

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	63,148	-1.4	3.8
Nifty-50	18,857	-1.4	4.2
Nifty-M 100	38,117	-1.2	21.0
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	4,137	-1.2	7.8
Nasdaq	12,596	-1.8	20.3
FTSE 100	7,355	-0.8	-1.3
DAX	14,731	-1.1	5.8
Hang Seng	5,860	0.1	-12.6
Nikkei 225	30,602	-2.1	17.3
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	90	0.8	10.3
Gold (\$/OZ)	1,985	0.3	8.8
Cu (US\$/MT)	7,911	-0.6	-5.4
Almn (US\$/MT)	2,182	-1.0	-7.1
Currency	Close	Chg .%	CYTD.%
USD/INR	83.2	0.1	0.6
USD/EUR	1.1	0.0	-1.3
USD/JPY	150.4	0.1	14.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.4	0.03	0.0
10 Yrs AAA Corp	7.8	0.03	0.1
Flows (USD b)	26-Oct	MTD	CYTD
FII	-0.9	-2.26	13.4
DII	0.79	3.16	18.0
Volumes (INRb)	26-Oct	MTD*	YTD*
Cash	863	733	670
F&O	5,64,007	3,26,695	2,65,702

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Shriram Finance: Healthy NIM expansion and AUM growth aid operational beat

- ❖ Shriram Finance's (SHFL) reported NIM expanded ~60bp QoQ to ~8.9% driven by: 1) lower negative carry because of lower liquidity on the balance sheet, and 2) increase in high-yielding products in the mix.
- ❖ We raise our FY24/FY25 EPS estimates by 5% each to factor in higher AUM growth and NIM expansion. Higher cross-selling opportunities for non-vehicle products and improved distribution of investment & insurance offerings should translate into an AUM/PAT CAGR of 18%/19% over FY23-26E. This should further result in an RoA/RoE of ~3.3%/~17% in FY26E. With an expanded geographical presence and a larger workforce, SHFL can leverage cross-selling opportunities to reach new customers, and introduce new products that would lead to improved operating metrics and a solid foundation for sustained growth.
- ❖ We reiterate our BUY rating with a TP of INR2,325 (based on 1.5x Sep'25E BVPS).



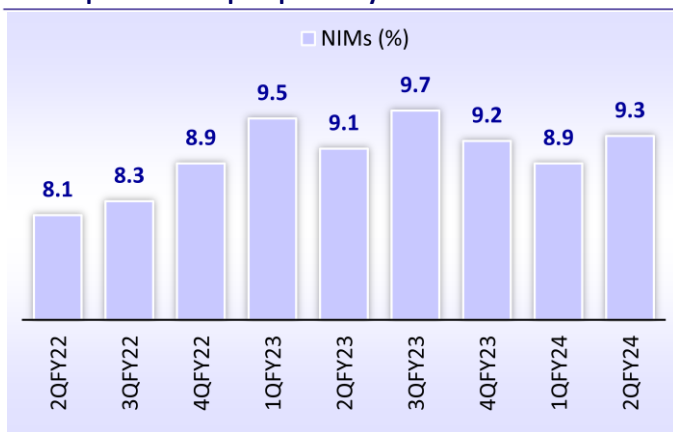
Research covered

Cos/Sector	Key Highlights
Shriram Finance	Healthy NIM expansion and AUM growth aid operational beat
Asian Paints	Muted sales growth; demand improving further
Punjab National Bank	PPoP in line; lower provisions drive earnings
Other Notes	Canara Bank Colgate-Palmoliv Indian Bank Indus Towers ACC Westlife Food KNR Constructions Vodafone Idea Coromandel Inter AAVAS Financiers Home First Finance



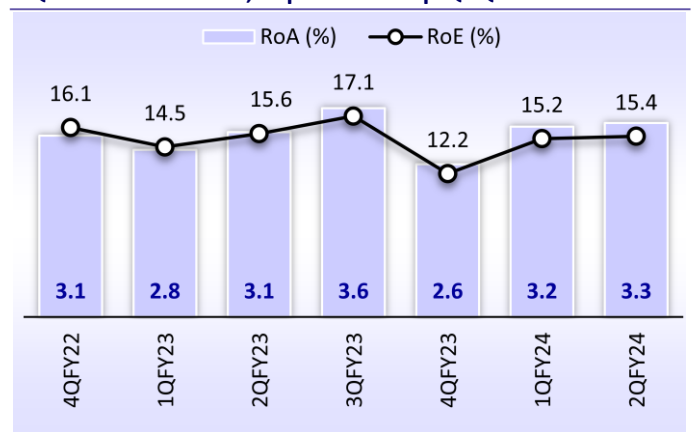
Chart of the Day: Shriram Finance (Healthy NIM expansion and AUM growth aid operational beat)

NIM expanded ~40bp sequentially



Source: MOFSL, Company

2QFY24 RoA at ~3.3%, improved ~10bp QoQ



Source: MOFSL, Company, Reported

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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.



Kindly click on textbox for the detailed news link

1

ECB leaves key rate unchanged at 4%, breaks longest streak of rate hikes in 25-year history

European Central Bank, on Thursday, announced to keep its key rate at its all-time high of 4%. The decision came amid fears of a recession in Europe.

2

Infosys signs five-year partnership with smart Europe GmbH to boost EV sales

India's second-largest IT services firm Infosys has announced a five-year partnership with auto major smart Europe GmbH to boost the firm's direct-to-customer (D2C) and online electric vehicle (EV) business model in Europe. Infosys will also help smart Europe GmbH to efficiently sell EVs across 15 European countries with a D2C sales approach and secure engagement across lead generation, prospect conversion, sales and aftersales channels, supplemented by end-to-end ownership and accountability.

3

Axis Bank appoints Munish Sharda as its Executive Director

Banking major, Axis Bank has appointed Munish Sarda as its executive director for a period of three years with effect from November 1 or the date of approval by the central bank of India, that is the RBI.

4

Power ministry notifies guidelines for uniform renewable energy tariff

The tariff will be computed monthly for each category of central pools - solar, wind, hydro and others based on different technologies.

5

Oil minister hints against hike in fuel prices

State-run oil marketing companies (OMCs) have the capacity to absorb the global crude price shocks as they have made large profits (in the previous quarters) due to high prices.

6

US GDP growth beats Street estimates, expands an annual rate of 4.9% in Q3

The US economy grew at the fastest pace in nearly two years, buoyed by a strong consumer in spite of higher interest rates, ongoing inflation pressures, and a variety of other domestic and global headwinds.

7

Adani Group looks to raise \$4 billion for green hydrogen plans

Gautam Adani's Adani Group is seeking to raise as much as \$4 billion to help develop manufacturing plants that would produce low-cost green hydrogen, according to people familiar with the matter.



Shriram Finance

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR1,798 TP: INR2,325 (+29%) Buy

Healthy NIM expansion and AUM growth aid operational beat

Bloomberg	SHFL IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	674.9 / 8.1
52-Week Range (INR)	1975 / 1190
1, 6, 12 Rel. Per (%)	-1/22/41
12M Avg Val (INR M)	1939

Credit costs slightly elevated at ~2.3% (annualized)

- Shriram Finance (SHFL)'s 2QFY24 PAT grew 13% YoY to ~INR17.5b (in line) with annualized credit costs at ~2.3%. NII jumped 22% YoY to INR46b (6% beat). Reported NIM expanded ~60bp QoQ to ~8.9% driven by: 1) lower negative carry because of lower liquidity on the balance sheet, and 2) increase in high-yielding products in the mix.
- SHFL benefits from a benign competitive environment, which allows it to pass on its increased borrowing costs to its customers on new loans disbursed. We expect this NIM expansion to sustain in 2HFY24.
- Higher cross-selling opportunities for non-vehicle products and improved distribution of investment & insurance offerings should translate into an AUM/PAT CAGR of 18%/19% over FY23-26E. This should further result in an RoA/RoE of ~3.3%/~17% in FY26E.
- We raise our FY24/FY25 EPS estimates by 5% each to factor in higher AUM growth and NIM expansion. As a merged entity, SHFL has positioned itself to capitalize on the: 1) diversified AUM mix; b) improved access to liabilities; and c) enhanced cross-selling opportunities. **We reiterate our BUY rating with a TP of INR2,325 (based on 1.5x Sep'25E BVPS).**

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Total Income	200	235	277
PPOP	141	169	203
PAT	73.3	83.4	100.5
EPS (INR)	196	223	269
EPS Gr. (%)	23	14	21
Standalone BV (INR)	1,314	1,493	1,714

Ratio

NIM on AUM (%)	9.1	9.1	9.2
C/I ratio (%)	29.6	28.3	26.8
RoAA (%)	3.3	3.2	3.3
RoE (%)	15.8	15.9	16.7
Div. Payout (%)	21.6	21.2	21.2

Valuations

P/E (x)	9.2	8.1	6.7
P/BV (x)	1.4	1.2	1.0
Div. Yield (%)	2.3	2.6	3.2

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	25.5	25.5	29.4
DII	15.2	14.7	14.5
FII	54.7	55.4	50.6
Others	4.7	4.5	5.5

FII Includes depository receipts

AUM jumps 20% YoY; strong growth in PV, MSME, and Personal Loans

- SHFL's disbursements increased ~34% YoY to ~INR346b, and AUM grew ~20% YoY to INR2.03t during 2QFY24.
- Sequential AUM growth of ~5% was driven by strong growth in Passenger Vehicles (up 9% QoQ), MSME (up 6% QoQ), Gold (up 8% QoQ), and Personal Loans (up 12% QoQ) segments.

Asset quality continues to improve

- GS3 improved ~25bp QoQ to ~5.8%, while NS3 declined ~15bp QoQ to 2.9%. PCR on Stage 3 improved ~50bp QoQ to ~53% in 2QFY24.
- Annualized credit costs increased ~10bp YoY to 2.3% (PQ: 1.9%). These include write-offs amounting to INR8.8b and ECL Provisions of INR2.9b. Management continues to guide for credit costs of ~2.0% in FY24, while our credit cost estimates are marginally higher at ~2.1%.

Highlights from the management commentary

- Customers who take personal loans (PL) for the first time have an ATS of INR45-50K; the repeat customers in PL have an ATS of INR65-70K. SHFL does not carry out open market sourcing of PL; it is a cross-sell product to the existing 2W customers. SHFL also does not offer BNPL products.
- NIM has improved because the liquidity on the B/S has declined to 3 months now from 4-5 months earlier. Management has guided for NIM of ~8.5-9.0% in FY24.

Valuation and View

- SHFL should be able to sustain or improve upon its NIM trajectory, along with relatively benign credit costs. The company is yet to fully exploit its distribution network for products like MSME and gold loans. As SHFL continues to do so over the next one year, the AUM growth of MSME, PL, and Gold Loans is expected to remain robust.
- With an expanded geographical presence and a larger workforce, SHFL can leverage cross-selling opportunities to reach new customers, and introduce new products that would lead to improved operating metrics and a solid foundation for sustained growth. The current valuation of 1.1x Sep'25E BVPS is attractive for a ~19% PAT CAGR over FY23-26E and RoA/RoE of ~3.3%/17% in FY26E. We reiterate **our BUY rating with a TP of INR2,325 (based on 1.5x Sep'25E BVPS).**

Quarterly Performance

	(INR m)											
Y/E March	FY23				FY24E				FY23	FY24E	2QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,796	70,024	73,099	74,232	76,880	82,166	86,520	90,645	2,86,074	3,36,211	80,108	3
Interest Expenses	29,516	32,249	31,178	32,422	34,875	36,219	38,138	40,625	1,25,458	1,49,857	36,619	-1
Net Interest Income	38,280	37,775	41,921	41,810	42,004	45,947	48,382	50,020	1,60,616	1,86,354	43,489	6
YoY Growth (%)	33.8	24.2	30.8	19.9	20.0	21.6	15.4	19.6	27.5	16.0	15.1	
Other Income	2,237	4,162	3,022	3,460	3,167	3,479	3,550	3,869	11,955	14,064	3,212	
Total Income	40,517	41,937	44,944	45,270	45,171	49,426	51,932	53,889	1,72,571	2,00,418	46,701	6
YoY Growth (%)	31.8	29.6	28.9	21.1	22.0	17.9	15.5	19.0	27.5	16.1	11.4	
Operating Expenses	10,841	11,999	11,928	14,459	13,908	14,618	14,917	15,838	49,131	59,280	14,028	4
Operating Profit	29,676	29,938	33,016	30,810	31,262	34,808	37,015	38,052	1,23,441	1,41,137	32,673	7
YoY Growth (%)	32.3	30.4	31.4	13.9	17.3	16.3	12.1	23.5	26.5	14.3	9.1	
Provisions & Loan Losses	11,597	8,976	9,173	11,846	8,786	11,286	11,688	10,979	41,592	42,739	9,850	15
Profit before Tax	18,079	20,962	23,844	18,964	22,476	23,523	25,327	27,072	81,849	98,399	22,823	3
Tax Provisions	4,690	5,411	6,074	5,881	5,722	6,014	6,458	6,897	22,056	25,092	5,820	3
Net Profit	13,390	15,551	17,770	13,083	16,754	17,508	18,869	20,175	59,793	73,307	17,003	3
YoY Growth (%)	254.3	47.6	82.6	-5.8	30.8	12.6	6.2	54.2	57.7	22.6	9.3	
Key Parameters (Calc., %)												
Yield on loans	16.9	16.9	16.9	16.4	16.2	16.6	16.7	16.6				
Cost of funds	7.9	8.3	8.0	8.3	8.7	8.9	9.0	9.0				
Spread	9.0	8.5	8.9	8.0	7.5	7.8	7.7	7.6				
NIM	9.5	9.1	9.7	9.2	8.9	9.3	9.3	9.2				
C/I ratio	26.8	28.6	26.5	31.9	30.8	29.6	28.7	29.4				
Credit cost	2.9	2.2	2.1	2.6	1.9	2.3	2.3	2.0				
Tax rate	25.9	25.8	25.5	31.0	25.5	25.6	25.5	25.5				
Balance Sheet Parameters												
Disbursements (INR b)	246	258	292	311	311	346	370	390				
Growth (%)	42.3	21.1	26.5	26.7	26.2	34.2	26.6	25.6				
AUM (INR b)	1,630	1,694	1,775	1,857	1,932	2,026	2,129	2,234				
Growth (%)	9.4	11.4	13.2	17.7	18.6	19.7	20.0	20.3				
Borrowings (INR b)	1,521	1,582	1,533	1,579	1,619	1,653	1,752	1,854				
Growth (%)	15.7	17.1	7.7	8.8	6.4	4.5	14.3	17.4				
Asset Quality Parameters												
GS 3 (INR B)	101.3	105.8	110.6	113.8	115.1	115.6						
GS 3 (%)	6.3	6.3	6.3	6.2	6.0	5.8						
NS 3 (INR B)	52.1	53.9	54.5	56.7	54.6	54.2						
NS 3 (%)	3.4	3.4	3.3	3.3	3.1	2.9						
PCR (%)	48.6	49.1	50.7	50.1	52.5	53.1						

E: MOFSL estimates



Asian Paints

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,960 TP: INR3,100 (+5%) Neutral

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	2839.5 / 34.1
52-Week Range (INR)	3568 / 2686
1, 6, 12 Rel. Per (%)	-6/-4/-11
12M Avg Val (INR M)	3011

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	344.9	375.6	420.1
Sales Gr. (%)	18.5	8.9	11.8
EBITDA	62.6	75.4	87.9
EBIT Margin (%)	18.2	20.1	20.9
Adj. PAT	42.4	52.3	59.1
Adj. EPS (INR)	44.2	54.5	61.6
EPS Gr. (%)	32.6	23.2	13.0
BV/Sh.(INR)	166.7	177.0	197.5

Ratios

RoE (%)	28.5	31.7	32.9
RoCE (%)	24.4	27.7	29.0
Payout (%)	58.0	80.7	66.6

Valuation

P/E (x)	66.9	54.3	48.0
P/BV (x)	17.7	16.7	15.0
EV/EBITDA (x)	44.7	37.0	31.6
Div. Yield (%)	0.9	1.5	1.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	52.6	52.6	52.6
DII	10.1	10.1	8.8
FII	17.7	17.5	18.6
Others	19.6	19.8	20.0

FII Includes depository receipts

Muted sales growth; demand improving further

- APNT reported volume growth of 6% in 2QFY24 (est. 8%). The management highlighted a top-line moderation, citing weakened consumer sentiment and emphasizing the sensitivity of demand growth to unpredictable rainfall patterns. Additionally, a decline in demand was observed in rural markets, with urban centers showing better performance than their rural counterparts.
- Gross margins currently reside at the highest levels observed in the last 10 quarters. However, looking ahead, there is an anticipation of potential upward movement in input costs. This is influenced by larger geopolitical factors and currency fluctuations, particularly expecting an upswing in material prices, especially those derived from crude.
- The management has given guidance for the EBITDA margin to be in the range of 18-20%. Management expresses optimism for an extended festival season, foreseeing a rise in rural growth in 2HFY24, buoyed by expectations of a bountiful harvest and an improving economy, supported by effective government spending. APNT's valuations are fair at 54x FY24E and 48x FY25E EPS. **We retain our Neutral rating with a TP of INR3,100 (based on 50x FY25E EPS).**

Miss on sales; margin expansion led profit growth

- Asian Paints reported consol net sales of INR84.8b with flat YoY growth (est. INR90.8b).
- Volumes grew 6% YoY (est. +8%) in the domestic Decorative paints business.
- Gross margins expanded 760bp/40bp YoY/QoQ to 43.4%. (est. 42.2%)
- As a percentage of sales, higher employee costs (up 100bp YoY) and other expenses (up 90bp YoY) led **EBITDA margin expanded by ~570bp YoY to 20.2%** (est. 19.8%).
- EBITDA grew 39.8% YoY to INR17.2b (est. INR18.0b).
- PBT also grew 51.3% YoY to INR16.2b (est. INR16.3b).
- Adj. PAT grew 53.3% YoY to INR12.3b (est. INR12.0b).
- **In 1HFY24**, Net sales/EBITDA/adj. PAT growth stood at 3.5%/37.9%/50.6% YoY.
- The board has declared an Interim dividend of INR 5.15.

Key highlights from the management commentary

- APNT's top-line witnessed a moderation in growth due to unpredictable rainfall patterns, which impacted overall demand and retail sentiment. This, in turn, influenced stocking decisions and contributed to the evaluation of the affected demand for the quarter.
- The current product mix lays emphasis on a larger economy range, with notable traction in premium and luxury products, particularly in Sep'23.

- Rural and urban centers showed different behaviors, with urban centers performing better in the current quarter.
- The management is committed to maintaining EBITDA margins within the established band of 18%-20%.
- The distribution footprint expanded, reaching over ~1.6 lakh retail touchpoints, with an addition of 2,500 in 2QFY24.

Valuation and view

- Changes to our model have resulted in a 3.1%/0.6% decline in our EPS forecast for FY24/FY25. The management highlighted the adverse impact of erratic rainfall on demand. Additionally, with input costs on the rise, the margin gains in 2HFY24 are not expected to mirror those seen in 1HFY24.
- With the entry of new players with deep pockets and massive commitments to investments, the overall industry may see a shift in demand and margin structure due to heightened competition. We remain cautious as the paints segment may not enjoy higher multiples of the past. It needs to be noted that re-rating was a bigger driver of stock price appreciation for APNT over the past five to six years, as the earnings CAGR has been in the 10-12% range.
- We have assumed FY24/FY25 EBITDA margins at the top end of the management's guidance. While improving margins would lead to better ROCE, new capex plans might dilute it. While we have taken a higher EBITDA/PAT CAGR trajectory at 18.5%/18.7% over FY23–FY25 – higher than the preceding 10-year average in the 13–14% range – valuations are rich at ~54x FY24E EPS and 48x FY25 EPS. **We reiterate our Neutral rating with a TP of INR3,100 (premised on 50x FY25E EPS).**

Quarterly Performance (Consol.)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var. (%)
Est. Dom. Deco. Vol. growth (%)	37.0	10.0	0.0	16.0	10.0	6.0	11.0	10.0	14.0	9.3	8.0	
Net Sales	86.1	84.6	86.4	87.9	91.8	84.8	99.1	99.9	344.9	375.6	90.8	-6.7%
Change (%)	54.1	19.2	1.3	11.3	6.7	0.2	14.8	13.7	18.5	8.9	7.4	
Gross Profit	32.5	30.2	33.3	37.3	39.4	36.8	41.1	40.2	133.3	157.5	38.3	
Gross Margin (%)	37.7	35.7	38.6	42.5	42.9	43.4	41.5	40.3	38.7	41.9	42.2	
EBITDA	15.6	12.3	16.1	18.6	21.2	17.2	18.8	18.2	62.6	75.4	18.0	-4.8%
Margin (%)	18.1	14.5	18.7	21.2	23.1	20.2	18.9	18.2	18.2	20.1	19.8	
Change (%)	70.3	35.7	4.5	29.2	36.3	39.8	16.5	-2.4	30.3	20.4	46.8	
Interest	0.3	0.4	0.4	0.4	0.5	0.5	0.4	0.2	1.4	1.6	0.4	
Depreciation	2.1	2.2	2.1	2.2	2.0	2.1	2.4	2.5	8.6	9.0	2.3	
Other Income	1.0	1.0	0.9	1.1	2.0	1.7	1.0	0.9	3.9	5.5	0.9	
PBT	14.2	10.7	14.4	17.1	20.7	16.2	17.0	16.4	56.4	70.3	16.3	-0.4%
Tax	3.7	2.9	3.8	4.5	5.3	4.2	4.6	4.2	14.9	18.3	4.3	
Effective Tax Rate (%)	26.1	27.1	26.4	26.4	25.6	25.8	26.8	25.9	26.5	26.0	26.5	
Adjusted PAT	10.6	8.0	11.0	12.8	15.7	12.3	12.5	11.8	42.4	52.3	12.0	3.0%
Change (%)	84.6	32.8	6.4	29.6	48.5	53.3	13.5	-8.2	32.6	23.2	48.8	

E: MOFSL Estimates



Punjab National Bank

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR70 **TP: INR75 (+7%)** **Neutral**

PPoP in line; lower provisions drive earnings

Asset quality continues to recover sharply

- Punjab National Bank (PNB) reported a healthy quarter, with a 28% beat on PAT primarily driven by lower provisions. PAT surged 327% YoY to INR17.6b, while NII grew 20% YoY (in line) to INR99b as NIMs improved 3bp QoQ to 3.11% in 2QFY24.
 - Loan book grew 15% YoY (3% QoQ) to INR8.9t, led by a healthy traction in corporate and retail loans. Deposits grew 10% YoY (flat QoQ) to INR13t. CASA ratio increased 25bp QoQ to 42.2%.
 - Slippages dipped to INR18b (0.9% annualized) enabling a 77bp/51bp QoQ decline in GNPA/NNPA ratios to 6.96%/1.47%. PCR rose 416bp QoQ to 80%.
 - We maintain our estimates and project an RoA/RoE of 0.6%/9.0% in FY25.
- Reiterate Neutral with a TP of INR75 (premised on 0.8x FY25E ABV).**

Domestic NIMs improve to 3.24%; PCR jumps to 80%

- PNB reported a PAT of INR17.6b (+327% YoY, 28% beat) driven by lower provisions (down 30% YoY, 17% lower than MOSLe). NII grew 20% YoY (4.4% QoQ) aided by a 3bp QoQ improvement in NIMs to 3.11%.
- Other income grew 6% YoY (down 12% QoQ, 10% miss) to INR30b. Treasury gains stood at INR2.1b in 2QFY24 vs. gains of INR20m in 2QFY23.
- Opex increased 21% YoY as the bank made AS-15-related provisions for wage revision. C/I ratio declined to 52% (v/s 53.9% in 1QFY24). PPoP thus grew 12% YoY to INR62.2b (in line) during the quarter.
- Loan book grew 15% YoY (+3% QoQ) to INR8.9t, fueled by a healthy traction in retail segment, which grew 6.4% YoY. The MSME book rose 6% YoY (5% QoQ) and Agri increased 5% YoY (flat QoQ), while the international book jumped 9.9% YoY (6.5% QoQ) in 2QFY24.
- Deposits grew 10% YoY (flat QoQ) to INR13t, led by 15% YoY growth in term deposits and 3% YoY (1.4% QoQ) growth in CASA deposits. Thus, the CASA ratio increased to 42.2% from 41.9% in 1QFY24.
- On the asset quality front, slippages declined 24% QoQ to INR18b (0.9% annualized). GNPA/NNPA ratios improved 77bp/51bp QoQ to 6.96%/1.47%. PCR increased 416bp QoQ to 80%.
- SMA-2 (above INR50m) moderated 30% YoY to INR14.5b and stood at 16bp of domestic loans.

Highlights from the management commentary

- Full-year NIMs are likely to be in the range of ~2.9-3.0% by end-FY24, and NII growth is expected at ~10% YoY for FY24.
- On account of the deposit re-pricing, NIMs will be impacted as the whole of deposit has not been re-priced yet and 15% of total term deposit is yet to be re-priced.
- Management has given a credit growth guidance of ~12-13% and deposit growth guidance of ~10-11% for FY24.
- Slippages stood at INR18b in 2QFY24, out of which Agri slippages were at INR4.2b, MSME at INR6.83b, Retail at INR4.2b and Others at INR2.2b.

Bloomberg	PNB IN
Equity Shares (m)	11011
M.Cap.(INRb)/(USDb)	769.1 / 9.2
52-Week Range (INR)	84 / 39
1, 6, 12 Rel. Per (%)	-8/33/55
12M Avg Val (INR M)	4404

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	344.9	394.8	426.3
OP	225.3	254.8	280.2
NP	25.1	63.7	100.6
NIM (%)	2.6	2.7	2.7
EPS (INR)	2.3	5.8	9.1
EPS Gr. (%)	-29.2	154.0	58.0
BV/Sh. (INR)	86	93	101
ABV/Sh. (INR)	68	83	91

Ratios

RoE (%)	2.6	6.2	9.0
RoA (%)	0.2	0.4	0.6

Valuations

P/E(X)	30.7	12.1	7.7
P/BV (X)	0.8	0.8	0.7
P/ABV (X)	1.0	0.8	0.8

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	73.2	73.2	73.2
DII	13.8	13.5	12.3
FII	2.7	1.8	1.2
Others	10.4	11.6	13.3

FII Includes depository receipts

Valuation and view

PNB reported a steady quarter as lower-than-expected provisions drove earnings while asset quality continued to demonstrate a sharp improvement. NII growth was healthy QoQ supported by steady margins and healthy growth in RAM segments. Asset quality continued to improve, aided by lower slippages and healthy recoveries, while PCR improved further to 80%. SMA overdue (with loans over INR50m) remains under control at 0.16% of domestic loans, while the bank continues to guide for robust recoveries. The bank has thus guided for a credit cost of 1.50-1.75% for FY24 vs. >2% in FY23. We maintain our estimates and project an RoA/RoE of 0.6%/9.0% by FY25. **Reiterate Neutral with a TP of INR75 (premised on 0.8x FY25E ABV).**

Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Interest Income	75.4	82.7	91.8	95.0	95.0	99.2	99.5	101.0	344.9	394.8	96.9	2%
% Change (YoY)	4.3	30.2	17.6	30.0	26.0	20.0	8.4	6.4	20.2	14.5	17.1	
Other Income	25.4	28.5	33.4	34.2	34.3	30.3	34.9	37.7	121.4	137.2	33.5	-10%
Total Income	100.8	111.2	125.2	129.2	129.4	129.5	134.3	138.8	466.3	532.0	130.4	-1%
Operating Expenses	47.0	55.5	68.0	70.5	69.7	67.3	68.7	71.4	241.1	277.2	67.6	0%
Operating Profit	53.8	55.7	57.2	58.7	59.7	62.2	65.6	67.4	225.3	254.8	62.7	-1%
% Change (YoY)	-15.9	38.4	12.6	11.4	10.9	11.7	14.8	14.8	8.5	13.1	12.7	
Provisions	47.9	49.1	47.1	38.3	39.7	34.4	39.0	40.6	182.4	153.7	41.7	-17%
Profit before Tax	5.9	6.6	10.0	20.4	20.0	27.7	26.6	26.8	42.9	101.1	21.1	32%
Tax	2.8	2.5	3.7	8.8	7.5	10.2	9.3	10.5	17.8	37.4	7.4	38%
Net Profit	3.1	4.1	6.3	11.6	12.6	17.6	17.3	16.3	25.1	63.7	13.7	28%
% Change (YoY)	-69.9	-62.8	-44.2	474.9	307.0	327.0	174.4	40.8	-27.5	154.0	233.1	
Operating Parameters												
Deposits	11,367	11,935	12,104	12,812	12,979	13,099	13,650	13,901	12,812	13,901	13,296	
Loans	7,426	7,734	8,004	8,308	8,637	8,899	9,108	9,347	8,308	9,347	8,779	
Deposit Growth (%)	3.6	7.0	7.4	11.8	14.2	9.8	12.8	8.5	11.8	8.5	11.4	
Loan Growth (%)	12.3	14.9	15.5	14.1	16.3	15.1	13.8	12.5	14.1	12.5	13.5	
Asset Quality												
Gross NPA (%)	11.3	10.5	9.8	8.7	7.7	7.0	6.2	5.7	8.7	5.7	7.0	
Net NPA (%)	4.3	3.8	3.3	2.7	2.0	1.5	1.2	1.0	2.8	1.0	1.7	
PCR (%)	64.8	66.3	68.5	70.8	75.8	80.0	81.7	83.4	69.6	83.4	77.6	
RoA (%)	0.1	0.1	0.2	0.3					0.2	0.4		
RoE (%)	2.0	2.6	3.9	7.1					2.6	6.2		
CASA (%)	46.3	44.9	43.7						42.0	41.9		
Margins (%)	2.8	3.0	3.2	3.2					2.6	2.7		

E: MOFSL Estimates



Canara Bank

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	CBK IN
Equity Shares (m)	1814
M.Cap.(INRb)/(USDb)	651.9 / 7.8
52-Week Range (INR)	387 / 269
1, 6, 12 Rel. Per (%)	1/10/20
12M Avg Val (INR M)	2931

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	314.4	365.2	398.7
OP	277.2	305.7	342.8
NP	106.0	146.2	167.9
NIM (%)	2.6	2.7	2.7
EPS (INR)	58.5	80.6	92.6
EPS Gr. (%)	78.1	37.8	14.9
BV/Sh. (INR)	383	459	546
ABV/Sh. (INR)	322	409	497

Ratios

RoE (%)	15.2	18.2	17.6
RoA (%)	0.8	1.0	1.1

Valuations

P/E (x)	6.2	4.5	3.9
P/BV (x)	0.9	0.8	0.7
P/ABV (x)	1.1	0.9	0.7

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	62.9	62.9	62.9
DII	14.9	16.0	15.4
FII	10.2	8.9	8.4
Others	11.9	12.2	13.3

FII Includes depository receipts

CMP: INR360 **TP: INR440 (+22%)** **Buy**

In-line performance; asset quality improves further

NIMs compress 5bp QoQ

- Canara Bank (CBK) reported a healthy quarter, with PAT up 43% YoY to INR36.1b (in line), driven by lower provisions. NII grew 20% YoY (in line), while margins moderated 5bp QoQ to 3.0%.
- On the business front, loan book grew ~13% YoY (4% QoQ), driven by healthy traction in retail and corporate loans. Deposits grew 9% YoY (3% QoQ) to INR12.3t, led by 11% YoY growth in term deposits.
- Asset quality ratios have improved and the management expects to further reduce net NPAs at an accelerated pace. SMA book moderated to 0.7% in 2QFY24 vs. 1.1% in 1QFY24.
- We revise our earnings estimates slightly to factor in lower provisions and expect CBK to deliver FY25 RoA/RoE of 1.1%/17.6%. We reiterate our **BUY** rating with a **TP of INR440 (0.9x FY25E ABV)**.

Business growth steady; PCR improved to 71.4%

- 2QFY24 PAT grew 43% YoY to INR36.1b (in line), driven by lower provisions. NII grew 20% YoY (in line), with margins declining 5bp QoQ to 3.0%. Other income declined 4% YoY (5% miss). Total revenue grew 10% YoY (in line).
- Operating expenses increased by 10% YoY to INR59.2b (in line). PPOp grew 10% YoY to INR76b (in line), while core PPOp grew 13% YoY.
- On the business front, total loans rose 4% QoQ (up 12% YoY), led by both corporate (up 3% QoQ) and RAM segments (up 5% QoQ). Agri book grew ~6.4% QoQ, while Retail and MSME grew ~4% QoQ each. Deposits grew 8.7% YoY (up 3.3% QoQ); however, CASA deposits increased 1% QoQ, leading to a moderation in CASA ratio by 85bp QoQ to 32.2%.
- GNPA/NNPA ratios improved by 39bp/16bp QoQ to 4.76%/1.41%. PCR improved by 88bp QoQ to 71.4%. Fresh slippages stood at INR29.87b vs. INR34.28b in 1QFY24. Provisions declined 28% YoY (4% QoQ) to INR26b (9% below MOSLe).
- SMA book declined to 0.7% in 2QFY24 from 1.1% in 1QFY24. Standard restructured book stood at INR140b (1.57% of loans).

Highlights from the management commentary

- The bank has increased its C/D ratio to 75%. It has excess SLR and is using this to borrow from the RBI and deploy it to earn additional income.
- CBK expects to sustain NIMs at 3-3.05%.
- C/I is expected to remain in the range of 45%.
- The bank expects recovery in some accounts from NCLT, although the pace of recovery is slow. The bank has received INR6.5b through NCLT accounts.

Valuation and view

CBK reported an in-line performance in 2QFY24, with earnings growing at a steady run rate led by stable revenue and lower provisions. Asset quality improved further as GNPA and NNPA ratios moderated. NIMs compressed 5bp QoQ; however, we expect margins to remain broadly stable going forward as MCLR re-pricing offsets the pressure on funding costs. Loan growth was led by Corporate, Retail, and Agri segments and the outlook remains steady. Slippages and SMA book improved sequentially, which supported improvements in asset quality ratios. We raise our estimates slightly and expect CBK to deliver FY25E RoA/RoE of 1.1%/17.6%.

Reiterate BUY with a TP of INR440 (premised on 0.9x FY25E ABV).

Quarterly performance

	FY23				FY24E				FY23	FY24E	FY24E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	V/S our Est
Net Interest Income	67.8	74.3	86.0	86.2	86.7	89.0	92.2	97.4	314.4	365.2	88.0	1
% Change (Y-o-Y)	10.2	18.5	23.8	23.0	27.7	19.8	7.2	13.0	19.1	16.2	18.4	
Other Income	51.8	48.3	39.9	47.8	48.2	46.3	45.5	49.5	187.6	189.5	48.7	(5)
Total Income	119.6	122.6	125.9	133.9	134.8	135.4	137.7	146.8	502.0	554.7	136.7	(1)
Operating Expenses	53.5	53.5	56.3	61.4	58.8	59.2	62.8	68.3	224.8	249.0	60.6	(2)
Operating Profit	66.1	69.1	69.5	72.5	76.0	76.2	74.9	78.6	277.2	305.7	76.1	0
% Change (Y-o-Y)	20.5	23.2	19.8	16.9	15.1	10.3	7.7	8.4	13.4	10.3	10.2	
Other Provisions	36.9	36.4	31.2	30.9	27.2	26.1	26.2	30.1	135.4	109.5	28.8	(9)
Profit before Tax	29.2	32.7	38.3	41.6	48.9	50.1	48.7	48.5	141.7	196.2	47.3	6
Tax	8.9	7.4	9.5	9.8	13.5	14.0	12.4	10.1	35.7	50.0	12.1	16
Net Profit	20.2	25.3	28.8	31.7	35.3	36.1	36.3	38.4	106.0	146.2	35.2	2
% Change (Y-o-Y)	71.7	89.5	91.8	90.5	74.8	42.8	26.0	21.1	86.7	37.8	39.5	
Operating Parameters												
Deposit (INR b)	11,181	11,340	11,635	11,792	11,925	12,322	12,401	12,700	11,792	12,700	12,217	
Loan (INR b)	7,469	7,885	8,164	8,307	8,551	8,923	8,956	9,262	8,307	9,262	8,705	
Deposit Growth (%)	9.4	9.8	11.5	8.5	6.6	8.7	6.6	7.7	8.5	7.7	7.7	
Loan Growth (%)	15.2	21.4	18.0	18.1	14.5	13.2	9.7	11.5	18.1	11.5	10.4	
Asset Quality												
Gross NPA (%)	7.0	6.4	5.9	5.4	5.2	4.8	4.6	4.3	5.4	4.3	4.9	
Net NPA (%)	2.5	2.2	2.0	1.7	1.6	1.4	1.3	1.2	1.7	1.2	1.5	
PCR (%)	66.2	67.1	68.1	68.9	70.6	71.4	72.2	72.5	68.8	72.5	71.0	

E: MOFSL Estimates



Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,034 TP: INR2,020 (-1%) Neutral

Subdued volume growth trajectory will continue

Bloomberg	CLGT IN
Equity Shares (m)	272
M.Cap.(INRb)/(USDb)	553.3 / 6.6
52-Week Range (INR)	2129 / 1435
1, 6, 12 Rel. Per (%)	2/23/19
12M Avg Val (INR M)	735

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	52.3	56.4	61.9
Sales Gr. (%)	2.5	7.9	9.8
EBITDA	15.5	17.6	19.8
EBITDA Margin (%)	29.6	31.3	31.9
Adj. PAT	10.6	12.2	13.7
Adj. EPS (INR)	38.9	44.9	50.4
EPS Gr. (%)	1.1	15.3	12.5
BV/Sh.(INR)	63.1	63.1	63.1

Ratios

RoE (%)	61.3	71.1	79.9
RoCE (%)	62.4	72.5	81.5
Payout (%)	100.2	100.0	100.0

Valuation

P/E (x)	52.2	45.3	40.3
P/BV (x)	32.2	32.2	32.2
EV/EBITDA (x)	35.1	30.8	27.4
Div. Yield (%)	1.9	2.2	2.5

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	51.0	51.0	51.0
DII	5.9	7.8	9.3
FII	24.1	21.8	19.5
Others	19.0	19.4	20.3

FII Includes depository receipts

- CLGT reported better-than-expected operating performance, driven by favorable pricing strategies and increased efficiencies. However, the toothpaste category volume growth has been flattish or marginally lower YoY in 2QFY24.
- CLGT gross profit margin is high in the last nine quarters, reaching 68.8% (est. 68.3%), although it is expected to decrease in 2HFY24. Furthermore, the higher ad-spends (up 260bp YoY) on re-launching campaign was offset by lower other expenses, resulting in a notable 340bp improvement in EBITDA margin.
- The company will continue to focus on innovation, productivity, and premiumization to revive growth. With a cautious near-term outlook on demand, we reiterate our Neutral rating on the stock.

In-line sales; improved operating margins led the PAT beat

- CLGT sales grew 6% YoY to INR14.7b (est. INR14.9b).
- **We believe that toothpaste volume growth has been flattish or marginally lower YoY.**
- Gross margins increased 500bp YoY at 68.8% (est. 68.5%).
- EBITDA grew 18.2% YoY to INR4.8b (est. INR4.6b).
- PBT grew 22.4% YoY to INR4.6b (est. INR4.3b).
- Adj. PAT grew 22.3% YoY to INR3.4b (est. INR3.2b).
- As a percentage of sales, lower other expenses at 14.8% (down 140bp YoY), higher advertising expenses at 14% (up 260bp YoY), and staff cost at 7.2% (up 40bp YoY) **meant EBITDA margin expanded by ~340bp YoY to 32.8%.**
- **In 1HFY24**, Net sales/EBITDA/adj. PAT growth stood at 8.3%/22.7%/27.4% YoY.
- The board has declared an interim dividend of INR22.

Key highlights from press release

- CLGT intensified its efforts on the Colgate Strong Teeth relaunch, extending its reach and enhancing product availability.
- Colgate Max Fresh also delivered excellent performance.
- Colgate Zig zag toothbrush has been revamped with an enhanced product mix, emphasizing its core attributes of deep and interdental cleaning.
- The Toothpaste segment reported high single-digit growth.
- To elevate India's dental health standards, the company released a film 'The Sweet Truth', highlighting the importance of night-time brushing.
- Colgate Bright Smiles, Bright Futures program has positively impacted the lives of over 171 million children.

Valuation and view

- We have not made any significant change to our EPS estimates for FY24E/FY25E.
- The sales/EBITDA/PAT CAGR for the 10-year period ending FY23 stood at 5.1%/8.8%/7.7%. Despite this, the overall growth seems stagnant, due to the muted volume growth going forward. Additionally, due to high oral care penetration and competition from herbal players, CLGT has struggled to achieve volume growth for several years. Moreover, premiumization in general trade and traction in personal care have been slow.
- Given the likelihood of continued weak topline and earnings growth in the future, it is unlikely that the stock will undergo a re-rating. We maintain Neutral with a **TP of INR2,020** (target multiple of 40x FY25E EPS, close to five-year average).

Quarterly Performance

Y/E March	(INR m)											
	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Toothpaste Volume Gr %	-1.0	0.0	-2.0	0.0	5.0	-1.0	3.0	4.0	-0.8	2.8	3.0	
Net Sales (inclgd. OOI)	11,968	13,875	12,913	13,506	13,237	14,711	13,962	14,465	52,262	56,375	14,851	-0.9%
YoY change (%)	2.6	2.6	0.9	3.8	10.6	6.0	8.1	7.1	2.5	7.9	7.0	
Gross Profit	7,938	8,846	8,506	9,031	9,058	10,117	9,534	9,802	34,320	38,510	10,175	-0.6%
Gross margin (%)	66.3	63.8	65.9	66.9	68.4	68.8	68.3	67.8	65.7	68.3	68.5	
EBITDA	3,257	4,080	3,615	4,519	4,181	4,821	4,269	4,358	15,470	17,629	4,640	3.9%
Margins (%)	27.2	29.4	28.0	33.5	31.6	32.8	30.6	30.1	29.6	31.3	31.2	
YoY growth (%)	-8.3	1.8	-5.0	5.2	28.4	18.2	18.1	-3.6	-1.2	14.0	13.7	
Depreciation	442	439	437	431	438	443	482	516	1,748	1,878	475	
Interest	13	13	13	11	11	11	14	16	49	51	14	
Financial other Income	115	113	104	204	150	210	107	143	536	610	130	
PBT	2,918	3,741	3,269	4,281	3,883	4,578	3,880	3,969	14,209	16,310	4,281	6.9%
Tax	727	961	837	1,100	951	1,178	989	992	3,724	4,110	1,079	
Rate (%)	24.9	25.7	25.6	25.7	24.5	25.7	25.5	25.0	26.2	25.2	25.2	
Adj PAT	2,190	2,780	2,432	3,181	2,932	3,401	2,891	2,977	10,583	12,200	3,202	6.2%
YoY change (%)	-6.1	3.3	-3.6	9.1	33.9	22.3	18.8	-6.4	1.2	15.3	15.2	

E: MOFSL Estimates



Indian Bank

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR400 TP: INR460 (+15%) Buy

Steady quarter; earnings outlook remains healthy

PCR robust at 88.5%

- Indian Bank (INBK) reported a PAT of INR19.9b (up 62% YoY/16% QoQ; in line). NII grew 23% YoY (in line). Margins declined 9bp QoQ to 3.52%.
- Loan growth was steady at 14% YoY/3% QoQ, while deposits grew 8.8% YoY/ 3.1% QoQ. The bank continues to focus on profitable growth.
- Fresh slippages were under control at INR19.8bn/1.9%. Healthy recoveries/upgrades and higher write-offs resulted in a 50bp/10bp QoQ decline in GNPA/NNPA ratios to 5.5%/0.6%. SMA book stood at 0.6% of loans.
- We raise our FY24E/FY25E EPS by 1.2%/0.6% and expect FY25 RoA/RoE at 1.2%/18.0%. We reiterate our **BUY** rating on the stock.

Revenue growth steady; earnings in line

- PAT jumped 62% YoY to INR19.9b/1.06% RoA (in line), led by healthy NII growth, higher other income and lower provisions.
- NII grew 23% YoY/0.6% QoQ to INR57b (in line). NIMs declined 9bp QoQ due to interest reversal in KCC accounts and deposits repricing.
- Other income grew 9% YoY/17% QoQ to INR19.9b, led by healthy fee income of INR8b (11.3% YoY/20% QoQ) and treasury gains.
- Opex grew 19% YoY/4.6% QoQ. Consequently, PPOp rose 19% YoY/4% QoQ to INR43b (in line). C/I ratio remained flat at 44.4% vs. 44.2% in 1QFY24.
- Advances grew 14% YoY (up 3% QoQ) to ~INR4.7t, led by healthy growth in Retail (Vehicle, Personal loans), Agri and International advances (up 17% QoQ). Deposits increased ~9% YoY and 3.1% QoQ, while CASA deposits grew 2.7% QoQ. CASA ratio declined marginally to ~40.1%.
- GNPA/NNPA ratios declined 50bp/10bp QoQ to 5.0%/0.6%, aided by controlled slippages. PCR was healthy at ~88.5%. Provisions declined 11% QoQ to INR15.5b (7% lower than MOFSLe).
- SMA 1/SMA 2 book stood at 0.64% in 2QFY24 vs. 0.7% in 1QFY24. Total restructured portfolio declined to 2.1% of loans (vs. ~2.3% in 1QFY24).

Highlights from the management commentary

- NIMs stood at 3.52% (down 9bp QoQ) due to INR2.61b in interest reversal in KCC account and the effect of deposits repricing.
- The bank expected recovery of INR80b at the start of the year. Now the bank expects recovery of more than INR80b in FY24, as it has already made recovery of INR42.6b in 1H.
- INBK has guided for deposit growth of 8-10% YoY and has retained credit growth guidance at 10-12% YoY. Currently credit growth stands at 12% YoY. The bank aims to maintain CASA at 41%.
- The bank expects to sustain margins at 3.4% (+/-10bp).

Bloomberg	INBK IN
Equity Shares (m)	1245
M.Cap.(INRb)/(USD\$b)	498.9 / 6
52-Week Range (INR)	447 / 232
1, 6, 12 Rel. Per (%)	-2/20/65
12M Avg Val (INR M)	687

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	202.3	234.3	258.1
OP	152.7	172.5	190.5
NP	52.8	81.3	95.7
NIM (%)	3.0	3.3	3.3
EPS (INR)	42.4	65.3	76.9
EPS Gr. (%)	27.7	54.0	17.7
BV/Sh. (INR)	358	416	482
ABV/Sh. (INR)	334	398	466

Ratios

RoE (%)	13.3	17.9	18.0
RoA (%)	0.8	1.1	1.2

Valuations

P/E(X)	9.4	6.1	5.2
P/BV (X)	1.1	1.0	0.8
P/ABV (X)	1.2	1.0	0.9

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	79.9	79.9	79.9
DII	11.8	11.6	12.1
FII	4.3	4.0	2.6
Others	4.1	4.6	5.5

FII Includes depository receipts

Valuation and view

INBK reported a healthy performance with in-line earnings in 2QFY24, supported by healthy loan growth (particularly in the Retail, Agri, and Corporate segments), healthy other income and contained provisions. MCLR book stands at 64%, which could cushion the funding cost impact from continued repricing of deposits. The bank expects the growth trend to remain steady and will continue to focus on profitable growth. Asset quality ratios improve further as the bank maintains the best-in-class coverage ratio, which, along with low SMA book, provides comfort on incremental credit costs. We estimate INBK to deliver **FY25 RoA/RoE at 1.2%/18.0%**. **Reiterate BUY with a revised TP of INR460 (1.0x FY25E ABV).**

Quarterly performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	v/s our Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		2QE		
Net Interest Income	45.3	46.8	55.0	55.1	57.0	57.4	58.9	61.0	202.3	234.3	57.7	0%
% Change (YoY)	13.5	14.7	25.1	29.5	25.8	22.5	7.0	10.7	20.9	15.8	23.2	
Other Income	16.0	18.3	17.2	19.9	17.1	19.9	20.0	21.5	71.4	78.6	18.4	9%
Total Income	61.4	65.1	72.2	75.0	74.1	77.3	78.9	82.5	273.7	312.9	76.0	2%
Operating Expenses	25.7	28.8	31.5	34.9	32.8	34.3	35.4	37.8	121.0	140.3	33.4	3%
Operating Profit	35.6	36.3	40.6	40.2	41.3	43.0	43.5	44.7	152.7	172.5	42.6	1%
% Change (YoY)	4.3	10.8	23.5	46.7	16.0	18.6	7.0	11.3	20.1	13.0	17.4	
Provisions	22.2	20.6	25.2	25.6	17.4	15.5	15.3	15.6	93.6	63.8	16.7	-7%
Profit before Tax	13.5	15.7	15.5	14.5	23.9	27.5	28.1	29.1	59.1	108.7	25.9	6%
Tax	1.3	3.5	1.5	0.1	6.9	7.6	7.1	5.8	6.3	27.4	6.5	
Net Profit	12.1	12.3	14.0	14.5	17.1	19.9	21.1	23.3	52.8	81.3	19.3	3%
% Change (YoY)	2.7	12.5	102.4	47.0	40.8	62.2	50.8	61.0	33.9	54.0	57.9	
Operating Parameters												
Deposits (INR b)	5,843	5,889	5,971	6,212	6,291	6,408	6,555	6,740	6,212	6,740	6,396	0%
Loans (INR b)	4,018	4,121	4,361	4,493	4,570	4,706	4,829	5,010	4,493	5,010	4,675	1%
Asset Quality												
Gross NPA (%)	8.1	7.3	6.5	6.0	5.5	5.0	4.7	4.4	6.0	4.4	5.2	
Net NPA (%)	2.1	1.5	1.0	0.9	0.7	0.6	0.6	0.5	0.9	0.5	0.7	
PCR (%)	75.5	80.7	85.5	85.7	87.8	88.5	88.3	88.1	85.7	88.1	86.5	



Indus Towers

Estimate changes

TP change

Rating change



CMP: INR170

TP: INR170

Neutral

Bloomberg	INDUSTOW IN
Equity Shares (m)	2695
M.Cap.(INRb)/(USDb)	458.7 / 5.5
52-Week Range (INR)	206 / 135
1, 6, 12 Rel. Per (%)	-6/13/-16
12M Avg Val (INR M)	1210

Financials & Valuations (INR b)

INR b	FY23	FY24E	FY25E
Net Sales	283.8	287.8	301.0
EBITDA	96.7	138.4	145.6
Adj. PAT	24.0	50.9	52.4
EBITDA Margin (%)	34.1	48.1	48.4
Adj. EPS (INR)	8.9	18.9	19.4
EPS Gr. (%)	-62.3	111.8	2.9
BV/Sh. (INR)	78.3	97.2	116.7

Ratios

Net D:E	0.9	0.7	0.4
RoE (%)	11.1	21.5	18.2
RoCE (%)	8.5	14.2	13.8

Valuations

EV/EBITDA (x)	6.7	4.6	3.9
P/E (x)	19.1	9.0	8.7
P/BV (x)	2.2	1.7	1.5
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	69.0	69.0	69.0
DII	6.7	4.5	2.9
FII	21.4	24.0	26.5
Others	2.9	2.5	1.6

FII Includes depository receipts

VIL provision continues; FCF turns negative

- Indus Towers (Indus) reported a subdued quarter with revenue/EBITDA of +1/-2% QoQ (in-line/6% miss), due to flat rental revenue and continued VIL provision. Tenancy additions have lagged tower additions, which impacted its profitability adversely. Further, FCF turned negative due to high capex and the amount blocked in trade receivables, primarily due to VIL.
- Indus is benefiting from the aggressive site additions from Bharti along with the 5G rollout, but being single-tenancy sites, it could alter the return profile despite adding linear (single-tenant) sites. Further, VIL's weak outlook and limited funding capability could: a) dilute tenancies in the near term, and b) increase risk on the long-term tower-sharing-led business model. Subsequently, we reiterate our Neutral rating on the stock.

Subdued earnings owing to weak rental segment

- Indus' revenue grew 1% QoQ to INR71b (in line) led by energy revenue growth of 2% QoQ to INR28b, while rental revenue was flat QoQ to INR43b.
- The company added ~6k towers and only ~5.6k co-locations. This implies a reduction in the average sharing factor to 1.75x from 1.77x.
- EBITDA declined 2% QoQ to INR34b (6% miss), due to an increase in VIL provision to INR1.3b (vs. INR870m in 1QFY24).
- After adjusting VIL provisions, **EBITDA was flat QoQ to INR36b (in-line) and the adjusted margin contracted 60bp QoQ to 49.8%**.
- The increase in depreciation costs has led to a 4% QoQ decline in PAT to INR13b (12% miss).
- Adjusted PAT (after VIL provision) was flat QoQ to INR14b.
- For 1HFY24, FCF turned negative at -INR9b (vs. +INR2b in 1HFY23) due to higher capex of INR39b in 1HFY24 (vs. INR13b in 1HFY23). The company generated 3.5% FCF yield in FY23.
- Net debt (excluding lease) rose from INR10b in 1HFY23 to reach INR54b.

Highlights from the management commentary

- The demand for passive infrastructure will rise as a result of rising data consumption and the quick adoption of 5G networks.
- VIL continues to pay monthly payments until Oct'23, and Indus is working on another plan to clear-off past dues.
- Order book is healthy and likely to remain even stronger in the next couple of quarters. Hence, it is expected that the capex may remain elevated.
- As the network matures, the company expects the demand for new sites to increase in order to aid the network decongestion. The launch of FWA will also drive data consumption that will require infrastructure.

Valuation and view

- We believe that Indus has the potential to capitalize on Bharti's aggressive network density and 5G rollout. The new smaller sites with sharing alternatives could also help the business economics, while churning in tenancies is a concern.
- On the other hand, VIL's lack of ability to raise capital is a risk to its survival, which, in turn, hampers the company's visibility. This could also limit the company's ability to deleverage, generate FCF and pay dividends, thus posing a risk to the company's financials.
- We factor in a revenue/EBITDA growth of 3%/23% in FY23-25E on a low base of FY23 due to VIL write-offs, and arrive at our TP of INR170, implying an EV/tenancy ratio of INR1.6m and an EV/EBITDA ratio of 3.9x. **We reiterate our Neutral rating on the stock.**

Quarterly Performance

Y/E March (Consolidated)	FY23				FY24E				FY23	FY24E	FY24E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
Revenue from operations	69	80	68	68	71	71	73	73	284	288	72	-0.7
YoY Change (%)	1.5	15.9	-2.3	-5.1	2.6	-10.5	7.2	8.4	10.6	1.4	-9.8	
Total Expenditure	46	52	56	33	36	37	38	38	187	149	35	4.7
EBITDA	23	28	12	34	35	34	35	35	97	138	36	-6.0
YoY Change (%)	-35.7	-22.4	-68.6	-15.5	53.8	21.7	197.7	1.4	-26.2	43.2	29.5	
Depreciation	13	13	14	13	14	15	16	16	53	61	14	9.3
Interest	4	4	4	3	4	2	3	3	15	12	4	-31.5
Other Income	1	1	1	1	1	1	1	1	4	3	1	36.2
PBT before EO expense	6	12	-5	19	18	17	17	16	33	68	20	-10.7
Extra-Ord expense	0	0	5	0	0	0	0	0	5	0	0	
PBT	6	12	-10	19	18	17	17	16	28	68	20	-10.7
Tax	2	3	-2	5	5	5	4	4	7	17	5	
Rate (%)	25.8	25.8	25.6	26.1	25.5	25.9	25.2	25.2	26.1	25.4	25.2	
Reported PAT	5	9	-7	14	13	13	12	12	20	51	15	-11.6
YoY Change (%)	-66.3	-44.1	-145.1	-23.5	182.4	48.5	-462.2	-13.3	-51.7	111.8	68.0	

E: MOFSL Estimates



Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	356.8 / 4.3
52-Week Range (INR)	2675 / 1592
1, 6, 12 Rel. Per (%)	-2/3/-22
12M Avg Val (INR M)	1394

Financials & Valuations (INR b)

Y/E Dec	FY24E	FY25E	FY26E
Sales	196.7	208.6	220.5
EBITDA	28.1	33.9	36.0
Adj. PAT	17.2	20.8	22.1
EBITDA Margin (%)	14.3	16.2	16.3
Adj. EPS (INR)	91.4	110.9	117.7
EPS Gr. (%)	73.7	21.3	6.1
BV/Sh. (INR)	829	928	1,032

Ratios

Net D:E	-0.2	-0.3	-0.4
RoE (%)	11.6	12.6	12.0
RoCE (%)	11.8	12.8	12.2
Payout (%)	13.1	12.6	11.9

Valuations

P/E (x)	20.8	17.1	16.2
P/BV (x)	2.3	2.0	1.8
EV/EBITDA(x)	11.3	8.7	7.7
EV/ton (USD)	103	96	85
Div. Yield (%)	0.6	0.7	0.7
FCF Yield (%)	2.2	5.6	6.0

*FY23E is 15m period due to change in accounting year

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	56.7	56.7	56.7
DII	23.0	19.5	19.1
FII	7.1	10.0	11.4
Others	13.3	13.8	12.8

FII Includes depository receipts

CMP: INR1,900 TP: INR2,150 (+13%) Neutral

Lower realization and higher variable cost led EBITDA miss

Commissioned clinker unit at Ametha, Madhya Pradesh in Oct'23

- ACC reported EBITDA of INR5.5b vs. our estimate of INR6.8b (19% below our estimate) in 2QFY24, due to lower blended realization (~3% miss) and higher variable cost/t (7% above our estimate). EBITDA/t came in at INR677 (vs. estimate INR820). However, adjusted PAT stood at INR3.8b (in line with our estimate), led by a sharp increase in 'other income' (up 3x YoY; up 160% vs. our estimate).
- The management indicated that demand remains robust, driven by increased spending on housing and infrastructure projects. It has initiated commercial production with a 3.3mtpa clinker capacity at its Ametha plant in Madhya Pradesh. Additionally, the share of premium products in trade sales increased 1.5pp YoY to 32%. Furthermore, the company witnessed a net addition of 534 dealers across various markets during the quarter.
- We broadly maintain our FY24/FY25 estimates. ACC trades at 11x/9x FY24E/FY25E EV/EBITDA and USD105/USD95 FY24E/FY25E EV/ton. We value ACC at 9.5x Sep'25E EV/EBITDA (earlier FY25E) to arrive at our TP of INR2,150. We reiterate our **Neutral** rating on the stock.

Volume grew 18% YoY; EBITDA/t came in at INR677 (est. INR820)

- Revenue was up 11% YoY to INR44b (down 5% vs. our estimate) and EBITDA has grown 35.6x (on a low base) to INR5.5b (down 19% vs. our estimate). The company reported a net profit of INR3.8b (in line with our estimate) vs. adjusted net loss of INR766m in 2QFY23. Cement sales volumes grew 18% YoY to 8.1mt (down 2% vs. our estimate). RMC revenue declined 13% YoY (17% below our estimate).
- Cement realization declined 4% YoY (2% below estimate). However, Opex/t dipped 17% YoY, led by 2%/18%/22% YoY decline in variable cost/freight cost/other expenses. Employee cost declined 10% YoY to INR1.9b. EBITDA/t stood at INR677 vs. INR23/818 in YoY/QoQ. OPM was up 12pp YoY to 12.4%.
- ACC's 1HFY24 revenue was up 14% YoY to INR96.4b, led by 21% surge in volume and 7% drop in realization. EBITDA has grown 3x YoY to INR13.2b and OPM was up 8.5pp YoY to 13.7%. PAT has grown 5.8x YoY to INR8.5b. OCF stood at INR11b vs. operating cash outflow of INR3.3b in 1HFY23. Its cash and cash equivalent was up by INR4.1b QoQ to INR36.34b as of Sep'23.

Highlights from the management commentary

- Clinker factor improved to 56.6% from 57.2%, leading to reduction in power consumption by 6.4 Kwh/t to 73.9 kwh/t and reduction in kiln fuel cost to INR1.85/Kcal vs. INR3.19/Kcal YoY (INR2.13/Kcal in 1QFY24).
- The WHRS with a combined capacity of 22.4MW at Kymore and Jamul is now fully operational. Additionally, a 16.3MW WHRS facility at the Ametha plant is slated to be commissioned in 3QFY24. The share of WHRS in total power consumption will increase to 9% by FY24-end vs. 3% in 4QFY23.
- In logistics efficiencies, the company's road direct dispatch increased to 58% from 52% and the rail coefficient was up 5pp YoY to 34%.

Valuation and view

- ACC has successfully commissioned its clinker capacity at the Ametha greenfield expansion. However, the grinding capacity (1mtpa) is yet to be commissioned. We anticipate that the expansion will benefit the company, leading to higher volume growth, particularly due to its robust presence in Central India. As of now, the company maintains a net cash positive with a balance of INR36.3b. However, there is still a lack of clarity regarding ACC’s growth plans and capital allocation strategies.
- ACC trades at reasonable valuations of 11x/9x FY24E/FY25E EV/EBITDA and USD105/USD95 FY24E/FY25E EV/ton. We value ACC at 9.5x Sep’25E EV/EBITDA (earlier FY25E) to arrive at our TP of INR2,150. We maintain our **Neutral** rating on the stock.

Standalone quarterly performance

(INR b)

Y/E December/ March	FY23*					FY24				FY23*	FY24E	MOFSL 2QE	Var. (%)
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3QE	4QE				
Cement Sales (mt)	7.90	7.59	6.85	7.70	8.50	9.40	8.10	8.34	9.73	38.6	35.6	8.27	17
Change (YoY %)	(0.9)	11.0	4.3	2.8	7.6	23.8	18.2	8.4	14.4	31.3	15.2	20.8	
Net Sales	44.3	44.7	39.9	45.4	47.9	52.0	44.3	46.2	54.2	222.1	196.7	46.5	(5)
Change (YoY %)	3.1	15.0	6.4	7.4	8.2	16.4	11.2	1.9	13.1	37.5	(11.4)	16.7	
EBITDA	6.3	4.3	0.2	3.8	4.7	7.7	5.5	6.5	8.5	19.2	28.1	6.8	(19)
Margin (%)	14.3	9.5	0.4	8.3	9.7	14.8	12.4	14.0	15.6	8.6	14.3	14.6	(221)
Depreciation	1.5	1.6	1.7	1.7	1.7	2.0	2.1	2.2	2.3	8.4	8.6	2.0	4
Interest	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.8	1.0	0.2	60
Other Income	0.6	0.5	0.7	0.4	1.2	0.8	2.1	1.0	0.8	3.4	4.7	0.8	160
PBT before EO Item	5.3	3.0	-1.0	2.3	3.9	6.2	5.2	5.0	6.7	13.4	23.1	5.4	(4)
EO Income/(Expense)	0.0	0.0	-0.2	-0.8	-0.7	0.0	0.0	0.0	0.0	-1.6	0.0	0.0	
PBT after EO Item	5.3	3.0	-1.2	1.5	3.3	6.2	5.2	5.0	6.7	11.8	23.1	5.4	(4)
Tax	1.4	0.8	-0.3	0.4	0.9	1.6	1.3	1.3	1.7	3.1	5.9	1.4	
Rate (%)	25.9	25.8	26.0	26.1	27.8	25.5	25.5	26.0	25.5	26.4	25.6	26.0	
Reported PAT	3.9	2.2	-0.9	1.1	2.4	4.6	3.8	3.7	5.0	8.7	17.2	4.0	(3)
Adjusted PAT	3.9	2.2	-0.8	1.7	2.9	4.6	3.8	3.7	5.0	9.9	17.2	4.0	(3)
Margin (%)	8.8	5.0	-1.9	3.7	6.0	8.9	8.7	8.0	9.3	4.5	8.7	8.5	
Change (YoY %)	(30.1)	(60.5)	NM	(47.4)	(26.6)	108.8	NM	118.3	75.6	(47.6)	73.7	NM	

Source: MOFSL, Company *Note: FY23 is 15-month period as the company changed its accounting year-end from December to March



Westlife Foodworld

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR883 TP: INR850 (-4%) Neutral

Bloomberg	WESTLIFE IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	137.7 / 1.7
52-Week Range (INR)	1025 / 639
1, 6, 12 Rel. Per (%)	-7/13/11
12M Avg Val (INR M)	159

Financials & Valuations (INR b)

Y/E March (INR b)	FY23	FY24E	FY25E
Sales	22.8	26.0	30.7
Sales growth (%)	44.5	14.3	17.8
EBITDA	3.7	4.4	5.4
Margins (%)	16.4	17.1	17.5
Adj. PAT	1.1	1.4	1.9
Adj. EPS (INR)	7.2	8.7	12.4
EPS Growth (%)	L/P	21.9	42.6
BV/Sh.(INR)	36.3	45.0	57.5

Ratios

RoE (%)	21.7	21.5	24.3
RoCE (%)	11.0	11.2	12.9

Valuations

P/E (x)	122.1	100.2	70.2
P/BV (x)	24.1	19.4	15.2
EV/EBITDA (x)	39.2	33.0	27.2
EV/Sales (x)	6.4	5.6	4.8

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	56.2	56.2	56.3
DII	23.7	24.1	24.1
FII	10.8	10.0	10.1
Others	9.4	9.6	9.5

FII Includes depository receipts

Lower SSSG weakens earnings

- WESTLIFE reported soft revenue growth of 7% YoY in 2QFY24, due to weak SSSG at 1% (est. 5%). Revenue growth was aided by store additions. EBITDA margin declined 80bp YoY, which, along with GM impact, resulted in a 29% YoY decline in PAT (35% miss).
- While the current market environment remains soft, the management anticipates high single-digit SSSG and the addition of 40-45 new restaurants in FY24. Easing commodity pressures and focus on growing average unit volume are key positive factors, which could be offset by an increase in royalty. We reiterate our **Neutral** rating on the stock.

Revenue/EBITDA up 7%/2% YoY

- WESTLIFE reported sales growth of 7% YoY to INR6.1b (5% miss), led by 1% SSSG (est. 5%) and 10% YoY store addition.
- It opened net 9 stores, taking the count to 370 stores in 59 cities (added 1 city). It added 13 stores in 1HFY24 vs. our estimate of 45 store adds in FY24.
- Both On-Premise and Off-Premise businesses grew by 7% YoY.
- GM contracted 50bp QoQ to 70.1% (40bp miss).
- EBITDA grew 2% YoY to INR980m (10% miss) due to a drop in GM and higher employee expenses owing to payroll hikes. Margin contracted 80bp YoY/100bp QoQ to 16%. Similarly, restaurant operating margins (ROM) declined 60bp YoY/90bp QoQ to 22.1%.
- Higher depreciation and interest costs led to a 29% YoY drop in PAT to INR224m (35% miss).

Key takeaways from the management commentary

- The company maintains its guidance for achieving INR40-45b revenue by FY27, driven by high single-digit SSSG and 580-630 total store count. On a steady-state basis, margin is expected to be in the range of 18-20%.
- There is still pressure on macro spending, which has decreased the frequency of eating out. However, the business gained market share in 2QFY24 and should see positive development in 3QFY24.
- FY24 capex remains unchanged at INR2-2.5b, which includes 40-45 store additions and 30-35 store renovations.
- The company has not taken any pricing action in the quarter; on the contrary, it is focusing on increasing the value product portfolio.

Valuation and view

- As indicated in [our detailed note](#) in Dec'22 after the unveiling of WLDL's Vision 2027, building blocks are in place to capture the long-term opportunity in the QSR space. However, the current weak consumption trends remain soft.

- We largely maintain our estimates, building in 16%/20% revenue/EBITDA CAGRs over FY23-25E, led by 45 store adds annually and 5-7% SSSG.
- **Our valuation at 30x pre-Ind AS FY25E EV/EBITDA leads to a TP of INR850.** Easing commodity pressure and the company's focus on growing its average unit volume are the key positive factors. These factors could be partly offset by an increase in royalty. We reiterate our **Neutral** rating on the stock.

Consolidated quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		2QE		
SSSG %	97.0	40.0	20.0	14.0	7.0	1.0	5.0	5.1	36.0	4.5	7.0	
No. of McDonald's restaurants	331	337	341	357	361	370	383	402	357	402	361	
Net Sales	5,379	5,724	6,115	5,564	6,145	6,147	7,013	6,740	22,782	26,046	6,452	-4.7
YoY Change (%)	107.6	48.5	28.2	22.3	14.2	7.4	14.7	21.1	44.5	14.3	12.7	
Gross profit	3,459	3,748	4,090	4,002	4,337	4,310	4,944	4,758	15,298	18,350	4,549	-5.2
Margin (%)	64.3	65.5	66.9	71.9	70.6	70.1	70.5	70.6	67.2	70.5	70.5	
EBITDA	873	959	1,022	887	1,042	982	1,255	1,162	3,740	4,441	1,097	-10.4
YoY Change (%)	3,380.8	115.9	28.8	40.9	19.4	2.4	22.8	31.0	97.7	18.7	14.3	
Margins (%)	16.2	16.8	16.7	15.9	16.9	16.0	17.9	17.2	16.4	17.1	17.0	
Depreciation	358	366	386	412	428	439	448	456	1,522	1,772	428	
Interest	215	225	234	253	260	274	274	218	927	1,026	260	
Other Income	18	52	78	56	53	33	53	72	203	210	53	
PBT	318	419	480	277	406	302	587	559	1,495	1,853	461	-34.5
Tax	82	104	116	76	118	78	152	145	379	493	115	
Rate (%)	25.8	24.8	24.2	27.5	29.0	25.9	25.9	25.9	25.3	26.6	25.0	
Adj PAT	236	315	364	201	288	224	435	414	1,116	1,360	346	-35.3
YoY Change (%)	L/P	L/P	74.7	31.2	22.3	-29.1	19.5	105.9	L/P	21.9	9.6	
Margins (%)	4.4	5.5	5.9	3.6	4.7	3.6	6.2	6.1	4.9	5.2	5.4	

E: MOFSL Estimates



KNR Constructions

BSE SENSEX 63,148 S&P CNX 18,857



KNR CONSTRUCTIONS LIMITED

Stock Info

Bloomberg	KNRC IN
Equity Shares (m)	281
M.Cap.(INRb)/(USDb)	73.9 / 0.9
52-Week Range (INR)	291 / 217
1, 6, 12 Rel. Per (%)	-2/4/13
12M Avg Val (INR M)	135
Free float (%)	48.9

Financials Snapshot (INR b)

Y/E March	2023	2024E	2025E
Net Sales	37.4	40.8	46.4
EBITDA	7.2	7.6	8.4
Adj. PAT	4.1	4.4	4.9
EBITDA Margin (%)	19.3	18.5	18.0
Adj. EPS (INR)	14.7	15.5	17.3
EPS Gr. (%)	15.1	5.1	11.3
BV/Sh. (INR)	97.2	112.2	129.0

Ratios

Net D/E (x)	-0.1	-0.1	0.0
RoE (%)	16.7	14.8	14.3
RoCE (%)	17.2	15.8	15.3
Payout (%)	1.4	3.2	2.9

Valuations

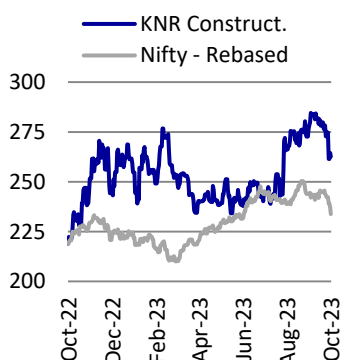
P/E (x)	17.8	16.9	15.2
P/BV (x)	2.7	2.3	2.0
EV/EBITDA (x)	9.9	9.4	8.7
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	-0.5	4.2	2.0

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	51.1	51.1	51.1
DII	32.3	33.7	34.6
FII	6.6	6.0	5.7
Others	10.0	9.3	8.6

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR262

TP: INR315 (+20%)

Buy

Awaiting new order inflows; outlook bright

- KNR Constructions (KNRC) currently has an unexecuted order book of ~INR80b (2x of FY23 revenue). The company is expecting new order inflows of INR40-50b in FY24, which should improve its growth visibility beyond FY25. The order pipeline of INR450b is robust, and management is confident of achieving sizeable order inflows in FY24E despite the upcoming busy election schedule.
- KNRC is actively exploring opportunities for project bidding in various states and is also contemplating potential expansion into other infra sectors. While there have been challenges in the execution of irrigation projects, KNRC foresees a possible improvement in project execution in the upcoming months.
- Management is expecting improved execution during 2HFY24 driven by the Road segment. KNRC is targeting to clock a revenue of INR40b in FY24E with margins in the range of 18-19%.
- While order inflows have been muted, the robust tender pipeline in the Roads sector has the potential to translate into healthy order inflows in the coming months. This would offer a better growth outlook beyond FY25. The diversification into other regions and in select other infra verticals could also help order inflows. Based on the existing order book of INR80b, we expect KNRC to achieve a revenue CAGR of 11% over FY23-25, with an EBITDA margin ranging between 18% and 19%. We reiterate our BUY rating on the stock with an SoTP-based TP of INR315.

Order inflows muted so far; outlook bright with diversification and strong tender pipeline

- Steep competition in the NHAI projects by new and inexperienced players has hurt order inflows for large players. However, the competitive intensity has eased to some extent, and KNRC is looking to bag some orders now.
- Additionally, KNRC is planning to tap into the urban infra development opportunities in the Railways and the Metro segments. KNRC is also looking to diversify geographically and is actively bidding in the Western and the Central regions, such as Maharashtra and Madhya Pradesh.

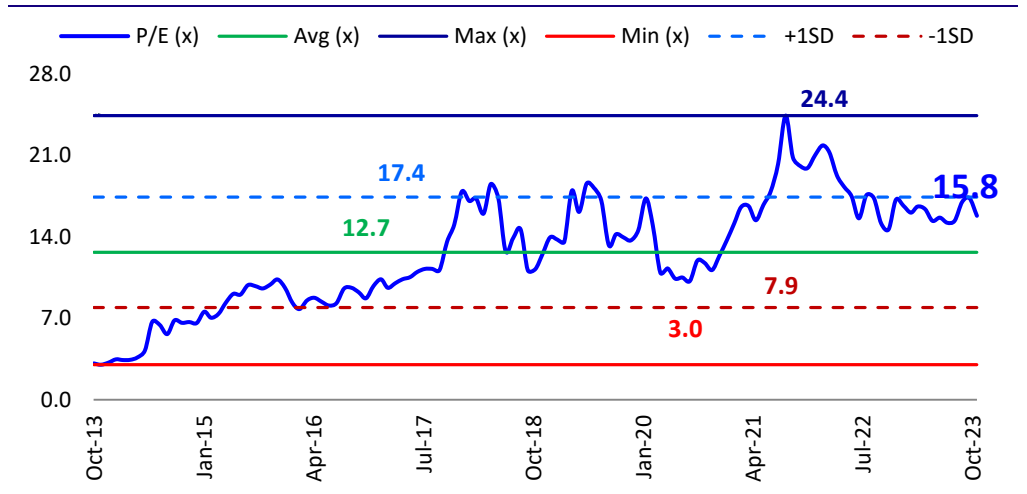
Sound balance sheet provides confidence in project execution; focus remains on asset monetization

- KNRC has adhered to a financially prudent strategy, prioritizing an asset-light business model and efficient working capital management.
- As of Jun'23, KNRC maintained a net cash position of INR0.9b. Through the proceeds from the Cube deal (KNRC received INR5.2b from the sale of its three HAM projects) and enhanced irrigation collection, the company has successfully paid off its debt in full. The gross debt was nil, and the net debt-to-equity stood at 0.03x as of Jun'23.
- Looking ahead, KNRC has an overall equity requirement of INR7.3b for its HAM projects. Until 1QFY24, INR4b has already been invested, leaving INR1.5b earmarked for the remainder of FY24. INR1.6b has been allocated for FY25E, and the remaining funds have been scheduled for FY26.
- KNRC would continue to sell HAM assets as opportunities arise.

Strong execution and steady margins to brighten outlook; maintain BUY

- While KNRC’s order inflows have been muted in 1HFY24, the tender pipeline appears to be strong which should ensure decent order wins in 2HFY24.
- With the monsoon impact behind and a decent order book of INR80b, we expect execution to be strong particularly in 2HFY24. We forecast margins to be stable with input costs reducing along with some execution carried out in the high-margin irrigation projects.
- We expect KNRC to report a revenue/EBITDA/PAT CAGR of 11%/8%/8% over FY23-25E along with stable margins. **We reiterate our BUY rating on the stock with an SoTP-based TP of INR315.**

One-year forward P/E (x)



Sources: Company, MOFSL

Vodafone Idea

BSE SENSEX

63,148

NIFTY-50

18,857

CMP: INR11

Neutral

Conference Call Details

Date: 27th Oct 2023

Time: 02:30pm IST

Financials & Valuations (INR b)

INR b	FY23	FY24E	FY25E
Net Sales	422	430	463
EBITDA	168	175	204
Adj. PAT	-293	-293	-235
EBITDA Margin (%)	39.9	40.6	44.1
Adj. EPS (INR)	-10.2	-10.2	-8.2
EPS Gr. (%)	3.1	0.0	-19.7
BV/Sh. (INR)	-23.2	-32.3	-39.6
Ratios			
Net D:E	-3.3	-2.5	-2.1
RoE (%)	NM	NM	NM
RoCE (%)	-3.9	-3.4	-2.3
Payout (%)	0.0	0.0	0.0
Valuations			
EV/EBITDA (x)	17.6	17.6	15.7
P/E (x)	-1.1	-1.0	-1.3
P/B (x)	-0.5	-0.3	-0.3
Div. Yield (%)	0.0	0.0	0.0

Net loss widens; subscriber loss slows down

- Revenue grew 1% QoQ to INR107b (in line), led by 2% QoQ ARPU growth (INR142), while subscriber base declined 1% QoQ (down 1.6m) to 220m.
- Reported EBITDA grew 3% QoQ to INR43b (in line), led by a decrease in a) subscriber acquisition cost (120bp QoQ) and b) network expenses (40bp QoQ), partially offset by the decrease in roaming and access charges (40bps QoQ). EBITDA margin improved 100bp QoQ to 40%.
- Pre Ind AS EBITDA grew 2% QoQ to INR20.6b (in line) and margin improved 20bp QoQ to 19.2%.
- Net loss widened to INR87b vs. INR78b in 1QFY24, led by higher finance cost and tax (26% miss).
- The company had provided a tax expense of INR 8.2b due to Hon'ble Supreme Court's judgement on license fee tax treatment as a capital not revenue expense.
- Net debt remained high at INR2.1t.** Out of this, Spectrum and AGR debt accounts for INR2t (95% of total debt) and market debt for INR79b (4%).
- Capex** spend remained at INR5.2b vs. INR4.5b in 1QFY24. Bharti/RJio's annual network capex has been INR280b/INR400b, significantly above VIL, despite higher capacity.

Key operating metrics

- VIL's subscriber loss (since the last 20 quarters) slowed down to 1.6m in 2QFY24 (vs. 4.5m loss in 1Q and average 4m loss in the last six quarters) to 219.8m.
 - Active subs too saw a decline of 2.9m subscribers (vs. 5.2m loss in 1Q and an average of 4.4m loss in the last six quarters) to 199.8m
 - Churn was higher at 4.1% (vs. 3.9% in 1QFY24).
 - Data subscribers grew 1.3m QoQ to 137.2m
 - 4G subscribers grew 1.8m QoQ to 124.7m
- ARPU grew 2% QoQ to INR142.
- Data traffic increased 2% QoQ to 6.2b GB. Data usage/subs increased 2% QoQ to 14.9GB.
- MOU (min/sub/month) declined 2% QoQ to 613min.
- The number of unique/broadband towers saw a slight shift with -73/+12 towers, totaling 184k/170k towers. The total number of broadband sites declined to 440k sites.

Liquidity position

- The group financial performance has adversely impacted its ability to generate CF. The net WC (excluding ST borrowings, lease liability, accrual towards litigation) stands negative at INR218b.
- Debt payable by Sep'24 is INR 71.7b** and the total net debt stands at INR 2.1t.
- As of 30-Sep-23, INR31.9b has been classified as the current maturity of LT liabilities due to non-fulfillment of specific covenant clauses.

SC judgement on License fee

- The company has been treating revenue share license fee (RSLF) as revenue expenses for the purpose of taxation.
- The Hon’ble SC’s decision does not result in a permanent disallowance, but leads to a staggered allowance of RSLF over the balance period of the license, resulting in lower taxable deduction in the initial years of a license and a higher deduction in the later period of the license.
- Based on the initial evaluation, the company has provided a tax provision of INR8.2b and applicable interest during the quarter.

Consolidated - Quarterly Earning Model

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E 2QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	104	106	106	105	107	107	108	109	422	430	107	0.4
YoY Change (%)	13.7	12.8	9.3	2.9	2.4	1.0	1.6	3.2	9.5	2.0	-2.1	
Total Expenditure	61	65	64	63	65	64	63	63	254	256	65	-0.7
EBITDA	43	41	42	42	42	43	45	46	168	175	42	2.2
YoY Change (%)	16.7	6.1	9.5	-9.4	-4.0	4.5	6.8	8.1	4.9	3.8	-2.2	
Depreciation	58	57	59	57	56	57	58	59	230	230	57	-1.2
Net Finance Costs	58	60	63	49	64	65	54	54	230	237	54	20.6
PBT before EO expense	-73	-76	-80	-64	-78	-79	-67	-68	-293	-293	-70	-13.8
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	-73	-76	-80	-64	-78	-79	-67	-68	-293	-293	-70	-13.8
Tax	0.0	0.0	0.0	0.0	0.0	8.2	6.9	-15.2	0.0	0.0	0.0	30,580.9
Rate (%)	-0.1	-0.1	0.0	0.1	0.0	-10.3	-10.3	22.3	0.0	0.0	0.0	
Reported PAT	-73	-76	-80	-64	-78	-87	-74	-53	-293	-293	-70	-25.5
Adj PAT	-73	-76	-80	-64	-78	-87	-74	-53	-293	-293	-70	-25.5
YoY Change (%)	-2.7	6.3	10.7	-2.3	7.4	15.0	-7.1	-17.4	3.1	0.0	11.8	

E: MOFSL Estimates

Coromandel International

BSE SENSEX 63,148
S&P CNX 18,857

CMP: INR1,073

Buy

Conference Call Details

Date: 27th Oct, 2023

Time: 2:30pm IST

Concall link:

[Click here](#)

Operating performance in line

- Coromandel International (CRIN) reported overall revenue of INR69.8b (est. INR77.1b) in 2QFY24, down 31% YoY. Revenue from Nutrient & Other Allied business declined 33% YoY to INR63b, while Crop Protection revenue grew 3% YoY to INR7.3b during the quarter.
- EBITDA margin expanded 470bp YoY to 15.2% (est. 13.2%) in 2QFY24. RM cost as a % of sales stood at 73.2% in 2QFY24 vs. 81.4% in 2QFY23; employee cost was at 2.5% vs. 1.7% in 2QFY23, freight cost stood at 4.3% vs. 3.0% in 2QFY23 and other expenses were at 4.7% as against 3.5%. EBITDA was flat YoY at INR10.6b (est. INR10.2b).
- EBIT margin for Nutrient & Other Allied business expanded 560bp to 15.7%, while for the Crop Protection business margin contracted 300bp YoY to 11.9%.
- Volumes:** Total manufacturing volumes (NPK+DAP) declined 7% YoY to 1,027KMT, while total phosphate fertilizer manufacturing volumes (including SSP) declined 8% YoY to 1,239KMT. Total phosphate fertilizer volumes (including trading) also declined 7% YoY to 1,159KMT during the quarter.
- Adjusted PAT stood at INR7.6b (est. INR7.2b) in 2QFY24, up 2% YoY.

Quarterly Performance

Y/E March									(INR m)			
	FY23				FY24				FY23	FY24E	FY24 Var	
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
Net Sales	57,291	1,01,134	83,096	54,758	56,934	69,881	71,907	51,942	2,96,279	2,50,664	77,079	-9
YoY Change (%)	56.4	64.5	63.8	29.5	-0.6	-30.9	-13.5	-5.1	55.0	-15.4	-23.8	
Total Expenditure	50,437	90,564	75,290	50,726	49,842	59,294	64,407	47,417	2,67,017	2,20,960	66,892	
EBITDA	6,854	10,570	7,806	4,032	7,092	10,587	7,500	4,525	29,262	29,704	10,186	4
Margins (%)	12.0	10.5	9.4	7.4	12.5	15.2	10.4	8.7	9.9	11.9	13.2	
Depreciation	446	457	471	446	481	540	525	500	1,820	2,045	510	
Interest	266	542	568	524	405	462	320	280	1,900	1,467	350	
Other Income	536	311	396	469	445	448	317	375	1,711	1,585	249	
PBT before EO expense	6,678	9,881	7,163	3,531	6,651	10,033	6,972	4,120	27,253	27,776	9,575	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	6,678	9,881	7,163	3,531	6,651	10,033	6,972	4,120	27,253	27,776	9,575	
Tax	1,703	2,481	1,794	901	1,674	2,450	1,755	1,037	6,879	6,916	2,410	
Rate (%)	25.5	25.1	25.0	25.5	25.2	24.4	25.2	25.2	25.2	24.9	25.2	
Minority Interest & P/L of Asso. Cos.	-15	-6	100	166	36	15	105	174	245	330	-6	
Reported PAT	4,991	7,406	5,269	2,464	4,940	7,569	5,112	2,909	20,129	20,530	7,171	
Adj PAT	4,991	7,406	5,269	2,464	4,940	7,569	5,112	2,909	20,129	20,530	7,171	6
YoY Change (%)	47.8	42.6	38.1	-15.0	-1.0	2.2	-3.0	18.0	31.7	2.0	(3.2)	
Margins (%)	8.7	7.3	6.3	4.5	8.7	10.8	7.1	5.6	6.8	8.2	9.3	

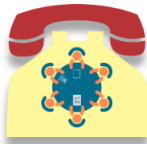
AAVAS Financiers

BSE SENSEX 63,148
NIFTY-50 18,857

CMP: INR1,558

Neutral

Conference Call Details

Date: 27th Oct 2023

Time: 03:30pm IST

[Link for the call](#)

Dial In:

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Financials & Valuations (INR b)

INR b	FY23	FY24E	FY25E
NII	8.0	9.5	11.7
PPP	5.6	6.5	8.3
PAT	4.3	5.0	6.3
EPS (INR)	54.4	62.8	79.7
EPS Gr. (%)	20	16	27
BV/Sh. (INR)	414	476	556
Ratios (%)			
NIM	6.2	6.0	6.0
C/I ratio	44.9	46.0	43.6
Credit cost	0.12	0.16	0.17
RoA	3.5	3.3	3.5
RoE	14.2	14.1	15.4

Valuation

P/E (x)	28.6	24.8	19.5
P/BV (x)	3.8	3.3	2.8

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	39.1	39.1	39.2
DII	14.2	14.4	11.0
FII	35.5	35.0	37.6
Others	11.2	11.5	12.2

FII Includes depository receipts

Earnings beat; sharp QoQ compression in NIM

Disbursements and AUM growth weaker than estimates

- AAVAS Financiers (AAVAS)'s 2QFY24 PAT grew 14% YoY to INR1.2b (5% beat). The C/I ratio moderated to ~45% (vs. 48% in 1QFY24), which led to the earnings beat, despite NIM compression and higher credit costs.
- NII grew 18% YoY to ~INR2.2b (5% miss). Other income increased by 8% YoY, aided by higher assignment income of INR466m (vs. INR494m in 2QFY23) and fee income of ~INR200m (vs. ~INR140m in 2QFY23).
- Opex was up 14% YoY/down 2% QoQ at INR1.3b (6% below estimates). **This was primarily because of lower employee expenses owing to the reversal of ESOP expenses.**
- PPop grew 17% YoY to INR1.63b (6% beat). Credit costs stood at INR65m (est. ~INR50m).
- AAVAS has been successful in leveraging technology to drive growth and improve its customer experience. The IT transformation undertaken by the company will streamline the end-to-end digital journey from origination to servicing.

AUM grew 22% YoY; Disbursements grew 10% YoY

- AUM grew 22% YoY/5% QoQ to ~INR153b. Disbursements picked up pace and grew 10% YoY and 18% QoQ to ~INR12.6b, but were still lower than consensus. The share of LAP in the disbursement mix stood at 33% (vs. 32% in 2QFY23).
- The annualized run-off in the loan-book stood at 16% (vs. 17% in 2QFY23).
- Securitization in 2Q amounted to INR3.3b (vs. INR3b in 2QFY23), **but securitization margins were lower (vs. earlier levels).**

Asset quality remained broadly stable

- Asset quality remained broadly stable, with GS3/NS3 increasing by ~4bp/ ~3bp to 1.04%/0.76%. PCR on Stage 3 was stable QoQ at 27%.
- 30+ dpd declined by ~15bp QoQ to 2.7% (vs. 2.85% in 1QFY24). ECL/EAD was largely stable QoQ at 0.64%. **1+dpd** saw marginal improvement and declined ~10bp QoQ to 3.6%.
- CRAR stood at ~48.2% as of Sep'23 (vs. 47.3% in 1QFY24 and 50.4% in 2QFY23).

Spreads contracted due to increase in CoF

- The ~10bp QoQ decline in yield (calc.) to ~14% and ~20bp increase in CoF (calc.) to 7.5% led to ~30bp contraction in spreads to 6.6%.
- 2QFY24 calculated NIM declined ~40bp QoQ to 7.3% (vs. 7.7% in 1QFY24).

Valuation and view

AAVAS reported healthy 1HFY24 RoA/RoE of 3.3%/13.6%, aided by higher other income and lower C/I ratio. It has a sustainable business model that it can utilize to scale up profitably across its existing geographies over the long term. Its constant endeavor to improve its technological edge and its focus on asset quality have made it a standout player among peers. Notably, its 1+DPD remains below comfortable levels of sub-5%, driven by its focus on technology and efficient collection efforts. The company's customer-centric approach and extensive presence have helped it achieve steady disbursement growth. Given the investments being made in sourcing, distribution, and technology, it will embark on a strong disbursement growth trajectory in 2HFY24.

Quarterly performance

INR m

Y/E March	FY23				FY24E				FY23	FY24E	2QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q4				
Interest Income	3,148	3,287	3,585	3,861	4,128	4,259	4,472	4,977	13,882	17,836	4,355	-2
Interest Expenses	1,347	1,410	1,504	1,650	1,866	2,036	2,174	2,231	5,910	8,307	2,016	1
Net Income	1,802	1,877	2,082	2,211	2,262	2,223	2,297	2,747	7,971	9,528	2,340	-5
YoY Growth (%)	20	15	32	23	26	18	10	24	22	20	25	
Other income	380	664	534	641	540	716	660	667	2,220	2,583	585	22
Total Income	2,182	2,541	2,616	2,852	2,802	2,938	2,958	3,413	10,191	12,112	2,924	0
YoY Growth (%)	37	21	20	18	28	16	13	20	23	19	15	
Operating Expenses	1,026	1,147	1,201	1,203	1,339	1,308	1,430	1,497	4,577	5,574	1,390	-6
YoY Growth (%)	53	33	32	14	30	14	19	24	31	22	21	
Operating Profits	1,156	1,394	1,415	1,649	1,464	1,631	1,527	1,916	5,614	6,537	1,534	6
YoY Growth (%)	26	13	12	22	27	17	8	16	17.6	16.4	10	
Provisions	9	16	35	64	57	65	50	28	124	200	50	30
Profit before Tax	1,147	1,378	1,380	1,586	1,407	1,565	1,477	1,888	5,490	6,337	1,484	6
Tax Provisions	254	310	307	318	310	348	319	392	1,189	1,369	320	9
Profit after tax	892	1,068	1,073	1,268	1,097	1,217	1,158	1,496	4,301	4,968	1,163	5
YoY Growth (%)	49	16	20	10	23	14	8	18	20.5	15.5	9	
Key Parameters (%)												
Yield on loans	12.7	12.9	13.0	13.1	13.3	13.2			13.7	14.1		
Cost of funds	6.9	7.0	7.3	7.6	7.7	7.9			6.6	7.5		
Spread	5.8	5.9	5.8	5.5	5.6	5.3			7.1	6.6		
NIM - YTD	7.7	8.2	8.2	8.3	8.0	8.0			6.2	6.0		
Credit cost	0.0	0.1	0.1	0.2	0.2	0.2			0.1	0.2		
Cost to Income Ratio (%)	47.0	45.1	45.9	42.2	47.8	44.5			44.9	46.0		
Tax Rate (%)	22.2	22.5	22.2	20.1	22.0	22.2			21.7	21.6		
Balance Sheet Parameters												
AUM (INR B)	118.9	125.4	130.9	141.7	146.5	153.2			141.7	175.6		
Change YoY (%)	23.7	23.6	23.3	24.8	23.2	22.1			24.8	24.0		
AUM mix (%)												
Home loans	71.1	70.9	70.1	69.9	69.8	69.7			69.9	68.1		
Mortgage loans	28.9	29.1	29.9	30.1	30.2	30.3			30.1	31.9		
Loans (INR B)	95.9	100.8	105.5	114.8	119.1	124.0			114.8	140.5		
% of AUM	80.6	80.4	80.6	81.0	81.3	81.0			26.8	22.4		
Disbursements (INR B)	10.9	11.5	12.0	15.8	10.7	12.6			50.2	59.8		
Change YoY (%)	136.5	27.2	26.5	22.9	-2.3	9.7			39.5	19.0		
Borrowings (INR B)	82.9	85.7	91.6	98.9	106.8	111.4			98.4	122.2		
Change YoY (%)	27.8	24.1	26.7	24.0		30.0			23.4	24.2		
Borrowings/Loans (%)	86.4	85.0	86.8	86.2	89.6	89.9			85.7	87.0		
Debt/Equity (x)	2.9	2.8	2.9	3.0	3.2	3.2			3.0	3.2		
Asset Quality (%)												
GS 3 (INR M)	1,045	1,113	1,204	1,067	1,193	1,295			1,067			
G3 %	1.08	1.10	1.13	0.92	1.00	1.04			0.92			
NS 3 (INR M)	805	848	917	780	872	939			780			
NS3 %	0.84	0.84	0.87	0.68	0.73	0.76			0.68			
PCR (%)	22.9	23.8	23.9	26.9	26.9	27.5			26.9			
ECL (%)	0.67	0.64	0.64	0.62	0.64	0.64			0.62			
Return Ratios - YTD (%)												
ROA (Rep)	3.2	3.4	3.4	3.5	3.2	3.3			3.5	3.3		
ROE (Rep)	12.5	13.4	13.6	14.1	13.2	13.6			14.2	14.1		

E:MOFSL Estimates

HomeFirst Finance

BSE SENSEX 63,148
NIFTY-50 18,857

Conference Call Details



Date: 27th Oct 2023

Time: 05:00pm IST

[Link for the call](#)

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Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	4.2	5.3	6.8
PPoP	3.2	4.1	5.2
PAT	2.3	2.9	3.7
EPS (INR)	25.9	33.3	42.1
EPS Gr. (%)	20.5	28.3	26.6
BV/Sh. (INR)	206	236	275
ABV/Sh (INR)	201	230	269

Ratios

NIM (%)	6.6	6.3	6.1
C/I ratio (%)	35.5	36.4	35.7
RoAA (%)	3.9	3.7	3.6
RoAE (%)	13.5	15.1	16.5

Valuations

P/E (x)	34.9	27.2	21.5
P/BV (x)	4.4	3.8	3.3
P/ABV (x)	4.5	3.9	3.4
Div. yield (%)	0.3	0.3	0.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	30.2	30.2	33.6
DII	10.0	10.0	6.4
FII	17.0	17.6	10.3
Others	42.8	42.2	49.7

FII Includes depository receipts

CMP: INR908

Buy

Earnings in line; sequential NIM compression of ~10bp

BT-OUT rates elevated relative to historical levels

- HomeFirst's 2QFY24 PAT grew 37% YoY to INR743m (in line). NII rose 30% YoY to INR1.32b (in line). Non-interest income grew 73% YoY, driven primarily by higher assignment income.
- Opex (in line) grew 28% YoY to INR565m. PPOp grew ~40% YoY to INR1.04b (6% beat).
- Credit costs at INR80m (38% higher than MOSLe) translated into annualized credit costs of ~45bp (PQ: ~50bp and PY: ~40bp).

Business momentum strong despite relatively higher BT-OUTs

- Disbursements grew 37% YoY to ~INR9.6b, leading to AUM growth of 33% YoY to ~INR83.6b.
- BT-OUTs rate (annualized) stood at 8.6% and rose ~3pp YoY.

Spreads contract driven by moderation in yields and rise in CoF

- Reported yield moderated ~10bp QoQ to 13.6%, while the CoB rose ~10bp QoQ to 8.1%. Reported spreads contracted 20bp QoQ to 5.5%.
- Reported NIM declined ~10bp QoQ to 6.0%. Incremental CoF (excl. NHB borrowings) in 2QFY24 stood at 8.7%. Overall marginal CoF (incl. NHB borrowings) stood at 8.1%.

Marginal decline in asset quality; bounce rates rose in Oct'23

- GS3 (including the RBI NPA circular) and NS3 increased ~10bp/8bp QoQ 1.74%/1.22% as on Sep'23. PCR declined ~70bp QoQ to 30.3% (vs. 31% as on Jun'23).
- The 1+dpd deteriorated ~20bp QoQ to 4.5%, while bounce rates declined to 14.2% in 2QFY24, but inched up to 15.7% in Oct'23 (vs. 15% in 1QFY24).
- The company's capital adequacy remains strong at 45.5% (Tier 1: 45.0%)

Valuation and view

HomeFirst has made strategic investments in establishing a franchise, positioning the company effectively to capitalize on the strong growth potential in affordable housing finance. The company continues to expand its distribution network in a contiguous manner across Tier I, II, and III cities within its existing states. We estimate HomeFirst to deliver a ~33% AUM CAGR over FY23-FY25, along with NIM of 6.3%/6.0% in FY24/FY25. We expect cost efficiencies to kick in and drive a sustained improvement in its operating cost ratios over the medium term. HomeFirst's asset quality is expected to strengthen and credit costs are expected to remain benign over FY24-FY25 as the company prioritizes early bucket collections, thereby driving improvement in asset quality. We might revise our estimates after the earnings call on 27th Oct'23.

Quarterly Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	2QFY24E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,547	1,727	1,902	2,047	2,313	2,491	2,645	2,847	7,222	10,297	2,482	0
Interest expenses	607	712	796	929	1,068	1,170	1,260	1,483	3,043	4,981	1,211	-3
Net Interest Income	940	1,016	1,106	1,118	1,246	1,321	1,385	1,364	4,179	5,316	1,271	4
YoY Growth (%)	50.8	58.2	54.2	31.4	32.6	30.1	25.2	22.0	41.2	27.2	25.2	
Other Income	147	167	152	266	285	289	262	304	734	1,140	296	-2
Net Income	1,086	1,182	1,258	1,384	1,530	1,610	1,647	1,668	4,913	6,455	1,567	3
YoY Growth (%)	22.3	31.8	30.5	35.4	40.9	36.1	30.9	20.5	29.3	31.4	32.6	
Operating Expenses	387	441	443	475	553	565	582	649	1,746	2,350	581	-3
Operating Profit	699	741	816	910	977	1,044	1,065	1,019	3,167	4,105	987	6
YoY Growth (%)	15.3	24.3	25.3	38.1	39.8	40.9	30.5	12.0	24.8	29.6	33.1	
Provisions and Cont.	36	50	60	70	77	80	65	68	215	290	58	38
Profit before Tax	663	692	756	840	900	964	1,000	950	2,952	3,815	929	4
Tax Provisions	151	149	170	200	209	221	225	211	669	866	204	8
Net Profit	512	543	586	640	691	743	775	740	2,283	2,949	724	3
YoY Growth (%)	46.0	20.9	27.6	6.4	34.9	36.9	32.2	15.5	21.1	29.2	33.5	
Key Operating Parameters (%)												
Other income to Net Income Ratio	13.5	14.1	12.1	19.2	18.6	17.9	15.9	18.2	14.9	17.7		
Credit Cost	0.26	0.33	0.37	0.40	0.41	0.40	0.30	0.29	1.67	1.6		
Cost to Income Ratio	35.7	37.3	35.2	34.3	36.1	35.1	35.4	38.9	35.5	36.4		
Tax Rate	22.7	21.5	22.5	23.8	23.2	23.0	22.5	22.2	22.7	22.7		
Balance Sheet Parameters												
AUM (INR m)	58,319	62,750	67,512	71,980	77,760	83,654	90,270	97,490	71,980	97,490		
Change YoY (%)	35.8	35.9	35.2	33.8	33.3	33.3	33.7	35.4	33.8	35.4		
Loans (INR m)	47,222	51,454	55,955	59,957	65,194	70,253			59,957	81,438		
Change YoY (%)	39.1	41.5	41.5	39.3	38.1	36.5			39.3	35.8		
Borrowings (INR m)	48,387	52,282	58,045	59,556	68,215	72,792			48,135	67,837		
Change YoY (%)	22.9	30.5	44.5	32.5	41.0	39.2			38.8	40.9		
Loans/Borrowings (%)	97.6	98.4	96.4	100.7	95.6	96.5			125	120		
Asset Quality Parameters (%)												
GS 3 (INR m)	1,020	1,001	1,008	974	1,077	1,233			974	1,015		
Gross Stage 3 (% on Assets)	2.1	1.9	1.8	1.6	1.6	1.7			1.6	1.24		
NS 3 (INR m)	791	737	715	643	743	859			643	690		
Net Stage 3 (% on Assets)	1.66	1.42	1.27	1.06	1.13	1.21			1.1	0.84		
PCR (%)	22.4	26.4	29.1	34.0	31.0	30.3			34.0	32.0		
ECL (%)	0.98	0.98	0.96	0.96	0.94	0.91			0.96	0.94		
Return Ratios (%)												
ROAA (Rep)	3.9	3.8	3.8	3.9	3.9	3.8			3.9	3.7		
ROAE (Rep)	12.8	13.1	13.7	14.4	15.0	15.6			13.5	15.1		

E: MOFSL Estimates

**Tech Mahindra: Overall industry dynamics has still not recovered causing a bit drag; Mohit Joshi, MD & CEO**

- On a quarter basis we have witnessed 2.4% decline, 1% will be attributed to discretionary spend
- Overall industry dynamics has still not recovered causing a bit drag
- Total contract that we are not prioritizing would be around, is a mix of tough returns on terms of revenue and margin perspective

[→ Read More](#)**IDBI Bank: Loan growth guidance 15% was set out earlier for FY24 and we stick to that; Suresh Kishinchand, DMD**

- Retail book, we have been growing at 10-12% and on corporate at 22%
- We have adopted more risk appetite manner, we are growing at calibrated manner
- Loan growth guidance 15% was set out earlier for FY24 and we stick to that
- Liability, the overall economy there is a liquidity squeeze

[→ Read More](#)**Sona BLW: Light-weight differentials doing best globally, traction motor products also doing well; Vivek Vikram, MD**

- We have doubled since we listed, what we did in PAT FY21 entire year, we have done in 1st half of this year
- Growth in last 22 years is about 30% CAGR, next 3-4 years we will be able to sustain the same
- Our business shouldn't be looked on a quarter basis but on YoY basis
- EV growth in the western world has actually taken a bit of a pause

[→ Read More](#)**DreamFolks: Gross margin will be in 11-13% range; Liberatha Peter, CMD**

- Gross profit for passenger is at the normal level and will be around 130
- No. of packs, is driven by airport traffic and credit card base
- Domestic to international mix, the trend has been same and mix will be in the same line
- We have added airport transfer, golf, spa and in next 3 years contribution from other services will be around 20%

[→ Read More](#)**Sonata Software: Margins looks sustainable at the current levels; Samir Dhir, MD & CEO**

- When most peers have delivered flattish or de-growth this quarter, we have delivered growth of 4.6% QoQ
- No. in this quarter are all organic in nature
- Margins and utilisation have improved this quarter and will be in low 20s as per guidance

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Automobiles																
Amara Raja Ener.	Neutral	605	655	8	42.7	46.8	52.8	42.7	9.6	12.9	12.9	11.5	1.8	1.6	14.3	14.6
Apollo Tyres	Buy	371	500	35	17.1	28.5	32.4	69.1	66.4	13.9	13.0	11.4	1.3	1.2	13.3	13.5
Ashok Ley.	Buy	167	205	23	4.5	9.3	12.0	7,586.2	106.5	29.0	17.9	13.8	4.6	3.6	28.8	29.3
Bajaj Auto	Neutral	5264	5225	-1	214.2	276.1	309.0	16.7	28.9	11.9	19.1	17.0	5.3	4.9	29.3	29.9
Balkrishna Inds	Neutral	2558	2500	-2	52.1	71.1	95.6	-29.3	36.4	34.4	36.0	26.8	5.9	5.2	17.3	20.7
Bharat Forge	Buy	1018	1260	24	11.6	29.9	39.8	-46.4	157.3	33.0	34.0	25.6	6.1	5.1	19.2	21.6
Bosch	Neutral	19622	18550	-5	483.0	592.1	704.6	17.0	22.6	19.0	33.1	27.9	4.9	4.5	15.3	16.7
CEAT	Buy	2114	2950	40	51.9	162.9	186.7	164.4	213.9	14.6	13.0	11.3	2.1	1.8	17.6	17.2
Craftsman Auto	Buy	4402	5450	24	117.6	182.9	227.1	54.8	55.5	24.2	24.1	19.4	5.4	4.3	24.8	24.5
Eicher Mot.	Neutral	3325	3600	8	106.5	143.0	162.4	73.7	34.2	13.6	23.3	20.5	5.1	4.4	23.9	23.1
Endurance Tech.	Buy	1584	2000	26	34.7	51.7	62.3	0.4	49.3	20.4	30.6	25.4	4.4	3.9	15.4	16.2
Escorts Kubota	Neutral	3133	2930	-6	51.3	90.9	108.3	-22.9	77.0	19.2	34.5	28.9	4.2	3.7	12.8	13.6
Exide Ind	Buy	246	300	22	10.6	12.2	15.1	7.5	14.4	24.5	20.3	16.3	1.7	1.6	8.6	9.9
Hero Moto	Buy	3112	3675	18	145.6	188.0	203.3	17.7	29.1	8.2	16.6	15.3	3.4	3.1	21.5	21.1
M&M	Buy	1505	1770	18	64.9	86.1	93.9	51.6	32.8	9.1	17.5	16.0	3.5	3.0	21.8	20.3
CIE Automotive	Buy	454	575	27	18.1	22.5	27.1	69.3	24.3	20.6	20.2	16.8	3.0	2.6	15.6	16.6
Maruti Suzuki	Buy	10426	12000	15	271.8	409.0	445.8	111.7	50.5	9.0	25.5	23.4	4.5	4.0	17.5	16.8
MRF	Sell	107513	96500	-10	1,813.6	5,170.1	5,076.3	14.9	185.1	-1.8	20.8	21.2	2.7	2.4	13.9	12.1
Samvardh. Motherson	Buy	92	115	25	2.3	4.2	4.8	90.0	83.1	14.4	21.8	19.0	2.5	2.3	12.2	12.8
Motherson Wiring	Buy	59	70	18	1.1	1.5	1.8	4.3	35.5	23.4	39.8	32.3	15.4	12.4	43.5	42.6
Sona BLW Precis.	Neutral	547	565	3	6.8	8.9	11.6	16.9	31.0	29.8	61.5	47.3	12.1	10.3	21.1	23.4
Tata Motors	Buy	626	740	18	2.2	41.8	43.0	-107.6	1,845.4	2.7	15.0	14.6	4.0	3.1	30.5	23.6
TVS Motor	Neutral	1577	1400	-11	30.4	45.1	52.3	60.7	48.2	16.0	35.0	30.2	9.5	7.4	30.7	27.6
Tube Investments	Buy	2926	3735	28	40.5	58.1	70.9	7.4	43.4	22.0	50.3	41.3	11.5	9.3	25.4	25.0
Aggregate								127.3	80.1	10.5	21.7	19.6	4.2	3.7	19.6	18.7
Banks - Private																
AU Small Finance	Buy	687	825	20	22.0	26.2	34.6	22.3	19	31.9	26.2	19.8	3.7	3.1	15.2	17.1
Axis Bank	Buy	972	1150	18	71.4	79.3	95.9	68.0	11	20.8	12.3	10.1	1.8	1.6	16.8	16.6
Bandhan Bank	Neutral	213	250	18	13.6	20.7	26.1	1,644.5	52	26.2	10.3	8.1	1.6	1.4	16.0	17.9
DCB Bank	Neutral	113	130	15	14.9	17.8	21.3	61.7	18.8	20.1	6.4	5.3	0.7	0.6	12.3	13.2
Equitas Small Fin.	Buy	93	115	23	4.9	7.4	9.0	106.8	51.5	22.7	12.7	10.3	1.8	1.6	14.9	16.0
Federal Bank	Buy	138	170	23	14.3	16.1	18.8	54.8	12.7	16.6	8.6	7.4	1.2	1.0	14.6	14.9
HDFC Bank	Buy	1464	1950	33	79.3	83.5	101.5	18.6	5.3	21.5	17.5	14.4	2.5	2.2	15.1	16.4
ICICI Bank	Buy	909	1120	23	45.8	57.0	65.5	36.0	24.6	14.9	15.9	13.9	2.7	2.3	18.6	18.3
IDFC First Bk	Buy	85	100	18	3.8	4.9	6.7	1,452.3	29.9	36.2	17.2	12.6	1.8	1.6	11.6	13.5
IndusInd	Buy	1414	1700	20	96.0	118.3	146.8	54.7	23.2	24.1	12.0	9.6	1.7	1.5	15.6	16.8
Kotak Mah. Bk	Neutral	1695	1900	12	75.9	91.6	104.9	28.6	20.7	14.5	18.5	16.2	2.6	2.2	15.0	14.6
RBL Bank	Neutral	216	265	22	14.7	21.8	28.4	-	48.0	30.5	9.9	7.6	0.9	0.8	9.3	11.2
SBI Cards	Buy	773	970	25	23.9	28.1	39.2	39.3	17.5	39.7	27.5	19.7	6.0	4.7	24.1	26.6
Aggregate								40.4	28.8	20.5	16.2	13.4	2.5	2.1	15.2	15.9
Banks - PSU																
BOB	Buy	189	240	27	27.3	33.2	40.4	94.0	21.8	21.8	5.7	4.7	0.9	0.8	16.3	17.3
Canara Bank	Buy	360	440	22	58.5	80.6	92.6	78.1	37.9	14.9	4.5	3.9	0.8	0.7	18.2	17.6
Indian Bank	Buy	400	460	15	42.4	65.3	76.9	27.7	54.0	17.8	6.1	5.2	1.0	0.8	17.9	18.0
Punjab Natl. Bank	Neutral	70	75	7	2.3	5.8	9.1	-29.2	154.7	56.9	12.1	7.7	0.8	0.7	6.2	9.0
SBI	Buy	547	700	28	62.4	78.9	89.4	57.3	26	13.4	6.9	6.1	1.2	1.0	19.2	18.0
Union Bank (I)	Buy	95	115	21	12.3	18.5	22.3	56.1	50	20.6	5.1	4.2	0.8	0.7	16.4	17.6
Aggregate								58.4	33	18	6.6	5.6	1.0	0.9	15.5	16.0
NBFCs																
AAVAS Financiers	Neutral	1556	-		54.4	62.8	79.7	20.4	15.5	26.8	24.8	19.5	3.3	2.8	14.1	15.4
Aditya Birla Cap	Buy	170	220	29	8.5	10.4	12.6	20.5	22.4	20.9	16.4	13.5	1.8	1.6	11.9	12.3
Angel One	Buy	2412	2550	6	107.5	137.6	160.7	42.5	28.0	16.8	17.5	15.0	7.0	5.4	45.3	40.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Bajaj Fin.	Buy	7421	9600	29	190.4	240.1	309.8	63.4	26.1	29.0	30.9	24.0	6.0	4.9	22.7	22.6
Cams Services	Buy	2303	2950	28	58.1	68.8	84.9	-0.8	18.5	23.3	33.5	27.1	12.5	10.8	40.1	42.7
Can Fin Homes	Neutral	720	840	17	46.7	55.6	63.2	31.9	19.2	13.7	12.9	11.4	2.2	1.9	18.6	17.8
Cholaman.Inv.&Fn	Buy	1135	1475	30	32.4	42.1	56.9	24.0	29.9	35.1	26.9	19.9	4.5	3.7	20.0	20.3
CreditAccess	Buy	1544	1670	8	52.0	93.4	112.7	127.1	79.7	20.7	16.5	13.7	3.7	2.9	25.4	23.9
Fusion Micro	Buy	573	720	26	38.6	55.8	73.8	1,367.7	44.7	32.2	10.3	7.8	2.0	1.6	21.5	22.8
HDFC Life Insur.	Neutral	606	700	16	6.3	7.7	9.0	10.7	22.1	17.3	78.5	67.0	2.8	2.3	19.2	18.8
Home First Fin.	Buy	908	-		25.9	33.3	42.1	20.5	28.3	26.6	27.3	21.5	3.8	3.3	15.1	16.5
ICICI Pru Life	Buy	511	600	17	5.6	7.3	8.3	7.4	28.7	15.0	70.4	61.2	1.7	1.5	17.9	18.4
ICICI Lombard	Buy	1354	1600	18	35.2	41.5	50.9	36.0	18.0	22.5	32.6	26.6	5.7	4.9	18.4	19.8
ICICI Securities	Under Review	644	-		34.9	46.0	50.9	-18.6	32.0	10.7	14.0	12.6	6.2	5.3	47.8	44.9
360 ONE WAM	Buy	520	650	25	18.5	21.4	25.5	13.5	15.8	19.1	24.3	20.4	5.7	5.4	24.0	27.1
IndoStar	Buy	171	195	14	16.5	11.9	19.8	-130.6	-28.2	66.3	14.4	8.7	0.7	0.7	5.1	7.9
L&T Fin Holdings	Buy	131	170	29	6.5	9.6	11.7	51.2	46.4	22.3	13.7	11.2	1.4	1.3	10.6	12.0
Life Insurance Corp.	Buy	605	850	41	57.5	25.2	29.0	800.2	-56.2	15.1	24.0	20.9	0.6	0.5	13.9	13.7
LIC Hsg Fin	Buy	438	550	25	52.5	78.1	83.8	26.4	48.6	7.3	5.6	5.2	0.8	0.7	15.0	14.4
Manappuram Fin.	Buy	131	180	38	17.7	25.4	29.4	12.9	43.2	15.8	5.1	4.4	1.0	0.8	20.3	19.8
MAS Financial	Buy	872	1080	24	36.8	45.1	59.9	27.6	22.8	32.6	19.3	14.6	2.8	2.4	15.7	17.9
Max Financial	Neutral	887	900	2	10.4	13.4	15.7	28.3	28.8	17.0	66.0	56.4	1.9	1.6	21.4	20.3
M&M Fin.	Buy	270	350	30	16.1	17.3	23.0	100.6	7.3	33.2	15.6	11.7	1.9	1.7	12.5	15.2
Muthoot Fin	Neutral	1262	1290	2	86.5	106.6	121.4	-12.2	23.2	13.8	11.8	10.4	2.1	1.8	18.8	18.5
Piramal Enterp.	Buy	951	1280	35	74.9	104.5	88.3	7.5	39.5	-15.5	9.1	10.8	0.7	0.7	7.6	6.3
PNB Housing	Buy	711	950	34	61.9	58.2	69.4	24.9	-6.1	19.2	12.2	10.2	1.2	1.1	11.6	11.4
Poonawalla Fincorp	Buy	352	450	28	7.7	12.9	18.8	102.0	66.7	45.4	27.3	18.8	3.3	2.8	13.5	16.2
Repco Home Fin	Neutral	383	375	-2	47.3	57.6	61.2	54.7	21.6	6.3	6.7	6.3	0.8	0.7	13.4	12.6
Spandana Spohorty	Buy	824	990	20	1.7	65.3	82.8	-82.7	3,640.9	26.7	12.6	10.0	1.6	1.4	13.9	15.2
Shriram Finance	Buy	1798	2325	29	159.7	196.0	223.0	42.0	22.7	13.8	9.2	8.1	1.4	1.2	15.8	15.9
SBI Life Insurance	Buy	1306	1570	20	17.2	20.1	23.2	14.2	16.9	15.5	65.0	56.3	2.3	1.9	22.2	21.4
Star Health Insu	Buy	580	760	31	10.6	18.6	22.9	-158.5	74.9	23.0	31.2	25.3	4.4	3.8	15.2	16.0
Aggregate								74.3	4.8	20.6	17.8	14.8	2.7	2.4	15.1	15.9
Chemicals																
Alkyl Amines	Neutral	2149	2100	-2	44.7	42.5	60.0	1.6	-5.0	41.3	50.6	35.8	8.2	7.0	17.3	21.1
Atul	Neutral	6240	6110	-2	169.0	135.9	174.6	-15.0	-19.6	28.4	45.9	35.7	3.7	3.4	8.3	9.8
Clean Science	Neutral	1315	1320	0	27.8	24.4	29.3	29.2	-12.0	20.0	53.8	44.8	11.4	9.4	23.3	23.1
Deepak Nitrite	Neutral	1951	2080	7	62.5	58.4	83.2	-20.1	-6.6	42.6	33.4	23.4	5.6	4.6	17.9	21.5
Fine Organic	Neutral	4492	4740	6	192.6	132.7	118.5	135.6	-31.1	-10.7	33.9	37.9	7.6	6.7	24.4	18.8
Galaxy Surfact.	Buy	2574	3285	28	107.5	100.8	109.5	45.0	-6.2	8.7	25.5	23.5	4.2	3.7	17.6	16.7
Navin Fluorine	Neutral	3430	4245	24	75.7	91.9	121.3	42.6	21.4	32.0	37.3	28.3	6.6	5.5	19.2	21.3
NOCIL	Buy	215	285	33	8.9	7.8	11.4	-15.5	-12.8	46.5	27.6	18.8	2.2	2.0	8.2	11.2
Vinati Organics	Buy	1749	2130	22	44.6	42.2	53.3	32.1	-5.2	26.1	41.4	32.8	7.0	5.9	18.1	19.4
Aggregate								10.1	-10.3	26.1	38.1	30.2	5.6	4.9	14.7	16.1
Cement																
Ambuja Cem.	Neutral	416	450	8	12.7	12.4	12.3	18.2	-2.1	-1.1	33.5	33.8	2.7	2.2	13.9	11.2
ACC	Neutral	1901	2150	13	52.6	91.4	110.9	-47.6	73.6	21.3	20.8	17.1	2.3	2.0	11.6	12.6
Birla Corp.	Buy	1203	1480	23	4.7	44.9	66.6	-91.4	858.9	48.2	26.8	18.1	1.5	1.4	5.7	7.9
Dalmia Bhar.	Buy	2015	2800	39	36.5	45.1	64.4	-16.5	23.4	42.8	44.7	31.3	2.3	2.2	5.3	7.2
Grasim Inds.	Buy	1850	2380	29	98.4	95.8	99.0	-11.8	-2.6	3.3	19.3	18.7	2.4	2.4	5.2	3.9
India Cem	Sell	209	150	-28	-15.2	-4.1	6.3	-	Loss	LP	NM	33.5	1.2	1.2	-2.3	3.5
J K Cements	Buy	3077	3640	18	55.2	90.1	107.2	-38.0	63.3	18.9	34.2	28.7	4.5	4.1	14.0	14.9
JK Lakshmi Ce	Buy	655	790	21	30.5	37.0	46.3	-15.2	21.5	25.2	17.7	14.1	2.4	2.1	14.6	16.0
Ramco Cem	Neutral	976	940	-4	14.5	22.8	31.2	-41.8	56.7	36.9	42.8	31.3	3.2	2.9	7.7	9.7



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Shree Cem	Neutral	25423	24310	-4	325.3	500.8	579.3	-48.3	53.9	15.7	50.8	43.9	4.6	4.3	9.5	10.2
Ultratech	Buy	8212	10090	23	175.4	256.4	311.5	-10.6	46.2	21.5	32.0	26.4	3.9	3.5	12.9	14.0
Aggregate								-21.0	27.5	19.6	29.6	24.7	3.0	2.6	10.2	10.6
Consumer																
Asian Paints	Neutral	2958	3100	5	44.2	54.5	59.1	32.6	23.2	8.4	54.3	48.0	16.7	15.0	31.7	32.9
Britannia	Neutral	4511	4680	4	80.3	88.7	104.0	27.6	10.4	17.3	50.9	43.4	30.4	27.5	60.1	66.6
Colgate	Neutral	2033	2020	-1	38.9	44.9	50.4	1.1	15.4	12.2	45.3	40.3	32.2	32.2	71.1	79.9
Dabur	Buy	507	660	30	9.6	10.9	12.9	-6.9	13.4	18.3	46.5	39.3	8.9	8.2	20.3	21.7
Emami	Buy	498	640	29	17.6	20.6	22.7	-8.2	17.1	10.3	24.1	21.9	8.9	7.8	38.0	38.1
Godrej Cons.	Buy	964	1150	19	17.2	20.2	25.6	-2.0	17.9	26.4	47.6	37.7	6.7	6.3	14.5	17.2
HUL	Buy	2476	3015	22	42.7	44.8	50.3	13.2	5.1	12.1	55.2	49.2	12.1	12.8	21.4	25.3
ITC	Buy	434	535	23	15.1	16.6	19.0	23.5	10.0	14.7	26.1	22.8	7.6	7.2	29.8	32.4
Indigo Paints	Buy	1392	2025	45	24.3	32.8	45.2	37.5	34.8	37.9	42.5	30.8	7.4	6.2	18.6	21.8
Jyothy Lab	Neutral	349	345	-1	6.3	8.9	10.3	46.2	39.7	16.3	39.5	33.9	7.6	7.0	20.1	21.5
Marico	Buy	538	690	28	10.1	11.6	13.3	6.3	14.9	14.4	46.4	40.5	15.3	13.1	35.9	34.9
Nestle	Neutral	23568	23900	1	247.9	298.3	367.7	3.1	20.3	23.3	79.0	64.1	93.0	83.8	155.0	137.6
Page Inds	Neutral	37079	39730	7	512.2	583.0	709.4	6.5	13.8	21.7	63.6	52.3	25.3	21.2	39.8	40.6
Pidilite Ind.	Neutral	2296	2400	5	25.2	36.8	43.6	7.3	45.9	18.5	62.4	52.6	14.1	12.3	24.2	25.0
P&G Hygiene	Neutral	16859	16940	0	188.9	255.1	313.2	4.7	35.1	22.7	66.1	53.8	53.2	44.4	84.0	90.0
Tata Consumer	Buy	880	1005	14	11.7	14.6	19.1	10.3	25.2	30.5	60.3	46.2	4.7	4.3	8.2	9.6
United Brew	Sell	1571	1365	-13	12.5	18.5	27.5	-10.0	48.8	48.3	84.7	57.1	9.8	9.0	12.0	16.4
United Spirits	Neutral	1011	910	-10	12.7	14.4	17.2	-4.5	13.0	19.8	70.3	58.7	10.8	10.7	15.4	18.2
Varun Beverages	Buy	873	1090	25	11.5	15.6	19.3	115.8	35.1	24.0	56.1	45.2	16.4	12.4	33.7	31.3
Aggregate								15.2	16.0	13.9	44.4	38.9	11.6	11.0	26.1	28.3
EMS																
Avalon Tech	Buy	490	730	49	9.1	11.7	18.4	-16.9	29.5	56.5	41.8	26.7	5.2	4.4	13.3	17.8
Cyient DLM	Buy	642	870	35	4.0	8.7	16.2	-20.2	117.5	86.8	73.8	39.5	5.3	4.6	11.8	12.5
Data Pattern	Neutral	1839	2270	23	22.1	30.7	43.8	22.3	38.7	42.7	59.9	42.0	7.7	6.5	13.8	16.9
Kaynes Tech	Buy	2293	3100	35	16.4	29.0	43.8	81.3	76.9	51.2	79.2	52.4	11.8	9.6	16.1	20.3
Syrma SGS Tech.	Buy	579	775	34	6.7	9.2	13.7	28.6	35.6	49.5	63.2	42.3	6.0	5.3	10.0	13.3
Aggregate								36.0	53.2	52.9	65.3	42.7	7.4	6.3	11.3	14.7
Healthcare																
Alembic Phar	Neutral	747	720	-4	21.9	30.6	34.3	-37.6	40.0	12.1	24.4	21.8	3.0	2.7	12.9	13.0
Alkem Lab	Neutral	3559	3460	-3	106.0	123.5	155.3	-23.2	16.4	25.8	28.8	22.9	4.2	3.7	15.3	17.0
Ajanta Pharma	Buy	1698	2070	22	49.2	60.7	74.7	-10.0	23.3	23.2	28.0	22.7	5.4	4.6	20.9	21.9
Apollo Hospitals	Buy	4760	5900	24	48.2	73.0	108.7	-29.3	51.5	49.0	65.2	43.8	9.2	7.7	15.7	19.2
Aurobindo	Neutral	854	910	7	38.4	49.5	55.6	-12.9	28.8	12.3	17.3	15.4	1.7	1.5	10.3	10.5
Biocon	Neutral	222	245	10	5.9	9.7	14.7	-20.0	65.3	51.6	22.8	15.1	1.4	1.3	6.4	9.2
Cipla	Buy	1150	1420	23	37.8	44.3	51.1	6.8	17.4	15.3	25.9	22.5	3.6	3.1	13.8	13.9
Divis Lab	Neutral	3405	3430	1	64.9	66.2	86.5	-41.2	2.0	30.7	51.4	39.4	6.5	5.8	13.1	15.5
Dr Reddy's	Neutral	5425	5240	-3	244.7	282.8	297.1	39.2	15.5	5.1	19.2	18.3	3.3	2.8	18.7	16.7
ERIS Lifescience	Neutral	816	950	16	27.8	33.9	35.5	-5.8	22.1	4.6	24.0	23.0	4.4	3.8	19.7	17.8
Gland Pharma	Buy	1534	1950	27	50.4	54.7	64.7	-31.4	8.4	18.3	28.0	23.7	2.9	2.5	10.7	11.3
Glenmark	Neutral	749	770	3	28.5	38.3	48.8	-17.5	34.5	27.3	19.5	15.3	2.1	1.9	11.3	12.9
GSK Pharma	Neutral	1441	1440	0	35.9	36.3	40.9	6.0	0.9	12.9	39.7	35.2	11.8	10.7	29.7	30.3
Global Health	Buy	746	840	13	12.1	16.2	19.4	53.7	33.1	19.7	46.2	38.6	7.2	6.2	16.7	17.3
Granules India	Buy	324	410	26	21.6	21.7	28.4	30.6	0.6	30.7	14.9	11.4	2.4	2.0	17.0	18.8
IPCA Labs	Neutral	980	860	-12	20.8	23.4	33.4	-42.8	12.7	42.7	41.8	29.3	3.9	3.5	9.7	12.6
Laurus Labs	Buy	360	460	28	14.8	9.1	16.9	-4.3	-38.2	84.5	39.3	21.3	4.3	3.7	11.6	18.7
Lupin	Sell	1142	870	-24	8.6	28.9	35.4	-55.0	235.7	22.4	39.5	32.3	3.8	3.4	10.0	11.0
Max Healthcare	Buy	549	650	18	11.6	14.3	16.4	27.5	23.6	14.7	38.4	33.5	5.6	4.8	15.9	15.5
Piramal Pharma	Buy	90	120	34	-0.4	0.8	1.7	-120.6	LP	109.2	107.6	51.4	1.3	1.3	2.5	4.8
Solara Active Pharma	Buy	304	420	38	-6.2	-3.6	11.3	-59.4	Loss	LP	NM	26.8	0.7	0.7	-0.9	2.8
Sun Pharma	Buy	1103	1325	20	35.8	40.4	47.1	14.4	13.0	16.7	27.3	23.4	4.1	3.6	16.2	16.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Torrent Pharma	Neutral	1891	2050	8	37.2	50.1	66.3	8.3	34.7	32.4	37.8	28.5	7.7	3.8	23.3	26.9
Zydu Lifesciences	Neutral	572	640	12	22.4	30.7	30.4	3.9	36.8	-1.0	18.6	18.8	2.8	2.5	16.4	14.1
Aggregate								-4.3	22.2	19.1	28.8	24.2	3.8	3.4	13.2	13.9
Infrastructure																
G R Infraproject	Buy	1098	1485	35	88.1	85.2	99.8	11.5	-3.3	17.2	12.9	11.0	1.8	1.5	14.6	14.8
IRB Infra	Neutral	32	32	-1	1.2	1.5	1.6	99.2	24.8	10.5	21.7	19.6	1.4	1.3	6.5	6.9
KNR Constructions	Buy	263	315	20	14.7	15.5	17.3	15.1	5.1	11.3	17.0	15.2	2.3	2.0	14.8	14.3
Aggregate											17.5	15.5	1.6	1.5	9.3	9.6
Logistics																
Adani Ports	Buy	770	1010	31	30.9	36.2	45.9	10.9	17.2	26.8	21.3	16.8	3.2	2.8	16.1	18.0
Blue Dart Express	Buy	6464	7840	21	154.4	159.8	233.2	-11.1	3.5	45.9	40.4	27.7	10.2	8.0	27.5	32.5
Concor	Buy	691	810	17	19.2	19.4	24.2	10.2	0.9	25.0	35.7	28.5	3.5	3.3	10.2	12.0
Mahindra Logistics	Neutral	356	330	-7	3.7	-1.7	12.4	49.7	PL	LP	NM	28.7	4.8	4.2	-2.2	15.7
Transport Corp.	Buy	787	930	18	41.6	46.6	57.8	10.7	11.9	24.1	16.9	13.6	3.0	2.5	18.9	19.6
TCI Express	Buy	1335	1700	27	36.4	39.1	48.7	8.1	7.6	24.5	34.1	27.4	7.1	5.9	22.8	23.5
VRL Logistics	Buy	677	825	22	18.8	20.5	33.0	6.4	9.0	60.9	33.0	20.5	5.4	4.6	17.4	24.2
Aggregate											24.2	18.8	3.5	3.1	14.5	16.5
Media																
PVR Inox	Neutral	1576	1700	8	-24.8	50.4	63.0	-63.9	LP	25.0	31.2	25.0	2.0	1.8	6.5	7.6
Sun TV	Buy	625	720	15	42.5	45.7	49.1	1.8	7.5	7.4	13.7	12.7	2.5	2.3	18.3	18.2
Zee Ent.	Buy	239	300	26	4.8	7.0	9.9	-59.0	46.9	41.4	34.2	24.2	2.1	2.0	6.2	8.4
Aggregate								-11.3	43.0	18.0	21.6	18.3	2.2	2.1	10.3	11.4
Metals																
Coal India	Buy	305	340	11	45.6	34.8	36.0	61.8	-23.8	3.5	8.8	8.5	2.8	2.4	31.5	28.1
Hindalco	Buy	456	570	25	45.3	45.4	48.6	-26.2	0.3	6.9	10.0	9.4	1.3	1.1	13.7	12.9
Hind. Zinc	Neutral	295	290	-2	24.9	19.6	26.6	7.7	-21.2	35.8	15.0	11.1	7.3	5.2	55.3	54.9
JSPL	Buy	645	800	24	36.4	54.7	80.0	-57.7	50.2	46.2	11.8	8.1	1.5	1.3	13.4	17.1
JSW Steel	Neutral	729	780	7	14.7	49.6	77.2	-83.4	237.5	55.6	14.7	9.4	2.3	2.0	17.0	22.6
Nalco	Neutral	90	90	0	8.3	7.6	9.4	-48.2	-9.4	24.6	11.9	9.6	1.2	1.1	10.3	12.1
NMDC	Buy	152	170	12	16.5	18.6	19.3	-48.5	12.6	4.0	8.2	7.9	1.7	1.5	22.6	20.8
SAIL	Neutral	83	85	2	4.8	7.6	10.2	-84.0	58	33.7	10.9	8.1	0.6	0.6	5.6	7.2
Tata Steel	Neutral	120	120	0	7.1	5.2	11.6	-78.5	-26	121.0	22.9	10.4	1.5	1.4	6.5	13.8
Vedanta	Neutral	212	230	8	29.0	16.7	24.0	-44.9	-42	43.1	12.7	8.9	2.5	2.4	17.5	27.7
Aggregate								-46.2	-4.6	32.1	12.4	9.4	1.8	1.6	14.8	17.4
Oil & Gas																
Aegis Logistics	Neutral	287	335	17	14.6	13.3	15.2	43.7	-9.3	14.5	21.6	18.9	2.6	2.4	12.7	13.3
BPCL	Neutral	335	375	12	9.4	114.4	44.3	-81.9	1,114.1	-61.3	2.9	7.6	1.1	1.0	40.0	13.5
Castrol India	Buy	135	160	18	8.2	8.1	8.9	7.5	-1.4	9.6	16.6	15.2	6.5	6.0	40.8	41.0
GAIL	Buy	118	145	22	8.1	11.4	13.6	-48.5	41.7	19.4	10.4	8.7	1.2	1.1	12.9	14.0
Gujarat Gas	Buy	404	535	32	22.2	15.6	20.6	17.8	-29.5	31.8	25.9	19.6	3.6	3.2	14.6	17.2
Gujarat St. Pet.	Buy	275	325	18	16.8	17.6	18.2	-3.5	5.3	3.4	15.6	15.1	1.6	1.5	10.3	10.0
HPCL	Neutral	242	275	14	-49.2	104.0	51.6	-195.7	LP	-50.4	2.3	4.7	0.8	0.7	39.2	15.9
IOC	Buy	86	113	31	8.5	27.6	12.9	-54.5	225.3	-53.4	3.1	6.7	0.7	0.7	25.3	10.6
IGL	Sell	387	355	-8	20.6	24.1	22.8	9.9	16.6	-5.5	16.1	17.0	3.3	2.9	22.0	18.1
Mahanagar Gas	Buy	990	1290	30	80.0	115.9	80.6	32.3	45.0	-30.4	8.5	12.3	2.0	1.8	25.6	15.7
MRPL	Neutral	97	100	3	7.3	12.7	6.8	-11.4	74.5	-46.2	7.6	14.2	2.6	2.3	39.7	17.3
Oil India	Buy	301	370	23	62.8	48.0	50.1	75.2	-23.6	4.3	6.3	6.0	0.9	0.8	14.5	13.9
ONGC	Buy	181	220	22	30.4	49.3	45.5	-5.8	62.3	-7.7	3.7	4.0	0.7	0.6	20.9	17.1
PLNG	Neutral	219	225	3	21.6	19.8	18.7	-3.4	-8.3	-5.3	11.0	11.7	2.0	1.8	18.9	16.3
Reliance Ind.	Buy	2226	2817	27	98.6	102.6	120.6	14.2	4.1	17.5	21.7	18.5	1.6	1.5	8.1	8.8
Aggregate								-19.6	73.4	-15.2	9.6	11.4	1.4	1.3	14.3	11.1
Real Estate																
Brigade Enterpr.	Buy	600	720	20	12.1	25.3	32.6	42.2	108.8	28.9	23.7	18.4	3.3	2.8	14.8	16.5
DLF	Neutral	524	440	-16	11.4	12.2	18.2	69.7	7.4	49.0	42.8	28.7	2.3	2.1	7.8	10.8
Godrej Propert.	Buy	1579	1915	21	22.4	27.9	43.9	77.2	24.7	57.5	56.7	36.0	4.4	3.9	8.1	12.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)		
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	
Oberoi Realty	Neutral	1070	1140	6	52.4	38.8	51.5	81.9	-25.9	32.7	27.6	20.8	2.9	2.5	11.0	13.0	
Macrotech Devel.	Buy	724	850	17	16.0	19.2	24.3	27.9	20.2	26.8	37.8	29.8	4.9	4.4	13.8	15.5	
Mahindra Lifespace	Buy	500	575	15	3.0	5.5	10.1	168.4	85.5	83.2	90.4	49.3	4.1	3.8	4.6	8.0	
Sobha	Buy	698	750	7	10.8	16.7	42.8	-39.8	53.9	156.8	41.9	16.3	2.6	2.2	6.3	14.6	
Prestige Estates	Buy	790	900	14	19.2	25.0	23.5	58.5	30.2	-6.3	31.5	33.7	2.7	2.5	9.0	7.8	
Phoenix Mills	Neutral	1746	1850	6	40.9	53.9	75.8	207.5	32.0	40.6	32.4	23.0	3.4	2.9	10.9	13.6	
Aggregate								49.4	22.4	39.0	38.9	28.0	3.6	3.2	9.2	11.5	
Retail																	
Avenue Supermarts	Buy	3686	4500	22	36.7	41.8	58.2	59.4	13.9	39.3	88.1	63.3	12.2	10.2	15.5	18.2	
Aditya Birla Fashion	Neutral	214	195	-9	-0.7	-4.5	-3.9	-45.7	Loss	Loss	NM	NM	5.0	5.5	-11.8	-9.4	
Bata India	Neutral	1555	1490	-4	25.1	28.3	36.8	213.3	12.6	30.3	55.0	42.2	11.1	8.8	22.4	23.2	
Barbeque-Nation	Neutral	659	690	5	3.9	4.5	9.4	-159.6	15.0	107.4	145.8	70.3	6.1	5.6	4.2	8.0	
Campus Activewe.	Buy	268	335	25	3.8	5.2	6.5	-8.6	35.0	26.6	52.0	41.0	11.6	9.0	22.3	22.0	
Devyani Intl.	Buy	184	250	36	2.3	2.0	2.8	18.9	-14.6	41.2	92.2	65.3	19.1	14.8	22.6	25.5	
Jubilant Food.	Buy	506	610	21	6.1	5.6	7.5	-7.6	-7.6	33.7	89.7	67.1	13.9	15.1	15.4	22.5	
Metro Brands	Buy	1188	1350	14	13.3	13.4	18.5	70.7	1.0	37.8	88.4	64.2	17.7	15.1	22.0	26.0	
Raymond	Buy	1666	2600	56	94.4	114.2	132.3	44.5	20.9	15.8	14.6	12.6	2.4	2.0	20.2	17.3	
Relaxo Footwear	Neutral	869	840	-3	6.2	10.0	14.0	-33.6	60.6	40.4	87.2	62.1	10.6	9.4	12.7	16.0	
Restaurant Brands	Buy	113	145	28	-4.9	-2.2	0.5	14.8	Loss	LP	NM	237.8	7.6	7.3	-13.5	3.1	
Sapphire Foods	Buy	1351	1670	24	17.0	18.2	26.9	134.6	7.4	47.5	74.1	50.2	6.3	5.6	8.8	11.7	
Shoppers Stop	Neutral	652	735	13	14.5	16.7	26.4	-269.2	14.8	58.4	39.1	24.7	14.9	9.3	46.5	46.3	
Titan Company	Buy	3101	3795	22	36.8	44.8	58.3	40.2	21.9	30.1	69.2	53.1	18.9	15.3	30.1	31.9	
Trent	Buy	2031	2330	15	11.1	20.1	27.8	835.7	80.3	38.4	101.2	73.1	20.4	15.7	24.2	26.0	
V-Mart Retail	Buy	1755	2340	33	-4.3	-33.1	38.1	-167.4	Loss	LP	NM	46.0	4.0	3.7	NM	8.4	
Vedant Fashions	Buy	1269	1530	21	17.7	19.4	23.6	36.2	9.7	21.7	65.4	53.8	18.9	15.7	30.6	30.9	
Westlife Foodworld	Neutral	879	850	-3	7.2	8.7	12.4	-	6,783.9	21.6	42.5	100.2	70.2	19.4	15.2	21.5	24.3
Aggregate								57.1	15.9	38.4	82.6	59.7	13.6	11.6	16.5	19.4	
Technology																	
Cyient	Buy	1596	1980	24	52.4	70.7	88.3	9.6	35.1	24.8	22.6	18.1	4.7	4.2	21.6	24.7	
HCL Tech.	Buy	1231	1410	14	54.8	58.1	65.9	10.0	6.0	13.5	21.2	18.7	5.2	5.2	24.2	27.9	
Infosys	Buy	1358	1660	22	57.6	61.1	69.2	9.8	6.2	13.1	22.2	19.6	7.4	7.4	33.5	37.8	
LTI Mindtree	Neutral	5172	5350	3	151.8	165.2	205.8	13.7	8.9	24.5	31.3	25.1	7.8	6.6	27.1	28.5	
L&T Technology	Buy	4139	5210	26	110.5	123.1	148.9	22.1	11.4	21.0	33.6	27.8	8.3	7.2	25.5	27.9	
Mphasis	Neutral	2105	2290	9	86.9	88.2	109.0	15.8	1.4	23.7	23.9	19.3	4.6	4.2	20.3	23.0	
Coforge	Neutral	4903	4840	-1	130.6	146.5	186.4	17.7	12.2	27.3	33.5	26.3	8.3	7.0	26.7	28.9	
Persistent Sys	Neutral	5868	5430	-7	124.4	148.7	187.1	36.2	19.5	25.8	39.5	31.4	9.5	7.9	26.5	28.1	
TCS	Buy	3338	4060	22	115.3	126.9	145.1	10.9	10.1	14.3	26.3	23.0	13.9	14.3	52.1	61.3	
Tech Mah	Neutral	1116	1040	-7	57.3	44.1	54.7	-8.6	-23.0	24.1	25.3	20.4	3.4	3.4	13.8	16.8	
Wipro	Neutral	378	418	10	20.7	19.6	23.1	-5.5	-5.5	18.2	19.3	16.3	2.7	2.6	13.8	16.1	
Zensar Tech	Neutral	485	520	7	14.4	25.8	25.6	-21.6	79.9	-0.8	18.8	18.9	3.3	3.0	18.8	17.0	
Aggregate								7.0	5.4	15.3	25.5	22.2	7.6	7.5	29.8	33.8	
Telecom																	
Bharti Airtel	Buy	905	1070	18	13.6	22.3	33.8	115.5	63.9	51.5	40.6	26.8	4.7	4.0	13.4	16.0	
Indus Towers	Neutral	170	170	0	8.9	18.9	19.4	-62.3	111.8	2.9	9.0	8.7	1.7	1.5	21.5	18.2	
Vodafone Idea	Neutral	11			-10.2	-10.2	-8.2	3.1	Loss	Loss	NM	NM	-0.3	-0.3	NM	NM	
Tata Comm	Neutral	1559	1630	5	60.7	46.4	55.2	17.1	-23.5	19.0	33.6	28.2	17.7	11.8	66	50.2	
Aggregate								Loss	Loss	LP	-70	386.3	19.6	18.8	-28.0	4.9	
Others																	
APL Apollo Tubes	Buy	1596	1930	21	23.1	33.1	52.1	15.2	42.9	57.4	48.3	30.7	11.7	8.7	27.0	32.6	
BSE	Neutral	1799	1380	-23	15.7	53.2	51.1	-16.1	239.0	-3.9	33.8	35.2	9.3	8.6	27.5	24.4	
Coromandel Intl	Buy	1074	-		68.5	68.5	74.5	31.5	0.0	8.8	15.7	14.4	3.3	2.8	23.1	21.1	
EPL	Buy	183	270	48	7.2	9.6	12.8	6.3	33.5	33.5	19.0	14.2	2.7	2.4	14.7	18.0	



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY23	FY24	FY25	FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Godrej Agrovet	Neutral	461	480	4	13.0	16.2	21.0	-39.9	24.5	29.7	28.5	22.0	3.6	3.3	13.0	15.8
Havells India	Buy	1267	1580	25	17.2	21.2	27.1	-10.1	23.5	27.8	59.8	46.8	10.6	9.3	17.8	19.8
Indiamart Inter.	Buy	2658	3650	37	46.4	51.9	69.3	-4.5	12.0	33.5	51.2	38.4	7.0	6.2	14.6	17.2
Indian Hotels	Buy	375	490	31	7.0	8.8	10.3	-485.5	25.1	16.4	42.6	36.6	5.8	5.1	14.6	14.9
Interglobe	Neutral	2413	2615	8	-8.2	207.2	218.8	-94.9	LP	6	12	11.0	55.0	9.2	-346.1	142.9
Info Edge	Neutral	4048	4200	4	31.8	58.2	65.6	-6.7	83.1	12.7	69.5	61.7	4.5	4.2	6.2	13.2
Kaveri Seed	Buy	620	700	13	46.6	54.4	60.8	27.9	16.8	11.8	11.4	10.2	2.2	1.9	21.2	19.9
Kajaria Ceramics	Buy	1221	1580	29	21.4	28.8	36.3	-11.1	34.7	26.1	42.4	33.6	7.6	6.9	18.8	21.6
Lemon Tree Hotel	Buy	107	135	26	1.5	1.9	3.2	-255.5	27.4	64.1	55.5	33.8	8.3	6.7	16.2	21.9
MCX	Neutral	2233	1830	-18	29.2	24.6	76.4	3.8	-15.9	210.9	90.9	29.2	7.6	7.2	8.4	25.2
One 97	Buy	876	1160	32	-28.0	-12.8	4.5	-24.1	Loss	LP	NM	195.7	4.4	4.4	-6.3	2.3
Qess Corp	Neutral	412	400	-3	11.5	19.0	33.5	-35.3	66.0	76.1	21.6	12.3	1.8	1.6	10.8	17.7
PI Inds.	Buy	3293	4560	38	80.9	105.6	126.8	45.7	30.6	20.0	31.2	26.0	5.8	4.8	20.3	20.2
SIS	Buy	412	520	26	23.2	26.0	35.1	19.7	12.0	35.0	15.8	11.7	1.0	0.9	15.3	17.7
SRF	Neutral	2107	2130	1	76.2	57.7	85.9	24.8	-24.3	49.0	36.5	24.5	5.4	4.6	15.6	20.1
Tata Chemicals	Neutral	941	1080	15	91.6	78.1	66.6	84.8	-14.7	-14.8	12.0	14.1	1.1	1.1	9.7	7.7
Team Lease Serv.	Buy	2436	3080	26	65.1	78.0	110.0	189.8	19.8	41.0	31.2	22.1	4.4	3.7	14.6	17.5
Trident	Buy	34	45	34	0.9	1.0	1.5	-45.8	11.1	55.3	35.2	22.6	3.6	3.1	11.0	15.1
Voltas	Buy	828	1000	21	11.5	14.8	20.9	-24.8	29.1	41.3	56.0	39.7	4.7	4.3	8.4	10.9
UPL	Neutral	561	650	16	58.5	56.1	65.1	-7.8	-4.1	16.0	10.0	8.6	0.9	0.8	14.6	14.7
Zomato	Buy	106	115	8	-1.2	0.1	0.9	-28.0	LP	912.4	1,158.8	114.5	4.7	4.5	0.4	4.0



Index	1 Day (%)	1M (%)	12M (%)
Sensex	-1.4	-4.2	6.1
Nifty-50	-1.4	-4.1	6.8
Nifty Next 50	-1.0	-4.8	2.6
Nifty 100	-1.3	-4.2	5.0
Nifty 200	-1.3	-4.4	7.3
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-1.6	-2.0	23.2
Amara Raja Ener.	-1.1	-5.9	18.7
Apollo Tyres	-1.1	0.1	29.0
Ashok Leyland	-1.7	-7.3	13.1
Bajaj Auto	-1.6	3.8	43.9
Balkrishna Inds	-1.4	0.0	31.3
Bharat Forge	-0.9	-6.2	26.4
Bosch	-0.2	2.6	25.6
CEAT	0.6	-0.6	41.6
Craftsman Auto	-2.0	-5.9	48.5
Eicher Motors	-1.7	-4.2	-10.3
Endurance Tech.	-1.0	-0.3	17.3
Escorts Kubota	0.9	-2.5	56.6
Exide Inds.	-1.6	-4.1	50.0
Hero Motocorp	-0.9	2.6	20.4
M & M	-4.0	-5.6	17.5
CIE Automotive	-1.4	-6.2	48.8
Maruti Suzuki	-1.6	-1.3	15.8
MRF	-1.1	-2.0	23.1
Sona BLW Precis.	6.5	-5.4	13.3
Motherson Sumi	0.0	-5.6	48.1
Motherson Wiring	-0.8	-6.0	-3.5
Tata Motors	-1.8	1.1	54.9
TVS Motor Co.	0.1	3.0	36.3
Tube Investments	-0.8	-8.1	3.4
Banks-Private	-1.2	-4.8	4.0
AU Small Fin. Bank	-2.8	-8.5	19.4
Axis Bank	1.7	-4.2	7.7
Bandhan Bank	-2.7	-15.9	-20.7
DCB Bank	-0.7	-9.1	13.0
Equitas Sma. Fin	3.1	-4.4	48.1
Federal Bank	-2.6	-6.6	2.9
HDFC Bank	-2.2	-4.8	0.9
ICICI Bank	-0.8	-4.2	-1.8
IDFC First Bank	-2.5	-11.1	50.4
IndusInd Bank	0.1	-0.6	24.4
Kotak Mah. Bank	-1.9	-3.9	-8.2
RBL Bank	-4.0	-9.0	74.8
SBI Cards	-0.7	-1.8	-8.6
Banks-PSU	-1.0	-8.9	37.9
BOB	-2.9	-11.5	27.5
Canara Bank	1.6	-2.9	26.4
Indian Bank	-2.0	-6.4	71.7
Punjab Natl.Bank	0.5	-12.0	61.3
St Bk of India	-1.7	-8.0	-5.5
Union Bank (I)	-0.4	-5.0	83.4
NBFCs	-1.6	-4.4	3.5
Angel Broking	4.8	29.8	50.0

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	-1.2	-4.2	9.2
Nifty Midcap 100	-1.2	-5.5	23.0
Nifty Smallcap 100	-0.3	-1.3	27.3
Nifty Midcap 150	-1.1	-4.9	22.1
Nifty Smallcap 250	-0.5	-2.5	26.1
Aditya Birla Capital Ltd	-1.3	-2.4	46.9
Bajaj Fin.	-3.5	-5.7	4.5
Cholaman.Inv.&Fn	-1.1	-5.1	58.5
Can Fin Homes	-0.2	-5.1	36.9
Cams Services	-4.2	-7.8	-12.0
CreditAcc. Gram.	3.3	16.0	58.0
Fusion Microfin.	2.7	-6.1	
Home First Finan	1.8	10.4	24.2
Indostar Capital	2.4	-0.9	4.4
L&T Fin.Holdings	-0.8	6.2	64.3
LIC Housing Fin.	-2.0	-5.7	4.3
M & M Fin. Serv.	-1.4	-9.2	32.1
Muthoot Finance	-1.4	2.1	20.0
Manappuram Fin.	-0.9	-6.9	26.1
MAS Financial Serv.	-1.1	-2.7	4.7
ICICI Sec	-0.6	4.9	26.5
360 One	-1.1	1.3	18.5
PNB Housing	0.3	8.8	99.8
Repc Home Fin	2.9	-0.8	77.0
Shriram Finance	-1.0	-4.6	47.7
Spandana Sphoort	2.5	6.7	36.7
Insurance			
HDFC Life Insur.	-1.7	-6.0	13.6
ICICI Pru Life	-1.5	-11.5	1.4
ICICI Lombard	-1.6	3.6	17.5
Life Insurance	-1.0	-6.2	1.6
Max Financial	0.2	-3.0	30.2
SBI Life Insuran	-0.7	1.2	4.0
Star Health Insu	-1.0	-1.1	-18.7
Chemicals			
Alkyl Amines	-1.0	-7.9	-27.7
Atul	-1.6	-10.6	-23.9
Clean Science	-1.3	-7.5	-19.5
Deepak Nitrite	-1.5	-7.5	-13.4
Fine Organic	-1.8	-8.3	-33.5
Galaxy Surfact.	-0.8	-0.7	-9.6
Navin Fluo.Intl.	-1.3	-22.8	-22.9
NOCIL	-1.0	-7.5	-16.2
Vinati Organics	-1.5	-3.8	-12.2
Cement			
Ambuja Cem.	-0.4	-3.1	-18.9
ACC	0.5	-5.7	-15.5
Birla Corp.	0.6	1.5	32.4
Dalmia Bhar.	-2.0	-14.9	31.5
Grasim Inds.	-1.5	-5.5	7.9
India Cem	1.1	-9.9	-13.1
J K Cements	-0.4	-2.4	17.0
JK Lakshmi Ce	-0.7	3.3	16.5
Ramco Cem	-0.5	5.1	37.8



Company	1 Day (%)	1M (%)	12M (%)
Shree Cem	-1.1	-2.3	19.4
Ultratech	-0.6	-0.3	27.9
Consumer	-0.5	-1.9	16.4
Asian Paints	-3.3	-10.1	-4.0
Britannia	-0.6	-2.0	21.4
Colgate-Palm.	-1.9	-1.6	25.8
Dabur	-1.8	-8.5	-4.5
Emami	-2.3	-4.1	4.6
Godrej Cons.	-1.1	-1.5	17.4
HUL	0.0	-0.1	-1.2
ITC	0.4	-1.8	25.4
Indigo Paints	1.9	-8.1	-4.1
Jyothy Lab	-0.7	-4.9	81.8
Marico	-1.0	-7.8	4.0
Nestle	-3.0	2.3	16.1
Page Inds	0.4	-4.9	-28.4
Pidilite Ind.	-1.3	-8.3	-12.3
P&G Hygiene	-1.9	-4.8	19.5
Tata Consumer	-1.1	-1.7	14.8
United Brew	-1.5	-0.5	-2.8
United Spirits	0.0	-0.3	17.1
Varun Beverages	-1.3	-9.8	69.0
EMS			
Kaynes Tech	-0.9	8.2	
Avalon Tech	2.1	-11.7	
Syrma SGS Tech.	-2.4	5.0	107.5
Cyient DLM	1.4	-5.1	
Data Pattern	0.5	-12.8	35.3
Healthcare	-1.0	-2.2	11.7
Alembic Phar	-1.6	-1.0	36.2
Alkem Lab	-0.7	0.9	14.1
Apollo Hospitals	-2.0	-5.8	8.1
Ajanta Pharma	-1.8	0.4	33.8
Aurobindo	-0.8	-0.4	64.3
Biocon	-1.0	-15.1	-18.3
Zydus Lifesci.	-0.6	-4.5	36.9
Cipla	-0.6	-1.1	-0.4
Divis Lab	-1.1	-9.3	-5.3
Dr Reddy's	-1.7	-0.8	22.1
ERIS Lifescience	-2.1	-0.1	13.8
Gland Pharma	1.8	-5.7	-30.9
Glenmark	-0.2	-1.7	86.5
Global Health	1.9	8.0	
Granules	-1.6	-3.6	-8.5
GSK Pharma	-1.5	-5.5	5.6
IPCA Labs	-1.4	8.2	4.7
Laurus Labs	0.7	-6.8	-20.7
Lupin	-0.2	2.8	66.8
Max Healthcare	-3.5	-3.0	29.2
Piramal Pharma	-1.8	-5.9	-46.4
Solara Active	-3.3	-15.5	-26.7
Sun Pharma	-1.5	-2.0	11.3
Infrastructure	-1.3	-3.3	18.1
Torrent Pharma	-1.7	3.1	19.8

Company	1 Day (%)	1M (%)	12M (%)
G R Infraproject	-0.2	-8.4	-9.6
IRB Infra.Devl.	-0.9	0.8	35.8
KNR Construct.	-0.7	-5.7	20.0
Logistics			
Adani Ports	0.2	-6.2	-3.7
Blue Dart Exp.	-1.5	-3.1	-22.0
Container Corpn.	-0.4	-5.5	-9.0
Mahindra Logis.	-3.5	-8.6	-34.5
Transport Corp.	-1.6	0.1	5.6
TCI Express	0.6	-10.3	-29.1
VRL Logistics	1.4	-5.3	14.5
Media	-1.3	-5.8	3.2
PVR INOX	-2.7	-6.7	-8.8
Sun TV	-1.7	5.4	18.7
Zee Ent.	-2.0	-9.1	-9.2
Metals	-1.6	-5.6	10.1
Hindalco	-1.0	-3.1	14.6
Hind. Zinc	-1.7	-5.4	3.7
JSPL	-1.0	-7.0	42.9
JSW Steel	-2.6	-6.5	13.1
Nalco	-1.7	-3.3	29.5
NMDC	-0.6	6.3	62.3
SAIL	-1.1	-11.0	4.9
Tata Steel	-1.2	-7.0	18.5
Vedanta	-2.1	-5.2	-24.2
Oil & Gas	-1.5	-6.1	-5.2
Aegis Logistics	-2.4	-11.5	-4.3
BPCL	-1.5	-4.7	10.7
Castrol India	-1.0	-1.4	8.2
GAIL	-1.0	-2.5	36.9
Gujarat Gas	-0.6	-6.5	-21.9
Gujarat St. Pet.	0.4	-3.1	25.9
HPCL	-1.6	-6.9	15.4
IOC	-1.6	-6.3	27.0
IGL	-3.2	-15.0	-5.1
Mahanagar Gas	-2.2	-3.9	18.1
MRPL	-0.3	3.6	69.4
Oil India	-0.3	8.9	60.5
ONGC	-1.9	-3.6	38.4
PLNG	-0.5	-8.9	8.0
Reliance Ind.	-1.4	-5.0	0.1
Real Estate	-1.2	0.0	34.4
Brigade Enterpr.	-0.5	1.8	22.7
DLF	-1.5	0.4	41.3
Godrej Propert.	-0.3	0.3	30.1
Mahindra Life.	-1.4	-7.0	22.2
Macrotech Devel.	-4.3	-8.3	44.1
Oberoi Realty Ltd	-0.9	-5.0	23.4
Sobha	-1.6	5.4	11.9
Phoenix Mills	-2.6	-4.6	26.3
Prestige Estates	3.5	29.7	77.7
Retail			
Aditya Bir. Fas.	0.8	-0.6	-36.9
Avenue Super.	-1.5	1.4	-13.0



Company	1 Day (%)	1M (%)	12M (%)
Bata India	-2.1	-3.8	-13.8
Campus Activewe.	-3.4	-8.4	-53.2
Barbeque-Nation	0.7	-11.9	-38.2
Devyani Intl.	-3.4	-11.3	-5.4
Jubilant Food	-4.4	-7.3	-14.4
Metro Brands	-1.8	9.0	37.5
Raymond	-0.3	-7.7	51.5
Relaxo Footwear	-1.5	-3.8	-11.0
Restaurant Brand	0.2	-8.5	-7.4
Sapphire Foods	-0.1	-6.4	-7.5
Shoppers St.	1.2	-5.0	-10.3
Titan Co.	-2.7	-5.0	16.1
Trent	1.9	-5.6	41.6
V-Mart Retail	-3.2	-14.0	-40.9
Vedant Fashions	-1.9	-3.9	-12.6
Westlife Food	-1.8	-10.7	17.7
Technology	-1.0	-6.9	5.2
Cyient	-0.5	-4.6	111.1
HCL Tech.	0.2	-2.4	20.0
Infosys	-0.8	-6.9	-10.9
LTIMindtree	-0.6	-3.6	7.5
L&T Technology	-1.6	-12.3	16.2
Mphasis	-1.0	-13.8	3.5
Coforge	0.1	-5.6	25.9
Persistent Sys	-0.5	0.1	53.2
TCS	-1.6	-6.9	5.5
Tech Mah	-2.3	-13.0	3.0
Wipro	-0.9	-8.4	-1.7
Zensar Tech	2.0	-10.2	127.8
Telecom	-1.3	-6.4	10.9
Bharti Airtel	-1.9	-0.8	12.9
Indus Towers	-2.3	-10.3	-9.0
Idea Cellular	-0.9	-11.2	25.0
Tata Comm	-1.6	-16.9	26.4
Utilities	0.3	-6.7	-8.8
Coal India	-1.6	6.5	27.2
NTPC	-0.2	-3.6	36.8
Power Grid Corpn	-0.3	0.3	21.4

Company	1 Day (%)	1M (%)	12M (%)
Others			
APL Apollo Tubes	-1.7	3.4	48.2
BSE	0.6	40.9	194.4
Coromandel Intl	-4.0	-3.2	9.6
EPL Ltd	0.6	-2.1	15.1
Indiamart Inter.	-1.2	-8.8	21.1
Godrej Agrovet	-0.8	-4.0	-10.0
Havells	0.0	-9.5	7.8
Indian Hotels	-3.8	-8.7	17.2
Interglobe	-0.7	0.3	36.4
Info Edge	-0.8	-4.5	6.4
Kajaria Ceramics	1.5	-9.0	15.1
Kaveri Seed	-2.8	-0.7	35.6
Lemon Tree Hotel	-0.6	-7.2	26.3
MCX	0.2	17.5	49.4
One 97	-4.4	2.8	33.5
Piramal Enterp.	-2.4	-8.8	14.5
PI Inds.	-1.3	-3.4	5.3
Quess Corp	-2.1	-2.2	-27.1
SIS	-5.0	-4.1	-2.0
SRF	-1.7	-6.0	-15.8
Tata Chemicals	-2.4	-9.3	-20.3
Team Lease Serv.	0.5	-4.1	-14.7
Trident	-0.3	-10.5	-4.7
Voltas	1.4	-3.8	-4.4
UPL	-3.3	-9.1	-19.2
Zomato Ltd	-1.7	6.6	64.8

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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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