Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	79,997	-0.1	10.7
Nifty-50	24,324	0.1	11.9
Nifty-M 100	57,089	0.8	23.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,567	0.5	16.7
Nasdaq	18,353	0.9	22.3
FTSE 100	8,204	-0.5	6.1
DAX	18,475	0.1	10.3
Hang Seng	6,382	-1.4	10.6
Nikkei 225	40,912	0.0	22.3
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	89	0.2	14.8
Gold ($/OZ)	2,392	1.5	16.0
Cu (US$/MT)	9,795	0.6	15.7
Almn (US$/MT)	2,478	0.2	5.7
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	83.5	0.0	0.3
USD/EUR	1.1	0.3	-1.8
USD/JPY	160.8	-0.3	14.0
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.0	-0.01	-0.2
10 Yrs AAA Corp	7.5	0.01	-0.3
Flows (USD b)	**5-Jul**	**MTD**	**CYTD**
FIIs	0.1	3.26	1.1
DIIs	-0.20	3.23	28.4
Volumes (INRb)	**5-Jul**	**MTD***	**YTD***
Cash	1,691	1469	1265
F&O	1,36,261	3,48,753	3,77,480

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research theme

India Strategy: The Retail Rhapsody!

FY25 to be the year of healthy but normalized earnings growth!

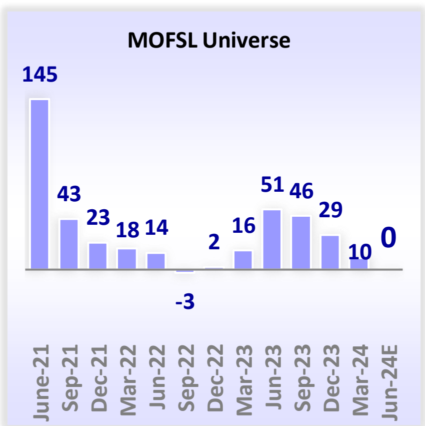
- We estimate the MOFSL Universe earnings to remain flat and Nifty earnings to grow 4% YoY in 1QFY25. However, excluding OMCs, the MOFSL Universe and Nifty earnings are expected to grow by 11% YoY and 8% YoY, respectively.
- The overall earnings growth is anticipated to be driven, once again, by domestic cyclicals such as Auto (+18% YoY) and BFSI (+15% YoY), with improved contributions from Healthcare (+21% YoY) and Metals (+12% YoY). Conversely, earnings growth is likely to be weighed down by global cyclicals, such as O&G (led by OMCs), which are anticipated to decline 36% YoY, along with Cement (-15% YoY) and Spec. Chemicals (-20% YoY). The Real Estate (+37% YoY) and Retail (+14% YoY) sectors would report strong growth, while Consumers (+10% YoY), and Technology (+6% YoY) are anticipated to post moderate growth YoY.
- Our FY25E and FY26E Nifty EPS remain stable at INR1,134 and INR1,330, respectively. We estimate the Nifty EPS to grow 13%/17% in FY25/FY26.

Research covered

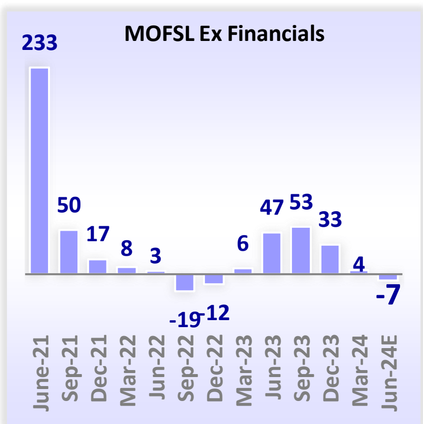
Cos/Sector	Key Highlights
India Strategy	The Retail Rhapsody!
Consumer (1QFY25 Preview)	Steady demand; gradual volume improvement
Cement (1QFY25 Preview)	Demand softens; cement prices remain muted
VRL Logistics	Muted activity in 1Q amid polls and driver shortage; volume growth to improve in 2H
Other Updates	Tata Motors | Titan Company | Bajaj Auto | Dabur | Marico | Kalyan Jewellers India | AU Small Finance Bank | Raymond | Angel One

Chart of the Day: 1QFY25E MOFSL earnings performance

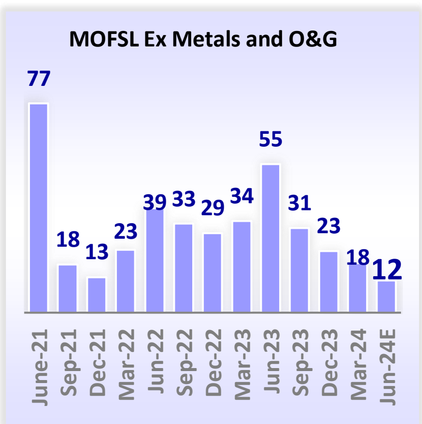
PAT expected to remain flat YoY for the MOFSL Universe



PAT likely to decline 7% YoY for the MOFSL Universe, excluding Financials



PAT to jump 12% YoY for the MOFSL Universe, sans Metals and O&G



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Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

In the news today

Kindly click on textbox for the detailed news link

1

Changes likely in India's new EV policy, may benefit legacy car companies

The move comes as US electric carmaker Tesla Inc is still to make any firm commitment on building a factory in India. The policy, which aims to accelerate the local manufacturing of high-end electric cars, currently supports only fresh investments.

2

FMCG majors ramp up direct reach in distribution push

At over a third of total reach currently, from around 20% earlier

3

Commerce ministry targets $100 billion electronics, textile exports by FY30

Pharmaceutical exports are targeted to double to $55 billion by FY30, from $27.84 billion in FY24, focusing on drug formulations and biologicals

4

HDFC Capital bets big on affordable housing, to invest $2 billion by 2025 end

The world's largest affordable housing platform that counts Abu Dhabi Investment Authority (ADIA) as its key investor is in the process of achieving its medium-term goal of financing 1 million affordable homes in India through existing platforms set up with leading developers.

5

Japan’s Horiba to set up semicon unit in Nagpur industrial estate

Union Minister of Road Transport and Highways, Nitin Gadkari, said at the inaugural that they were keen on seeing more investments flow into the Butibori industrial estate, which was among the largest such industrial estate in Asia

6

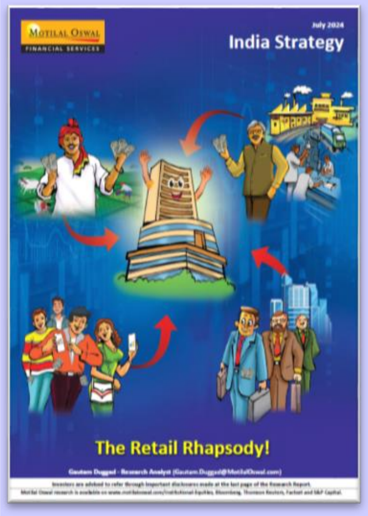
Telecom hiring may lose steam in FY25

India will need a 22 million skilled workforce by 2025 to operate hardware and software-defined networks and support 5G-centric technologies such as IoT, AI, and robotics, estimated Sumit Kumar, chief business officer, TeamLease Degree Apprenticeships.

7

French bond futures, Euro slip as left success sows fiscal doubt

Government bond futures fell 23 ticks in early Asia trading, the common currency fell 0.2% to around $1.0821, while Euro Stoxx 50 Index futures were steady. The left’s success has shone the spotlight on its campaign for a sharp increase in government spending.



The Retail Rhapsody!

FY25 to be the year of healthy but normalized earnings growth!

India: *The Retail Savings Pool* theme finally coming of age!

The Indian Cricket team recently emerged victorious in the ICC Men's T20 World Cup, marking its first World Cup triumph since 2011! The 13-year gap between triumphs was notably long, yet the subsequent celebrations underscore the era we are living in. Similarly, the Indian capital markets have displayed a resilient and consistently upward trend over the past three years. While numerous factors contribute to this stellar performance, we posit that the surge in Retail Investors' savings pool, particularly in Equities, stands out as a prominent driver. The influx of retail investments into equities following the pandemic has significantly altered ownership dynamics. As a proportion of the free-float of the Indian market, DII + Retail ownership increased to 62.9% in Mar'24 from 55.1% in Mar'14 and 58.7% in Mar'19. Non-institutions accounted for more than half of the cash volumes in FY24 (at 52%), up from 38% in FY14 and 49% in FY19. India's weight in the MSCI Index has gone up to ~19% now from ~7% in FY14 and ~9% in FY19. The total DII inflows in 1HCY24, at USD28.5b, exceed the full-year CY23 inflows of USD22.5b. Cumulatively, over CY22-1HCY24, the total FII flows have reached ~USD4.8b vs. USD83b of DII flows. The narrative of India's retail investors 'typically buying at the top and selling at the bottom' has been reversed. At least, in this regard, ***this time "it indeed is different".*** Even on the election results counting day (4th Jun'24), retail investors used the correction to allocate more and were the net buyers of equities. Total demat accounts have surged to 160m in Jun'24 from 36m in Mar'20. India's Mutual Fund Equity AUM has jumped to INR6.1t in Mar'20 from INR1.9t in Mar'14, and stands at INR27.7t as of May'24. All of this, coupled with solid underlying earnings performance of India Inc. (Nifty-50 profits have compounded at 23% over FY20-24, while MOFSL Universe profits have delivered 27% CAGR over the same period) has propelled India's market capitalization beyond USD5t.

Best is ahead; albeit with intermittent hiccups: As outlined in our 4QFY24 Strategy Preview report, India now boasts a unique combination of ***'size and growth'***. With elections behind us and the return of the same Modi-led NDA dispensation and virtually the same cabinet to power, we anticipate policy continuity to drive the overall economic momentum further. There will be a sustained focus on infrastructure, capex, and manufacturing, which will occupy center stage, in our view. The forthcoming Union Budget of the new government will outline the priorities for the next five years. The much-publicized 100-day agenda will also provide a good idea about the government's policy framework in its third term. We also expect the government to strategically utilize the extra windfall from the RBI dividend to provide relief to the poorer and middle-classes and to encourage consumption ahead of the key state elections slated in Oct-Nov'24. Against this optimistic backdrop, we discuss the earnings for 1QFY25 ahead.

MOFSL Universe to report flat earnings growth, dragged down by OMCs

We estimate the MOFSL Universe earnings to remain flat and Nifty earnings to grow 4% YoY in 1QFY25. However, excluding OMCs, the MOFSL Universe and Nifty earnings are expected to grow by 11% YoY and 8% YoY, respectively. Margin tailwinds are likely to ebb due to a high base. The EBITDA margin (ex-Financials) is likely to contract 170bp YoY for the MOFSL Universe, reaching 15.8%, mainly dragged down by OMCs. Meanwhile, the margin is projected to contract 80bp for the Nifty-50 at 20.1%. The EBITDA margin (ex-Financials and O&G) is likely to remain flat/decline 30bp YoY to 19.1%/20.4% for MOFSL/Nifty. The overall earnings growth is anticipated to be driven, once again, by domestic cyclicals such as Auto (+18% YoY) and BFSI (+15% YoY), with improved contributions from Healthcare (+21% YoY) and Metals (+12% YoY). Conversely, earnings growth is likely to be weighed down by global cyclicals, such as O&G (led by OMCs), which are anticipated to decline 36% YoY, along with Cement (-15% YoY) and Spec. Chemicals (-20% YoY). The Real Estate (+37% YoY) and Retail (+14% YoY) sectors would report strong growth, while Consumers (+10% YoY), and Technology (+6% YoY) are anticipated to post moderate growth YoY. Our FY25E and FY26E Nifty EPS remain stable at INR1,134 and INR1,330, respectively. We estimate the Nifty EPS to grow 13%/17% in FY25/FY26.

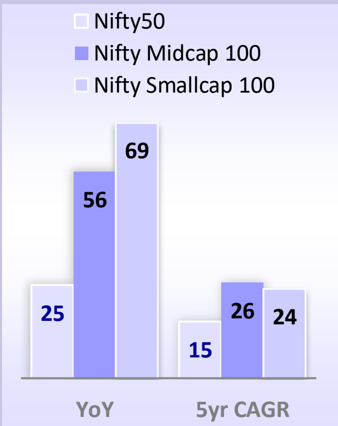
Annual earnings trend: FY25 to normalize as earnings converge with revenue growth

FY23 and FY24 experienced an interesting interplay of revenue and earnings growth, driven by global macros. In FY23, the MOFSL Universe witnessed a sharp drag on margins as commodity prices surged during the Russia-Ukraine war. This resulted in just 11% earnings growth for MOFSL Universe, despite 24% revenue growth. FY24 saw a reversal of this trend, as commodity prices moderated and margins sharply rebounded. Thus, the MOFSL Universe posted 31% earnings growth despite just 4% revenue growth. Now for FY25, we expect earnings to normalize and track the revenue trend. For FY25, we expect the MOFSL Universe to deliver 10% revenue growth and 11%/13% EBITDA/PAT growth, YoY. The Nifty-50 is expected to deliver 12% earnings growth in FY25 over a high base of FY24 (+26% YoY).

Earnings highlights – 1QFY25E | BFSI and Auto would continue to lead, while contributions from Healthcare and Metals to improve

- We predict **MOFSL earnings to remain flat, while those of Nifty** to grow 4% YoY in 1QFY25. Excluding global commodities (i.e., Metals and O&G), the MOFSL Universe and Nifty are likely to report 12% YoY and 10% YoY earnings growth, respectively, for the quarter.
- Overall, earnings growth is likely to be driven once again by domestic Cyclicals, such as **BFSI** and **Auto,** while contributions from Metals and Healthcare would rise. **Banks and NBFC Lending** would mainly lead BFSI's earnings, with 14% and 17% YoY growth, respectively. The earnings growth of Private and PSU Banks, at 16% and 11% YoY, while healthy, is the lowest over ten and eight quarters, respectively. The **Auto** sector's earnings are likely to rise 18% YoY, the lowest in nine quarters; however, the sector is among the best performers within the MOFSL Coverage sectors once again.
- Sales and EBITDA of the MOFSL Universe are likely to grow 9% and 2%; while for Nifty, we expect sales and EBITDA to improve 6% and 4% YoY, respectively. Ex-OMC's, EBITDA of the MOFSL Universe/Nifty is likely to grow 11%/8% YoY.

Mid- and small-cap outperform Nifty-50 by a wide margin



- The **Healthcare** universe is likely to report strong 21% YoY earnings growth.
- The **Metals** universe is projected to report 12% YoY earnings growth on a weak 1QFY24 base.
- The **Capital Goods** sector is projected to report strong earnings growth at 24% YoY for the quarter (however, the lowest in five quarters), dragged down by L&T. Ex-L&T, the MOFSL Capital Goods Universe is likely to post 44% YoY growth.
- The **Cement** universe is expected to report a 15% YoY earnings decline. The sector is likely to clock the first quarter of earnings decline following a strong performance in the past three quarters (primarily due to a weak base).
- The **Specialty Chemicals** sector is likely to report a sharp earnings decline of 20% YoY for the fifth straight quarter.
- EBITDA margin is projected to contract 170bp YoY for the MOFSL Universe (ex-Financials) to 15.8%. Conversely, the EBITDA margin for the Nifty-50, excluding Financials, is likely to contract 80bp YoY to 20.1% during the quarter.
- The MOFSL Midcap Universe is estimated to report a 7% and 2% YoY growth in sales and EBITDA, respectively, and a 4% YoY decline in PAT. Conversely, the MOFSL Smallcap Universe is estimated to clock a growth of 9%/9%/5% YoY in Sales/EBITDA/PAT for 1QFY25. The MOFSL Largecap Universe is likely to register a sales/EBITDA/PAT growth of 10%/1%/1% YoY during the quarter.
- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 7%/ 14%/23% over Jun'22-Jun'24.
- **FY25E earnings highlights:** The MOFSL Universe is likely to deliver a sales/EBITDA/ PAT growth of 10%/11%/13% YoY. Banks and Metals are likely to be the key earning drivers, with 35% and 17% YoY growth, respectively. These two sectors are anticipated to contribute 57% of incremental earnings for FY25.
- **Nifty EPS remains unchanged:** Our FY25/FY26E Nifty EPS remains stable at INR1,134/INR1,330. We expect the Nifty EPS to grow 13% and 17% in FY25 and FY26, respectively.
- **MOFSL Top Ideas: Largecaps – ICICI Bank, SBI, L&T, M&M, HCL Tech, Coal India, Titan, Mankind Pharma, CIFC and Hindalco; Midcaps and Smallcaps – Indian Hotels, Ashok Leyland, Godrej Properties, KEI Industries, PNB Housing, Cello World, Kalyan Jewelers, Persistent Systems, Angel One, Metro Brands.**

Model portfolio: Key changes

- **Constructing a model portfolio against the backdrop of a stellar performance of the markets and the underlying expensive valuations presents a unique challenge of participating in the growth without overpaying for it. Our portfolio construction, as always, is driven by earnings growth visibility. While we continue to remain bullish on Domestic Cyclicals, we are incrementally turning more constructive on Technology.** Sectorally, we remain OW on PSU Banks, Consumption, Industrials, and Real Estate. We raise IT to marginal OW from UW and cut Auto from OW to UW. We also lift Healthcare to marginal OW from Neutral, while maintaining UW on Private Banks and Energy. Industrials and Capex, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes. We have also made several additions from a bottom-up viewpoint across sectors.
- **FINANCIALS:** We have done marginal tinkering in weights in **NBFC**s even as we stick to our significant OW stance on PSU Banks **(SBI, BoB),** where we find valuations still attractive. We maintain our UW stance on Private Banks, where our preferred picks are **ICICI Bank and HDFC Bank**.

- **TECHNOLOGY**: We raise Technology **to** marginal **OW** from **UW**. Reasonable valuations, a low base of growth (MOFSL IT Universe earnings posted 5% CAGR over FY22-24), and under-ownership drive our preference. We continue to hold **Infosys and HCL Tech** and now add **Persistent and LTTS** to the portfolio. We expect Persistent to be the fastest-growing company within our coverage universe over the next 2-3 years. It is also well-positioned to capitalize on predictive GenAI spending, particularly, in data engineering. We expect LTTS to register consistent revenue growth over the next three years, led by diversified vertical exposure and best-in-class execution. LTTS is in the pole position to benefit from increased outsourcing activity in ER&D space over the medium to long term.
- **CONSUMPTION:** We continue to remain **OW** on Consumption, with a significant bias towards discretionary consumption names. **In Staples, we are adding HUL and GCPL to the portfolio.** Reasonable valuations, bottoming out of volume growth, and a gradual pick-up in monsoon provide decent catalysts from a tactical perspective. Any potential relief measures in the Union Budget for middle-class/rural segments ahead of the state elections can drive a moderate re-rating in the sector. We are adding **KEI Industries and Kalyan Jewelers** to the model portfolio given the solid underlying earnings growth and consistent execution**.** We continue to maintain our allocations in **Avenue Supermart, Titan, Indian Hotels, Zomato, Cello, and Metro Brands.**
- **AUTOMOBILES:** We are cutting weights in **Automobiles** and downgrade it to **UW** following the recent sharp run-up in our model portfolio stocks (**SAMIL,** which we added in 4QFY24 has rallied 71% in the last three months, while **Craftsman Automation** has been up 30%). Within the sector, we continue to maintain our preference towards **M&M** (which has also rallied 44% in the last three months between our two preview reports) and **Ashok Leyland**.
- **INDUSTRIALS & REAL ESTATE:** Industrials remain our favorite theme. However, valuations have run up and offer little respite from the near-term risk-reward perspective. While we remain OW and maintain our allocations in **L&T and ABB**, we now replace **KOEL with Bharat Electronics**. KOEL, since our initiation in Dec'23, has been up 135%. **BEL** will continue to benefit from its dominant position in defense electronics , and we expect a 16% revenue CAGR and 17% EBITDA CAGR over the next three years. We continue to remain very bullish on **Real Estate** and retain our significant **OW** stance without any change in our picks and weights (**Godrej Properties, Sobha Ltd., and Sunteck Realty**).
- **HEALTHCARE:** We are raising Healthcare **to OW** from **Netural**. We are replacing **Cipla** with **Mankind Pharma** in the portfolio. **Mankind Pharma** is not only enhancing the niche portfolio, but also improving its chronic share, thereby driving a 15% earnings CAGR over FY24-26. Surplus cash provides increased scope for growth through inorganic opportunities. We remain constructive on the Hospitals sector and now switch from **Global Health to Max Healtchare**. After delivering 33% EBITDA CAGR over FY20-24, Max Healthcare is well-placed to deliver 19% EBITDA CAGR over FY24-26 backed by the scale-up of the recently acquired Sahara Hospital (Lucknow), Alexis Hospital (Nagpur), and the addition of beds at its existing sites.

Consumer

Result Preview

- Asian Paints
- Britannia Industries
- Colgate-Palmolive India
- Dabur India
- Emami
- Godrej Consumer Products
- Hindustan Unilever
- Indigo Paints
- ITC
- Jyothy Laboratories
- Marico
- Nestle India
- Page Industries
- Pidilite Industries
- P&G Hygiene and Healthcare
- Tata Consumer Products
- United Breweries
- United Spirits
- Varun Beverages

Steady demand; gradual volume improvement

MOFSL coverage universe to clock 7.8%/9.2% YoY growth in revenue/EBITDA
Demand trends were steady in 1QFY25, with the summer portfolio likely to outperform. Rural markets have seen a gradual recovery (rural growth was better than urban) during the quarter. Most company managements remain positive about volume recovery in FY25. All eyes are on the govt's initiatives to boost rural income in the upcoming budget. Companies have been focusing on driving their core portfolios through various initiatives, like distribution expansion, product relaunches, step-up in marketing budgets, etc.

We expect marginal improvements in volume growth QoQ in 1QFY25. Considering steady macro, price cuts and consumer offers by companies, we expect that our FMCG universe is likely to post mid to high single-digit volume growth in FY25. Paints and adhesive companies are expected to report high single-digit to double-digit volume growth. The cigarette segment is seeing a slight improvement in demand and is expected to deliver ~2-3% volume growth. Alcohol beverages were affected by election-related restrictions and there are some supply-side constraints limiting the sales. We expect volume growth of 4% in UNSP and 11% in UBBL. We are seeing select price hikes (HPC categories); hence, we believe that revenue growth could be slightly higher than volume growth for a few companies.

Gross margin is expected to see some improvement, albeit at a slower pace than witnessed over the last 3-4 quarters. Overhead expenses related to distribution and marketing are expected to remain elevated. Still, we expect some improvement in EBITDA margin for most companies in our universe. The 19 companies under our coverage are expected to deliver revenue growth of 7.8%, EBITDA growth of 9.2%, and PAT growth of 9.7% in 1QFY25.

Stable price trends in commodities with gold continuing to rise

Overall commodity cost basket: The overall commodity cost basket has stabilized during the quarter, up 1.7% YoY and 1.5% QoQ. The agricultural basket increased by 3.6% YoY/3.1% QoQ. There was a decrease in prices of mentha and milk powder, whereas prices of palm oil, sugar, wheat, tea, coffee and maize increased. The non-agricultural commodity basket declined 2.0% YoY/1.7% QoQ, offsetting the rise in agri commodity prices.

- **In the agricultural basket,** maize prices went up by 17% YoY and currently trade at INR24/kg. Coffee prices continued to rise by 15% YoY (2% QoQ) due to labor shortages and higher demand. Tea prices increased sharply during the quarter after a moderation in 4QFY24 and went up by 31% QoQ/4% YoY due to geopolitical issues, climate change and changing consumer preferences. Wheat prices rose 10% YoY to INR26/kg, aided by government support to farmers. Barley prices remained flat YoY at INR21/kg. Sugar prices increased by 8% YoY to INR39/kg. Mentha oil prices dropped 14% YoY to INR975/kg. Malaysian palm oil prices increased by 5% YoY to MYR4,097/MT. Palm fatty acid prices rose 6% YoY; now trading at USD840/MT.
- In the **non-agricultural basket,** crude oil prices went up by 8% YoY and 2% QoQ in 1QFY25. Currently, spot price is ~USD89/bbl. VAM prices declined 2% YoY and 15% QoQ and reached to USD850/MT. Domestic gold prices increased by 20% YoY and 14% QoQ in 1QFY25, and currently trade at INR71,850 per 10gm. Titanium dioxide (TiO2) prices declined by 13% YoY and 1% QoQ; now trading at INR343/kg.

1QFY25 – Expected key outliers and underperformers

- Outliers: Emami, GCPL, Britannia, UBBL
- Underperformers: Asian Paints, HUL

Top picks

- **HUL:** We believe that volume growth has bottomed out and that a gradual volume recovery is expected in FY25. HUL's wide product range and presence across price segments should help the company achieve steady growth during the recovery period. Parts of the BPC and F&R have a turnaround scope; we will see how the new CEO addresses the gaps. The valuation at 47x FY26E EPS is reasonable given its last five-year average P/E of 60x on one-year forward earnings.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The valuation is expensive, but earnings are expected to outperform peers'.
- **DABUR:** Recovery in rural markets should support its portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands.

Summary of 1QFY25 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Asian Paints	2926	Neutral	91,823	0.0	5.2	19,916	-6.1	17.8	14,330	-9.0	12.4
Britannia	5403	Neutral	42,283	5.4	3.9	7,847	13.9	-0.3	5,307	16.5	-1.1
Colgate	2870	Neutral	14,433	9.0	-3.1	4,698	12.4	-11.7	3,336	15.7	-12.2
Dabur	603	Buy	33,653	7.5	19.6	6,596	9.1	41.3	4,942	4.7	38.1
Emami	723	Buy	8,914	8.0	0.0	2,135	12.4	1.2	1,770	25.3	6.1
Godrej Consumer	1370	Buy	36,216	5.0	7.0	7,845	15.1	3.2	5,019	34.5	-12.7
Hind. Unilever	2485	Buy	1,55,530	0.4	2.3	37,113	1.3	5.0	26,432	2.4	5.7
Indigo Paints	1390	Buy	3,259	13.0	-15.3	600	22.2	-29.0	358	15.3	-34.3
ITC	425	Buy	1,83,622	7.0	2.5	70,667	5.9	6.6	54,263	6.3	5.9
Jyothy Labs	477	Neutral	7,524	9.5	14.0	1,317	12.1	21.5	977	12.0	25.0
Marico	603	Buy	26,719	7.9	17.3	6,341	10.5	43.5	4,615	8.1	45.1
Nestle	2545	Neutral	50,600	8.6	-3.9	12,067	13.2	-10.1	7,985	13.8	-12.6
P&G Hygiene	16547	Neutral	9,576	12.8	-4.5	2,652	25.4	3.1	1,894	28.2	2.2
Page Industries	38790	Neutral	13,187	7.0	32.5	2,625	8.5	57.0	1,767	11.6	63.3
Pidilite Inds.	3085	Neutral	35,044	7.0	20.8	8,117	14.8	40.7	5,651	19.1	49.5
Tata Consumer	1106	Buy	44,347	18.5	12.9	6,776	24.3	7.6	3,854	20.3	1.8
United Breweries	2032	Sell	26,187	15.2	22.9	3,087	38.6	117.5	2,025	48.8	150.5
United Spirits	1276	Neutral	23,550	8.4	-11.7	4,117	6.9	13.7	2,620	9.3	-35.7
Varun Beverages	1578	Buy	75,944	35.3	75.9	21,142	39.9	113.8	14,226	43.2	164.7
Consumer			**8,82,410**	**7.8**	**8.9**	**2,25,659**	**9.2**	**14.5**	**1,61,373**	**9.7**	**12.5**

Cement

Result Preview

Company

ACC
Ambuja Cements
Birla Corporation
Dalmia Bharat
Grasim Industries
India Cements
JK Cement
JK Lakshmi Cement
The Ramco Cements
Shree Cement
UltraTech Cement

Demand softens; cement prices remain muted

Estimate ~5% YoY volume growth for our coverage universe in 1QFY25

- We estimate our cement coverage universe to report a volume growth of ~5% YoY (three-year CAGR of ~14%) in 1QFY25. Further, we estimate an average capacity utilization of ~85% vs. ~88%/95% in 1QFY24/4QFY24.
- The cement price remained muted during the quarter, and the all-India average cement price was down ~4% YoY/1% QoQ in 1QFY25. Similarly, we estimate the blended realization for our coverage universe to contract ~4%/1% YoY/QoQ.
- We estimate the average EBITDA/t to decline ~1% YoY (down 11% QoQ) to INR895, as weak cement prices offset the benefit of lower variable costs. The aggregate EBITDA of our coverage universe is estimated to increase by a mere 3% YoY, while OPM is likely to improve marginally by 50bp YoY to 16.7%.
- GRASIM's revenue is estimated to increase 11% YoY. VSF volume is estimated to grow 13% YoY, while realization is estimated to contract 6% YoY (flat QoQ). Its chemical segment's volume is estimated to increase 11% YoY, while realization could decline 5% YoY. Further, EBITDA is likely to dip 15% YoY to INR5.7b and OPM will be at ~8%; down 2.5pp YoY. PAT is estimated to decline 71% YoY.

Volume growth moderates; muted prices lead to subdued performance

- Following a strong growth (in the range of ~8-19% YoY) over eight consecutive quarters (1QFY23-4QFY24), growth in cement volume is estimated to moderate to ~5% YoY in 1QFY25 amid general elections during the quarter. We estimate 7-9% YoY volume growth for DALBHARA, JKCE, SRCM, and TRCL, followed by 3-5% growth for ACC, ACEM, BCORP, and UTCEM, and ~2% growth for JKLC. However, ICEM's volume is estimated to decline ~15% YoY.
- Further, cement prices remained muted during the quarter due to softness in demand. Cement prices in the East and South regions were down ~4% YoY each, followed by ~3% YoY dip in the North, Central and West regions. We estimate the blended realization for our coverage universe to decline ~4%/1% YoY/QoQ.
- Avg. opex/t for our coverage universe is estimated to decline 5% YoY (up 1% QoQ), largely due to a reduction in variable/freight costs. We estimate the avg. variable cost/t to decline by INR192 YoY and freight cost/t to dip by INR50 YoY.
- We estimate JKLC and SRCM to report an EBITDA growth of 27% YoY (each), followed by 17%/15% YoY growth for BCORP/JKCE and ~6% YoY growth for UTCEM. Conversely, we expect EBITDA to decline ~5%/8% YoY for ACC/TRCL, ~13% for DALBHARA, and ~24% for ACEM. ICEM is estimated to report an EBITDA surge of 5.7x YoY on a low base.
- We estimate an EBITDA/t of INR1,239 for SRCM (the highest within our coverage universe), followed by INR1,030 for UTCEM, and INR949 for JKCE. EBITDA/t is estimated to be between INR712 and INR802 for ACC, ACEM, BCORP, JKLC and DALBHARA, and INR679 for TRCL. ICEM's EBITDA/t is estimated at INR127.

Sector outlook and recommendations

- We estimate the cement demand momentum to improve due to the govt's intensifying focus on affordable housing and infrastructure development (expanding rail, roads, and construction of airports), continuing strong demand from real estate, and likely pick-up in industrial capex. We believe the announcements under the forthcoming Budget will be the key monitorables.
- We estimate cement demand to register a CAGR of 7.5% over FY24-27, higher than our supply growth estimate of ~7.0% over the same period. Further, we estimate clinker utilization to improve to 81% by FY27 from 78% in FY24.
- We shift our valuation multiples for our coverage companies to Jun'26E from FY26E. We prefer UTCEM and GRASIM in the large-cap space while, JKCE and JKLC are our preferred picks in the mid-cap space.

Summary of our 1QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
ACC	2770	Neutral	51,154	-1.6	-5.2	7,296	-5.1	-12.8	4,167	-10.2	-15.2
Ambuja Cements	692	Neutral	46,567	-1.5	-2.6	7,225	-23.8	-9.4	4,773	-26.0	-12.3
Birla Corporation	1584	Buy	24,538	1.9	-7.6	3,474	16.6	-26.5	942	57.8	-50.0
Dalmia Bharat	1839	Buy	36,283	-0.1	-15.8	5,389	-12.7	-17.6	1,045	-19.6	-58.7
Grasim Industries	2743	Buy	69,043	10.7	2.0	5,731	-14.9	8.8	1,017	-71.4	-55.7
India Cements	284	Sell	11,521	-17.3	-7.5	288	474.2	-38.5	-543	Loss	Loss
J K Cements	4329	Buy	28,739	4.0	-7.5	4,687	14.9	-16.3	1,499	20.8	-29.9
JK Lakshmi Cem.	896	Buy	16,673	-3.6	-6.4	2,487	26.7	-26.1	1,000	27.5	-36.3
Ramco Cements	843	Neutral	22,193	-1.0	-17.0	3,133	-8.2	-24.9	345	-56.3	-71.6
Shree Cement	27672	Neutral	50,687	1.4	-0.6	11,833	26.9	-10.8	5,441	-6.4	-17.8
Ultratech Cement	11847	Buy	1,81,113	2.1	-11.3	32,474	6.5	-21.1	15,546	-7.9	-32.7
Cement			**5,38,512**	**1.5**	**-7.5**	**84,018**	**2.0**	**-16.7**	**35,232**	**-14.7**	**-31.3**

Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Cement						**35.8**	**38.5**	**32.2**	**3.5**	**3.8**	**3.4**	**9.9**	**9.9**	**10.6**
ACC	2,770	Neutral	99.3	123.8	135.7	25.1	22.4	20.4	2.9	2.9	2.5	12.4	13.6	13.2
Ambuja Cements	692	Neutral	10.7	10.7	13.5	57.2	64.5	51.1	3.6	3.6	3.4	11.8	9.3	9.6
Birla Corporation	1,584	Buy	54.0	66.8	87.2	26.4	23.7	18.2	1.6	1.7	1.6	6.6	7.5	9.1
Dalmia Bharat	1,839	Buy	41.1	52.7	67.3	47.2	34.9	27.3	2.2	2.0	1.9	4.8	5.9	7.2
Grasim Industries	2,743	Buy	95.6	97.2	108.9	23.9	28.2	25.2	2.9	3.3	3.2	4.3	1.7	2.5
India Cements	284	Sell	-7.6	-1.8	6.0	-28.1	-157.5	47.7	1.2	1.6	1.6	-4.3	-1.0	3.4
J K Cements	4,329	Buy	102.7	129.1	153.6	39.7	33.5	28.2	5.9	5.4	4.7	15.9	17.3	17.9
JK Lakshmi Cem.	896	Buy	39.6	41.9	47.0	22.0	21.4	19.1	3.2	2.9	2.6	15.6	14.5	14.4
Ramco Cements	843	Neutral	16.7	23.2	31.7	48.5	36.4	26.6	2.7	2.6	2.4	5.7	7.4	9.4
Shree Cement	27,672	Neutral	684.2	626.4	624.3	37.6	44.2	44.3	4.5	4.5	4.2	12.8	10.6	9.8
Ultratech Cement	11,847	Buy	244.5	279.6	347.2	39.9	42.4	34.1	4.7	5.1	4.3	12.3	12.7	13.8

VRL Logistics

BSE SENSEX	S&P CNX
80,050	24,302

VRL LOGISTICS LTD

Stock Info

Bloomberg	VRLL IN
Equity Shares (m)	87
M.Cap.(INRb)/(USDb)	50.5 / 0.6
52-Week Range (INR)	799 / 511
1, 6, 12 Rel. Per (%)	0/-33/-43
12M Avg Val (INR M)	101
Free float (%)	39.8

Financials Snapshot (INR b)

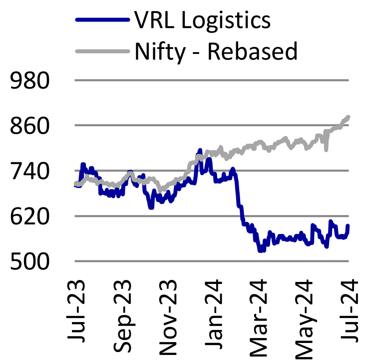
Y/E March	2024	2025E	2026E
Net Sales	28.9	32.2	37.7
EBITDA	3.9	4.5	5.4
Adj. PAT	0.9	1.3	2.0
EBITDA Margin (%)	13.6	14.0	14.4
Adj. EPS (INR)	10.1	15.4	23.1
EPS Gr. (%)	-46.1	51.7	50.4
BV/Sh. (INR)	108.1	113.5	124.6
Ratios			
Net D/E (x)	0.3	0.2	0.1
RoE (%)	9.2	13.9	19.4
RoCE (%)	11.6	14.5	19.0
Payout (%)	0.0	65.1	51.9
Valuations			
P/E (x)	57.1	37.6	25.0
P/BV (x)	5.3	5.1	4.6
EV/EBITDA (x)	13.5	11.7	9.5
Div. Yield (%)	0.0	1.7	2.1
FCF Yield (%)	2.8	2.7	4.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	60.2	60.2	64.2
DII	26.6	28.1	24.2
FII	3.3	2.5	2.4
Others	9.9	9.1	9.3

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR577 TP: INR670 (+16%) Buy

Muted activity in 1Q amid polls and driver shortage; volume growth to improve in 2H

- Tonnage growth in FY24 was hit by a slowdown in agro and textile commodity volume in southern states, which contribute ~40% to tonnage. Amid general elections in 1QFY25 and a severe driver shortage, tonnage growth is expected to be subdued. However, as normalcy returns in 2QFY25, we expect VRLL to post double-digit volume growth in 2HFY25. We expect FY25 volume growth of 10%. The company has also taken a price increase recently, which should support realizations from 2QFY25 onward.
- Organized pan-India players like VRLL should gain market share and new customers from the unorganized sector owing to heightened compliance. Further, VRLL's healthy operating efficiency is projected to improve with in-house fleet maintenance linked to spare parts supply, in-house scrapyard for disposal of old fleet, CNG vehicles for last-mile delivery, and procurement of diesel from refinery. These factors should help VRLL sustain its profitability in a competitive environment.
- **We estimate VRLL to deliver a CAGR of 14%/18% in revenue/EBITDA over FY24-26, driven by: 1) a shift in market share from unorganized to organized LTL operators, b) recent price increase, and c) overall improvement in the economy after elections. VRLL is well positioned to capitalize on its dominant position in the LTL segment given its strong network and diversified customer base.**
- **We reiterate our BUY rating with a revised TP of INR660 (based on 28x FY26E EPS).**

Branch additions in untapped regions to be the growth catalyst

- The LTL business continues to be the main revenue driver and margin contributor, accounting for ~90% of its total revenues in FY24. Given this model, the expansion of VRLL's reach and penetration across cities through branch addition remains critical to its growth.
- VRLL added 524 branches and five transshipment hubs during FY22-24. It has a network of 1,209 branches and 50 transshipment hubs (as of Mar'24), along with allied warehousing. The company targets to add a significant number of branches in FY25 to boost volumes.
- The expansion efforts will be focused on the eastern and northeastern regions, where the company currently has less exposure. This strategy has allowed the company to grow faster than peers, as almost half of the incremental growth is coming from market share gains owing to the expansion of new branches.

One of the largest asset owners with in-house repair and maintenance infra; future capex to be linked to volume growth

- VRLL is currently one of the largest fleet owners of commercial vehicles in the country (with 5,994 trucks having a total capacity of 86,405 tons as of Mar'24 vs. 84,726 tons as of Sep'23). This enables the company to seamlessly handle LTL cargo across India through its hub-and-spoke model.
- Further, VRLL has an in-house fleet maintenance facility with a tie-up for spare parts and an in-house scrapyard for disposing of the old fleet, which helps the company to control overhead costs.
- Going forward, VRLL would add fleet in line with volume growth. It would go slow on capex incase volume growth does not support.

Valuation and view

- VRLL's transition into a pure-play GT player, integration of additional branches, expansion of fleet capacity, growing customer base, and market share gains from less-organized competitors position the company favorably for steady volume growth and sustainable earnings growth.
- While VRLL faced growth challenges in recent past (due to elections and driver shortage), volume growth could improve materially in 2HFY25. We expect VRLL to report a 12% volume CAGR over FY24-26, with faster addition of branches in untapped regions. We anticipate the company to deliver a revenue/EBITDA/PAT CAGR of 14%/18%/51% over FY24-26. **We reiterate our BUY rating with a TP of INR660 (based on 28x FY26E EPS).**

7 July 2024

Update | Sector: Automobiles

Tata Motors

BSE SENSEX	S&P CNX
79,997	24,324

Financials Snapshot (INR b)

Y/E March	2024	2025E	2026E
Net Sales	4,379	4,602	5,048
EBITDA	596.1	634.7	697.4
Adj. PAT	224.9	213.6	247.0
Adj. EPS (INR)	58.7	58.1	67.2
EPS Gr. (%)	2,628	-1	16
BV/Sh. (INR)	221.6	284.8	347.7
Ratios			
Net D/E (x)	0.2	0.0	-0.2
RoE (%)	34.5	22.5	21.2
RoCE (%)	18.7	15.5	15.2
Payout (%)	10.3	7.2	6.2
Valuations			
P/E (x)	16.9	17.1	14.8
P/BV (x)	4.5	3.5	2.9
EV/EBITDA (x)	6.9	5.9	5.0
Div. Yield (%)	0.6	0.4	0.4

CMP: INR994 TP: INR960 (-3%) Neutral

JLR 1QFY25 wholesales at 97.75k units (est. 97k units)

Wholesales (excluding China JV) grew 5% YoY

- Wholesale volumes (ex-China JV) grew 5% YoY to 97.75k units. The company did not share a breakup of sales for Jaguar and LR.
- Wholesales for RR/RR Sport grew 22%/46% YoY, mainly led by an increase in the production capacity in Solihull, West Midlands.
- The overall mix of profitable RR/RR Sport/Defender models increased to 68% of wholesale volumes and 59% of retail volumes.

Retail volumes (including China JV) up 9% YoY

- Retail sales (incl. China JV) grew 9% YoY (-2.5% QoQ) to 111.2k units.
- Retails were higher in North America (+43% YoY), the UK (+14% YoY) and Europe (+4% YoY).

Others

- A sequential decline in wholesale volumes (-11% QoQ) and retail volumes (-2.5% QoQ) reflects cyclical fluctuation in volumes between 4Q and 1Q.
- The waiting list for the new Range Rover Electric continues to grow, with over 39,000 clients now signed up.

- **Valuation and view**: We expect JLR margins to remain stable over FY24-26, given: 1) rising cost pressure as it invests in demand generation, 2) normalizing mix, and 3) EV ramp-up, which is likely to be margin-dilutive. Even in India business, both CV and PV businesses are seeing moderation in demand. We have factored in flat margins for India business over our forecast period.
- While there is no doubt that TTMT delivered an extremely robust performance across its key segments in FY24, the above-mentioned headwinds could hurt its performance going ahead. The stock trades at 17x/15x FY25E/FY26E consolidated EPS and 6x/5x EV/EBITDA. Reiterate Neutral with our Jun'26E SOTP-based TP of INR960.

TATA MOTORS : JLR wholesales, excluding China JV

Company Sales	1QFY25	1QFY24	YoY (%) chg	4QFY24	QoQ (%) chg	FY25YTD	FY24YTD	(%) chg	Wholsale estimate
JLR	97,755	93,253	4.8	1,10,190	-11.3	97,755	93,253	4.8	96,983

TATA MOTORS : JLR retail sales, including China JV

Company Sales	1QFY25	1QFY24	YoY (%) chg	4QFY24	QoQ (%) chg	FY25YTD	FY24YTD	(%) chg
JLR	1,11,180	1,01,994	9.0	1,14,038	-2.5	1,11,180	1,01,994	9.0

TATA MOTORS: Sum-of-the-parts valuation

INR B	Valuation Parameter	Multiple (x)	FY25E	FY26E	FY27E
EBITDA					
SOTP Value					
Tata Motors	SOTP		1,562	1,669	1,854
CVs	EV/EBITDA	11	980	1,079	1,192
PVs	EV/EBITDA	15	583	590	662
JLR (Adj for R&D capitalization)	EV/EBITDA	2.5	1,112	1,219	1,305
JLR - Chery JV EBITDA Share	EV/EBITDA	2.5	29	32	35
Tata Motors Finance	P/BV	1.5	66	68	70
Total EV			**2,770**	**2,988**	**3,263**
Less: Net Debt (Ex TMFL)			-23	-235	-482
Add: TataTech @ INR411b Mcap	20% discount	53.39% stake	176	176	176
Total Equity Value			**2,969**	**3,399**	**3,921**
Fair Value (INR/Sh) - Ord Sh	**Fully Diluted**		**807**	**924**	**1,066**

Titan Company

BSE SENSEX	S&P CNX
79,997	24,324

Financials Snapshot (INR b)

Y/E Mar	2024	2026E	2026E
Sales	510.8	591.6	689.2
Sales Gr. (%)	25.9	15.8	16.5
EBITDA	52.9	61.4	73.7
EBITDA Margin. %	10.4	10.4	10.7
Adj. PAT	35.0	41.9	51.5
Adj. EPS (INR)	39.3	47.1	57.9
EPS Gr. (%)	6.8	19.9	22.8
BV/Sh.(INR)	105.5	138.5	179.0
Ratios			
RoE (%)	32.9	38.6	36.4
RoCE (%)	17.3	18.1	20.1
Payout (%)	28.0	30.0	30.0
Valuation			
P/E (x)	86.6	72.2	58.8
P/BV (x)	32.2	24.5	19.0
EV/EBITDA (x)	57.9	49.7	41.2
Div. Yield (%)	0.3	0.4	0.5

CMP: INR3,269

Disappointing growth in jewelry business

TTAN released its pre-quarterly update for 1QFY25. Here are the key highlights:

- TTAN reported sales growth of ~9% YoY in 1QFY25.
- TTAN added 61 stores during the quarter and its total retail presence (including CaratLane) stood at 3,096 stores at the end of 1QFY25.

Jewelry division

- Domestic division grew ~8% YoY (ex-bullion) in 1QFY25 (vs. 19% in 4QFY24 and 19% in 1QFY24), driven by an increase in average selling prices. Buyer growth was in the low-single digit.
- During the auspicious week of Akshaya Tritiya, Tanishq's secondary sales saw double-digit growth compared to the same period last year.
- Gold (plain) clocked high single-digit growth, while growth in studded jewelry was slightly lower in comparison.
- Gold prices rose ~20% YoY, which continued to hurt consumer demand.
- Tanishq expanded its international presence by adding a new store in Muscat (Oman) during the quarter.
- Domestic new store additions stood at 33 — 11 stores for Tanishq, 19 stores for Mia by Tanishq and 3 stores for Zoya.

Watches & Wearables division

- It grew 14% YoY, driven by a 17% increase in the analog watches segment, despite a 6% YoY decline in wearables.
- Customer preference for premium products was evident, with higher growth observed in Titan, Helios channel, and premium brands such as Nebula, Edge, and Xylys.
- Store additions: 17 new stores (5 of Titan World, 5 of Helios and 7 of Fastrack).

Eyecare division

- Its domestic business grew 3% YoY.
- Titan Eye+ closed 3 stores during the quarter. However, it opened a 'Runway', Titan's premium sunglasses retail offering; launched its first store in Bengaluru in Jun'24.

Emerging businesses (Fragrances and Fashion Accessories or F&FA and Indian Dress Wear)

- Taneira's sales grew by 4% YoY. It opened 4 new stores, including in the new cities of Jodhpur and Nashik.
- F&FA revenue increased by 4% YoY. Fragrances grew by ~13% and Fashion Accessories grew by ~15%.

CaratLane

- The segment grew by ~18% YoY in 1QFY25.
- It added 3 new domestic stores during the quarter, taking the total count to 275 stores.

Consolidated Quarterly Performance (INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	**119.0**	**125.3**	**141.6**	**124.9**	**130.5**	**141.5**	**175.1**	**144.5**	**510.8**	**591.6**
YoY change (%)	26.0	36.7	22.0	20.6	9.7	13.0	23.7	15.6	25.9	15.8
Gross Profit	**26.4**	**29.3**	**32.9**	**27.9**	**29.6**	**32.7**	**40.8**	**33.0**	**116.5**	**136.1**
Margin (%)	22.2	23.4	23.3	22.3	22.7	23.1	23.3	22.8	22.8	23.0
EBITDA	**11.3**	**14.1**	**15.7**	**11.9**	**11.8**	**16.0**	**19.0**	**14.6**	**52.9**	**61.4**
EBITDA growth %	-5.9	13.2	16.2	9.4	5.3	13.1	21.5	22.2	8.5	16.0
Margin (%)	9.5	11.3	11.0	9.5	9.1	11.3	10.9	10.1	10.4	10.4
Depreciation	1.3	1.4	1.5	1.6	1.5	1.6	1.7	1.8	5.8	6.6
Interest	1.1	1.4	1.7	2.0	1.4	1.4	1.4	1.4	6.2	5.5
Other Income	1.1	1.2	1.4	1.6	1.5	1.5	1.6	1.5	5.3	6.1
PBT	**10.0**	**12.5**	**13.8**	**9.9**	**10.4**	**14.5**	**17.6**	**12.9**	**46.2**	**55.4**
Tax	2.5	3.4	3.3	2.2	2.6	3.5	4.3	3.1	11.3	13.5
Rate (%)	24.6	26.9	23.6	22.2	25.0	24.4	24.4	23.8	24.4	24.4
Adjusted PAT	**7.6**	**9.2**	**10.5**	**7.7**	**7.8**	**10.9**	**13.3**	**9.9**	**35.0**	**41.9**
YoY change (%)	-4.3	9.6	15.5	4.8	3.5	19.6	26.3	27.8	6.8	19.9

E: MOFSL Estimates

Bajaj Auto

BSE SENSEX	S&P CNX
79,997	24,324

CMP: INR9,636 TP: INR8,660 (-10%) Neutral

Bajaj's CNG motorcycle is truly an engineering masterclass

Remains to be seen whether customers change their preference to CNG

BJAUT has boldly ventured into uncharted territory with the launch of the world's first CNG-integrated motorcycle, Freedom 125. This innovative product not only marks a significant milestone in the global two-wheeler industry, but also promises notable benefits to consumers and the environment alike. We are impressed with the design and engineering on display in Freedom 125. We think the company has clearly done everything within its stride to make the motorcycle both attractive (despite having a CNG tank) and accessible to customers. However, it remains to be seen whether customers consider the vehicle for personal use. Hence, we refrain from forecasting any incremental sales numbers for BJAUT after this launch as it is too early to gauge the success of the product. Nevertheless, the stock has already witnessed a significant re-rating in the last 12 months on the back of its market share gains in 125cc+ domestic motorcycles, improved margins and a one-of-a-kind policy to reward shareholders. After a recent rally, the valuation at ~29x/25 FY25E/FY26E EPS appears reasonable. We reiterate our Neutral rating with a TP of INR8,660 (based on 22x Jun'26E consol. EPS).

"We have 3-4 patents around CNG motorcycles. Initially, our focus will be to deploy the CNG bike in India. We will begin work on exports after some time. We will look to launch the CNG bike in Egypt, Tanzania, Colombia, Peru, Bangladesh, and Indonesia. Qute CNG will be launched soon and will make an entry in Egypt as well"

Mr. Rakesh Sharma, Executive Director, BJAUT

Bajaj Freedom 125 - first CNG motorcycle with some best-in-class features

- **Industry's first CNG motorcycle:** BJAUT has launched the industry's first CNG motorcycle featuring a 125cc engine, equipped with a 2kg CNG tank and a 2-litre petrol tank. The motorcycle boasts a total range of 330 km, delivering a power output of 9.5 PS and torque of 9.7 Nm.
- **Design and features:** Designed with contemporary styling, the motorcycle is highlighted by a modern LED headlamp. It incorporates advanced technological features for enhanced performance and user experience, including the longest seat in its segment for added comfort, and a first-in-class linked monoshock for improved ride stability. The robust design built with a trellis frame ensures added strength and durability.
- **Available in three variants and five colors:** Disc LED, Drum LED, and Drum versions are offered in seven dual-color options. Bookings for the motorcycle are now open in Maharashtra and Gujarat and pan-India bookings will start from early next quarter. The starting price is INR95k (ex-showroom) for the base Drum variant, INR105k for the Drum LED variant, and INR110k for the top Disc LED variant.

A feature-loaded bike

- **Cost savings:** BJAUT claims that this motorcycle will deliver significant cost savings, with 50% lower operating costs for daily rides, potentially saving up to INR75,000 over three years.
- **Convenient features:** It offers comfort and convenience features, such as the longest seat in its segment, a switch-on-the-go function, a common fuel cap cover for both CNG and petrol refueling, and a reverse LCD console with Bluetooth connectivity.
- **Environmental benefits:** The motorcycle reduces CO_2 emissions by 26%, NMHC by 85%, and NOx by 43%.

Key takeaways from the meeting

- The management has indicated that pricing for any new technology product that has to be established in the market needs to be aggressive. They consider this an investment for the future where there is a clear path to pre-determined profitability.
- Given the aggressive pricing and TCO benefits, BJAUT expects to entice customers to change their buying pattern to CNG vehicles for personal use.
- The motorcycle is certified for 102km per kg of CNG, offering a total certified range of 204 km on CNG. Real-world testing indicates a practical range of 115 km on CNG and 65km per liter on petrol.
- The motorcycle features a trellis frame that provides adequate protection for the cylinder and optimizes packaging.
- Initial production capacity for Freedom 125 stands at 10k units in the first three months, scaling up to 30-40k units by FY25 end.
- Initial focus will be on catering to domestic markets. Thereafter, BJAUT would look at few export markets like Egypt, Tanzania, Colombia, Peru, Indonesia, and Bangladesh.
- The CNG network in India covers 335 towns, constituting 70% of the two-wheeler markets, with rapid expansion ongoing. The addressable market includes all 100cc and 125cc motorcycles, totaling 650k units per month, with BJAUT currently holding a share of 150k units per month.
- Technological innovations include patents filed for a starter motor-free design with automatic fuel switching between CNG and petrol.

View on the product

- We are impressed with the design and engineering on display in Freedom 125. It is such a design and engineering master-class that no one would be able to point out from the outside that this is a CNG-based motorcycle, if not highlighted earlier.
- The company's profound knowledge and expertise in CNG technology for over two decades has helped it launch this product customized for two-wheeler customers.
- The fact that BJAUT is the first company globally to launch a CNG-based motorcycle is in itself a moment of pride for the company. This also underscores their commitment to innovation and sustainability.
- Apart from obvious TCO benefits, BJAUT is positioned attractively to entice customers.
- We think the company has clearly done everything within its stride to make the motorcycle both attractive (despite having a CNG tank) and accessible to customers. The real test is now to see whether motorcycle customers adopt this new technology.
- It is pertinent to note here that the adoption of CNG technology for personal use in passenger vehicles has so far been limited. We need to see whether 2W customers are willing to make this shift now that a good product is in the market. We would closely monitor this in the coming months.

Valuation and View

While the product has attractive look and feel, it remains to be seen whether customers adopt this vehicle for personal use. We refrain from forecasting any incremental sales numbers for BJAUT after this launch as it is too early to gauge the success of the product. However, the stock has already witnessed the significant re-rating in the last 12 months on the back of its market share gains in 125cc+ domestic motorcycles, improved margins and a one-of-a-kind policy to reward shareholders. After a recent rally, the valuation now at ~29x/25 FY25E/26E EPS appears reasonable. We reiterate our Neutral rating with a TP of INR8,660 (premised on 22x June-26E consol EPS).

Dabur

BSE SENSEX	S&P CNX
79,997	24,324

Financials Snapshot (INR b)

Y/E Mar	2024	2025E	2026E
Sales	124.0	135.6	148.9
Sales Gr. (%)	7.5	9.3	9.8
EBITDA	24.0	27.5	30.4
Margins (%)	19.4	20.3	20.5
Adj. PAT	18.8	21.4	23.5
Adj. EPS (INR)	10.6	12.1	13.3
EPS Gr. (%)	9.2	14.2	9.7
BV/Sh.(INR)	55.7	60.5	65.1
Ratios			
RoE (%)	19.9	20.8	21.1
RoCE (%)	17.4	18.6	19.4
Payout (%)	63.3	67.8	73.1
Valuations			
P/E (x)	57.1	50.0	45.5
P/BV (x)	10.8	10.0	9.3
EV/EBITDA (x)	41.9	36.0	32.3
Div. Yield (%)	1.1	1.4	1.6

CMP: INR606

High-single-digit revenue growth

DABUR released its pre-quarterly update for 1QFY25. Here are the key highlights:

Consumption

- According to the management, demand trends improved QoQ and rural growth picked up.
- The management expects improvement in consumption going forward, given the forecast of a normal monsoon and continued focus by the government on macro-economic growth.

India business

- India business is expected to record **mid-single-digit** volume growth.
- HPC and Health Care business is expected to grow in **high-single digits**.
- Travel and out-of-home consumption were affected by the scorching summer, hurting the beverage segment, although the food (culinary) category showed good momentum.
- Badshah Masala witnessed healthy momentum and is expected to post strong volume-led growth **in high teens.**

International business

- On a constant currency basis, the international business is expected to deliver strong growth.
- Currency depreciation in Turkey and Egypt will affect translated growth when converted to INR terms.

Consolidated

- The management expects consolidated **revenue to grow in high-single digits** (10.9% YoY in 1QFY24; 5.1% YoY in 4QFY24, 4-year CAGR at ~14.6%).
- It expects **gross margin expansion** to be driven by rollover price increases and cost-saving initiatives.
- DABUR continued to invest heavily in its brands, with advertising and promotion (A&P) spending growing ahead of revenue.
- The management expects operating profit to grow at a slightly higher rate than revenue.

Quarterly Performance (Consolidated) (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic FMCG vol. growth (%)	3.0	3.0	4.0	3.0	6.0	6.0	7.0	7.0	3.3	5.6
Net sales	31,305	32,038	32,551	28,146	33,653	35,029	35,724	31,197	1,24,040	1,35,603
YoY change (%)	10.9	7.3	6.7	5.1	7.5	9.3	9.7	10.8	7.5	9.3
Gross profit	14,588	15,482	15,823	13,679	16,019	16,989	17,433	15,326	59,571	65,768
Margin (%)	46.6	48.3	48.6	48.6	47.6	48.5	48.8	49.1	48.0	48.5
EBITDA	6,047	6,609	6,678	4,668	6,596	7,426	7,645	5,867	24,002	27,534
Margins (%)	19.3	20.6	20.5	16.6	19.6	21.2	21.4	18.8	19.4	20.3
YoY growth (%)	11.2	10.0	8.1	13.9	9.1	12.4	14.5	25.7	10.5	14.7
Depreciation	966	983	969	1,074	1,001	1,018	1,003	1,321	3,992	4,343
Interest	243	281	365	352	300	300	200	150	1,242	950
Other income	1,098	1,164	1,274	1,289	1,208	1,281	1,401	1,973	4,824	5,863
PBT	5,936	6,508	6,618	4,531	6,503	7,389	7,843	6,369	23,593	28,104
Tax	1,368	1,443	1,550	1,114	1,561	1,773	1,882	1,501	5,474	6,717
Rate (%)	23.0	22.2	23.4	24.6	24.0	24.0	24.0	23.6	23.2	23.9
Adjusted PAT	4,721	5,233	5,225	3,578	4,942	5,615	5,960	4,900	18,757	21,418
YoY change (%)	7.2	6.7	7.8	10.8	4.7	7.3	14.1	37.0	9.3	14.2
Reported PAT	4,639	5,151	5,142	3,495	4,859	5,533	5,878	4,818	18,427	21,089

E: MOFSL Estimates

Marico

BSE SENSEX	S&P CNX
79,997	24,324

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	96.5	106.4	116.0
Sales Gr. (%)	-1.1	10.3	9.0
EBITDA	20.3	22.8	25.0
Margin (%)	21.0	21.4	21.6
Adj. PAT	14.8	16.4	18.2
Adj. EPS (INR)	11.5	12.7	14.1
EPS Gr. (%)	13.7	11.0	10.6
BV/Sh.(INR)	29.7	31.0	32.5
Ratios			
RoE (%)	38.8	42.0	44.4
RoCE (%)	34.7	37.0	38.7
Payout (%)	91.5	90.2	88.7
Valuations			
P/E (x)	52.5	47.3	42.8
P/BV (x)	20.3	19.5	18.5
EV/EBITDA (x)	37.8	33.6	30.5
Div. Yield (%)	1.7	1.9	2.1

CMP: INR615

Revenue grows in high-single digit

Key highlights from Marico's (MRCO) 1QFY25 pre-quarterly update:

- **Consolidated revenue** grew in the high-single digit (in line), despite the residual impact of pricing cuts in the Saffola Oils portfolio and currency headwinds in overseas markets. Revenue grew 7.9% YoY in 1QFY25 vs. 1.7% YoY in 4QFY24. The four-year CAGR stood at 8.5%.
- **Demand trends** continued to show gradual improvement as expected.
- **Domestic volumes** grew marginally on a sequential basis.
- MRCO delivered volume growth after adjustments to distributor stock levels to enhance ROI and a certain degree of wholesale channel destocking to ensure smoother direct reach expansion through Project SETU.
- **The management expects** consolidated revenue growth to increase as domestic revenue growth outpaces volume growth amid higher realizations from the favorable pricing cycle in key domestic portfolios.
- **The management maintains** its aspiration of delivering sustainable and profitable volume-led growth over the medium term.

International business: Double-digit growth in constant currency terms

- In 1QFY25, MRCO's international business delivered double-digit growth in constant currency, driven by resilient and broad-based growth across markets.

Costs and margins: Gross margin to expand

- **RM costs:** Copra prices remained firm as projected, while edible oil and crude oil derivatives stayed range-bound.
- A favorable portfolio mix should lead to YoY gross margin expansion.
- Operating profit is expected to grow slightly ahead of revenue, resulting in a marginal increase in operating margin YoY.

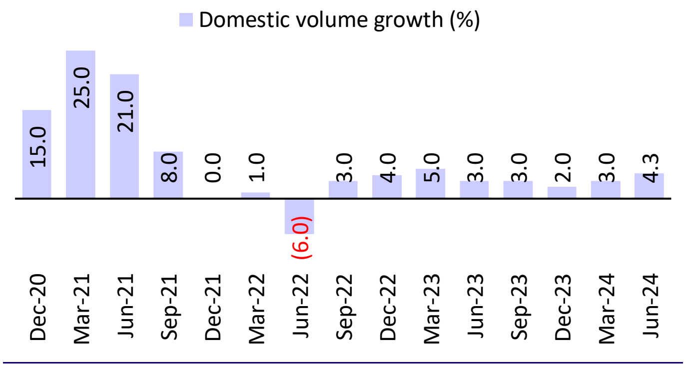
Segments

- **Parachute Coconut Oil** registered low single-digit volume growth but is expected to pick up visibly through the rest of the year due to stable healthy trends in offtake growth.
- **Saffola Oils** delivered mid-single-digit volume growth amid marked stability in input and consumer pricing.
- **Value-added hair oils** experienced an optically weak quarter and saw a decline due to competitive headwinds in the bottom-of-the-pyramid segment, while the mid and premium segments performed relatively better. The company expects the portfolio to revert to growth next quarter.
- **Foods** segment sustained strong momentum and scaled up.
- **Digital-first brands** also maintained a strong growth trajectory.

Collaborates with Kaya

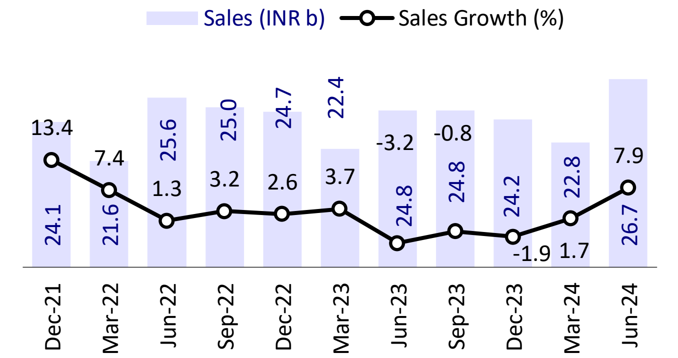
- MRCO announced a collaboration with renowned dermatological solutions provider, Kaya, to advance its science-backed personal care offerings.
- The company will have exclusive rights to scale up Kaya's range of efficacy-based personal care products beyond its clinics.
- This initiative will serve as an additional growth driver for MRCO's premium personal care-led digital business and further accelerate the portfolio diversification agenda of its India business.

Domestic volume likely to rise 4.3% YoY in 1QFY25



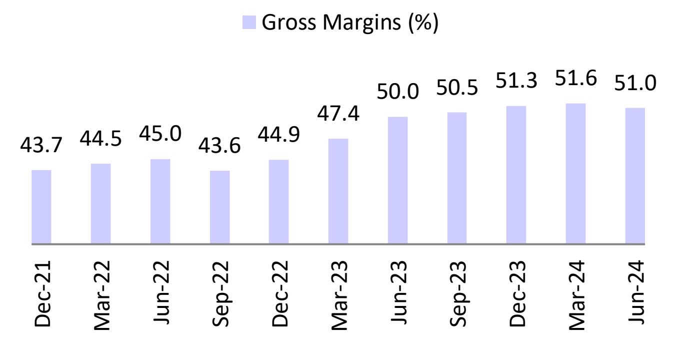
Source: Bloomberg, MOFSL

Consolidated sales grew in high-single digit YoY



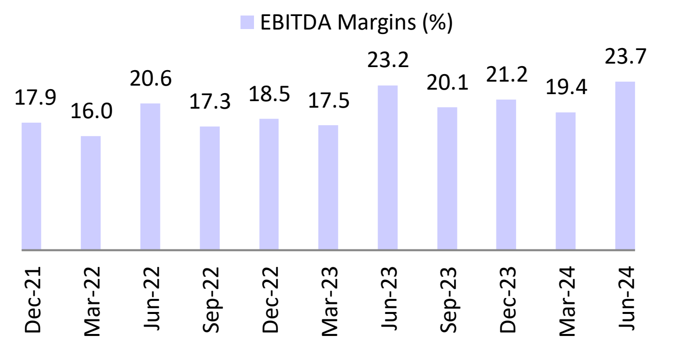
Source: Company, MOFSL

Gross margin likely to expand 100bp YoY in 1QFY25



Source: Bloomberg, MOFSL

EBITDA margin to expand 50bp YoY



Source: Company, MOFSL

Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	3.0	2.0	3.0	4.3	7.7	8.0	9.4	2.8	7.4
Net Sales	24,770	24,760	24,220	22,780	26,719	27,471	27,039	25,204	96,530	1,06,433
YoY Change (%)	-3.2	-0.8	-1.9	1.7	7.9	10.9	11.6	10.6	-1.1	10.3
Gross Profit	12,380	12,500	12,420	11,750	13,626	13,941	13,722	12,991	49,050	54,281
Gross margin (%)	50.0	50.5	51.3	51.6	51.0	50.8	50.8	51.5	50.8	51.0
EBITDA	5,740	4,970	5,130	4,420	6,341	5,658	5,800	5,006	20,260	22,804
Margins (%)	23.2	20.1	21.2	19.4	23.7	20.6	21.5	19.9	21.0	21.4
YoY Change (%)	8.7	14.8	12.5	12.5	10.5	13.9	13.1	13.2	11.9	12.6
Depreciation	360	390	420	410	425	450	450	491	1,580	1,816
Interest	170	200	190	170	165	165	120	200	730	650
Other Income	460	380	430	150	400	375	375	400	1,420	1,550
PBT	5,670	4,760	4,950	3,990	6,151	5,418	5,605	4,714	19,370	21,888
Tax	1,310	1,160	1,090	790	1,445	1,300	1,356	1,151	4,350	5,253
Rate (%)	23.1	24.4	22.0	19.8	23.5	24.0	24.2	24.4	22.5	24.0
Adjusted PAT	4,270	3,530	3,830	3,180	4,615	4,048	4,218	3,564	14,810	16,446
YoY Change (%)	15.1	17.3	16.8	5.3	8.1	14.7	10.1	12.1	13.7	11.0

E: MOFSL Estimates

Kalyan Jewellers India

BSE SENSEX	S&P CNX
79,997	24,324

Financials Snapshot (INR b)

Y/E March	2024	2025E	2026E
Sales	185.5	243.8	309.9
EBITDA	13.1	16.7	20.9
EBITDA Margin (%)	7.1	6.8	6.8
Adj. PAT	6.0	8.8	11.9
Cons. Adj. EPS (INR)	5.8	8.5	11.5
EPS Gr. (%)	29.9	46.8	35.6
BV/Sh. (INR)	40.7	47.0	55.3
Ratios			
RoE (%)	15.3	19.4	22.6
RoIC (%)	11.6	13.9	16.0
Valuations			
P/E (x)	85.5	58.3	43.0
P/BV	12.2	10.6	9.0
EV/Sales	2.8	2.1	1.6
EV/EBITDA (x)	39.0	30.4	24.1

CMP: INR498

Double-digit SSSG despite challenging demand scenario

Kalyan Jewellers (KALYAN) released its pre-quarterly update for 1QFY25. Here are the key takeaways:

Company level

- Kalyan Jewellers (KALYANKJ) reported consolidated sales growth of ~27% YoY (in line with MOFSLe; 34% in 4QFY24), maintaining strong momentum across its markets in India and the Middle East.
- As of Jun'24, the total number of stores stood at 277: 217 Kalyan India stores, 36 Kalyan Middle East stores, and 24 Candere stores.
- KALYANKJ is upbeat about the upcoming new showroom launches and is gearing up with fresh collections and campaigns for the upcoming festive and wedding seasons across the country.
- It plans to launch another ~40 Kalyan showrooms in India, ~30 Candere showrooms, and the first showroom in the US by Diwali.

India division

- India business grew ~29% YoY during the quarter, compared to 38% in 4QFY24 and 34% in 1QFY24. This growth was driven by healthy SSSG of 12%, compared to 15% in Q1FY24 and 17% in Q4FY24, despite the demand impact caused by gold inflation.
- It added 24 new Kalyan and Candere stores in India, out of which 13 are under the FOCO model.
- KALYANKJ has a strong launch pipeline of showrooms in the coming quarters, in line with its previously communicated guidance.

Middle East

- Revenue grew ~16% YoY in 1QFY25, driven largely by SSSG.
- The region contributed 15% of consol. revenue in 1QFY25.

Digital Platform- Candere

- Candere recorded a revenue growth of ~13% YoY in 1QFY25.
- The company has agreed to increase its stake in the business and hence convert Enovate Lifestyles Private Limited (Candere) to its wholly owned subsidiary.

Consolidated Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	**43,757**	**44,145**	**52,231**	**45,349**	**55,791**	**58,051**	**70,250**	**59,742**	**1,85,483**	**2,43,834**
Change (%)	31.3	27.1	34.5	34.1	27.5	31.5	34.5	31.7	31.8	31.5
Raw Material/PM	37,153	37,840	44,616	38,737	48,147	50,214	60,556	51,606	1,58,346	2,10,523
Gross Profit	**6,604**	**6,306**	**7,615**	**6,612**	**7,643**	**7,837**	**9,695**	**8,136**	**27,137**	**33,311**
Gross Margin (%)	15.1	14.3	14.6	14.6	13.7	13.5	13.8	13.6	14.6	13.7
Operating Expenses	3,375	3,169	3,916	3,550	3,889	3,817	4,873	4,047	14,010	16,627
% of Sales	7.7	7.2	7.5	7.8	7.0	6.6	6.9	6.8	7.6	6.8
EBITDA	**3,229**	**3,137**	**3,698**	**3,062**	**3,754**	**4,020**	**4,821**	**4,089**	**13,127**	**16,684**
Margin (%)	7.4	7.1	7.1	6.8	6.7	6.9	6.9	6.8	7.1	6.8
Change (%)	22.2	17.9	13.1	19.3	16.2	28.2	30.4	33.5	17.8	27.1
Interest	821	817	817	778	804	797	784	746	3,232	3,131
Depreciation	641	669	697	736	782	797	823	840	2,743	3,241
Other Income	116	131	201	288	314	328	342	366	737	1,351
PBT	**1,885**	**1,781**	**2,386**	**1,837**	**2,483**	**2,755**	**3,557**	**2,869**	**7,888**	**11,662**
Tax	449	433	582	462	616	683	882	711	1,925	2,892
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	24.8	24.8	24.8	24.8	24.4	24.8
Adjusted PAT	**1,439**	**1,352**	**1,806**	**1,376**	**1,867**	**2,071**	**2,675**	**2,157**	**5,973**	**8,770**
Change (%)	33.3	27.1	21.5	96.3	29.8	53.2	48.1	56.8	28.1	46.8

E: MOFSL Estimates

AU Small Finance Bank

BSE SENSEX	S&P CNX
79,997	24,324

Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	51.6	84.4	108.1
PPoP	25.1	40.3	52.9
PAT	15.3	22.0	29.4
NIM (%)	5.2	6.4	6.3
EPS (INR)	23.0	31.2	39.5
EPS Gr. (%)	4.3	35.7	26.8
BV/Sh. (INR)	187	232	271
ABV/Sh. (INR)	183	227	266
Ratios			
RoE (%)	13.1	14.8	15.7
RoA (%)	1.5	1.7	1.7
Valuations			
P/E(X)	29.2	21.6	17.0
P/BV (X)	3.6	2.9	2.5
P/ABV (X)	3.7	3.0	2.5

CMP: INR673 — Buy

Business growth remains healthy; merger process on track

Cost of funds (CoF) declines 7bp QoQ (on pro-forma merged basis) to 7.03% as of 1QFY25

AUBANK has released its business update for 1QFY25. Here are the key highlights:

- AUBANK reported healthy growth of 4.9% QoQ in gross advances to ~INR907b. Including the securitized/assigned loan portfolio, the total loan portfolio grew 3.4% QoQ.
- The bank securitized its asset portfolio of INR7.25b in 1QFY25, taking the total assigned book to INR91b vs. INR100.12b (pro-forma merged) as of 4QFY24. The bank saw a ~40bp uptick in yields over the pro-forma merged disbursements yields, supported by an increase in disbursement yields in Wheels and MBL segments. The gross portfolio yield improved 3bp QoQ.
- On the liability front, total deposits declined 0.4% QoQ to INR972.9b. With surplus liquidity carried over 4Q, the bank has utilized excess liquidity and reduced CoF by retiring high-cost deposits, mainly of erstwhile Fincare SFB.
- CASA deposits grew 1.8% QoQ to INR320.3b. As a result, CASA ratio improved slightly to 33% from 32% in 4QFY24 (pro-forma merged).
- The bank has reduced its CoF by 7bp QoQ to 7.03%, thanks to lower interest rates and a decrease in high-cost deposits. On a standalone basis, the bank experienced an increase in deposits, while Fincare's deposit book saw a decline.
- The bank has achieved strong performance by implementing its strategies, lowering CoF, increasing yields, and adjusting the loan mix. We believe the merger is progressing well, with the bank successfully integrating both liabilities and assets while maintaining steady growth across business segments.

Key business trends

INR m	4QFY24 (Pro-forma Merged)	1QFY25	QoQ (%)
Total Deposits	**9,77,040**	**9,72,900**	**(0.4)**
CASA Deposits	3,14,560	3,20,340	1.8
CASA Ratio (%)	**32%**	**33%**	**NA**
Cost of Funds (CoF)	**7.10%**	**7.03%**	**(7 bp)**
Gross Advances	**8,64,780**	**9,07,000**	**4.9**
Securitized/assigned loan portfolio + IBPC	**1,00,120**	**91,000**	**NA**

Note: Fincare SFB with AU SFB effective from April 1, 2024; Source: MOSL, Company

Raymond

BSE SENSEX	S&P CNX
79,997	24,324

Bloomberg	RW IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	215 / 2.6
52-Week Range (INR)	3484 / 1487
1, 6, 12 Rel. Per (%)	42/74/60
12M Avg Val (INR M)	713

Financials & Valuations (INR b)

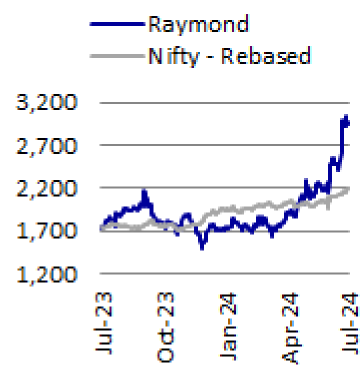
Y/E March	FY24	FY25E	FY26E
Net Sales	90.2	105.9	121.1
EBITDA	13.1	15.0	17.9
PAT	6.9	7.9	10.1
EPS (INR)	104.1	119.0	151.5
GR. (%)	10.2	14.3	27.3
BV/Sh (INR)	694	809	955
ROE (%)	18.4	15.8	17.2
RoCE (%)	15.0	12.6	13.7
RoIC (%)	14.9	11.7	13.3
P/E (X)	31.1	27.2	21.3
P/BV (X)	4.7	4.0	3.4
EV/EBITDA (X)	18.5	16.3	13.0
Div Yield (%)	0.3	0.0	0.0

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	49.1	49.1	49.1
DII	8.8	7.9	5.1
FII	14.5	14.4	16.8
Others	27.6	28.6	29.0

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR3,230 TP: INR3,755 (+16%) Buy

Announces demerger of real estate business

After a series of positive measures such as selling the FMCG business, demerging the lifestyle business, ramping up the real estate business, and acquiring Maini Precision Products (MPPL), RAYMOND has proposed the demerger of its real estate business with a 1:1 share exchange ratio between Raymond Ltd. (RL) and Raymond Realty (RRL). We believe the demerge will unlock the value of the real estate business. Raymond Group will now have three separate listed entities: Lifestyle, Real Estate and Engineering, and each of them will be professionally managed separately. Furthermore, the group will maintain its net cash status.

Restructuring the company; each business to be separately listed

- The board has approved a scheme of arrangement between RL and RRL with a share exchange ratio of 1:1, subject to approvals of the NCLT and shareholders of RL.
- The demerge process, including approvals and sanctions, may take 12-15 months. RRL will be a pure real estate company, RL will be an engineering company, and Raymond Lifestyle (RLL) will operate the lifestyle business.
- The demerger of RLL has been approved by the NCLT and the company has set 11 Jul'24 as the record date of demerger. The listing of RLL should occur within 90 days of the record date.

Real Estate: Fastest-growing business for the group

- Raymond Group will now have a pure play real estate arm focused on monetizing its legacy land parcel in Thane, where it has sold ~INR48b worth of inventory, delivered three towers, and is on course to complete seven more towers. The land has a sales potential of INR250b, which will be monetized over the next 7-8 years.
- With the successful execution of the initial phase at Thane, the company has gained confidence and aims to further scale up the business by foraying into other markets in MMR. The company started its first project in Bandra in FY23 with GDV of INR20b. It was launched in 4QFY24 and received an encouraging response, as 65% of the launched inventory has been already sold.
- MMR expansion is now gaining pace, with three new projects acquired in the last six months with cumulative GDV of INR50b. With real estate being an independent entity, the company will now focus on scaling up this growth. It currently has liquidity of INR5b, which will give it required firepower to add more projects.
- The company achieved bookings of INR22b in FY24, and while the aim is to double it over the next 3-4 years, we believe timely launches of all non-Thane projects can enable the company achieve the milestone a year in advance in FY26.

Lifestyle business: Growth led by branded apparel

- The apparel business will be a part of RLL, which will be headed by Mr. Sunil Kataria (ex CEO of GCPL). Raymond has a legacy collection of well-established brands, yet it has remained under-penetrated.
- Within the lifestyle segment, the branded apparel segment with a revenue base of INR16b (23% of RLL revenue) is expected to post a CAGR of 18%in revenue over FY24-26. It is expected to add 200 EBOs annually (currently 409 EBOs) with a focus on a capex-light franchisee model for Raymond, Park Avenue, ColorPlus and Ethnix brands.
- The garment segment holds a strategic advantage with the China+1 strategy, as most apparel brands seek to diversify. We expect the segment to have cash flow support from the 'branded textile business' (65% of RLL EBITDA).
- As per the demerger scheme, shareholders of RL will receive four additional shares of RLL for five shares they hold in RL. Hence, RLL shares will be 53.3m. We expect a CAGR of 9%/7%/8% in revenue/ EBITDA/PAT over FY24-26 and assign a P/E of 20x on FY26E to the lifestyle business, arriving at a valuation of INR156b (INR2,930/share of RLL and INR2,340 in RL SOTP).

Raymond Ltd: Now an engineering business

- After the demerger of RRL and RLL, Raymond Ltd will focus on tools and hardware, auto components, aerospace and defense businesses. The segment will be headed by Mr. Gautam Maini (founder of MPPL).
- The pro forma revenue/EBITDA for FY24 (including MPPL) was INR18b/INR2.7b (15% margin). We expect the business to clock a CAGR of 9%/13% in revenue/EBITDA over FY24-26E. We value the engineering business at 8x FY26E EV/EBITDA, arriving at a valuation of INR22b. Considering RL's 66.3% stake in MPPL, RL's SOTP-based value stands at INR215/share.

Valuation and view

- Our SOTP-based model values the real estate business at FY26E EV/EBITDA of 8x on embedded EBITDA, assuming pre-sales of INR40b and 25% EBITDA margin, and arrives at a valuation of INR80b (i.e., INR1200/share). We assign a P/E of 20x on FY26E to the lifestyle business, arriving at a value of INR2,340/share (INR2,930 post demerger in RLL). The engineering business is valued at 8x FY26E EV/EBITDA, arriving at a value of INR250/share. The combined value of the three businesses works out to be INR3,755/share. **We retain BUY rating on the stock.**
- Accordingly, we expect the per share value of RL will be ~INR1,415 after the record date (11 Jul'24), which includes INR1,200 of real estate and INR215 of the engineering business. The Lifestyle business could be listed at ~INR2,930/share (20x FY26E EPS).

Angel One

BSE SENSEX	S&P CNX
79,997	24,324

CMP: INR2,343

Strong business performance

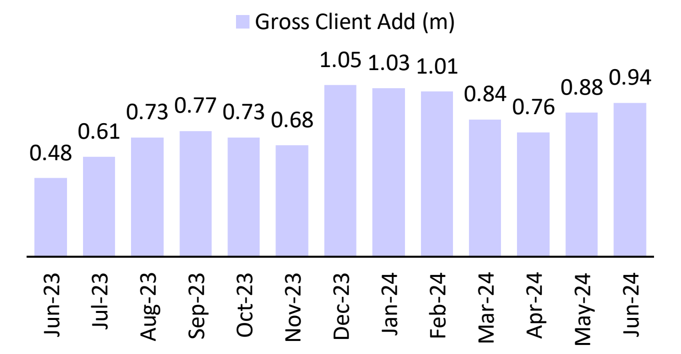
Achieved the highest number of orders per day

Angel One (ANGELONE) released its key business numbers for Jun'24. Here are the key takeaways:

- ANGELONE's gross client acquisition was ~0.94m in Jun'24 (+6.8% MoM/ +95.8% YoY).
- The total client base stood at 24.7m in Jun'24 (+3.7% MoM/+64.1% YoY).
- The average funding book grew ~10.9% MoM to ~INR30.4b (+172% YoY).
- The number of orders stood at 168m for Jun'24 (+87.3% YoY/+5.9% MoM). The number of orders per day increased MoM to 8.8m (the highest ever).
- The overall ADTO rose ~4.4% MoM as the F&O segment's ADTO was up 4.4% MoM, while ADTO in the cash/commodity segments grew 27.7%/3.6% MoM.
- Based on the option premium turnover, the overall market share declined 30bp MoM to 18.9%, while the F&O market share improved 10bp MoM to 20.7%. Market share for the cash segment declined 70bp to 16.4% MoM.
- The number of registered unique MF SIPs grew 21.8% MoM to ~0.58m in Jun'24.

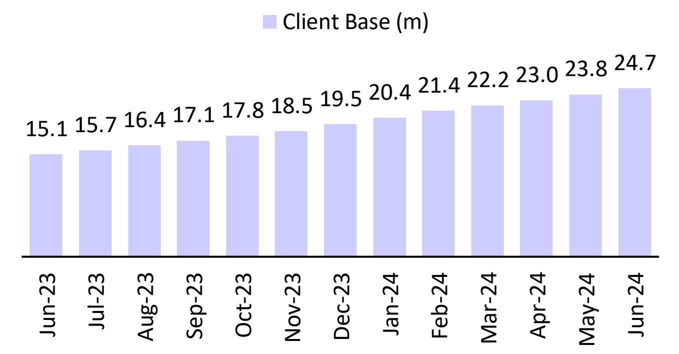
Key Metrics	Jun-23	Sep-23	Dec-23	Jan-24	Feb-24	Mar-24	May-24	Jun-24	% YoY	% MoM
No of Days	21	20	20	22	21	18	21	19		
Client Base (m)	15.1	17.1	19.5	20.4	21.4	22.2	23.8	24.7	64.1	3.7
Gross Client Add (m)	0.48	0.77	1.05	1.03	1.01	0.84	0.88	0.94	95.8	6.8
Avg. MTF book (INR b)	11.2	16.2	18.4	22.5	20.4	18.0	27.4	30.4	172.0	10.9
Orders (m)	89.7	114.9	137.2	166.4	172.7	132.3	158.7	168.0	87.3	5.9
Per day orders (m)	4.3	5.7	6.9	7.6	8.2	7.4	7.6	8.8	107.0	16.9
Unique MF SIPs registered (In m)	0.2	0.3	0.4	0.5	0.48	0.43	0.47	0.58	259.9	21.8
Angel's ADTO (INR b)										
Overall	24,051	32,493	42,014	43,879	45,168	44,000	43,799	45,742	90.2	4.4
F&O	23,633	32,023	41,539	43,364	44,697	43,463	43,211	45,112	90.9	4.4
Cash	37	53	72	81	81	63	83	106	186.5	27.7
Commodity	280	323	334	360	336	406	506	524	87.1	3.6
Angel's Premium T/O (INR b)										
Overall	506		609	662	628	684	747	823	62.6	10.2
F&O	87		135	147	158	147	158	193	121.8	22.2
Retail T/o Market Share									**bps YoY**	**bps MoM**
Overall Equity	25.8	26.7	27.1	N.A	N.A	N.A	N.A	N.A		
F&O	25.8	26.7	27.2	N.A	N.A	N.A	N.A	N.A		
Overall Equity - based on option premium T/O	16.4	N.A	17.3	17.8	18.2	18.3	19.2	18.9	250	-30
F&O - based on option premium T/O	17.8	N.A	18.9	19.3	20.2	20.0	20.6	20.7	290	10
Cash	13.8	14.7	14.9	15.6	15.2	15.3	17.1	16.4	260	-70
Commodity	57.9	56.3	60.2	59.7	60.4	58.8	57.2	59.1	120	190

Run rate in client additions improved MoM



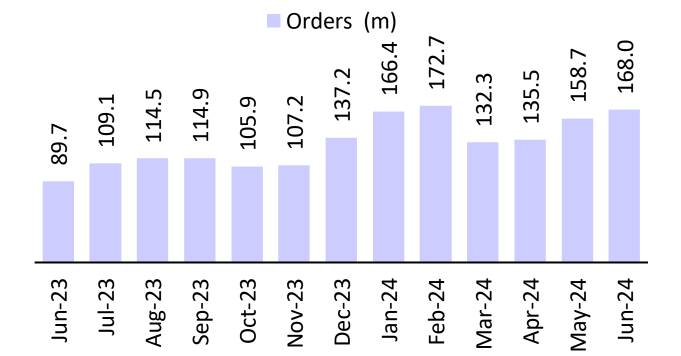
Source: MOFSL, Company

Total client base stood at 24m in May'24



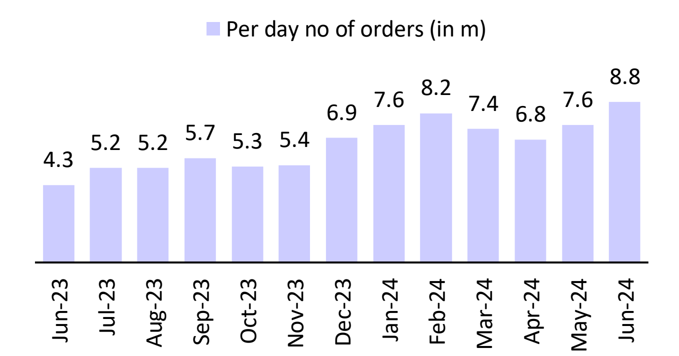
Source: MOFSL, Company

No. of orders improved MoM…



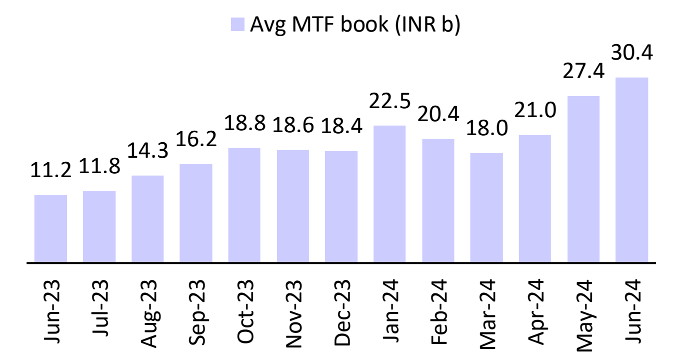
Source: MOFSL, Company

…thus, the no. of orders per day increased



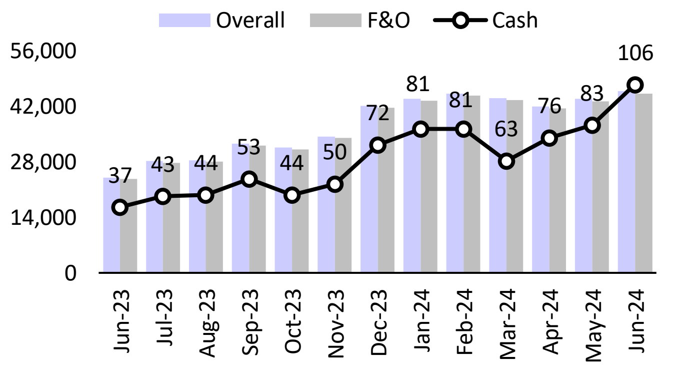
Source: MOFSL, Company

Client funding book increased MoM



Source: MOFSL, Company

Angel's ADTO trend (INR b)



Source: MOFSL, Company

Sheela Foam: Expect Kurl-On Margin To Rise To Around 10-11% From 7-8% Earlier; Rahul Gautam, CMD

- Stock 19% low in 2024 so far.
- Mattresses value growth at 20.4%.
- Volume growth at 6.9%.
- Revenue FY24 – Rs328cr and Margin FY24 – 10.2%.
- Overall growth for the year could be 15-20%.

Read More

Ixigo: Cross Selling & Upselling Products Gave Led The Growth For The Company; Aloke Bajpai, CMD & GRP CEO and Rajnish Kumar, DIR & GRP CO-CEO

- Revenue up by 20.4%
- EBITDA up by 17.8%
- Co has been able to monetise the larger captive user bases.
- Online travel aggregator market will grow slower this year.

Read More

Graware Technical Fibres: Expect ₹50-60 Crore Capex In FY25 For Sports Segment; Vayu Garware, Chairman & MD

- Expect strong H1FY25 on account of good demand in Aquaculture segment from Chile and Norway
- Geosynthetics business expected to continue its growth momentum with good visibility.
- Outlook for sports segment looks positive for FY25.
- We pass through raw material costs with a lag.
- 80% of portfolio is value added products.

Read More

Bajaj Finserv Asset Management: Mid & Small Caps Are 25-30% Above Their Fair Values; Nimesh Chandan, CIO

- Overall markets have moved above fair value.
- Positives in some sectors are getting discounted.
- Expect some correction in the markets.

Read More

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**-0.1**	**7.5**	**22.2**
Nifty-50	**0.1**	**7.5**	**25.4**
Nifty Next 50	**0.7**	**9.9**	**66.5**
Nifty 100	**0.2**	**7.8**	**31.6**
Nifty 200	**0.3**	**8.4**	**35.3**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**0.1**	**4.6**	**66.2**
Amara Raja Ener.	0.4	39.2	146.9
Apollo Tyres	-0.8	11.5	31.4
Ashok Leyland	1.1	2.4	39.0
Bajaj Auto	1.8	0.3	97.0
Balkrishna Inds	0.9	1.7	31.4
Bharat Forge	0.1	11.4	95.6
Bosch	-0.5	13.7	83.2
CEAT	1.2	12.6	28.7
Craftsman Auto	-0.3	35.6	43.0
Eicher Motors	1.0	3.5	43.1
Endurance Tech.	-0.5	15.6	65.2
Escorts Kubota	0.6	5.7	82.6
Exide Inds.	0.3	15.7	130.5
Happy Forgings	-1.0	15.3	
Hero Motocorp	0.0	-1.8	76.0
M & M	-0.8	5.1	95.2
CIE Automotive	2.2	14.1	15.2
Maruti Suzuki	0.1	-3.2	21.1
MRF	0.3	0.8	28.7
Sona BLW Precis.	-1.5	-0.7	27.4
Motherson Sumi	-0.8	34.8	127.0
Motherson Wiring	0.4	14.4	25.7
Tata Motors	-0.5	6.8	68.9
TVS Motor Co.	2.7	3.3	84.1
Tube Investments	-2.2	13.9	34.1
Banks-Private	**-1.0**	**7.4**	**14.0**
AU Small Fin. Bank	-0.1	0.5	-12.5
Axis Bank	0.5	8.7	33.2
Bandhan Bank	-1.8	7.2	-9.2
DCB Bank	-1.7	5.9	12.4
Equitas Sma. Fin	0.0	11.2	124.2
Federal Bank	2.9	12.1	39.7
HDFC Bank	-4.6	6.2	-1.5
ICICI Bank	0.0	11.3	28.7
IDFC First Bank	0.0	5.1	1.0
IndusInd Bank	-0.6	-4.4	2.5
Kotak Mah. Bank	1.0	7.8	-0.7
RBL Bank	-1.3	7.6	37.8
SBI Cards	0.4	3.2	-13.7
Banks-PSU	**1.2**	**5.3**	**67.8**
BOB	1.4	5.3	33.4
Canara Bank	0.4	2.2	82.8
Indian Bank	-0.5	2.7	76.8
Punjab Natl.Bank	1.0	0.8	109.6
St Bk of India	2.4	8.9	45.6
Union Bank (I)	-0.1	-3.7	74.8

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**0.3**	**9.2**	**38.5**
Nifty Midcap 100	**0.8**	**11.4**	**58.5**
Nifty Smallcap 100	**0.8**	**16.3**	**71.0**
Nifty Midcap 150	**0.6**	**11.3**	**58.4**
Nifty Smallcap 250	**0.7**	**16.1**	**65.2**
NBFCs	**-1.0**	**9.0**	**16.8**
Aditya Birla Capital Ltd	-0.6	9.5	25.0
Angel One	0.9	0.5	31.4
Bajaj Fin.	0.4	4.4	-8.9
BSE	-2.1	-9.7	253.5
Cholaman.Inv.&Fn	0.7	11.1	20.7
Can Fin Homes	-0.4	19.0	15.3
Cams Services	1.1	9.4	65.5
CreditAcc. Gram.	0.0	-5.3	6.4
Fusion Microfin.	-2.3	3.0	-22.6
Five-Star Bus.Fi	-0.3	8.4	20.9
Home First Finan	0.0	31.8	34.6
Indostar Capital	-1.7	15.2	73.1
IIFL Finance	0.5	30.0	6.0
L&T Finance	0.9	21.1	44.4
LIC Housing Fin.	0.3	27.9	102.1
MCX	1.2	13.6	162.3
M & M Fin. Serv.	0.8	9.6	-12.4
Muthoot Finance	0.0	3.2	43.1
Manappuram Fin.	0.7	24.6	62.8
MAS Financial Serv.	1.6	2.0	15.7
360 One	4.0	25.4	103.1
PNB Housing	-2.0	11.1	41.1
Repco Home Fin	2.3	23.4	72.6
Shriram Finance	1.1	20.0	59.0
Spandana Sphoort	0.9	-0.1	6.1
Insurance			
HDFC Life Insur.	0.6	10.0	-9.8
ICICI Pru Life	1.5	14.3	12.3
ICICI Lombard	2.0	14.4	40.5
Life Insurance	0.5	7.9	62.1
Max Financial	-0.6	7.5	23.3
SBI Life Insuran	1.4	10.0	18.4
Star Health Insu	-0.5	17.3	-1.9
Chemicals			
Alkyl Amines	-0.8	10.3	-20.1
Atul	0.2	16.1	-1.2
Clean Science	1.9	16.3	9.6
Deepak Nitrite	0.4	20.6	26.1
Fine Organic	0.5	21.7	10.3
Galaxy Surfact.	-2.5	20.2	14.6
Navin Fluo.Intl.	0.2	11.1	-20.6
NOCIL	1.2	25.8	41.9
P I Inds.	-0.1	3.3	-1.8
SRF	0.4	4.6	7.9
Tata Chemicals	-0.2	5.6	9.4
Vinati Organics	0.1	15.0	6.2

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods	**2.3**	**12.8**	**30.6**
A B B	-0.4	11.1	97.7
Bharat Electron	2.1	24.5	166.2
Cummins India	1.7	21.4	120.5
Hitachi Energy	2.0	36.9	232.3
K E C Intl.	-2.4	25.1	56.5
Kalpataru Proj.	0.0	11.2	124.2
Kirloskar Oil	0.2	15.0	248.0
Larsen & Toubro	1.5	6.4	46.8
Siemens	0.2	20.8	112.5
Thermax	6.5	9.8	150.0
Triveni Turbine	-1.6	13.0	59.3
Cement			
Ambuja Cem.	0.6	14.5	58.6
ACC	-2.1	11.2	46.6
Birla Corp.	-1.4	11.9	29.4
Dalmia Bhar.	0.9	7.1	-14.6
Grasim Inds.	0.5	19.2	55.2
India Cem	-0.4	45.0	34.1
J K Cements	-1.7	7.6	27.2
JK Lakshmi Cem.	-0.1	10.3	24.9
The Ramco Cement	-1.4	6.1	-14.1
Shree Cement	-0.2	7.6	12.2
UltraTech Cem.	-0.6	16.5	39.5
Consumer	**1.1**	**0.2**	**7.2**
Asian Paints	0.0	-0.9	-13.0
Britannia Inds.	2.2	1.1	8.8
Colgate-Palm.	0.9	-1.7	62.3
Dabur India	0.1	1.0	2.4
Emami	-2.0	3.6	71.5
Godrej Consumer	0.7	-3.7	25.2
Hind. Unilever	2.0	-2.1	-7.6
ITC	1.1	0.8	-8.7
Indigo Paints	1.4	3.6	-2.0
Jyothy Lab.	-0.1	5.5	99.8
Marico	1.2	-4.7	14.3
Nestle India	1.1	2.6	12.4
Page Industries	1.4	1.8	6.9
Pidilite Inds.	0.1	-2.1	18.8
P & G Hygiene	-0.4	0.2	12.8
Tata Consumer	0.2	-0.4	34.5
United Breweries	3.0	2.8	36.2
United Spirits	-0.4	-3.4	34.8
Varun Beverages	-0.3	8.0	95.5
Consumer Durables	**-0.4**	**5.8**	**36.2**
Polycab India	-0.4	-2.3	86.7
R R Kabel	1.2	10.9	
Havells	0.6	5.6	47.1
Voltas	0.6	-0.5	89.5
KEI Industries	0.1	14.7	101.4
EMS			
Kaynes Tech	5.8	46.1	162.4
Avalon Tech	-0.2	14.3	-10.4
Syrma SGS Tech.	-0.9	14.6	13.0
Cyient DLM	1.4	31.2	
Data Pattern	6.6	36.9	79.1
Healthcare	**1.3**	**6.1**	**48.5**
Alembic Pharma	2.8	10.9	53.9
Alkem Lab	1.7	4.9	44.2
Apollo Hospitals	1.7	6.6	24.6
Ajanta Pharma	2.1	-2.6	57.6
Aurobindo	3.9	2.9	78.2
Biocon	2.5	21.3	43.7
Zydus Lifesci.	2.2	10.9	98.7
Cipla	2.0	0.9	49.4
Divis Lab	1.9	2.8	23.5
Dr Reddy's	0.6	11.9	25.9
ERIS Lifescience	-1.8	10.3	45.0
Gland Pharma	1.6	0.4	72.9
Glenmark	3.3	13.1	101.5
Global Health	-0.3	12.9	84.4
Granules	2.3	19.4	78.1
GSK Pharma	-1.9	2.7	78.6
IPCA Labs	1.3	1.4	59.0
Laurus Labs	5.0	12.0	34.7
Lupin	0.6	8.6	97.3
Mankind Pharma	-1.6	-0.8	25.9
Max Healthcare	-0.4	11.1	51.4
Piramal Pharma	0.4	8.3	74.7
Sun Pharma	0.7	5.5	50.1
Torrent Pharma	0.7	4.0	53.3
Infrastructure	**1.2**	**10.1**	**60.2**
G R Infraproject	-0.5	20.3	36.3
IRB Infra.Devl.	-0.2	0.4	153.0
KNR Construct.	-1.3	4.7	44.9
Logistics			
Adani Ports	-0.2	10.8	102.0
Blue Dart Exp.	0.5	15.8	13.5
Container Corpn.	2.5	6.5	57.2
JSW Infrast	0.5	31.5	
Mahindra Logis.	0.5	20.8	34.1
Transport Corp.	2.7	14.1	32.5
TCI Express	-0.7	19.5	-18.9
VRL Logistics	-2.5	7.5	-17.6
Media	**0.1**	**9.3**	**14.2**
PVR INOX	-0.1	11.1	7.0
Sun TV	0.4	4.9	76.9
Zee Ent.	0.7	3.3	-17.5
Metals	**0.3**	**5.0**	**58.5**
Hindalco	1.1	0.6	65.9
Hind. Zinc	1.0	2.4	122.5
JSPL	-0.5	4.4	68.2
JSW Steel	1.0	8.6	20.5
Nalco	2.3	13.0	137.4
NMDC	0.3	3.1	134.7
SAIL	3.0	6.9	76.7

Company	1 Day (%)	1M (%)	12M (%)
Tata Steel	-0.9	3.3	54.7
Vedanta	1.0	7.5	70.8
Oil & Gas	**1.8**	**10.2**	**61.3**
Aegis Logistics	3.5	30.7	161.2
BPCL	1.2	5.5	58.7
Castrol India	1.1	36.1	104.0
GAIL	1.7	14.3	107.6
Gujarat Gas	1.8	17.1	35.9
Gujarat St. Pet.	1.6	12.3	9.0
HPCL	0.8	-1.3	71.5
IOCL	0.7	7.6	79.4
IGL	0.8	16.9	7.8
Mahanagar Gas	2.0	29.3	57.4
MRPL	0.3	9.5	145.5
Oil India	-0.6	26.5	194.5
ONGC	4.0	16.4	77.0
PLNG	1.6	17.3	49.2
Reliance Ind.	2.2	11.8	34.9
Real Estate	**0.0**	**11.8**	**112.8**
Brigade Enterpr.	-2.9	11.2	140.4
DLF	-0.7	4.6	66.7
Godrej Propert.	-0.7	23.0	110.4
Kolte Patil Dev.	0.0	-6.0	19.1
Mahindra Life.	2.3	12.8	30.6
Macrotech Devel.	1.6	18.3	118.6
Oberoi Realty Ltd	-0.6	-3.3	76.4
Sobha	-0.9	13.9	279.1
Sunteck Realty	0.0	17.2	89.9
Phoenix Mills	0.6	16.6	139.5
Prestige Estates	1.1	10.5	214.5
Retail			
Aditya Bir. Fas.	-2.0	7.4	55.6
Avenue Super.	1.8	-0.2	27.0
Bata India	-0.1	5.9	-9.1
Campus Activewe.	-1.6	1.6	-5.4
Barbeque-Nation	0.1	15.4	-10.6
Devyani Intl.	-1.5	2.5	-12.9
Jubilant Food	0.6	7.5	15.6
Kalyan Jewellers			
Metro Brands	-2.6	6.4	26.0
Raymond	9.8	49.4	85.0
Relaxo Footwear	-0.7	2.8	-8.2
Restaurant Brand	4.6	11.5	2.4
Sapphire Foods	-0.5	8.8	13.0
Senco Gold	0.2	21.6	
Shoppers St.	0.6	10.5	-3.7
Titan Co.	-2.0	-1.5	5.5
Trent	0.4	14.6	224.5
V-Mart Retail	5.4	34.6	47.2
Vedant Fashions	-2.8	3.4	-10.4
Westlife Food	3.7	8.0	-1.0
Technology	**0.0**	**14.0**	**26.4**
Cyient	-1.9	-0.1	19.0

Company	1 Day (%)	1M (%)	12M (%)
HCL Tech.	-0.2	13.1	27.2
Infosys	-0.2	15.2	22.3
LTIMindtree	-0.7	15.6	3.4
L&T Technology	1.2	10.8	27.8
Mphasis	1.8	11.3	39.7
Coforge	-0.5	14.4	24.2
Persistent Sys	0.4	33.8	96.5
TCS	-0.2	7.1	20.8
Tech Mah	0.2	15.3	24.4
Wipro	0.8	18.5	35.8
Zensar Tech	-2.0	21.6	92.8
Telecom	**0.0**	**16.9**	**78.5**
Bharti Airtel	0.5	6.3	65.0
Indus Towers	-2.1	18.9	142.8
Idea Cellular	-2.2	15.1	130.9
Tata Comm	0.6	8.0	22.7
Utiltites	**1.2**	**10.8**	**100.5**
Coal India	0.4	6.7	112.4
NTPC	1.8	11.4	96.4
Power Grid Corpn	1.3	13.6	78.7
Others			
APL Apollo Tubes	-0.7	6.6	19.6
Cello World	-2.0	17.3	
Coromandel Intl	0.8	16.3	65.7
EPL Ltd	3.1	27.8	6.6
Godrej Agrovet	-1.1	46.5	70.0
Havells	0.6	5.6	47.1
Indian Hotels	0.3	7.3	61.6
Interglobe	0.8	-0.6	62.8
Kajaria Ceramics	-2.5	24.9	17.3
Lemon Tree Hotel	1.3	5.7	58.2
MTAR Technologie	4.2	20.5	5.3
One 97	5.8	28.5	-48.8
Piramal Enterp.	-1.1	18.9	-1.6
Quess Corp	-1.2	15.1	42.4
SIS	-0.6	11.8	7.7
Team Lease Serv.	2.1	3.3	24.8
UPL	0.4	8.4	-14.5
Updater Services	-0.8	10.7	
Voltas	0.6	-0.5	89.5
Zomato Ltd	0.1	12.9	180.3

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

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