Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	72,990	-0.1	-6.6
Nifty-50	22,083	-0.2	-6.6
Nifty-M 100	48,008	0.0	-16.1
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,778	-1.2	-1.8
Nasdaq	18,285	-0.4	-5.3
FTSE 100	8,759	-1.3	7.2
DAX	22,327	-3.5	12.1
Hang Seng	8,367	-0.6	14.8
Nikkei 225	37,331	-1.2	-6.4
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	72	-2.8	-3.2
Gold ($/OZ)	2,918	0.9	11.2
Cu (US$/MT)	9,328	-0.7	7.8
Almn (US$/MT)	2,627	0.1	3.9
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	87.3	-0.1	1.9
USD/EUR	1.1	1.3	2.6
USD/JPY	149.8	0.2	-4.7
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.7	0.01	0.0
10 Yrs AAA Corp	7.5	0.03	0.2
Flows (USD b)	**4-Mar**	**MTD**	**CYTD**
FIIs	-0.4	-0.92	-14.3
DIIs	0.56	2.12	19.0
Volumes (INRb)	**4-Mar**	**MTD***	**YTD***
Cash	921	966	993
F&O	98,383	1,09,551	1,84,988

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Bharti Airtel: Focus likely to intensify on capital allocation plans

- Driven by tariff repair in the India wireless segment, Bharti's FCF generation improved significantly over the past few years (9MFY25: INR292b). Bharti's main priority for cash deployment so far has been prepaying high-cost debt.
- With a complete flow-through of tariff hikes and a moderation in capex intensity, Bharti is likely to generate significant FCF (~INR1.3t over FY25-27E).
- With high-cost debt largely repaid and leverage under control, we believe capital allocation remains the key monitorable and would likely be the biggest driver for Bharti's stock price performance over the medium term.
- Our FY25-27 estimates are broadly unchanged as we build in FY24-27 CAGR of ~15%/19% in Bharti's consolidated revenue/EBITDA. We reiterate our BUY rating on Bharti with a revised TP of INR1,985 (earlier INR1,990).

Research covered

Cos/Sector	Key Highlights
Bharti Airtel	Focus likely to intensify on capital allocation plans
DCB Bank	Growth outlook steady; RoA likely to improve to 1%
Utilities	India set to embrace nuclear energy - II

Chart of the Day: Bharti Airtel (Focus likely to intensify on capital allocation plans)

Bharti's FCF after spectrum payments, leases and interest to improve sharply to ~INR500b by FY27, on our estimates

Bharti Airtel FCF workings	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Operating Cashflow before WC changes	**474**	**586**	**722**	**794**	**1,004**	**1,158**	**1,322**
Working Capital changes	30	-14	-31	24	59	61	60
Taxes	-22	-22	-38	-29	-72	-124	-162
CFO before leases and interest	**482**	**550**	**653**	**789**	**990**	**1,095**	**1,220**
Leases	-64	-76	-76	-79	-73	-69	-66
Interest paid	-71	-132	-67	-140	-200	-185	-165
CFO post interest and leases	**347**	**342**	**510**	**570**	**718**	**840**	**989**
Capex	-336	-435	-388	-521	-507	-407	-421
FCF post interest and leases	**11**	**-93**	**122**	**49**	**211**	**433**	**568**
Spectrum prepayments		243	62	163	200		
FCF before spectrum prepayments		**151**	**185**	**213**	**411**	**433**	**568**
Regulatory payouts – principal component			21			25	67
FCF post spectrum payments, leases and interest	**11**	**151**	**164**	**213**	**411**	**408**	**502**

Research Team (Gautam.Duggad@MotilalOswal.com)

motilal oswal Financial Services | MORNING INDIA

In the news today

Kindly click on textbox for the detailed news link

1

NSE changes expiry of all F&O contracts from Thursday to Monday effective April 4

The National Stock Exchange (NSE) on March 4 said all Nifty index weekly futures and options (F&O) contracts will expire on Monday instead of Thursday with effect from April 4.

2

Adani Wilmar to acquire GD Foods, owner of prominent FMCG brand 'Tops'

Adani Wilmar, the FMCG major known for its 'Fortune' brand, has signed a definitive agreement to acquire GD Foods, a leading player in the sauces and pickles category and the owner of 'Tops' brand.

3

Ola Electric gets IFCI notice for missing PLI-ACC scheme milestones

Ola Electric Mobility wholly-owned subsidiary has received a letter from IFCI for missing out on targets specified under the Production Linked Incentive Advanced Chemistry Cell scheme (PLI ACC).

4

Zydus Life to develop world's first dual vaccine for typhoid and Shigella

Zydus Lifesciences is set to develop the world's first combination vaccine for typhoid and shigellosis. The initiative, backed by the Bill & Melinda Gates Foundation, aims to protect infants and children in endemic regions.

5

Dr Reddy's sells 14-drug portfolio to Senores Pharma for US market expansion

Dr Reddy's Laboratories Ltd has entered into an agreement with Ahmedabad-based Senores Pharmaceuticals Ltd to sell a portfolio of 14 Abbreviated New Drug Applications (ANDAs) for an undisclosed amount.

6

Coca-Cola to sell bottling plant in North Gujarat to Kandhari Global Beverages for Rs 2,000 crore

Though the company has not shared financial details, industry insiders have pegged the deal to be around Rs 2,000 crore, where Coca-Cola will transfer business from HCCBL, its bottling arm in India, to its bottling partner Kandhari Global Beverages.

7

Biocon gets FDA nod for cancer drugs lenalidomide and dasatinib

Biocon Ltd wholly-owned subsidiary, Biocon Pharma Ltd, has received final approvals from the US Food and Drug Administration (FDA) for its abbreviated new drug applications (ANDAs).

Bharti Airtel

BSE SENSEX	S&P CNX
72,990	22,083

Bloomberg	BHARTI IN
Equity Shares (m)	6088
M.Cap.(INRb)/(USDb)	9419 / 107.9
52-Week Range (INR)	1779 / 1132
1, 6, 12 Rel. Per (%)	2/13/40
12M Avg Val (INR M)	10164

Financials &Valuations (INR b)

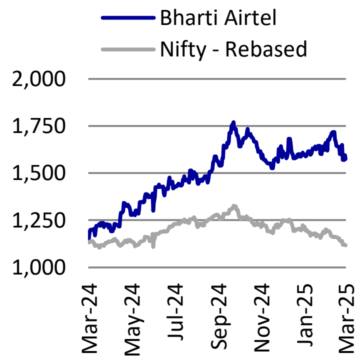
Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	1,725	2,047	2,309
EBITDA	929	1,158	1,322
PAT	209	273	378
EPS (INR)	36.4	45.1	62.5
GR. (%)	85	24	39
BV/Sh (INR)	182	242	283
Ratios			
ROE (%)	22.8	23.0	25.8
RoCE (%)	14.1	14.8	16.9
Valuations			
P/E (X)	43	35	25
P/BV (X)	8.7	6.5	5.6
EV/EBITDA (X)	11.6	9.3	7.8
Div Yield (%)	1.0	1.6	2.5

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	53.1	53.1	54.6
DII	19.6	18.8	19.7
FII	24.3	25.2	22.7
Others	2.9	2.9	3.0

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR1,580 TP: INR1,985 (+25%) Buy

Focus likely to intensify on capital allocation plans

- **Driven by tariff repair in the India wireless segment, Bharti's FCF generation improved significantly over the past few years (9MFY25: INR292b). Bharti's main priority for cash deployment so far has been prepaying high-cost debt.**
- **With a complete flow-through of tariff hikes and a moderation in capex intensity, Bharti is likely to generate significant FCF (~INR1.3t over FY25-27E).**
- **With high-cost debt largely repaid and leverage under control, we believe capital allocation remains the key monitorable and would likely be the biggest driver for Bharti's stock price performance over the medium term.**
- **Our FY25-27 estimates are broadly unchanged as we build in FY24-27 CAGR of ~15%/19% in Bharti's consolidated revenue/EBITDA. We reiterate our BUY rating on Bharti with a revised TP of INR1,985 (earlier INR1,990).**

Annual FCF generation likely to top INR500b by FY27

- Bharti's FCF generation (after lease and interest) improved to INR292b in 9MFY25 (from INR213b in FY24), driven by tariff repair-led improvement in operating cashflows and a reduction in capex with the completion of the first phase of 5G rollouts.
- The improved FCF generation has been used to prepay the high-cost spectrum debt (9.3-10% interest rate).
- Bharti has prepaid ~INR200b spectrum debt in 9MFY25 and ~INR670b since FY22, clearing all the spectrum liabilities pertaining to 2012, 2014, 2015 and 2016 spectrum auctions.
- With a full flow-through of the Jul'24 tariff hike, a likely additional tariff hike of ~15%, a moderation in capex, and Indus consolidation, we expect Bharti's FCF (after interest and leases, but before spectrum repayments) to improve to INR570b by FY27 and ~INR500b after regulatory dues payout.

High-cost debt largely paid up; leverage in comfortable zone

- Bharti's ~INR944b dues to the GoI mainly pertains to AGR dues (under moratorium until Mar'26 at 8% interest rate) and 2022 spectrum (at ~7.2% interest rate, paid till Aug'26 except for Hexacom circles).
- Given the benign interest rate for the remaining GoI dues (~7.2-8.65%) and telcos still hopeful of some relief on AGR dues, we do not expect Bharti to prepay further spectrum or AGR dues.
- Bharti's overall net debt, excluding DPL and lease liabilities, stood at a modest INR392b (vs. annualized EBITDAaL of INR1.04t). Given robust FCF generation, we expect Bharti's non-GoI debt to be largely repaid by FY27.

Capital allocation would be the key monitorable for Bharti

- With leverage under control, India wireless capex moderating, and no immediate requirement for additional spectrum on the horizon, the deployment of Bharti's rising FCF is likely to become the most important monitorable for potential stock price performance in the medium term.

- Bharti's management indicated that deleveraging, increasing shareholder returns through higher dividends, and bolt-on acquisitions to boost capabilities in Enterprise business remain the key priorities for capital deployment.

Dividend payout to increase meaningfully to service promoter-level debt

- Bharti Telecom (BTL, a 51:49 JV between Bharti Enterprises and Singtel) has purchased stake worth ~INR381b from Bharti Airtel's promoters and through rights issue over the last few years to raise its stake to 40.5%.
- As the dividend from Bharti is the only source of revenue for BTL, the debt on BTL's balance sheet has increased to ~INR380b, largely due to Bharti's stake purchases. The debt-to-equity ratio for BTL has spiked to 5.4x as of Dec'24.
- As per our estimates, Bharti's FY25 dividend payout would have to increase to at least INR14/share (vs. INR8/share) for BTL to service its interest payments.
- BTL has to either repay or refinance ~INR215b dues over Sep'25 to Feb'26.
- Further, BTL has to contribute ~INR58 toward pending calls on the rights issue and might have to purchase an additional stake from promoters as 1) Singtel looks to equalize its direct stake with Bharti, and 2) promoters are keen to consolidate their holdings in Bharti under BTL.
- Given the need for servicing its existing debt and potentially funding additional stake purchases, we believe that increasing the dividend payout is likely to become the biggest priority for Bharti over the next few years.
- However, Bharti's recent stake increase in Airtel Africa, the Indian promoter's continued stake sales in Bharti, and discussions for a potential merger of Airtel DTH with Tata Play have raised some concerns about capital allocation priorities.

AAF stake purchase driven by potential value-unlocking triggers

- Bharti has recently purchased a ~4.45% stake in Airtel Africa (AAF) for a total consideration of ~INR23.6b.
- While investors would prefer Airtel to pay out higher dividends or invest the cashflows in Indian operations, we do not see the investment made to increase the stake in AAF as a capital misallocation.
- AAF has been delivering robust double-digit constant currency (cc) growth for the past several years, and we remain positive on AAF, given the long runway for data and mobile money growth in Africa.
- Despite robust growth, AAF trades at subdued ~3.8x FY27E EBITDA. We believe a sharp tariff hike in Nigeria and an impending IPO of Mobile Money (Jul'25) could be key near-term value-unlocking triggers for AAF, which would benefit Bharti's shareholders as well.
- Moreover, Bharti will likely be able to recoup the investments in the AAF stake purchase through upcoming inflows from Indus Tower. As such, we do not expect any significant impact on Bharti's FY25 dividends due to the AAF stake purchase.

Airtel DTH – Potential Tata Play merger to boost Airtel's convergence play

- Bharti recently confirmed that the company is in bilateral discussions with the Tata Group to explore a potential transaction to combine Tata Play and Airtel DTH.
- Given structural headwinds, we believe a potential merger between Airtel DTH and Tata Play is unlikely to create any significant value for Airtel's DTH operations on a standalone basis.
- However, the deal would provide Airtel with access to additional ~19m high-paying homes, which the company can tap to offer its converged offerings under Airtel Black.

Valuation and view

- Our FY25-27 estimates are broadly unchanged. We build in FY24-27 CAGR of ~15%/19% in consolidated revenue/EBITDA, driven by more frequent tariff hikes in India wireless business (~12.5% ARPU CAGR), acceleration in Homes broadband services, and robust double-digit growth in Africa.
- We continue to like Bharti's superior execution on the premiumization agenda. With a moderation in capex intensity, Bharti is likely to generate significant FCF (~INR1.3t over FY25-27E), which should lead to significant deleveraging and improvement in shareholder returns.
- We believe capital allocation remains the key monitorable and would likely be the biggest driver for Bharti's stock price performance over the medium term.
- We **reiterate BUY on Bharti with our SoTP-based TP of INR1,985**. We value India wireless and homes business on DCF (implies ~13x FY27 EV/EBITDA), DTH/Enterprise at 4.5x/10x Mar'27E EBITDA and BHARTI's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.

Our SoTP-based TP for Bharti is INR1,985/share

	Valuation base (INR b)		Multiple (x)		Valuation	
Mar'27 basis	**EBITDA**	**Other**	**EBITDA**	**Other**	**(INR b)**	**(INR/share)**
India business						
India wireless (including Hexacom)	**819**		**13.0**	**DCF implied**	**10,645**	**1,760**
Less: Hexacom minority (30% minority)	63		10.9	Implied at CMP	205	34
Homes	49		13.0	DCF implied	635	105
India homes + wireless attributable value					**11,075**	**1,831**
DTH	18		4.5		80	13
Enterprise	83		10.0		827	137
Indus Towers attributable value	**163**	528	**6.5**	**0.75**	**396**	**65**
Other investments (Nxtra, APB)		148		1	148	25
India business enterprise value	**1,060**		**11.8**	**Implied**	**12,526**	**2,071**
India business net debt (including leases)					**927**	**153**
Network I2I perps					132	22
India business equity value (a)					**11,467**	**1,896**
International business						
Airtel Africa	272		3.3	Implied at CMP	906	157
Airtel Africa net debt					327	57
Airtel Africa attributable value		**357**		**0.75**	**268**	**44**
Robi Axiata + Dialog SL attributable value		33		0.75	25	4
International business equity value (b)					**293**	**48**
Dividends (c)					**246**	**41**
Bharti Airtel TP (d) = (a) + (b) + (c)					**12,007**	**1,985**

DCB Bank

BSE SENSEX	S&P CNX
72,990	22,083

DCB BANK

Stock Info

Bloomberg	DCBB IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	32 / 0.4
52-Week Range (INR)	146 / 101
1, 6, 12 Rel. Per (%)	-7/-4/-20
12M Avg Val (INR M)	249

Financials & Valuations (INR b)

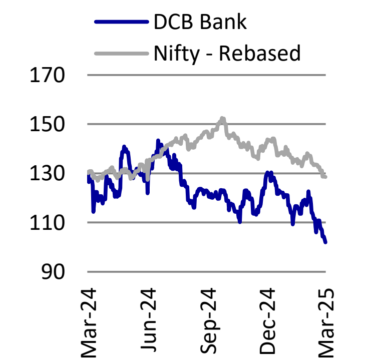
Y/E MARCH	FY24	FY25E	FY26E
NII	19.3	21.1	25.9
OP	8.6	10.2	13.3
NP	5.4	6.0	7.5
NIM (%)	3.7	3.3	3.4
EPS (INR)	17.1	19.2	23.9
EPS Gr. (%)	14.6	12.2	24.5
BV/Sh. (INR)	157	174	195
ABV/Sh. (INR)	147	161	182
Ratios			
RoA (%)	0.9	0.9	0.9
RoE (%)	11.8	11.9	13.3
Valuations			
P/E (x)	6.0	5.3	4.3
P/BV (x)	0.6	0.6	0.5
P/ABV (X)	0.7	0.6	0.6

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	14.7	14.7	14.8
DII	27.9	26.7	34.2
FII	10.9	11.1	13.0
Others	46.5	47.6	38.0

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR102 TP: INR150 (+47%) Buy

Growth outlook steady; RoA likely to improve to 1%

Valuations attractive at 0.52x FY26E BV

- **DCB Bank (DCBB) has experienced a healthy recovery in loan growth over the past two years after reporting tepid trends over FY20-22. The bank continues to focus on granular retail loans with a retail mix (ex-Agri) at 65% of the overall portfolio.**
- **DCBB arrested the downward pressure on NIM in 3QFY25, and the bank can maintain a resilient performance despite 25-50bp repo cuts. Aided by a granular liability profile, limited reliance on bulk deposits & improving asset mix, we estimate the bank to retain its NIM at ~3.4%.**
- **While opex has been high owing to investments in business, we expect operating leverage to kick in, aiding the move of RoA towards 1%. We believe the C/I ratio has broadly peaked at 64% in FY24 and expect the ratio to moderate to ~59% by FY27E.**
- **We expect a healthy 22% CAGR in total income over FY25-27 amid limited downside in margins and steady loan growth. We estimate its RoA/RoE to reach 1%/15% by FY27.**
- **With a likely recovery in loan growth and anticipated improvements in operating leverage, we estimate a 26% earnings CAGR over FY25-27.**
- **We find the current valuation of 0.52x FY26E ABV attractive for an RoA of ~1% and ~26% earnings CAGR over FY25-27E. We reiterate our BUY rating on the stock with a TP of INR150 (premised on 0.8xSep'26E ABV).**

Loan CAGR to be healthy at ~23%, loan book to double in 3-4 years

DCBB is set to maintain a robust growth trajectory with its loan book projected to double over the next 3-4 years (implying 22-23% growth CAGR). The bank reported a 22.7% YoY growth in advances for 3QFY25, reflecting sustained momentum. This growth is fueled by strategic initiatives such as optimizing business from its existing branch network and enhancing digital capabilities to improve customer experience. The bank has focused on expanding granular retail loans and increasing business loan exposure to drive profitable growth. Thus, mortgages now form 53% of the loan book, while co-lending partnerships contribute 11% to advances and have emerged as a significant growth catalyst.

Retail mix healthy; focus remains on improving productivity levels

DCBB continues to strengthen its retail portfolio, with retail loans (ex-Agri) forming ~65% of the loan book, reflecting the bank's emphasis on granular, customer-focused lending. This retail-heavy mix aligns with the bank's strategy to leverage branch-level productivity for sustainable growth. The bank is optimizing its branch network to drive higher business per branch, leveraging digital capabilities and enhancing productivity at existing locations. To drive higher business per branch, the bank has focused on enhancing digital capabilities and improving operational efficiency while maintaining strong cost controls. We thus estimate the C/I ratio to reduce to 61%/59% by FY26E/FY27E from 64% in FY24.

NIM to remain resilient amid repo rate cuts

DCBB's NIM is likely to remain resilient even with a potential ~50bp repo rate cut driven by several strategic levers. The bank looks to cushion its NIM effectively by leveraging SA rate adjustments. DCBB offers higher interest rates in the SA book and thus has the flexibility to review its SA rates, which will help limit the impact of declining interest rates on margins. This is supported by a granular liability profile, limited reliance on bulk deposits, and a favorable asset mix resulting from a deliberate reduction in low-margin corporate loans. Additionally, with deposit re-pricing behind, the bank is better positioned to maintain control of its funding costs while the repricing of asset books that were originated and disbursed a few years ago (fixed-rate in initial years) will support lending yields. We estimate its NIM to sustain at ~3.4-3.5% over FY25-27 (3.3% in 3QFY25) with the CASA mix anticipated to remain stable.

NII growth to track closer to loan growth; operating efficiency to aid RoAs

We estimate NII growth to closely mirror loan growth over FY25-27, propelled by steady advances and resilient margins. Notably, 3QFY25 marked a turnaround for NII growth, signaling a momentum that is expected to continue. During 3Q, the bank reported a 3bp expansion in NIM to reach 3.3%. Further, operational improvements are central to the bank's strategy. It focuses sharply on reducing the C/I ratio, as the bank sees limited requirements to invest in augmenting the existing infrastructure. Improving productivity will be a significant growth driver for DCBB over the coming years. We thus estimate the C/I ratio to improve from 64% in FY24 to 59% by FY27, as we pencil in opex growth at 17% CAGR over FY25-27 (vs. 22% CAGR over FY21-24). With healthy NII growth, a receding C/I ratio amid operating leverage gains, and steady asset quality, we estimate DCBB to report 0.9-1.0% RoA over FY25-27.

Asset quality outlook healthy; credit costs to remain contained at 0.5-0.7%

DCBB's asset quality outlook remains healthy with continued improvements in key metrics underscoring the bank's focus on prudent lending practices and effective risk management. The bank's asset quality resilience is further supported by enhanced collection processes and a restructured book that is steadily declining. DCBB has strengthened its recovery mechanisms, leading to a sharp improvement in collection efficiency, particularly in key segments such as LAP and home loans. A secured portfolio mix and stringent underwriting standards support controlled credit costs, which are projected at 0.5-0.7% over FY25-27. DCBB's proactive risk management, combined with its improved portfolio composition and enhanced collection efficiencies, is expected to drive GNPA reductions. We thus estimate GNPA/NNPA ratios to improve to 2.9%/1.0% by FY26 and credit costs to sustain at 0.6% in FY26.

Valuation attractive at 0.52x FY26E BV; Reiterate BUY

DCBB has seen a healthy recovery in loan growth after witnessing sluggish trends during FY20-22, and we estimate loan growth to remain steady at ~23% CAGR over FY25-27E. The bank's shift in loan mix toward retail loans has helped maintain healthy NIMs. With a healthy retail mix, operating leverage at play, and a resilient NIM outlook, we expect DCB to report sustained traction in the balance sheet and earnings growth. We thus estimate RoA to sustain at 0.9-1% for FY25-27E. We find the current valuations at 0.52x FY26E ABV attractive for a potential RoA of ~1% and ~26% earnings CAGR estimated over FY25-27E. **We reiterate our BUY rating with a TP of INR150 (premised on 0.8xSep'26E ABV).**

Our latest Utilities updates

India set to embrace nuclear energy - II

- **We recently published a report on the emerging nuclear landscape in India titled 'India set to embrace nuclear energy' (link), where we discussed: 1) the global nuclear energy landscape (an installed capacity of ~399GW by 2024-end); 2) India's nuclear capacity ambitions of 22GW by 2032 and 100GW by 2047, along with two pathways—conventional and Small Modular Reactors (SMR); and 3) NTPC as the bellwether play for nuclear energy, with projects under planning entailing a total capex of INR1.5t, while private operators such as TPWR and Jindal Nuclear could also take advantage of opportunities in the nuclear space.**
- **In the second part of this series, we delve into: 1) a comparative analysis of capex and tariffs (INR/kWh) for nuclear vs thermal/solar/wind/hybrid energy sources, evaluating their economic viability; 2) the legal and financial complexities associated with nuclear power, which have been key hurdles to increasing investment in the sector; 3) the challenges related to uranium procurement, geopolitical dependencies, and the risks of time and cost overruns; and 4) the potential for private operators such as Adani Power, Reliance Industries, Vedanta Group, TPWR, and Jindal Nuclear to invest in nuclear power.**
- **Our key conclusions: 1) capex for conventional nuclear is ~INR180m/MW, with tariffs ranging INR7-8/kWh; 2) nuclear is a long-term solution that addresses the issue of base load supply; 3) we believe private capex in nuclear will take the SMR route, with sizeable commercial investment likely a few years away; 4) clarifying nuclear liability regulations will help advance stalled projects, enhance clean energy capacity, and align India with global advancements in SMRs; 5) uranium supply could emerge as a challenge, as over 50% of global uranium supply is processed by just three countries; 6) the World Nuclear Association (2023) projects a 28% rise in uranium demand by 2030; 7) In India, the Civil Liability for Nuclear Damage Act (CLNDA) places primary liability for nuclear accidents on NPCIL, capping it at INR15b, which we believe could be grossly inadequate in the event of a disaster.**

Tariff comparison: Nuclear expensive but addresses base load supply issue

- Electricity costs in India vary significantly depending on the energy source, as shown in this tariff comparison (INR per kilowatt-hour). Solar power leads as the most economical option at INR2.5-2.7/KWh, followed by onshore wind at INR3-3.5/KWh. Hybrid ranges from INR3.2 to 3.6/KWh, while FDRE stands at INR4.5-5/KWh. Thermal power costs INR5-6/KWh.
- Conventional nuclear power is currently the most expensive at INR7-8/KWh. While it is more expensive than plain vanilla solar/wind, it does address the issue of renewables' inability to meet base load supply requirements.

Average tariff by source (India)

Technology	Tariff (INR/kWh)
Solar	2.5-2.7
Onshore Wind	3-3.5
Hybrid	3.2-3.6
Thermal	5-6
Nuclear (Conventional)	7-8
FDRE	4.5-5

Source: MOFSL

Capex comparison: Conventional nuclear power leads at INR180m/MW

- In India, the average capital expenditure for power generation varies widely by technology. Solar costs the lowest at INR50m/MW, followed by onshore wind at INR65m/MW, hybrid renewable systems at INR55m/MW, thermal at INR120m/MW, and nuclear the highest at INR180m/MW. These costs are key considerations for any power project development.

Average capex per MW by technology (India)

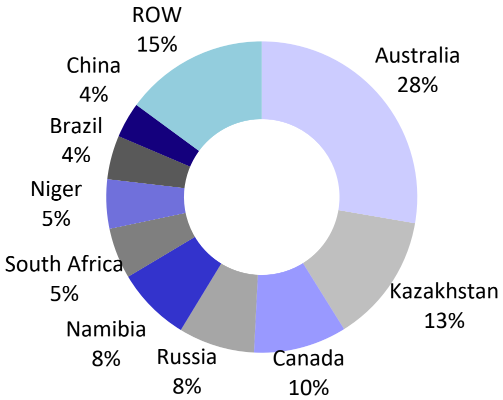
Technology	INRm/MW
Solar	50
Onshore Wind	65
Hybrid	55
Thermal	120
Nuclear (Conventional)	180

Source: MOFSL

Over 50% of global uranium supply processed by just three countries

- Uranium exploration, like R&D, is a high-risk, high-reward venture. Successful exploration identifies mineable deposits, which are then processed into nuclear fuel. Recoverable uranium resources are categorized by uranium production costs, with the highest cost bracket being <USD60/kgU (7.9mt as of 2021).
- **Resources costing up to USD130/kgU are considered the most economically viable and, therefore, the most favorable**. Global identified recoverable uranium resources, within the <USD130/kgU cost category, **amounted to 6.1mt in 2021**.
- However, this supply is heavily concentrated, with **three countries possessing more than 50% of the total**. Despite uranium mining taking place in ~20 countries, in 2022, over half of the world's uranium came from just 10 mines in five countries.

Identified recoverable (<USD130/kgU) Uranium resources- ~6.1mt (as of 2021)



Source: World Nuclear Association, MOFSL

Bajaj Auto: Downbeat consumer sentiment leading to the slowdown in sales; Rakesh Sharma, ED

- Very difficult to extrapolate one month data
- In 125cc+ segment our market share has been 21-23% for 4-5 months
- Despite turbulence in feb, India Should close FY25 with a growth of 6-8%
- There's a downturn in almost all the segments in February
- Certain pockets have been impacted by lack of financing

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NHPC: PTC India stake acquisition updates, have capex plans peaked out?; Raj Kumar Chaudhary, CMD

- Will commission Parvati II plant this month
- Parvati II plant will boost revenue by Rs 1900 Crs
- Working on 20 pump storage plant projects
- Planned pump storage investment of Rs 80000 Crs

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Suzlon: Power demand, offshore expansion, potential of wind energy & more; JP Chaslani, CEO

- No sign of power demand coming down
- PPA delays are due to multi state approval
- Don't think current issues will halt energy transition in India
- Current wind energy capacity in India stands at 48.5 GW
- India needs to have a 10 GW annual run rate to reach wind capacity targets

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Sudarshan Chemical: Revenue has grown by 18% & expect to maintain this momentum; Rajesh Rath, MD

- Aim is to become a world leader with a solid global footprint
- Heubach acquisition gives us exposure to UK & USA
- Total acquisition cost is Rs 2500 Crs of which half will be funded via debt
- Sudarshan chemical revenue has grown by 18% and will maintain this momentum

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Allcargo Group: International & domestic business will be separate entities in 3 months; Ravi Jakhar, Chief Strategy Officer

- Confident of double digit growth in the domestic express business
- Contract logistics growing at 40-50%, likely to continue
- Next 3-6 months for international business will remain subdued
- Air volumes will remain around 5% of total surface volumes 95%
- Got shareholders approval for demerger 3 weeks ago

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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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