	145	165	14	19.9	22.6	26.7	60.9	14	18.0	7.3	6.4	1.2	1.0	17.6	17.6
<b>Aggregate</b>								<b>30.1</b>	<b>24</b>	<b>18</b>	<b>9</b>	<b>6.8</b>	<b>1.3</b>	<b>1.1</b>	<b>15.1</b>	<b>16.4</b>
<b>NBFCs</b>																
AAVAS Financiers	Neutral	1504	-	-	62.7	76.4	95.9	15.2	21.9	25.6	24.0	19.7	3.2	2.7	14.1	14.8
Aditya Birla Cap	Buy	167	220	32	10.7	13.6	17.1	25.8	27.1	25.7	15.6	12.3	1.7	1.5	12.2	13.2
Angel One	Buy	3359	4000	19	131.6	163.8	199.6	22.4	24.5	21.9	25.5	20.5	9.8	7.6	43.6	41.8
Bajaj Fin.	Buy	6744	8500	26	235.7	303.9	384.2	23.8	28.9	26.4	28.6	22.2	5.5	4.5	22.3	22.2



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
Cams Services	Buy	2884	3310	15	68.8	84.9	103.4	18.5	23.3	21.8	41.9	34.0	15.7	13.5	40.1	42.7
Can Fin Homes	Neutral	795	815	3	57.3	64.1	73.3	22.7	11.9	14.4	13.9	12.4	2.4	2.1	19.1	18.0
Cholaman.Inv.&Fn	Buy	1147	1470	28	41.1	56.5	70.1	26.8	37.6	23.9	27.9	20.3	4.9	4.0	20.4	21.8
CreditAccess	Buy	1591	1985	25	93.2	112.6	134.6	79.2	20.9	19.5	17.1	14.1	3.8	3.0	25.3	23.9
Fusion Micro	Buy	572	720	26	54.0	72.1	88.7	40.1	33.4	23.0	10.6	7.9	2.0	1.6	20.9	22.4
HDFC Life Insur.	Neutral	587	700	19	7.4	11.3	14.0	17.7	51.6	24.3	78.9	52.0	2.7	2.3	17.8	17.5
Home First Fin.	Buy	990	1180	19	34.5	41.9	54.2	33.1	21.5	29.3	28.7	23.6	4.2	3.6	15.6	16.4
ICICI Pru Life	Buy	516	580	12	2.4	3.3	4.8	-56.9	33.7	46.7	212.1	158.7	1.8	1.5	16.4	16.6
ICICI Lombard	Buy	1513	1650	9	39.7	48.6	55.4	12.7	22.4	14.1	38.1	31.2	6.4	5.6	17.7	19.2
ICICI Securities	Under Review	823	-		50.7	56.0	63.8	45.5	10.4	14.0	16.2	14.7	7.8	6.5	52.2	48.3
IIFL Finance	Buy	606	800	32	50.9	65.0	81.4	29.1	27.6	25.4	11.9	9.3	2.2	1.8	19.8	21.0
360 ONE WAM	Buy	618	770	25	21.5	25.7	30.9	16.2	19.6	20.2	28.8	24.0	6.8	6.4	24.0	27.3
IndoStar	Buy	191	245	28	7.8	17.3	28.1	-52.9	121.5	62.7	24.5	11.1	0.8	0.8	3.4	7.0
L&T Fin Holdings	Buy	172	200	16	9.8	11.8	15.5	50.4	19.7	31.7	17.5	14.6	1.8	1.7	10.8	12.0
Life Insurance Corp.	Buy	936	960	3	44.9	42.6	58.4	-22.0	-5.1	37.1	20.9	22.0	0.8	0.8	19.8	12.6
LIC Hsg Fin	Buy	630	660	5	82.2	84.1	92.2	56.4	2.3	9.7	7.7	7.5	1.1	1.0	15.7	14.3
Manappuram Fin.	Buy	182	205	13	26.5	30.1	35.9	49.4	13.8	19.3	6.9	6.0	1.3	1.1	21.1	20.1
MAS Financial	Buy	988	1160	17	45.0	57.7	71.5	22.3	28.4	23.9	22.0	17.1	3.2	2.7	15.6	17.2
Max Financial	Neutral	901	970	8	13.3	16.3	22.5	44.3	23.0	37.9	67.9	55.2	2.0	1.7	20.2	19.6
M&M Fin.	Buy	285	340	19	14.8	22.6	28.0	-8.1	53.1	23.9	19.3	12.6	2.0	1.8	10.8	15.2
Muthoot Fin	Neutral	1359	1350	-1	101.0	115.0	130.9	16.7	13.9	13.8	13.5	11.8	2.3	2.0	17.9	17.7
Piramal Enterp.	Buy	894	1100	23	-70.1	77.7	109.2	-193.5	LP	40.5	NM	11.5	0.7	0.7	-5.4	6.2
PNB Housing	Buy	819	1025	25	56.1	73.1	91.3	-9.4	30.2	25.0	14.6	11.2	1.4	1.3	11.2	12.0
Poonawalla Fincorp	Buy	475	580	22	13.0	18.5	26.6	67.5	42.7	43.6	36.7	25.7	4.4	3.8	13.5	16.0
Repco Home Fin	Neutral	454	460	1	61.2	64.8	71.4	29.4	5.8	10.2	7.4	7.0	1.0	0.9	14.2	13.2
Spandana Sphoorty	Buy	995	1400	41	72.0	89.6	113.5	4,023.7	24.4	26.7	13.8	11.1	2.0	1.7	15.2	16.2
Shriram Finance	Buy	2396	2700	13	193.3	222.5	265.5	21.0	15.1	19.3	12.4	10.8	1.8	1.6	15.7	15.9
SBI Life Insurance	Buy	1433	1700	19	18.4	21.7	24.6	7.0	17.9	13.3	77.9	66.1	2.6	2.1	21.6	20.6
Star Health Insu	Buy	583	730	25	15.7	20.1	25.5	47.6	28.0	26.8	37.1	29.0	4.5	3.9	13.0	14.5
<b>Aggregate</b>								<b>-1.9</b>	<b>30.0</b>	<b>23.3</b>	<b>20.4</b>	<b>15.7</b>	<b>2.9</b>	<b>2.5</b>	<b>14.3</b>	<b>16.1</b>
<b>Chemicals</b>																
Alkyl Amines	Neutral	2363	2490	5	28.9	50.0	66.3	-35.3	72.8	32.7	81.7	47.3	9.4	8.2	12.1	18.5
Atul	Neutral	6297	6795	8	111.8	141.7	179.3	-33.8	26.7	26.5	56.3	44.4	3.7	3.5	6.9	8.1
Clean Science	Neutral	1479	1430	-3	21.8	27.1	33.3	-21.6	24.6	22.8	67.9	54.5	13.1	10.9	20.9	21.9
Deepak Nitrite	Neutral	2252	2230	-1	64.6	78.6	92.7	3.4	21.6	18.0	34.9	28.7	6.3	5.3	19.7	20.1
Fine Organic	Sell	4730	3530	-25	108.3	102.5	100.3	-43.8	-5.4	-2.2	43.7	46.1	7.9	6.8	19.8	15.8
Galaxy Surfact.	Buy	2714	3760	39	95.3	111.5	129.9	-11.3	17.0	16.6	28.5	24.3	4.5	3.9	16.7	17.1
Navin Fluorine	Neutral	3323	3520	6	56.1	83.4	106.3	-25.9	48.7	27.4	59.2	39.8	6.8	6.0	12.1	15.9
NOCIL	Neutral	266	250	-6	8.1	10.3	13.3	-8.7	26.0	29.4	32.7	26.0	2.7	2.5	8.6	10.1
Vinati Organics	Buy	1721	2065	20	30.5	42.3	54.7	-31.6	38.6	29.5	56.4	40.7	7.1	6.2	13.3	16.3
<b>Aggregate</b>								<b>-20.6</b>	<b>24.4</b>	<b>20.3</b>	<b>46.5</b>	<b>37.4</b>	<b>6.1</b>	<b>5.4</b>	<b>13.1</b>	<b>14.4</b>
<b>Capital Goods</b>																
ABB India	Buy	4533	5460	20	56.7	68.8	81.8	75.2	21.2	19.0	79.9	65.9	15.9	13.0	21.9	21.7
Bharat Electronics	Neutral	183	190	4	4.8	5.5	6.2	17.5	14.6	11.9	38.0	33.1	8.5	7.4	22.5	22.4
Cummins India	Buy	2263	2250	-1	45.5	54.4	64.1	10.2	19.6	17.8	49.7	41.6	10.7	9.7	22.4	24.4
Hitachi Energy	Sell	5701	4500	-21	24.7	66.0	104.9	11.6	167.1	58.9	230.8	86.4	18.3	15.1	7.9	17.5
Kalpataru Proj.	Buy	805	820	2	36.3	55.8	65.8	20.7	53.5	18.0	22.2	14.4	2.2	1.9	10.6	14.4
KEC International	Neutral	661	670	1	13.7	28.3	41.6	100.7	105.8	46.9	48.1	23.4	4.2	3.6	9.0	16.5
Kirloskar Oil	Buy	706	840	19	23.9	29.9	36.9	27.9	25.1	23.5	29.6	23.6	4.0	3.5	14.1	15.8
Larsen & Toubro	Buy	3397	4200	24	93.5	121.1	149.7	23.3	29.5	23.7	36.3	28.1	5.3	4.6	14.5	17.6
Siemens	Buy	4102	4600	12	55.1	65.0	77.5	55.5	17.9	19.3	74.5	63.1	11.2	9.9	15.9	16.6
Thermax	Neutral	3131	3000	-4	50.6	61.0	72.1	26.4	20.5	18.2	61.9	51.3	8.3	7.4	14.0	15.2



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
Triveni Turbine	Buy	373	520	39	7.9	10.6	14.0	30.6	34.3	31.7	47.2	35.1	12.6	10.0	29.6	31.8
<b>Aggregate</b>								<b>26.5</b>	<b>27.4</b>	<b>21.9</b>	<b>45.0</b>	<b>35.3</b>	<b>7.0</b>	<b>6.1</b>	<b>15.5</b>	<b>17.3</b>
<b>Cement</b>																
Ambuja Cem.	Neutral	565	550	-3	12.8	11.9	13.6	1.2	-7.6	14.7	44.0	47.6	3.7	3.0	14.4	10.8
ACC	Neutral	2526	2550	1	102.8	120.6	132.2	95.3	17.3	9.6	24.6	21.0	3.0	2.7	13.0	13.5
Birla Corp.	Buy	1622	1800	11	49.1	72.9	88.5	948.6	48.4	21.4	33.0	22.2	2.0	1.9	6.2	8.6
Dalmia Bhar.	Buy	2279	2800	23	45.1	64.9	89.1	23.4	44.0	37.2	50.5	35.1	2.6	2.5	5.3	7.3
Grasim Inds.	Buy	2124	2590	22	94.7	97.3	106.2	-3.8	2.7	9.2	22.4	21.8	2.8	2.7	4.3	2.9
India Cem	Sell	243	185	-24	-6.8	6.2	7.7	-55.2	LP	24.2	NM	38.8	1.4	1.3	-3.8	3.5
J K Cements	Buy	4406	4700	7	108.9	129.8	161.3	97.3	19.2	24.2	40.5	33.9	6.3	5.5	16.8	17.4
JK Lakshmi Ce	Buy	930	1010	9	37.1	46.7	53.8	21.8	25.8	15.2	25.1	19.9	3.4	3.0	14.6	16.1
Ramco Cem	Neutral	987	1130	15	19.3	30.4	38.2	32.9	57.2	25.7	51.0	32.5	3.3	3.0	6.5	9.6
Shree Cem	Neutral	29617	27700	-6	586.7	601.0	738.6	80.3	2.4	22.9	50.5	49.3	5.3	4.9	11.0	10.4
Ultratech	Buy	9922	12000	21	242.1	305.1	366.4	38.0	26.0	20.1	41.0	32.5	4.8	4.2	12.2	13.8
<b>Aggregate</b>								<b>28.4</b>	<b>18.6</b>	<b>17.3</b>	<b>35.6</b>	<b>30.0</b>	<b>3.6</b>	<b>3.2</b>	<b>10.2</b>	<b>10.6</b>
<b>Consumer</b>																
Asian Paints	Neutral	2929	3340	14	58.7	61.3	67.2	32.8	4.4	9.6	49.9	47.8	16.2	14.7	33.9	32.3
Britannia	Neutral	5148	5240	2	88.5	98.2	111.2	10.1	10.9	13.3	58.2	52.5	34.7	31.6	60.0	63.0
Colgate	Neutral	2503	2400	-4	48.5	50.2	54.4	24.7	3.5	8.2	51.6	49.8	35.3	31.2	72.4	66.5
Dabur	Buy	555	635	15	10.6	12.2	13.6	9.1	15.3	11.3	52.4	45.5	10.0	9.2	19.9	21.0
Emami	Buy	497	690	39	19.5	21.6	24.6	10.6	10.9	14.1	25.5	23.0	9.1	8.1	36.3	37.3
Godrej Cons.	Buy	1254	1350	8	19.8	22.1	25.9	15.4	11.4	17.4	63.3	56.8	8.5	7.8	14.1	14.3
HUL	Buy	2474	2900	17	44.5	49.0	53.6	2.5	10.1	9.4	55.6	50.5	11.3	11.1	20.6	22.2
ITC	Buy	443	515	16	16.4	17.2	18.5	9.1	5.0	7.3	27.0	25.7	7.9	7.7	29.4	30.4
Indigo Paints	Buy	1420	1800	27	30.4	40.7	49.0	25.1	34.0	20.2	46.7	34.9	7.6	6.5	17.3	20.0
Jyothy Lab	Neutral	508	500	-1	10.0	11.1	12.5	57.8	11.3	12.1	50.7	45.6	10.8	9.8	22.4	22.5
Marico	Buy	536	625	17	11.3	12.7	14.1	12.3	11.8	10.9	47.3	42.3	17.6	16.9	37.9	40.9
Nestle	Neutral	2469	2670	8	29.8	36.0	40.3	20.3	20.7	12.1	82.7	68.6	81.4	67.9	142.6	108.0
Page Inds	Neutral	37000	37560	2	549.0	625.9	739.8	7.2	14.0	18.2	67.4	59.1	25.5	21.7	37.9	36.8
Pidilite Ind.	Neutral	2510	2650	6	37.4	43.4	48.8	48.2	16.2	12.3	67.2	57.8	15.4	13.4	24.5	24.8
P&G Hygiene	Neutral	17033	16000	-6	241.1	271.3	310.0	26.0	12.5	14.2	70.6	62.8	54.0	46.0	79.5	79.3
Tata Consumer	Buy	1130	1350	19	14.4	18.2	20.5	26.1	26.6	12.6	78.7	62.2	6.1	4.7	8.1	9.0
United Brew	Sell	1802	1480	-18	19.2	26.7	34.9	54.0	39.0	30.9	93.9	67.6	11.2	10.3	12.4	15.9
United Spirits	Neutral	1082	1150	6	16.7	19.0	21.4	31.7	13.9	12.2	64.7	56.8	10.9	9.2	16.9	16.1
Varun Beverages	Buy	1285	1370	7	15.9	19.8	24.4	37.6	24.9	23.2	81.0	64.9	24.1	18.0	34.2	31.8
<b>Aggregate</b>								<b>15.5</b>	<b>7.7</b>	<b>10.2</b>	<b>46.3</b>	<b>43.0</b>	<b>11.9</b>	<b>11.1</b>	<b>25.8</b>	<b>25.8</b>
<b>EMS</b>																
Avalon Tech	Buy	525	-		8.6	15.2	21.5	-5.2	76.7	41.3	61.1	34.6	5.8	4.9	9.9	15.4
Cyient DLM	Buy	682	830	22	8.0	14.4	23.5	100.6	79.6	63.3	85.0	47.3	5.6	5.0	11.0	11.2
Data Pattern	Neutral	1944	2050	5	33.9	43.3	60.5	53.3	27.7	39.6	57.3	44.9	8.1	6.8	15.1	16.5
Kaynes Tech	Buy	2817	3300	17	28.3	45.1	63.4	72.7	59.5	40.5	99.6	62.5	14.6	11.8	15.8	20.9
Syrma SGS Tech.	Buy	586	760	30	8.1	12.0	18.8	20.3	48.3	56.3	72.1	48.6	6.2	5.5	8.9	11.9
<b>Aggregate</b>								<b>46.1</b>	<b>50.7</b>	<b>46.8</b>	<b>75.6</b>	<b>50.2</b>	<b>8.2</b>	<b>7.0</b>	<b>10.8</b>	<b>14.0</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	956	750	-22	28.6	33.8	38.0	31.0	18.2	12.5	33.4	28.3	3.9	3.5	12.1	12.9
Alkem Lab	Neutral	4848	4540	-6	149.2	173.0	183.7	40.7	15.9	6.2	32.5	28.0	5.6	4.8	18.4	18.5
Ajanta Pharma	Buy	2183	2515	15	66.5	79.1	92.1	35.1	18.9	16.5	32.8	27.6	6.9	5.8	22.8	22.9
Apollo Hospitals	Buy	6287	6580	5	63.7	92.5	132.2	32.2	45.3	42.9	98.7	68.0	12.4	10.6	13.8	17.4
Aurobindo	Neutral	1071	1110	4	51.2	58.7	67.5	33.2	14.6	15.0	20.9	18.3	2.1	1.9	10.6	11.0
Biocon	Neutral	270	240	-11	7.2	13.1	16.9	14.9	82.5	28.8	37.6	20.6	1.8	1.7	4.7	8.3
Cipla	Buy	1388	1600	15	53.0	57.7	64.4	40.4	8.9	11.6	26.2	24.0	4.2	3.6	16.1	15.2
Divis Lab	Neutral	3655	3580	-2	60.9	81.1	97.4	-6.1	33.2	20.0	60.0	45.0	7.0	6.3	12.1	14.7
Dr Reddy's	Neutral	5990	5540	-8	317.8	322.9	338.8	29.9	1.6	4.9	18.8	18.6	3.6	3.0	20.7	17.7
ERIS Lifescience	Neutral	906	900	-1	33.0	33.5	40.7	18.6	1.6	21.4	27.5	27.0	4.9	4.3	19.1	17.0
Gland Pharma	Buy	1984	2200	11	54.4	65.7	74.5	7.8	21.0	13.3	36.5	30.2	3.7	3.3	10.6	11.5



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
Glenmark	Neutral	890	800	-10	24.1	39.3	48.0	82.2	63.2	22.1	37.0	22.7	2.4	2.2	6.8	10.1
GSK Pharma	Neutral	2227	1780	-20	38.1	42.1	46.4	6.1	10.5	10.1	58.4	52.9	18.0	16.1	30.8	30.4
Global Health	Buy	1197	1100	-8	18.0	21.7	25.6	48.3	20.7	17.9	66.4	55.0	11.4	9.7	18.4	19.0
Granules India	Buy	412	475	15	18.6	25.6	33.0	-13.7	37.6	28.9	22.1	16.1	3.1	2.6	14.8	17.5
IPCA Labs	Neutral	1116	1080	-3	24.5	36.9	49.0	17.7	50.8	32.7	45.6	30.2	4.5	4.0	10.2	13.9
Laurus Labs	Buy	390	440	13	3.9	11.8	15.3	-73.9	206.5	29.5	101.0	33.0	5.0	4.4	5.0	14.2
Lupin	Sell	1516	1070	-29	36.0	40.7	48.3	318.2	13.0	18.8	42.1	37.3	4.9	4.3	12.3	12.3
Max Healthcare	Buy	802	930	16	14.6	18.1	22.1	26.1	24.0	22.1	55.0	44.4	8.3	7.0	16.2	17.0
Piramal Pharma	Buy	138	165	19	1.4	3.1	4.8	-334.1	116.6	56.0	98.0	45.2	2.1	2.0	2.5	4.9
Sun Pharma	Buy	1407	1635	16	40.1	47.3	56.6	12.2	17.9	19.5	35.1	29.7	5.3	4.6	16.1	16.5
Torrent Pharma	Neutral	2512	2160	-14	50.1	66.3	79.5	34.7	32.4	19.9	50.2	37.9	10.2	5.1	23.3	26.9
Zydus Lifesciences	Neutral	760	710	-7	32.6	33.7	36.1	45.4	3.5	7.1	23.3	22.5	3.7	3.3	17.3	15.4
<b>Aggregate</b>								<b>26.4</b>	<b>19.1</b>	<b>16.9</b>	<b>35.3</b>	<b>29.7</b>	<b>4.8</b>	<b>4.2</b>	<b>13.5</b>	<b>14.2</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	1234	1390	13	74.8	85.4	98.6	-15.0	14.1	15.4	16.5	14.4	2.0	1.8	13.0	13.0
IRB Infra	Neutral	65	60	-8	1.1	1.6	2.2	-7.7	45.5	37.5	58.0	39.8	2.8	2.7	5.0	6.9
KNR Constructions	Buy	276	325	18	15.8	18.4	20.4	7.4	16.0	11.3	17.4	15.0	2.5	2.1	15.1	15.1
<b>Aggregate</b>											<b>31.5</b>	<b>25.9</b>	<b>2.6</b>	<b>2.4</b>	<b>8.2</b>	<b>9.2</b>
<b>Logistics</b>																
Adani Ports	Buy	1219	1470	21	42.0	48.1	58.6	20.0	14.5	21.8	29.0	25.4	5.0	4.4	18.5	18.4
Blue Dart Express	Buy	6504	7850	21	125.8	191.5	245.8	-18.6	52.3	28.4	51.7	34.0	10.9	8.9	22.3	28.9
Concor	Buy	921	990	8	21.0	25.0	29.8	9.2	19.3	19.0	43.9	36.8	4.7	4.4	11.0	12.4
Mahindra Logistics	Neutral	412	380	-8	-6.5	7.1	17.1	-276.3	LP	141.8	NM	58.3	5.9	5.5	-8.7	9.8
Transport Corp.	Buy	973	990	2	46.6	56.0	65.9	11.9	20.4	17.7	20.9	17.4	3.7	3.1	18.9	19.1
TCI Express	Buy	1384	1600	16	39.1	46.3	53.5	7.6	18.2	15.5	35.4	29.9	7.4	6.1	22.9	22.5
VRL Logistics	Buy	742	890	20	14.6	24.5	32.8	-22.2	67.3	34.1	50.7	30.3	6.2	5.5	12.7	19.4
<b>Aggregate</b>											<b>32.5</b>	<b>27.3</b>	<b>5.0</b>	<b>4.4</b>	<b>15.5</b>	<b>16.3</b>
<b>Media</b>																
PVR Inox	Neutral	1434	1600	12	25.1	53.3	79.0	-191.8	112.7	48.2	57.2	26.9	1.9	1.7	3.3	6.7
Sun TV	Buy	655	790	21	46.2	49.2	51.8	8.7	6.5	5.4	14.2	13.3	2.6	2.4	18.4	18.3
Zee Ent.	Neutral	170	200	17	5.0	7.7	11.1	4.6	54.3	44.8	34.3	22.2	1.5	1.4	4.4	6.6
<b>Aggregate</b>								<b>22.4</b>	<b>25.7</b>	<b>21.5</b>	<b>22.3</b>	<b>17.8</b>	<b>2.0</b>	<b>1.9</b>	<b>9.0</b>	<b>10.6</b>
<b>Metals</b>																
Coal India	Buy	407	430	6	41.1	41.1	45.9	-10.1	0.2	11.5	9.9	9.9	3.6	3.1	36.3	30.9
Hindalco	Buy	571	750	31	47.3	56.7	64.1	4.4	19.8	13.1	12.1	10.1	1.6	1.4	14.2	14.9
Hind. Zinc	Neutral	318	310	-2	18.3	23.4	26.4	-26.4	28.0	12.6	17.4	13.6	9.4	7.0	56.7	59.1
JSPL	Buy	742	900	21	59.8	57.3	82.1	64.3	-4.3	43.3	12.4	13.0	1.7	1.5	14.5	12.3
JSW Steel	Neutral	802	910	13	43.5	65.4	73.6	195.8	50.3	12.6	18.4	12.3	2.6	2.2	15.1	19.7
Nalco	Neutral	147	130	-12	5.8	8.8	10.9	-26.2	52.2	24.4	25.5	16.8	2.0	1.9	7.9	11.4
NMDC	Buy	225	240	7	18.6	21.5	24.5	11.5	15.4	13.8	12.1	10.5	2.6	2.3	22.6	23.0
SAIL	Neutral	119	120	1	2.6	7.9	10.5	-45.0	208	33.4	46.7	15.1	0.9	0.8	1.9	5.7
Tata Steel	Neutral	135	130	-4	4.0	10.8	12.9	-43.6	172	19.0	33.8	12.4	1.8	1.7	5.2	14.0
Vedanta	Neutral	268	270	1	11.8	20.3	23.4	-58.2	72	15.5	22.7	13.2	3.8	3.9	13.4	29.2
<b>Aggregate</b>								<b>-7.6</b>	<b>31.7</b>	<b>16.1</b>	<b>15.6</b>	<b>11.8</b>	<b>2.3</b>	<b>2.1</b>	<b>14.7</b>	<b>17.4</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Neutral	390	345	-11	14.5	15.7	16.6	-1.2	8.6	5.6	27.0	24.8	3.5	3.2	13.7	13.6
BPCL	Neutral	508	475	-7	131.1	74.3	74.6	1,291.4	-43.3	0.4	3.9	6.8	1.6	1.4	45.2	21.6
Castrol India	Buy	190	-		8.5	8.6	10.0	2.9	1.6	15.9	22.4	22.0	9.1	8.4	42.5	39.6
GAIL	Buy	174	200	15	12.9	13.4	16.6	60.5	3.4	23.9	13.4	13.0	1.7	1.6	14.5	13.6
Gujarat Gas	Buy	579	575	-1	15.8	18.7	21.2	-28.7	18.2	13.4	36.7	31.1	5.1	4.6	14.7	15.7
Gujarat St. Pet.	Buy	360	400	11	22.8	19.0	19.7	35.8	-16.7	4.1	15.8	19.0	2.0	1.9	13.2	10.1
HPCL	Buy	466	530	14	106.7	80.5	80.9	-317.0	-24.5	0.5	4.4	5.8	1.5	1.3	40.1	24.1
IOC	Buy	150	165	10	33.2	16.7	16.1	290.4	-49.6	-3.9	4.5	9.0	1.2	1.1	30.0	13.4
IGL	Sell	440	350	-20	25.9	24.6	26.4	25.2	-4.9	7.3	17.0	17.9	3.7	3.2	23.4	19.2
Mahanagar Gas	Buy	1462	1665	14	135.0	114.9	120.3	68.8	-14.9	4.8	10.8	12.7	2.9	2.6	29.4	21.5





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
MRPL	Sell	179	135	-25	17.6	14.4	14.1	16.5	-17.8	-2.2	10.2	12.4	2.6	2.2	27.9	19.2
Oil India	Buy	436	485	11	59.4	61.6	68.0	-5.4	3.7	10.3	7.3	7.1	1.2	1.1	19.8	16.4
ONGC	Buy	248	270	9	42.7	45.0	50.9	40.7	5.4	13.0	5.8	5.5	1.0	0.9	18.4	17.4
PLNG	Neutral	265	295	11	22.7	23.1	25.1	5.2	1.6	8.6	11.7	11.5	2.4	2.1	21.5	19.6
Reliance Ind.	Buy	2853	3130	10	100.9	120.7	138.8	2.3	19.7	15.0	28.3	23.6	2.1	1.9	8.0	8.9
<b>Aggregate</b>								<b>76.1</b>	<b>-9.2</b>	<b>10.4</b>	<b>12.6</b>	<b>13.9</b>	<b>1.8</b>	<b>1.7</b>	<b>14.6</b>	<b>12.0</b>
<b>Real Estate</b>																
Brigade Enterpr.	Buy	1007	1150	14	17.3	35.7	40.2	42.6	106.7	12.8	58.4	28.2	5.8	4.8	10.4	18.7
DLF	Neutral	799	740	-7	10.3	16.2	18.1	-9.7	57.3	11.6	77.6	49.3	3.6	3.3	6.6	9.7
Godrej Propert.	Buy	2359	2855	21	26.7	43.0	48.5	19.4	61.2	12.8	88.3	54.8	6.6	5.9	7.7	11.4
Oberoi Realty	Neutral	1308	1200	-8	40.7	45.2	60.4	-22.3	10.9	33.7	32.1	29.0	3.5	3.1	11.5	11.4
Macrotech Devel.	Buy	1072	1295	21	14.8	24.6	35.7	-7.4	66.3	45.3	72.5	43.6	7.5	6.6	10.8	16.1
Mahindra Lifespace	Neutral	560	575	3	0.5	7.5	6.0	-82.7	1,348.6	-19.6	1,086.5	75.0	4.8	4.5	0.4	6.2
Sunteck Realty	Buy	472	640	36	9.1	16.4	22.8	8,869.3	80.9	39.4	52.1	28.8	2.4	2.2	4.7	8.0
Sobha	Buy	1420	1400	-1	16.1	40.8	83.6	48.6	154.1	104.7	88.3	34.8	5.2	4.6	6.1	14.1
Prestige Estates	Buy	1240	1465	18	27.6	19.7	25.5	43.3	-28.5	29.2	45.0	62.9	4.2	4.0	9.9	6.5
Phoenix Mills	Neutral	2354	2000	-15	57.7	71.7	100.8	41.3	24.2	40.6	40.8	32.8	4.5	4.0	11.6	12.8
<b>Aggregate</b>								<b>12.1</b>	<b>42.7</b>	<b>28.0</b>	<b>63.2</b>	<b>44.3</b>	<b>5.2</b>	<b>4.7</b>	<b>8.3</b>	<b>10.7</b>
<b>Retail</b>																
Avenue Supermarts	Buy	3809	4700	23	39.8	54.8	73.9	8.6	37.7	34.8	95.6	69.5	13.2	11.1	14.9	17.4
Aditya Birla Fashion	Neutral	242	230	-5	-6.3	-5.6	-7.1	796.3	Loss	Loss	NM	NM	5.9	6.8	-16.9	-14.6
Bata India	Neutral	1460	-		27.7	35.3	47.0	10.3	27.4	33.3	52.7	41.4	10.6	8.5	22.2	22.8
Barbeque-Nation	Neutral	623	700	12	-6.8	3.2	5.1	-273.3	LP	58.0	NM	192.3	6.5	6.3	-7.1	3.3
Campus Activewe.	Buy	270	300	11	4.1	4.3	6.6	7.9	3.9	54.9	65.3	62.9	12.2	10.2	18.6	16.2
Devyani Intl.	Buy	178	220	24	1.2	2.1	2.7	-48.2	71.8	31.4	146.4	85.3	19.9	16.1	14.3	20.9
Jubilant Food.	Neutral	502	480	-4	4.1	5.4	7.2	-30.7	32.2	33.2	123.0	93.1	16.3	16.2	13.2	17.4
Metro Brands	Buy	1073	1380	29	11.7	16.1	20.5	-12.1	38.2	27.0	91.8	66.4	16.3	14.1	19.3	23.3
Raymond	Buy	1776	-		111.0	127.0	160.3	17.5	14.4	26.3	16.0	14.0	2.6	2.2	19.7	16.8
Relaxo Footwear	Neutral	847	850	0	8.6	11.4	15.4	38.4	33.0	35.1	98.6	74.1	10.5	9.5	11.0	13.4
Restaurant Brands	Buy	117	140	19	-3.4	-0.9	0.8	-30.5	Loss	LP	NM	NM	8.5	9.2	-22.1	-7.0
Sapphire Foods	Buy	1446	1700	18	15.9	27.1	40.7	-6.5	70.8	50.0	91.1	53.4	6.8	6.0	7.7	11.9
Shoppers Stop	Neutral	748	695	-7	12.4	15.0	14.2	-14.4	20.9	-5.5	60.2	49.8	18.9	13.7	36.9	31.9
Titan Company	Buy	3626	4200	16	41.5	53.1	64.1	12.8	28.0	20.7	87.3	68.3	22.4	18.2	28.1	29.4
Trent	Buy	3101	3300	6	25.3	35.1	46.0	127.3	38.8	31.0	122.6	88.3	29.5	21.7	29.5	30.3
V-Mart Retail	Neutral	2133	1905	-11	-58.7	18.2	55.9	1,252.5	LP	207.5	NM	117.2	5.2	5.0	NM	4.3
Vedant Fashions	Neutral	983	1200	22	17.0	21.7	26.5	-3.8	27.4	22.4	57.8	45.4	14.9	12.5	27.1	29.1
Westlife Foodworld	Neutral	830	775	-7	4.9	8.0	12.5	-30.8	61.1	57.0	167.8	104.2	18.9	16.9	12.4	17.2
<b>Aggregate</b>								<b>7.3</b>	<b>36.5</b>	<b>30.4</b>	<b>97.8</b>	<b>71.7</b>	<b>15.2</b>	<b>13.0</b>	<b>15.5</b>	<b>18.1</b>
<b>Technology</b>																
Cyient	Buy	1940	2400	24	69.4	86.0	112.0	32.5	24.0	30.2	28.0	22.5	5.7	5.2	21.2	24.2
HCL Tech.	Buy	1577	1880	19	58.9	67.5	78.3	7.5	14.5	16.1	26.8	23.4	6.6	6.7	24.6	28.6
Infosys	Buy	1656	1750	6	59.3	67.8	79.4	3.1	14.2	17.2	27.9	24.4	9.1	9.0	32.5	37.1
LTI Mindtree	Neutral	5366	6600	23	157.9	179.2	220.0	4.0	13.5	22.7	34.0	29.9	8.2	7.0	26.0	25.3
L&T Technology	Buy	5508	6220	13	125.0	151.1	177.7	13.1	20.9	17.6	44.1	36.4	11.1	9.6	25.9	28.2
Mphasis	Neutral	2600	-		82.6	97.6	117.2	-5.0	18.1	20.2	31.5	26.6	5.7	5.3	19.0	20.8
Coforge	Neutral	6171	6600	7	140.6	190.3	220.3	7.7	35.3	15.8	43.9	32.4	11.0	9.4	26.3	31.1
Persistent Sys	Neutral	8291	8110	-2	146.4	177.6	219.2	17.7	21.3	23.4	56.6	46.7	13.5	11.3	26.1	26.8
TCS	Buy	3851	4250	10	125.7	146.8	170.1	9.0	16.8	15.9	30.6	26.2	16.0	16.5	51.5	61.9
Tech Mah	Neutral	1312	1360	4	40.4	50.9	68.0	-29.5	26.1	33.8	32.5	25.8	4.1	4.0	12.7	15.6
Wipro	Neutral	471	520	10	20.6	22.9	27.3	-0.6	11.5	19.2	22.9	20.5	3.4	3.4	14.7	16.7
Zensar Tech	Neutral	566	570	1	27.3	24.6	28.5	89.8	-9.7	15.9	20.8	23.0	3.8	3.4	19.6	15.8
<b>Aggregate</b>								<b>4.4</b>	<b>15.4</b>	<b>17.5</b>	<b>30.5</b>	<b>26.4</b>	<b>9.0</b>	<b>9.0</b>	<b>29.7</b>	<b>34.0</b>



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>Telecom</b>																
Bharti Airtel	Buy	1151	1200	4	20.4	30.5	36.9	49.9	49.8	21.0	56.5	37.7	6.0	5.2	12.4	14.8
Indus Towers	Neutral	219	210	-4	20.4	20.7	23.3	128.7	1.5	12.7	10.7	10.6	2.2	1.8	23.0	19.0
Vodafone Idea		14			-11.3	-9.5	-8.4	10.6	Loss	Loss	NM	NM	-0.4	-0.3	NM	NM
Tata Comm	Neutral	1704	1750	3	44.6	54.6	78.2	-26.6	22.5	43.1	38.2	31.2	20.9	13.7	66.1	53
<b>Aggregate</b>								<b>Loss</b>	<b>Loss</b>	<b>LP</b>	<b>-59</b>	<b>-264</b>	<b>28.6</b>	<b>32.5</b>	<b>-48.3</b>	<b>-12.3</b>
<b>Others</b>																
APL Apollo Tubes	Buy	1493	1770	19	28.7	43.2	59.3	23.9	50.8	37.3	52.1	34.5	11.3	8.8	23.9	28.7
BSE	Neutral	2493	2600	4	64.2	60.6	73.3	308.9	-5.6	20.9	38.8	41.1	12.6	11.6	32.6	28.1
Coromandel Intl	Buy	1071	1260	18	54.9	67.2	71.5	-19.8	22.4	6.4	19.5	15.9	3.5	3.0	19.0	20.0
EPL	Buy	198	270	37	7.6	11.7	14.3	5.4	54.4	21.7	26.0	16.8	3.0	2.7	11.8	17.0
Godrej Agrovet	Neutral	566	-		17.3	20.5	22.4	33.3	18.3	9.5	32.7	27.6	4.4	4.1	13.8	15.3
Havells India	Buy	1315	1510	15	19.0	24.7	30.1	10.6	29.9	22.2	69.3	53.3	11.2	9.8	16.1	18.4
Indiamart Inter.	Buy	2558	3000	17	51.9	65.6	86.2	11.8	26.5	31.4	49.3	39.0	6.6	5.9	14.3	15.9
Indian Hotels	Buy	494	-		8.3	9.8	10.8	18.0	17.5	10.5	59.5	50.6	7.8	6.8	13.9	14.3
Interglobe	Neutral	3068	3295	7	177.4	229.8	244.5	-2,259.8	30	6	17.3	13	219.4	12.5	-237.3	178.4
Info Edge	Neutral	5061	4720	-7	62.8	68.6	81.7	97.5	9.1	19.2	80.6	73.8	5.5	5.2	6.2	13.1
Kajaria Ceramics	Buy	1376	1600	16	28.4	34.7	41.1	32.8	22.2	18.3	48.5	39.6	8.7	8.0	18.1	20.4
Lemon Tree Hotel	Buy	138	150	8	1.7	3.4	4.0	9.3	106.2	16.4	83.7	40.6	11.0	8.7	14.1	23.9
MCX	Neutral	3452	3160	-8	19.1	76.7	90.2	-34.6	301.3	17.7	180.7	45.0	11.7	11.2	6.5	25.4
One 97	Neutral	609	575	-6	-13.2	-0.5	15.5	-52.7	Loss	LP	NM	NM	3.0	3.1	-6.6	-0.3
Qess Corp	Neutral	507	560	11	22.3	37.2	40.8	94.9	66.7	9.7	22.7	13.6	2.2	1.9	12.8	19.7
PI Inds.	Buy	3410	4300	26	103.0	122.4	143.5	27.3	18.9	17.2	33.1	27.9	6.0	5.0	19.8	19.7
SIS	Buy	489	590	21	21.4	34.5	45.1	-7.9	61.3	30.6	22.8	14.2	1.3	1.1	12.8	17.9
SRF	Neutral	2309	2250	-3	46.0	72.8	87.6	-39.6	58.2	20.4	50.2	31.7	6.1	5.3	12.7	17.8
Tata Chemicals	Neutral	1015	1060	4	56.4	54.2	62.2	-38.5	-3.8	14.7	18.0	18.7	1.2	1.2	7.1	6.5
Team Lease Serv.	Buy	2964	3450	16	70.0	104.1	150.9	7.5	48.7	45.0	42.3	28.5	5.4	4.6	13.3	16.9
Voltas	Buy	1050	1230	17	8.6	18.0	28.2	-25.2	110.1	56.6	122.5	58.3	6.2	5.7	5.1	9.8
UPL	Neutral	530	600	13	13.8	34.4	59.8	-76.5	149.5	74.0	38.5	15.4	0.9	0.9	3.8	9.0
Zomato	Buy	141	145	3	0.3	1.0	2.6	-123.4	266.0	154.0	503.4	137.5	6.1	5.9	1.2	4.4



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	-0.1	-0.9	20.0
<b>Nifty-50</b>	-0.1	-0.2	23.2
<b>Nifty Next 50</b>	0.4	3.9	43.9
<b>Nifty 100</b>	-0.1	0.5	25.8
<b>Nifty 200</b>	-0.1	1.0	30.2
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>0.5</b>	<b>3.9</b>	<b>46.4</b>
Amara Raja Ener.	-1.0	6.7	48.3
Apollo Tyres	-1.2	17.8	62.1
Ashok Leyland	-0.7	-6.0	18.3
Bajaj Auto	-0.2	14.2	100.9
Balkrishna Inds	-0.7	-5.4	8.3
Bharat Forge	-0.5	-1.4	41.6
Bosch	0.1	5.2	37.9
CEAT	-1.3	7.6	71.2
Craftsman Auto	-0.9	-18.8	34.2
Eicher Motors	2.4	-2.6	19.1
Endurance Tech.	2.2	11.5	47.2
Escorts Kubota	-3.4	-2.8	42.9
Exide Inds.	-0.2	3.8	83.2
Hero Motocorp	-0.8	11.4	68.2
M & M	0.0	-3.1	22.1
CIE Automotive	-1.0	-3.1	20.0
Maruti Suzuki	4.4	3.4	21.3
MRF	-0.1	10.1	54.9
Sona BLW Precis.	1.8	-2.5	37.8
Motherson Sumi	1.7	8.8	55.5
Motherson Wiring	7.5	12.6	35.8
Tata Motors	-0.6	11.1	96.7
TVS Motor Co.	-0.3	-1.2	95.9
Tube Investments	-3.0	5.3	44.4
<b>Banks-Private</b>	<b>0.1</b>	<b>-5.0</b>	<b>14.1</b>
AU Small Fin. Bank	-0.3	-19.2	3.8
Axis Bank	1.5	-1.2	26.5
Bandhan Bank	-1.5	-7.6	-4.8
DCB Bank	-0.9	-5.6	22.0
Equitas Sma. Fin	0.5	9.1	44.8
Federal Bank	-0.3	-6.2	11.8
HDFC Bank	0.3	-13.6	-9.9
ICICI Bank	-0.3	2.6	20.9
IDFC First Bank	-1.1	-5.0	47.6
IndusInd Bank	0.5	-3.6	47.9
Kotak Mah. Bank	-0.1	-4.5	4.5
RBL Bank	2.3	-6.3	79.6
SBI Cards	-0.5	-7.1	-3.8
<b>Banks-PSU</b>	<b>3.1</b>	<b>12.3</b>	<b>71.1</b>
BOB	3.4	9.5	65.6
Canara Bank	4.0	13.4	76.3
Indian Bank	5.0	24.2	79.0
Punjab Natl.Bank	3.9	21.5	136.3
St Bk of India	1.1	1.0	22.8
Union Bank (I)	3.4	19.8	95.5
<b>NBFCs</b>	<b>0.1</b>	<b>-4.4</b>	<b>13.4</b>
Angel Broking	2.2	-6.3	178.9

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>-0.1</b>	<b>1.6</b>	<b>33.2</b>
<b>Nifty Midcap 100</b>	<b>-0.6</b>	<b>3.9</b>	<b>58.9</b>
<b>Nifty Smallcap 100</b>	<b>0.6</b>	<b>5.9</b>	<b>71.7</b>
<b>Nifty Midcap 150</b>	<b>-0.6</b>	<b>3.5</b>	<b>54.7</b>
<b>Nifty Smallcap 250</b>	<b>0.1</b>	<b>6.8</b>	<b>64.8</b>
Aditya Birla Capital Ltd	-2.5	0.5	22.3
Bajaj Fin.	-1.7	-7.6	15.9
Cholaman.Inv.&Fn	-3.3	-6.6	52.7
Can Fin Homes	2.4	2.3	46.7
Cams Services	-0.6	8.7	27.5
CreditAcc. Gram.	0.3	0.0	76.9
Fusion Microfin.	-12.0	-2.6	38.6
Home First Finan	0.5	6.2	30.3
Indostar Capital	-3.4	11.1	22.0
IIFL Finance	-2.8	0.5	16.6
L&T Fin.Holdings	-0.5	5.4	99.9
LIC Housing Fin.	0.6	11.8	62.7
M & M Fin. Serv.	-1.6	3.4	21.7
Muthoot Finance	-2.4	-7.2	34.0
Manappuram Fin.	-1.8	5.9	60.4
MAS Financial Serv.	-0.7	13.7	24.5
ICICI Sec	0.0	15.6	69.8
360 One	-0.4	-12.1	30.6
PNB Housing	4.5	4.4	83.7
Repc Home Fin	11.3	11.0	100.0
Shriram Finance	-2.8	17.0	84.8
Spandana Sphoort	-5.0	-11.8	77.7
<b>Insurance</b>			
HDFC Life Insur.	1.8	-9.5	13.8
ICICI Pru Life	2.5	-3.0	28.3
ICICI Lombard	1.0	5.2	34.4
Life Insurance	-1.3	9.1	56.6
Max Financial	1.1	-5.7	19.6
SBI Life Insuran	2.3	0.0	29.1
Star Health Insu	0.9	7.1	16.4
<b>Chemicals</b>			
Alkyl Amines	-0.7	-12.5	-11.4
Atul	-2.2	-12.3	-12.4
Clean Science	-1.0	-7.1	7.4
Deepak Nitrite	-2.4	-9.0	21.9
Fine Organic	0.4	-4.4	-3.7
Galaxy Surfact.	-2.4	-3.0	12.1
Navin Fluo.Intl.	-2.8	-13.9	-16.6
NOCIL	-0.9	-2.7	30.3
Vinati Organics	-0.7	-2.0	-8.6
<b>Capital Goods</b>	<b>-0.9</b>	<b>17.6</b>	<b>103.6</b>
A B B	-2.7	-2.9	63.0
Bharat Electron	-1.3	-0.8	101.6
Cummins India	-1.3	15.6	58.6
Hitachi Energy	-3.8	4.5	81.3
K E C Intl.	0.5	9.1	44.8
Kalpataru Proj.	0.9	12.1	55.8
Kirloskar Oil	-0.5	6.7	131.8
L&T	-2.3	-3.6	58.4



Company	1 Day (%)	1M (%)	12M (%)
Siemens	-0.9	2.0	39.4
Thermax	-1.4	1.4	60.4
Triveni Turbine	-0.9	-11.2	39.4
<b>Cement</b>			
Ambuja Cem.	0.8	5.8	69.1
ACC	-0.6	12.8	37.0
Birla Corp.	5.6	7.9	74.2
Dalmia Bhar.	0.0	-3.4	29.0
Grasim Inds.	-2.1	0.5	34.6
India Cem	-7.3	-7.3	24.9
J K Cements	1.0	15.1	64.8
JK Lakshmi Ce	-0.6	2.8	20.1
Ramco Cem	-3.1	-2.7	45.8
Shree Cem	3.7	4.0	23.8
Ultratech	-2.4	-5.2	38.9
<b>Consumer</b>	<b>0.3</b>	<b>-3.6</b>	<b>22.8</b>
Asian Paints	-1.0	-13.7	6.8
Britannia	-1.0	-3.2	17.8
Colgate-Palm.	-2.6	0.7	72.3
Dabur	2.7	-0.5	-1.3
Emami	-0.3	-12.9	16.3
Godrej Cons.	7.8	9.6	34.9
HUL	-0.3	-6.8	-3.9
ITC	0.3	-5.4	22.6
Indigo Paints	-1.5	-4.8	22.9
Jyothy Lab	-1.3	5.3	146.9
Marico	1.5	-1.2	6.1
Nestle	-1.5	-9.8	29.3
Page Inds	-0.8	-4.5	-8.5
Pidilite Ind.	-0.9	-6.9	8.4
P&G Hygiene	-1.3	-1.9	23.2
Tata Consumer	1.0	4.6	52.5
United Brew	-0.3	0.6	14.4
United Spirits	-0.9	-2.5	40.2
Varun Beverages	0.3	3.4	119.0
<b>EMS</b>			
Kaynes Tech	-0.6	5.4	247.9
Avalon Tech	-3.8	-3.5	
Syrma SGS Tech.	-2.3	-11.4	126.6
Cyient DLM	-0.2	1.0	
Data Pattern	1.9	5.5	42.6
<b>Healthcare</b>	<b>-0.6</b>	<b>5.8</b>	<b>44.4</b>
Alembic Phar	-0.5	24.8	77.1
Alkem Lab	-2.8	-5.2	60.2
Apollo Hospitals	-1.0	9.4	47.5
Ajanta Pharma	0.3	1.0	83.7
Aurobindo	-6.9	-0.9	159.5
Biocon	0.6	5.6	12.6
Zydus Lifesci.	-0.2	8.6	74.4
Cipla	2.7	10.9	34.5
Divis Lab	-0.4	-6.7	8.9
Dr Reddy's	-2.1	2.9	37.7
ERIS Lifescience	-1.0	0.1	47.9
Gland Pharma	1.4	4.1	57.1

Company	1 Day (%)	1M (%)	12M (%)
Glenmark	-2.2	4.1	132.7
Global Health	4.4	26.0	178.4
Granules	-0.8	0.1	41.4
GSK Pharma	-1.0	14.2	78.2
IPCA Labs	-0.5	-0.4	30.6
Laurus Labs	2.1	-10.1	16.5
Lupin	0.6	15.3	105.3
Max Healthcare	2.9	16.7	82.0
Piramal Pharma	-4.1	-0.1	41.0
Sun Pharma	-0.7	11.7	38.7
<b>Infrastructure</b>	<b>-0.4</b>	<b>7.1</b>	<b>56.2</b>
Torrent Pharma	-0.7	9.4	63.6
G R Infraproject	1.4	8.7	2.8
IRB Infra.Devl.	-1.5	55.6	131.3
KNR Construct.	-0.3	6.9	14.4
<b>Logistics</b>			
Adani Ports	0.9	16.3	146.2
Blue Dart Exp.	0.1	-11.2	6.4
Container Corpn.	3.8	7.0	50.7
Mahindra Logis.	-0.1	5.5	-11.4
Transport Corp.	3.6	17.0	57.4
TCI Express	0.6	0.3	-13.2
VRL Logistics	-0.5	-2.5	41.1
<b>Media</b>	<b>-1.1</b>	<b>-12.5</b>	<b>15.2</b>
PVR INOX	-1.4	-13.6	-13.5
Sun TV	-0.6	-7.8	43.9
Zee Ent.	-1.5	-40.2	-22.9
<b>Metals</b>	<b>-1.0</b>	<b>-1.4</b>	<b>27.7</b>
Hindalco	-1.4	-6.4	22.1
Hind. Zinc	0.0	-0.3	-4.6
JSPL	-1.9	-0.2	22.1
JSW Steel	-2.1	-8.6	9.9
Nalco	-1.2	8.0	80.0
NMDC	2.5	6.6	86.4
SAIL	-2.6	-4.3	34.0
Tata Steel	-0.8	-3.6	10.4
Vedanta	-2.0	4.4	-18.1
<b>Oil &amp; Gas</b>	<b>0.0</b>	<b>11.8</b>	<b>42.7</b>
Aegis Logistics	3.0	11.3	8.0
BPCL	1.2	12.5	51.9
Castrol India	-3.6	-1.1	60.4
GAIL	0.6	4.5	80.8
Gujarat Gas	-0.2	19.8	22.8
Gujarat St. Pet.	-1.7	13.0	37.0
HPCL	0.6	16.6	97.8
IOC	1.9	14.9	87.7
IGL	2.1	4.3	3.6
Mahanagar Gas	-1.1	21.6	66.2
MRPL	0.9	34.6	220.2
Oil India	2.3	15.2	94.1
ONGC	-1.8	20.6	71.7
PLNG	-1.3	17.8	22.8
Reliance Ind.	0.0	10.2	33.9



Company	1 Day (%)	1M (%)	12M (%)
<b>Real Estate</b>	<b>-0.9</b>	<b>7.8</b>	<b>108.0</b>
Brigade Enterpr.	-1.5	12.8	117.2
DLF	-0.3	10.6	129.2
Godrej Propert.	-0.9	17.6	103.6
Mahindra Life.	-0.1	2.9	60.5
Macrotech Devel.	0.2	1.9	106.6
Oberoi Realty Ltd	-1.2	-9.7	58.5
Sobha	-1.2	40.0	144.7
Sunteck Realty	0.2	5.1	36.9
Phoenix Mills	-3.0	4.3	71.8
Prestige Estates	-1.9	4.5	203.0
<b>Retail</b>			
Aditya Bir. Fas.	-0.8	7.1	-4.0
Avenue Super.	0.4	-6.3	7.3
Bata India	-2.0	-11.1	-2.7
Campus Activewe.	-2.3	-5.4	-29.7
Barbeque-Nation	-1.2	-6.4	-26.6
Devyani Intl.	-2.2	-7.2	18.6
Jubilant Food	-3.4	-10.6	10.0
Metro Brands	-1.7	-13.5	40.3
Raymond	-0.2	1.9	28.4
Relaxo Footwear	-1.5	-6.2	4.3
Restaurant Brand	-1.1	1.9	6.6
Sapphire Foods	-1.1	1.8	15.7
Shoppers St.	-0.9	9.3	13.5
Titan Co.	-1.9	-1.4	54.6
Trent	0.5	3.4	155.2
V-Mart Retail	-1.4	6.2	-22.2
Vedant Fashions	-2.2	-23.0	-19.5
Westlife Food	-0.2	1.3	18.8
<b>Technology</b>	<b>-0.3</b>	<b>2.3</b>	<b>21.7</b>
Cyient	-1.8	-15.7	125.2
HCL Tech.	0.1	6.3	39.3
Infosys	-0.2	6.8	6.8
LTIMindtree	-1.5	-14.3	22.3
L&T Technology	-1.4	5.7	65.2
Mphasis	0.1	-5.0	25.5
Coforge	-1.3	-0.4	41.7
Persistent Sys	-0.7	13.4	77.1
TCS	1.0	1.1	13.1
Tech Mah	-1.6	1.2	28.2
Wipro	-1.4	-1.2	17.1
Zensar Tech	-1.3	-6.7	142.2
<b>Telecom</b>	<b>-1.5</b>	<b>4.5</b>	<b>51.6</b>
Bharti Airtel	-1.7	13.6	49.7
Indus Towers	-1.3	8.0	51.7
Idea Cellular	-1.4	-16.8	111.2
Tata Comm	-1.9	-3.5	41.7
<b>Utilities</b>	<b>0.7</b>	<b>9.2</b>	<b>65.7</b>
Coal India	0.1	6.5	84.3
NTPC	1.4	4.0	89.4
Power Grid Corpn	2.5	11.6	63.7

Company	1 Day (%)	1M (%)	12M (%)
<b>Others</b>			
APL Apollo Tubes	-0.7	-2.4	29.9
BSE	7.3	13.2	395.0
Coromandel Intl	2.0	-14.2	18.9
EPL Ltd	-2.2	-1.4	26.5
Indiamart Inter.	1.5	-6.1	13.6
Godrej Agrovet	1.9	1.6	26.8
Havells	1.6	-3.5	9.7
Indian Hotels	0.4	13.4	51.4
Interglobe	3.6	3.0	47.1
Info Edge	0.6	-1.7	39.4
Kajaria Ceramics	-0.5	5.3	29.1
Lemon Tree Hotel	-0.8	16.9	71.5
MCX	1.1	8.9	131.5
One 97	-20.0	-5.7	16.3
Piramal Enterp.	-2.3	-4.2	5.9
PI Inds.	1.1	-1.9	12.6
Quess Corp	0.6	-2.1	39.3
SIS	0.0	4.8	32.3
SRF	-0.7	-6.5	3.8
Tata Chemicals	-1.3	-9.2	6.1
Team Lease Serv.	3.3	-9.1	31.6
Voltas	-4.0	7.2	32.0
UPL	-1.4	-10.6	-28.6
Zomato Ltd	0.7	12.9	191.9

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

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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.