MOTILAL OSWAL FINANCIAL SERVICES

21 February 2024

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	73,057	0.5	1.1
Nifty-50	22,197	0.3	2.1
Nifty-M 100	49,248	-0.1	6.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	4,976	-0.6	4.3
Nasdaq	15,631	-0.9	4.1
FTSE 100	7,719	-0.1	-0.2
DAX	17,068	-0.1	1.9
Hang Seng	5,519	0.6	-4.3
Nikkei 225	38,364	-0.3	14.6
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	85	-1.7	9.3
Gold ($/OZ)	2,024	0.4	-1.9
Cu (US$/MT)	8,424	0.8	-0.5
Almn (US$/MT)	2,158	-0.8	-8.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	83.0	-0.1	-0.3
USD/EUR	1.1	0.3	-2.1
USD/JPY	150.0	-0.1	6.4
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.1	-0.04	-0.1
10 Yrs AAA Corp	7.6	-0.03	-0.1
Flows (USD b)	**20-Feb**	**MTD**	**CYTD**
FIIs	-0.2	6.86	-3.8
DIIs	0.18	1.73	5.5
Volumes (INRb)	**20-Feb**	**MTD***	**YTD***
Cash	1,047	1339	1273
F&O	4,47,370	3,92,583	3,98,773

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Jindal Steel & Power: Capacity expansion to propel growth

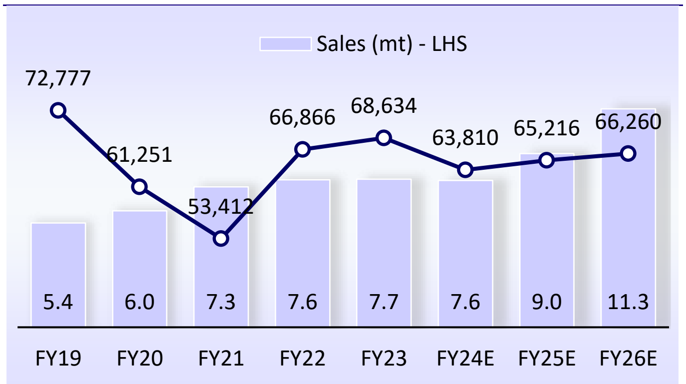
- Jindal Steel and Power's (JSP) ongoing capacity expansion at Angul (Odisha) will significantly enhance its crude steel capacity by over 65% to 15.9mt. The planned expansion, which is expected to be completed by 3QFY26, will catapult JSP to the fourth largest steel manufacturer in India.
- Along with the capacity expansion, JSP plans to strengthen its raw material integration, increase the share of CPP, increase the share of flat steel, and undertake product enrichment.
- The planned capex will result in volume growth and a reduction in structural costs. With net debt of ~INR91b in 9MFY24 and a net debt-to-EBITDA ratio at a comfortable level of 0.9x, JSP has one of the strongest balance sheets among the domestic manufacturers. The stock trades at 5.2x FY26E EV/EBITDA and 1.3x FY26E P/B. We reiterate BUY on the stock with a TP of INR900 (6x FY26E EV/EBITDA).

Research covered

Cos/Sector	Key Highlights
Jindal Steel & Power	Capacity expansion to propel growth
CIE Automotive	Weak growth across geographies dent performance
ABB India	Miss on revenue; healthy beat on profitability

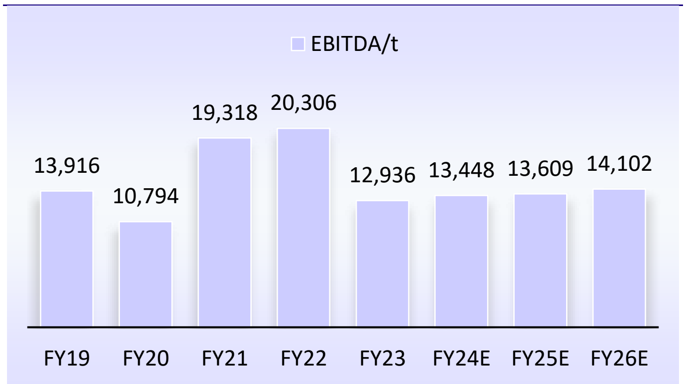
Chart of the Day: Jindal Steel & Power (Capacity expansion to propel growth)

Sales (mt) and ASP (INR/t); sales volumes and ASP to improve in tandem with each other



Source: MOFSL, Company

We expect consolidated EBITDA/t to pick up in FY24E



Source: MOFSL, Company

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In the news today

Kindly click on textbox for the detailed news link

1

Hindalco subsidiary Novelis files documents with SEC for proposed US IPO

The shares are expected to be offered by Novelis' sole shareholder (a unit of Hindalco Industries Ltd). Novelis will not receive any proceeds from the sale of shares by its shareholder

2

Zee Entertainment clarifies 'not involved in any negotiations' with Sony to revive merger deal

The media firm's scrip rose over 10% intraday on Tuesday

3

NBCC gets Rs 332 crore order from Rani Lakshmi Bai Central Agriculture University

State-owned NBCC secures Rs 332 crore contract for infra development for Rani Lakshmi Bai Central Agriculture University. It constructs hostels, academic buildings, auditorium, sports facility, fisheries ponds, and offices.

4

JSW Steel in talks for $1 billion stake in Australia's Blackwater coal mine

JSW Steel, India's largest steel producer, is in talks with Whitehaven Coal for a stake in its Blackwater metallurgical coal mine in Australia. JSW is conducting due diligence and may acquire more than a 20% stake.

5

Govt says 40 bids received via offline mode for coal mines auction under 9th round

The ninth tranche of auction was launched for 32 coal mines. The last date for submission of bids was February 19, 2024. The online bids received as part of the auction process along with the offline bids will be opened on Tuesday in presence of bidders.

6

Hotel industry expected to post 7-9% revenue growth in FY2025, ARRs to converge towards FY2008 peak, says ICRA

Finolex Cables has an existing Pan-India premium hotel average room rates (ARRs) are expected to go up to ~Rs 7,200- Rs 7,400 in FY2024 and rise further to Rs 7,800- Rs 8,000 in FY2025

7

Radisson Hotel Group announces signing of 150-room Radisson Blu Hotel, Ayodhya, in partnership with Jeewani Hospitality and EaseMyTrip

Radisson Blu Hotel, Ayodhya, is being developed by Jeewani Hospitality in partnership with EaseMyTrip and is expected to open in 2027.

Jindal Steel & Power

BSE SENSEX	S&P CNX
73,057	22,197

Stock Info

Bloomberg	JSP IN
Equity Shares (m)	1005
M.Cap.(INRb)/(USDb)	775.3 / 9.3
52-Week Range (INR)	805 / 503
1, 6, 12 Rel. Per (%)	1/4/3
12M Avg Val (INR M)	1569
Free float (%)	38.8

Financials Snapshot (INR b)

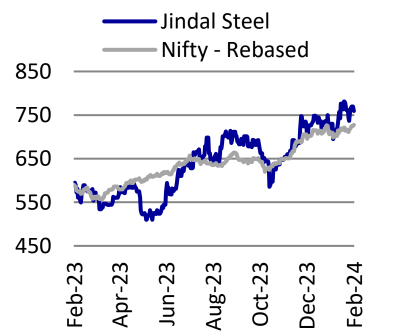
Y/E MARCH	2024E	2025E	2026E
Sales	485	587	750
EBITDA	102	122	160
Adj. PAT	61	58	84
Cons. Adj. EPS (INR)	60	57	82
EPS Gr. (%)	64.3	-4.3	43.3
BV/Sh. (INR)	439	490	564
Ratios			
Net D:E	0.2	0.2	0.1
RoE (%)	14.5	12.3	15.6
RoCE (%)	13.1	14.1	17.7
Payout (%)	10.0	10.0	10.0
Valuations			
P/E (x)	12.7	13.3	9.2
P/BV (x)	1.7	1.5	1.3
EV/EBITDA(x)	8.4	7.0	5.2
Div. Yield (%)	0.8	0.8	1.1
FCF Yield (%)	-0.1	3.1	6.5

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	61.2	61.2	61.2
DII	15.3	15.2	14.2
FII	13.5	13.7	14.6
Others	10.0	9.9	10.0

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR759 TP: INR900 (+18%) Buy

Capacity expansion to propel growth

- **The ongoing capacity expansion at Angul (Odisha) will significantly enhance Jindal Steel and Power's (JSP) crude steel capacity by over 65% to 15.9mt. The planned expansion, which is expected to be completed by 3QFY26, will catapult JSP to the fourth largest steel manufacturer in India.**
- **Along with the capacity expansion, JSP plans to strengthen its raw material integration, increase the share of CPP, increase the share of flat steel, and undertake product enrichment. The planned capex will result in volume growth and a reduction in structural costs.**
- **JSP recently commissioned and dispatched its first rake from 6mt HSM at Angul in a record period of 30 months. This achievement enables the company to cater to key sectors such as automobile, construction, oil, GP, color coating, etc.**
- **In Oct'23, JSP started production at Gare Palma IV/6 mines, which supply coal to its Raigarh facility. At the current mine, JSP has already mined ~1mt of coal in 3QFY24 and as production ramps up, the mine can see increased raw material integration, which helps JSP to accelerate its capacity expansion.**
- **In addition, JSP has also commenced production at its Utkal C coal block within a record time of 12 months and the entire incremental benefits from this mine are expected to accrue in FY25E, which should further strengthen RM integration.**
- **JSP has followed a prudent deleveraging policy to strengthen its balance sheet. With net debt of ~INR91b in 9MFY24 and a net debt-to-EBITDA ratio at a comfortable level of 0.9x, JSP has one of the strongest balance sheets among the domestic ferrous manufacturers. The stock trades at 5.2x FY26E EV/EBITDA and 1.3x FY26E P/B. We reiterate BUY on the stock with a TP of INR900 (6x FY26E EV/EBITDA).**
- **Key downside risk: A delay in the commissioning of the remaining coal mines may delay cost synergies and margin improvement.**

Scale-up through capacity expansion

- JSP has guided for a capex outlay of INR75-100b p.a. over the next three years. The increase in capex guidance during 1HFY24 by INR70b to INR310b was attributed mainly to scope changes and the construction of a 1.2mt CRM complex and a 0.5mt plate mill facility at Angul.
- The INR310b capex will be utilized for the expansion at Angul (75%), ACPP-II (10%), coal mines (5%) and new projects (10%). After the capex, the share of flat steel products is expected to increase to ~55-58% from ~30-35% currently.
- Historically, flats command a premium over long steel products, and JSP's structural shift from being a long steel manufacturer to a VAP flat steel manufacturer bodes well for the company's long-term growth outlook.
- JSP recently commissioned the 6mt HSM facility, and all the other expansions are progressing as per timelines, which are expected to come on stream in phases by 3QFY26 (with majority coming on stream by end of FY25).
- As a part of the ongoing capex, JSP is enhancing its pellet capacity to 21mt (current 15mt), along with the installation of a ~200km 18mt slurry pipeline from Barbil to Angul, which will help in margin expansion and cost synergies.

- The total capex for FY24E is expected to be around INR75-100b and JSP has already spent INR60b till Dec'23.
- Once the doubling of the capacity at Angul is completed, JSP aims to increase its Raigarh capacity to 9.6mt from 3.6mt, thereby augmenting the installed crude steel capacity to ~22mt.

Strong RM linkages and cost competitiveness

- The company has two iron ore mines at Kasia (7.5mt) and Tensa (3.11mt), which fulfill around 64% of its iron ore requirements. These mines are in proximity to the Barbil pellet facility, which helps JSP reduce its reliance on third-party merchant miners.
- Total requirement of JSP in FY23 stood at ~14mt, of which Tensa mine supplied ~3mt and Kasia mine supplied ~6mt, with the rest procured from OMC and NMDC.
- JSP had acquired thermal coal blocks at Utkal C (PRC 3.37mt), Utkal B1 & B2 (PRC 8mt) and Gare Palma IV/6 (PRC 4mt) with a cumulative R&R of over 700mt. In Oct'23, JSP started production at Gare Palma IV/6 mine, and its proximity to the Raigarh facility (~49kms) provides RM linkages to JSP.
- Gare Palms IV/6 achieved a production of ~1mt during 3QFY24 and is expected to reach a run rate of over 3.5mt by Mar'24. JSP recently commenced production from Utkal C coal block and the entire incremental benefits from the Utkal C coal block is expected to accrue in FY25E. JSP also has coking coal, thermal/coking coal and anthracite coal assets in Australia, Mozambique and South Africa, with EC of 1.2mt, 5mt and 1.2mt, respectively.

ACPP-II

- In FY23, JSP acquired 2x525mw power plant assets belonging to Monnet Power at Angul under the IBC proceedings for INR4.1b. The 1050mw plant, which was under construction at the time of acquisition, is expected to utilize ~25% less coal and is expected to come on stream by 2QFY25 (part of the ongoing capex).
- Once fully commissioned, this power plant will provide power/energy to the Angul facility. The plant's proximity to Utkal C, B1, and B2 mines and JSP's Angul facility gives an additional advantage to JSP.
- As a part of the ongoing capex, JSP has earmarked INR30b for the construction of this plant.

Valuations and view

- The ongoing capacity expansion is expected to increase the share of flat steel products to over 55%, with the focus on VAP flat steel products. JSP's strong focus on high-margin VAP (current share ~65%) has helped the company strengthen its product offerings across the value chain, thereby enchasing its realizations. As the additional capacity comes on stream, JSP would be able to develop more VAPs, and thus driving up margins.
- JSP's focus on RM integration not only provides benefits from cost synergies but also helps the company to sail through extreme steel and raw material cycles.
- Steel demand in India is expected to remain robust, driven by improvements in construction activity, a strong push on infrastructure projects, and higher demand for automobiles, RE and consumer goods.
- Steel demand is relatively stronger in 4Q, which should help JSP garner better margins. The stock trades at 5.2x FY26E EV/EBITDA and we reiterate BUY on the stock with a TP of INR900 (6x FY26E EV/EBITDA).

CIE Automotive

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	CIEINDIA IN
Equity Shares (m)	379
M.Cap.(INRb)/(USDb)	179.4 / 2.2
52-Week Range (INR)	580 / 332
1, 6, 12 Rel. Per (%)	-6/-17/-4
12M Avg Val (INR M)	499

Financials & Valuations (INR b)

INR b	CY23	CY24E	CY25E
Sales	92.8	101.0	111.2
EBITDA (%)	15.3	15.9	16.4
Adj. PAT	8.0	9.7	11.3
EPS (INR)	21.1	25.6	29.9
EPS Growth (%)	16.8	21.4	16.8
BV/Share (Rs)	158	179	203
Ratio			
RoE (%)	14.4	15.2	15.7
RoCE (%)	13.0	13.7	14.7
Payout (%)	23.8	16.7	16.7
Valuations			
P/E (x)	22.4	18.5	15.8
P/BV (x)	3.0	2.6	2.3
Div. Yield (%)	1.1	0.9	1.1
FCF Yield (%)	4.9	3.0	4.8

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	65.7	65.7	75.0
DII	16.0	15.4	7.5
FII	5.6	6.6	7.3
Others	12.7	12.0	10.3

FII Includes depository receipts

CMP: INR473 TP: INR540 (+14%) Buy

Weak growth across geographies dent performance

EU light-vehicle production to decline ~3% YoY in CY24E

- CIEINDIA reported a muted performance in 4QCY23 due to lower-than-estimated growth in both India and EU. The demand outlook for EU remains weak as the production of light-vehicles is expected to decline ~3% YoY in CY24, along with an anticipation of muted growth in Metalcastello for the next few quarters.
- We cut our CY24E/CY25E EPS by 4%/3% to factor in weakness in the underlying markets. Reiterate BUY with a TP of INR540 (based on ~18x CY25E consol. EPS).

Margins below est. both in India and EU

- 4QCY23 consol. revenue remained flat YoY at ~INR22.4b (vs. est. INR24.6b), due to weaker growth in both geographies. India grew 6% YoY (vs. est. growth of 11%), while EU declined 11% YoY (vs. est. flat growth YoY). EBITDA stood at ~INR3.3b (vs. est. INR3.8b), up 12% YoY. EBITDA margins stood at 14.6% (vs. est. 15.5%). Adj. PAT stood at INR1.8b (vs. est. INR2.2b), up 6% YoY. CY23 consol. revenue/EBITDA/PAT grew 6%/21%/17% YoY.
- **India business performance:** Revenue grew 6% YoY to ~INR14.8b (vs. est. ~INR16b). India EBITDA margin stood at 14.7% (vs. est. 15.9 %). India business growth was largely in line with the underlying weighted average industry growth of 4%.
- **EU business performance**: Revenue declined 11% YoY to ~INR7.6b (vs. est. ~INR8.6b). 4QCY22 had higher other operating revenues accounted for energy cost compensation. EBITDA margins stood at 14.5% (vs. est. 15.6%). Market slowdown in EU operations and off-highway market drop in the US impacted the Metalcastello performance.
- The company declared a final dividend of INR5/share for CY23 (vs. INR2.5/share for CY22).
- FCFF for CY23 stood at INR8.7b (vs. INR6.75b in CY22) due to improved cash flow operations at INR13.8b (vs. INR11.2b in CY22). Capex stood at INR5.1b (vs. INR4.4b in CY22).

Highlights from the management commentary

- **India revenue growth was largely in line with the weighted average underlying industry growth**. 4Q growth was affected by delay in many EV projects by the customers and a softness in the India EV market. However, the company has maintained its guidance to outperform the underlying weighted average industry growth by 5%.
- **Export contribution from India stood at 14% (vs. 11% in CY22).** These orders are new opportunities mostly for steel castings and gears.
- **EU outlook challenging:** EU light-vehicle market is expected to remain stagnant for the next 4-5 years. Light-vehicle production would decline ~3% YoY in CY24. The pace of electrification in EU is also expected to slow down (12% electrification in light-vehicle market in CY23).

- Metalcastello- Revenue declined 6% YoY in CY23 due to weakness in the US off-highway market. With the upcoming elections in the US at the end of CY24 and a slowdown in infrastructure projects, Metalcastello growth is expected to remain muted for the next 2-3 quarters.

Valuation and view

- CIEINDIA's growth story is on track, driven by its organic initiatives (new products and customers in the India business). Moreover, cost-cutting measures in both India and the EU and a recovery in domestic 2W demand will drive margin expansion going forward. However, the company is seeing a temporary slowdown due to weakness in the underlying light-vehicle market in EU and US off-highway markets.
- We believe CIEINDIA's focus on profitability and increasing contribution of EVs in the overall business through execution of new orders can drive a re-rating. The stock trades at 18.5x/15.8x CY24E/CY25E consolidated EPS. Reiterate BUY with a TP of INR540 (premised on ~18x CY25E consol. EPS).

Quarterly performance (Consol.) **(INR Million)**

(INR m)	CY22				CY23				CY22	CY23	
Y/E December	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**			**4QE**
Net Sales	**20,608**	**22,160**	**22,294**	**22,468**	**24,402**	**23,203**	**22,794**	**22,404**	**87,530**	**92,803**	**24,570**
YoY Change (%)	-5.9	8.5	6.6	34.6	18.4	4.7	2.2	-0.3	29.4	6.0	9.4
EBITDA	**2,804**	**3,058**	**2,934**	**2,924**	**3,806**	**3,704**	**3,454**	**3,274**	**11,720**	**14,239**	**3,797**
Margins (%)	13.6	13.8	13.2	13.0	15.6	16.0	15.2	14.6	13.4	15.3	**15.5**
Depreciation	717	747	731	767	825	833	783	781	2,962	3,222	822
Interest	40	-1	109	79	240	221	310	303	227	1,074	250
Other Income	107	98	134	244	160	195	200	265	583	820	226
Share of profit from associates	4	11	3	4	3	-3	-2	-3	22	-5	9
PBT before EO expense	**2,155**	**2,409**	**2,229**	**2,321**	**2,901**	**2,846**	**2,561**	**2,455**	**9,114**	**10,763**	2,952
EO Exp/(Inc)	0	0	0	-379	0	0	0	0	-379	0	0
PBT after EO exp	**2,155**	**2,409**	**2,229**	**2,700**	**2,901**	**2,846**	**2,561**	**2,455**	**9,492**	**10,763**	**2,952**
Tax Rate (%)	23.9	23.8	24.9	28.0	24.2	24.9	27.0	27.8	25.3	25.8	25.4
Adj. PAT	**1,643**	**1,847**	**1,676**	**1,664**	**2,203**	**2,136**	**1,867**	**1,770**	**6,829**	**7,976**	**2,212**
YoY Change (%)	7.7	35.6	12.4	96.5	34.1	15.7	11.4	6.4	69.3	16.8	32.9
Revenues											
India	12,811	13,778	15,311	13,977	14,449	14,348	15,354	14,833	55,862	58,985	15,956
Growth (%)	15	47	34	23	13	4	0	6	29	6	14.2
EU	7,768	8,315	7,094	8,491	9,954	8,855	7,440	7,570	31,668	33,819	8,599
Growth (%)	-28	-25	-25	51	28	6	5	-11	26	7	1.3
EBITDA Margins											
India	13.4	13.3	13.4	16.9	15.0	14.8	15.1	14.7	14.3	14.9	15.9
EU	14.0	14.7	12.3	11.0	16.4	17.8	15.3	14.5	13.0	16.1	15.6

E: MOFSL Estimates

ABB India

BSE SENSEX	S&P CNX
73,057	22,197

Conference Call Details

Date: 21st February 2024

Time: 11:30am IST

Dial-in details:

Diamond pass

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	104.5	134.7	160.9
Sales Gr. (%)	21.9	28.9	19.4
EBITDA	14.9	17.6	21.4
EBITDA Margin (%)	14.3	13.0	13.3
Adj. PAT	12.4	14.6	17.3
Adj. EPS (INR)	58.9	68.8	81.8
EPS Gr. (%)	81.9	21.2	19.0
BV/Sh.(INR)	280.5	343.3	417.8
Ratios			
RoE (%)	22.1	22.0	21.5
RoCE (%)	22.2	22.2	21.6
Payout (%)	26.5	26.2	26.4
Valuations			
P/E (x)	79.7	65.8	55.3
P/BV (x)	16.1	13.2	10.8
EV/EBITDA (x)	64.6	51.5	41.7
Div. Yield (%)	0.3	0.3	0.4

CMP: INR4,525 Buy

Miss on revenue; healthy beat on profitability

- ABB India's revenue grew 14% YoY to INR27.6b, driven by Robotics & Motion (+2%), Electrification (+19%), and Process Automation (+23%).
- Gross margin at 37.5% expanded ~140bp YoY/80bp QoQ, likely led by a favorable product mix.
- EBITDA at INR4.1b clocked 15% YoY growth, while margin stood at 15.1%, flat YoY and down 70bp QoQ.
- PAT at INR3.4b grew 13% YoY, led by a healthy operational performance.
- The order inflow stood at INR31.4b (+35% YoY), while the order book stood at INR84b (+30% YoY).
- On an annual basis, revenue/EBITDA/PAT came in at INR104.4b/ INR14.9b/INR12.4b, up 22%/55%/80% YoY. EBITDA margin expanded ~310bp to 14.3%.
- Cash balance stood at INR48.1b vs INR31.5b in CY22. FCF generation was INR11.7b (+104% YoY).
- The board has recommended a final dividend of INR23.8 per share for CY23 in addition to the special dividend of INR5.5 per share.
- **From the press release:** Strong traction in large orders continued during 4QCY23. Sectors that significantly contributed to growth in 4Q included railways, metals, data centers, cement, specialty chemicals, and construction machinery.

Standalone - Quarterly Earning Model (INR m)

Y/E December	CY22				CY23				CY23	CY24E	CY23	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net Sales	**19,684**	**20,525**	**21,197**	**24,269**	**24,112**	**25,086**	**27,692**	**27,575**	**1,04,465**	**1,34,701**	**31,866**	**-13**
YoY Change (%)	20.8	44.0	19.2	15.5	22.5	22.2	30.6	13.6	21.9	28.9	31.3	
Total Expenditure	17,805	18,538	19,088	20,626	21,259	21,599	23,307	23,403	89,567	1,17,134	28,347	
EBITDA	**1,879**	**1,988**	**2,110**	**3,643**	**2,853**	**3,487**	**4,385**	**4,172**	14,898	17,567	**3,518**	**19**
Margins (%)	9.5	9.7	10.0	15.0	11.8	13.9	15.8	15.1	14.3	13.0	11.0	
Depreciation	257	253	269	268	274	292	303	329	1,199	1,275	272	21
Interest	15	28	16	72	22	14	9	82	127	113	67	23
Other Income	3,335	186	780	694	723	750	768	776	3,017	3,299	842	-8
PBT before EO expense	**4,943**	**1,891**	**2,605**	**3,996**	**3,279**	**3,931**	**4,842**	**4,537**	**16,589**	**19,478**	**4,022**	**13**
Extra-Ord expense												
PBT	**4,943**	**1,891**	**2,605**	**3,996**	**3,279**	**3,931**	**4,842**	**4,537**	**16,589**	**19,478**	**4,022**	**13**
Tax	1,212	489	638	943	827	972	1,222	1,085	4,106	4,909	1,030	
Rate (%)	24.5	25.8	24.5	23.6	25.2	24.7	25.2	23.9	24.8	25.2	25.6	
Minority Interest & Profit/Loss of Asso. Cos.												
Reported PAT	**3,731**	**1,403**	**1,968**	**3,053**	**2,452**	**2,959**	**3,620**	**3,452**	**12,483**	**14,570**	**2,992**	**15**
Adj PAT	**3,731**	**1,403**	**1,968**	**3,053**	**2,452**	**2,959**	**3,620**	**3,452**	**12,483**	**14,570**	**2,992**	**15**
YoY Change (%)	164.0	99.7	64.1	62.2	-34.3	110.9	84.0	13.1	79.5	21.2	-2.0	
Margins (%)	19.0	6.8	9.3	12.6	10.2	11.8	13.1	12.5	11.9	10.8	9.4	

	CY22				CY23				CY23	CY24E
INR m	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**		
Segmental revenue										
Robotics & Motion	7,804	8,820	9,398	9,981	10,398	10,398	10,993	10,223	42,011	57,119
Electrification Products	8,610	8,378	8,809	9,500	9,994	10,056	10,420	11,302	41,772	53,700
Process Automation	3,421	3,704	3,499	5,108	4,202	5,096	6,756	6,307	22,361	25,204
Unallocated and others (incl. excise duty)	111	112	49	19	19	53	24	29	125	760
Less: inter-segmental	-261	-490	-557	-339	-500	-517	-502	-286	-1,804	-2,082
Total revenues	**19,684**	**20,525**	**21,197**	**24,269**	**24,112**	**25,086**	**27,692**	**27,575**	**1,04,465**	**1,34,701**
Segmental EBIT										
Robotics & Motion	1,011	799	1,004	1,604	1,275	1,484	2,040	1,746	6,544	8,220
Margin (%)	13.0	9.1	10.7	16.1	12.3	14.3	18.6	17.1	15.6	14.4
Electrification Products	1,180	963	1,280	1,455	1,946	1,640	2,011	2,148	7,746	9,129
Margin (%)	13.7	11.5	14.5	15.3	19.5	16.3	19.3	19.0	18.5	17.0
Process Automation	354	402	350	900	389	568	983	810	2,749	3,529
Margin (%)	10.4	10.8	10.0	17.6	9.2	11.1	14.5	12.8	12.3	14.0
Total	**2,546**	**2,164**	**2,634**	**3,959**	**3,609**	**3,692**	**5,034**	**4,704**	**17,039**	**20,878**

HDFC Bank: Will maintain incrementally healthy loan-deposit ratio going forward; Sashidhar Jagdishan, MD & CEO

- We realized that with the merger will come preponement of loans in our B/S
- We have around 14-15% market share in loans and 10-11% share in deposits
- Loan-deposit ratio is reasonably healthy in the range of 85-90%
- The growth rate in our deposits and loans has been similar

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Deepak Nitrite: Many arbitrage opportunities are available; Maulik Mehta, CEO

- Remain cautiously optimistic on demand
- Extremely bullish on Indian chemical industry
- India to be the place for chemical manufacturing
- Confident that FY25 will be better than FY24

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PNB Housing: Margins to be around 3.5-3.6% for near term; Girish Kousgi, CEO

- Focus in phase 2 is to accelerate growth
- Expect NPA resolution in Q4
- Phase 2 to aid book growth, improve margins
- Retail book growth expected to be around 17-18%

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5-Star Business: Expect 25-30% growth in disbursals & AUM growth of 31-32% in FY25; Srikanth Gopalakrishnan, CFO

- Expect AUM to be at Rs 9,000-9,500 cr in FY24 & Rs 12,000-12,500 cr by FY25
- Methodology to compute NPA is stringent
- 60-70bps of CC can be absorbed by our P&L
- Expect AUM growth of 31-32% in FY25

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

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

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