

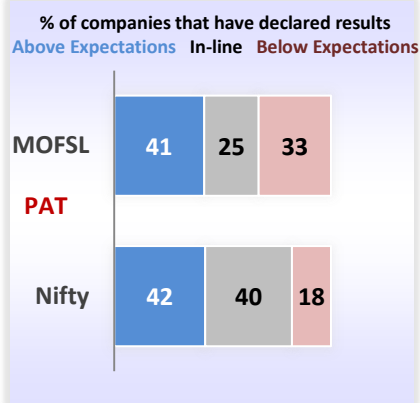
BSE Sensex: 73,961

Nifty-50: 22,531

Refer to our Mar'24  
Quarter Preview



## 4QFY24: Expectations vs. delivery



## Earnings review – 4QFY24: A broad-based beat!

### BFSI and Automobiles drive earnings; Nifty EPS experiences an upward revision

- Corporate earnings – broader markets' contributions continue to improve:** The 4QFY24 corporate earnings ended on a strong note, with widespread outperformance across aggregates. Domestic cyclicals, such as Autos and Financials, along with Healthcare, Capital Goods, and Cement drove the beat. Conversely, global cyclicals (Metals and O&G) dragged down overall profitability.
- Financials and Autos propel 4QFY24 earnings:** The aggregate earnings of the MOFSL Universe companies exceeded our expectations and rose 10% YoY (vs. our est. of +5%). Earnings for the Nifty-50 jumped 12% YoY (vs. our est. of +5%). The earnings growth for the MOFSL Universe was fueled by domestic cyclicals (such as BFSI and Autos). Autos registered a growth of 32% YoY (vs. est. of +20%), driven by Tata Motors, Maruti, and Bajaj Auto. BFSI grew 22% YoY (vs. est. of +15%). The Healthcare sector posted a healthy earnings growth of 44% YoY (vs. est. of +36%). The Capital Goods sector clocked a strong earnings growth of 27% (vs. est. of +5%). In contrast, the aggregate performance has been dragged down by the Metals and O&G sectors, which posted a 13% and 7% earnings decline, respectively. Excluding Metals and O&G, the MOFSL Universe recorded an 18% YoY earnings growth (vs. est. of +12%).
- Heavyweights buck up the quarter:** Nifty delivered a strong beat with a 12% YoY PAT growth (vs. est. of +5%). Five Nifty companies – HDFC Bank, SBI, ONGC, Tata Motors, and Coal India – contributed 72% of the incremental YoY accretion in earnings. Ex-Metals & O&G, Nifty's earnings grew 16% YoY (vs. est. of +9%).
- The beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was favorable, with 41% of the companies recording a beat at the PAT level, while 33% reported a miss. For the MOFSL Universe, however, the earnings upgrade-to-downgrade ratio has been largely balanced for FY25E, as 72 companies' earnings have been upgraded by >3%, while 80 companies' earnings have been downgraded by >3%. The earnings upgrade/downgrade ratio of 0.9x was better than 0.6x in 3QFY24. EBITDA margin for the MOFSL Universe (ex-Financials) improved marginally by 40bp YoY to 16.5%.
- Report card:** Of the 23 sectors under our coverage, 11/8/4 sectors reported profits above/in line/below our estimates. Of the 258 companies under coverage, 107 exceeded our profit estimates, 86 posted a miss, and 65 were in line.
- The FY24 snapshot:** The MOFSL/Nifty Universes delivered 34%/26% YoY PAT growth in FY24. Excluding OMCs, MOFSL/Nifty posted 24%/22% YoY PAT growth.
- FY25E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 11%/11%/14% YoY in FY25. The Financials and Metals sectors are projected to be the key growth drivers, with 18% and 36% YoY earnings growth, respectively. They are likely to contribute 65% of the earnings growth.
- Nifty exits FY24 with 24% EPS growth:** Nifty EPS for FY24 increased 2.6% to INR1,005 (earlier: INR980) largely fueled by notable upgrades in ONGC, Coal India, and SBI. EPS for FY25E/FY26E also experienced upward revisions of 0.8% each to INR1,142/INR1,327. We now expect Nifty EPS to rise ~14%/16% YoY in FY25/FY26.

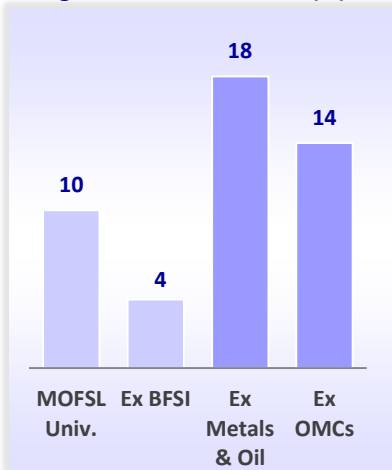
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

PAT growth YoY in 4QFY24 (%)



**Key sectoral highlights – 1) Banks:** The banking sector reported a healthy performance in 4QFY24, fueled by robust business growth and controlled provisions. NIM performance was mixed, with many banks reporting margin improvements. Opex was high for most of the banks, barring ICICIB and SBIN. Credit growth was healthy, supported by strong traction in the retail and MSME segments. PSBs continued to report strong improvements in operating performance. NII growth also remained strong, which, along with steady fee income and treasury gains, led to healthy growth in PAT. 2) **Autos:** Volumes (ex-tractors) in 4QFY24 grew 20% YoY, led by a healthy recovery in 2Ws and a sustained growth in the SUV segment. 2Ws witnessed the highest growth of ~26% YoY during the quarter, driven by a low base and strong demand for the 125cc+ segment. 3) **Consumer:** Our coverage universe posted revenue growth of 4% YoY (est. 5%) in 4QFY24. The demand trends were largely stable, but most companies witnessed rural recovery, primarily towards the end of 4QFY24. After a lackluster demand trend in FY24, the commentaries from most management teams look promising, backed by a volume recovery in FY25. 4) **Oil & Gas:** The overall performance was in line with our estimate, mainly driven by OMCs, GAIL, MRPL, and PLNG. OMC's performance was boosted by marketing; IOCL reported a miss on our EBITDA estimate due to lower-than-estimated reported GRM and weak performance of the petrochemical division. BPCL's reported GRM was below our estimate, while its implied marketing margin was above our estimate.

- **The top earnings upgrades in FY25E:** ONGC (+22%), Bharti Airtel (+17%), Coal India (+13%), JSW Steel (+8%), and Tata Steel (+6%).
- **The top earnings downgrades in FY25E:** L&T (-10%), Bajaj Finance (-8%), HCL Tech (-7%), LTIMindtree (-6%), and Titan (-6%).
- **Our view:** India is currently experiencing a mini-Goldilocks moment due to solid macroeconomic conditions, healthy corporate earnings, peaking interest rates, moderate inflation print, and ongoing policy momentum. The 4QFY24 corporate earnings have exceeded our expectations, with the BFSI and Automobile sectors driving the overall performance. The Healthcare and Capital Goods sectors reported healthy earnings growth, providing further fillip to the overall earnings. The spread of earnings has been satisfactory, with 67% of our Coverage Universe either meeting or exceeding profit expectations. The margin tailwinds in 4QFY24 have ebbed from a high base, necessitating a recovery in revenue growth to boost earnings going forward. Nifty is trading at a 12-month forward P/E of 19.2x, at a 6% discount to its own long-period average (LPA). **Our model portfolio remains aligned with the key domestic cyclical themes amid a consistent backdrop of earnings growth.** We remain OW on Financials, Consumption, Industrials, and Real Estate. Industrials, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes. We have also made several additions from a bottom-up viewpoint across sectors in our [model portfolio](#). Markets, in the near term, will take cues from: 1) the outcome of the Lok Sabha elections to be declared on 4<sup>th</sup> June, and 2) the timing and quantum of easing in the interest rate cycle, both globally and in India.

**Exhibit 1: Preferred ideas**

Company	MCap (USDb)	CMP (INR)	EPS (INR)			EPS CAGR (%) FY24-26	P/E (x)			P/B (x)			ROE (%)		
			FY24	FY25E	FY26E		FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
<b>Preferred large cap stocks</b>															
ICICI Bank	93.5	1,115	58.4	65.1	76.5	14.5	18.8	17.1	14.6	3.3	2.8	2.4	18.9	17.9	18.0
State Bank	88.5	826	75.2	89.2	103.1	17.1	10.0	9.3	8.0	1.7	1.5	1.3	18.8	18.9	18.5
ITC	62.4	424	16.4	17.3	18.6	6.5	26.2	24.6	22.8	7.2	6.8	6.4	28.5	28.2	28.9
Larsen & Toubro	60.0	3,635	94.5	105.8	136.0	20.0	39.9	34.3	26.7	6.0	5.1	4.5	14.8	15.8	17.8
HCL Technologies	43.4	1,332	57.9	62.8	73.6	12.8	26.7	21.2	18.1	6.1	5.4	5.4	23.5	25.1	29.9
Mahindra & Mahindra	37.2	2,495	89.4	102.2	120.2	16.0	21.5	24.4	20.8	4.4	4.8	4.1	22.4	21.5	21.4
Coal India	35.9	482	60.7	55.9	66.0	4.3	7.1	8.6	7.3	3.2	3.0	2.5	45.2	34.6	34.1
Titan Company	34.8	3,270	39.3	49.8	61.9	25.6	96.9	65.6	52.8	36.0	16.7	13.8	32.8	33.2	28.7
ABB India	21.0	8,255	58.9	90.5	111.9	37.8	108.0	91.2	73.8	22.7	22.7	17.7	22.9	28.1	26.9
Zomato	18.7	181	0.4	1.1	2.7	153.7	441.0	162.8	67.8	7.9	7.5	6.7	1.8	4.7	10.5
Hindalco	18.5	695	45.6	59.3	62.7	17.2	12.3	11.7	11.1	1.6	1.7	1.5	13.6	15.3	14.1
<b>Preferred midcap/smallcap stocks</b>															
Indian Hotels	9.5	557	8.9	11.2	13.3	22.6	66.7	49.8	41.8	8.9	7.2	6.2	14.4	15.6	16.0
Godrej Properties	9.1	2,722	26.9	34.2	38.1	19.1	85.5	79.6	71.4	6.4	6.9	6.3	7.8	9.1	9.2
KEI Industries	4.4	4,103	64.4	83.0	99.9	24.5	53.7	49.4	41.1	9.9	9.6	7.9	18.5	19.4	19.2
Global Health	3.7	1,159	17.8	22.2	26.3	21.7	74.4	52.1	44.0	12.2	9.2	7.8	17.9	19.0	19.2
J K Cements	3.6	3,886	102.7	141.5	170.1	28.7	39.7	27.5	22.8	5.9	4.8	4.1	15.9	18.8	19.3
PNB Housing	2.3	746	58.1	71.3	87.7	22.9	10.8	10.5	8.5	1.1	1.2	1.0	11.6	11.7	12.8
Cello World	2.2	859	15.6	19.1	24.0	24.0	49.7	44.9	35.8	14.3	11.8	9.0	28.8	26.4	25.0
Sobha	2.1	1,869	5.1	35.2	74.2	281.4	283.2	53.0	25.2	5.5	6.4	5.1	2.0	12.7	22.6
Kirloskar Oil	2.1	1,206	25.0	34.7	44.6	33.6	34.4	34.8	27.1	4.7	5.8	5.0	14.6	17.9	20.0
Lemon Tree Hotel	1.3	138	1.9	3.5	4.7	58.0	68.8	39.6	29.0	10.2	8.4	6.5	16.0	23.9	25.4

Note: LP = Loss to profit; Large Cap, Mid Cap and Small Cap Stocks listed above are as per SEBI categorization

**Performance above expectations: BFSI, Autos, and Healthcare fuel earnings**

- The MOFSL Universe's sales/EBITDA/PBT/PAT grew 6%/11%/12%/10% YoY (vs. est. of +5%/7%/9%/5%). Excluding Metals & O&G, the MOFSL Universe companies recorded sales/EBITDA/PBT/PAT growth of 10%/15%/18%/18% YoY (vs est. of +10%/11%/15%/12%) in 4QFY24.
- Corporate earnings in 4QFY24 exceeded our expectations, with MOFSL estimates primarily being driven by the Financials and Auto sectors. The Healthcare sector also contributed to earnings and delivered 44% YoY growth.
- The banking sector reported a healthy performance in 4QFY24, led by robust business growth and controlled provisions. NIM performance was mixed, with several banks reporting margin improvements. Opex was high for most of the banks, barring ICICIBC and SBIN. Credit growth was healthy, backed by strong traction in the retail and MSME segments.
- The EBITDA margin for the MOFSL Universe (ex-Financials) expanded 40bp YoY to 16.5%.
- The gross margin for most of the sectors expanded, while the margin for a few contracted in 4QFY24. Eight of the 13 major sectors under MOFSL Coverage reported an expansion in gross margin YoY, while five sectors posted a contraction.

Exhibit 2: Sector-wise 4QFY24 performance of MOFSL Universe companies (INRb)

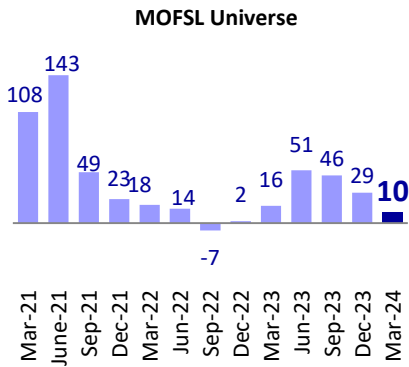
Sector (no of companies)	Sales				EBITDA				PBT				PAT			
	Mar-24	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Mar-24	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Mar-24	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Mar-24	Chg. % QoQ	Chg. % YoY	Var. over Exp. %
Automobiles (25)	3,001	6.1	13.7	1.3	423	8.0	28	1.7	312	11.2	45.0	4.3	244	7.9	31.8	9.7
Capital Goods (11)	1,044	24.7	17.2	2.1	130	37.2	18.9	6.3	122	45	25.1	12.6	88	53.5	26.8	21.0
Cement (11)	582	13.9	7.5	1.3	101	8.6	29	3.8	70	12.7	36.0	6.7	51	10.3	42.8	7.9
Chemicals-Spec. (12)	157	4.5	-6.9	2.5	27	0.8	-25.1	0.2	20	3	-33.3	1.0	15	-4.4	-42.2	-6.8
Consumer (19)	810	0.0	3.8	-0.9	197	-2.1	5	-1.0	189	-1.7	6.2	-1.0	144	-2.5	7.8	0.1
EMS (5)	25	33.9	42.4	5.0	3	47.7	20.5	-5.1	3	62	24.0	2.6	2	58.8	24.7	2.5
Financials (48)	2,895	9.3	13.9	1.0	1,617	14.4	18	8.6	1,251	15.6	17.7	1.9	980	12.4	21.7	5.8
Banks-Private (13)	887	3.2	16.1	0.5	730	13.4	26.0	10.7	523	-2	5.1	-7.8	443	5.5	18.1	3.9
Banks-PSU (6)	888	3.8	6.0	0.9	615	18.6	9	9.8	520	45.8	31.7	15.7	379	24.0	26.2	12.8
Insurance (6)	798	26.4	16.7	1.6	40	22.0	-9.9	1.2	24	27	15.3	-2.0	20	12.3	1.9	-16.2
NBFC - Lending (18)	290	5.8	23.1	1.1	219	5.5	23	1.0	170	6.0	20.1	-1.7	128	5.7	21.7	-1.6
NBFC - Non Lend (5)	31	18.4	64.0	9.1	13	29.0	72.3	2.0	14	29	79.4	4.4	11	27.0	82.2	3.2
Healthcare (23)	784	2.7	13.0	0.4	177	5.7	28	1.5	151	16.0	48.3	8.0	112	11.0	44.1	6.1
Infrastructure (3)	54	15.3	12.6	1.4	14	11.8	10.4	2.0	9	46	31.4	20.7	5	29.5	21.2	10.7
Logistics (8)	152	2.4	14.0	-1.1	56	-0.6	20	-3.6	38	-6.1	24.7	-9.7	32	0.0	8.0	-0.4
Media (3)	44	-2.8	7.0	7.0	7	-26.9	11.7	12.4	6	-30	38.3	45.0	4	-29.1	44.5	25.3
Metals (10)	2,912	6.7	-3.8	1.3	491	-3.9	-4	3.7	315	-7.0	-3.7	13.2	212	-12.0	-12.5	5.8
Oil & Gas (15)	7,907	1.6	2.8	-0.3	968	4.2	2.9	-0.1	681	6	-0.1	1.9	498	6.7	-6.9	0.6
Ex OMCs (12)	3,613	2.6	6.3	-4.7	717	4.0	12	4.8	510	5.5	21.1	10.9	366	5.4	11.9	7.9
Real Estate (10)	153	44.0	17.1	10.4	48	46.6	45.2	17.6	44	70	57.1	24.3	37	70.3	24.1	27.0
Retail (18)	433	-8.2	19.8	1.5	50	-18.9	20	-0.8	25	-30.9	15.2	-1.5	19	-30.0	4.3	-5.9
Staffing (4)	111	1.0	10.7	-4.0	4	4.6	19.7	-6.2	2	-15	4.8	-40.7	1	-19.3	-17.7	-50.7
Technology (12)	1,856	-0.1	2.2	-1.4	427	0.1	2	-1.2	393	2.2	2.8	-1.2	291	2.5	1.9	-1.9
Telecom (4)	611	-0.5	5.6	-2.5	288	-0.2	5.3	-2.6	3	LP	-62.9	-28.1	-25	Loss	Loss	Loss
Others (17)	644	6.3	6.4	7.1	94	7.4	5	5.8	45	18.4	-5.6	2.3	39	-5.9	-0.2	6.9
<b>MOFSL Universe (258)</b>	<b>24,175</b>	<b>4.7</b>	<b>6.0</b>	<b>0.5</b>	<b>5,123</b>	<b>6.5</b>	<b>10.6</b>	<b>3.3</b>	<b>3,678</b>	<b>9.3</b>	<b>12.2</b>	<b>3.2</b>	<b>2,750</b>	<b>7.5</b>	<b>9.9</b>	<b>4.9</b>
<b>Ex Financials (210)</b>	<b>21,280</b>	<b>4.1</b>	<b>5.0</b>	<b>0.5</b>	<b>3,506</b>	<b>3.2</b>	<b>7.6</b>	<b>1.0</b>	<b>2,427</b>	<b>6.3</b>	<b>9.5</b>	<b>3.9</b>	<b>1,770</b>	<b>5.0</b>	<b>4.3</b>	<b>4.5</b>
<b>Ex Metals &amp; Oil (233)</b>	<b>13,356</b>	<b>6.2</b>	<b>10.5</b>	<b>0.9</b>	<b>3,664</b>	<b>8.7</b>	<b>15.1</b>	<b>4.1</b>	<b>2,682</b>	<b>12.6</b>	<b>18.1</b>	<b>2.5</b>	<b>2,040</b>	<b>10.2</b>	<b>18.3</b>	<b>6.0</b>
<b>Ex OMCs (255)</b>	<b>19,881</b>	<b>5.6</b>	<b>7.4</b>	<b>-0.1</b>	<b>4,872</b>	<b>6.6</b>	<b>12.5</b>	<b>4.2</b>	<b>3,507</b>	<b>9.4</b>	<b>16.2</b>	<b>4.5</b>	<b>2,617</b>	<b>7.4</b>	<b>14.1</b>	<b>6.2</b>
<b>Nifty (50)</b>	<b>14,890</b>	<b>5.2</b>	<b>6.6</b>	<b>-2.2</b>	<b>3,627</b>	<b>7.0</b>	<b>10.8</b>	<b>1.9</b>	<b>2,695</b>	<b>10.0</b>	<b>12.4</b>	<b>3.5</b>	<b>2,041</b>	<b>8.3</b>	<b>11.6</b>	<b>6.7</b>
<b>Sensex (30)</b>	<b>10,876</b>	<b>5.4</b>	<b>8.0</b>	<b>-3.1</b>	<b>2,935</b>	<b>8.4</b>	<b>11.7</b>	<b>2.7</b>	<b>2,145</b>	<b>12.9</b>	<b>11.2</b>	<b>3.2</b>	<b>1,616</b>	<b>10.4</b>	<b>10.3</b>	<b>6.8</b>

LP: Loss to profit; PL: Profit to loss

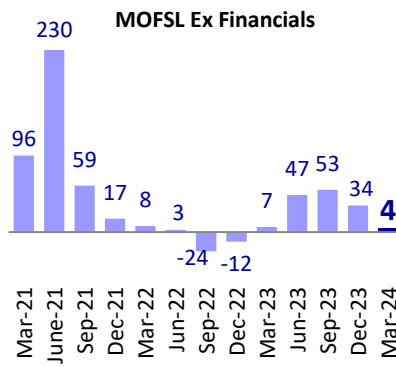
Exhibit 3: Earnings at a glance for MOFSL and Nifty Universes

Sector	PAT (INR b)		Growth (%)		PAT	
	Mar-24 (actual)	est YoY	actual YoY	QoQ	Var. over Exp. (%)	vs. Exp
MOFSL Universe (258)	2,750	5	10	8	5	In Line
MOFSL Ex OMCs (255)	2,617	7	14	7	6	Above
MOFSL Ex Metals & Oil (233)	2,040	12	18	10	6	Above
MOFSL Ex Financials (210)	1,770	0	4	5	4	In Line
Nifty (50)	2,041	5	12	8	7	Above
Nifty Ex OMCs (49)	1,986	5	13	7	7	Above
Nifty Ex Metals & Oil (43)	1,554	9	16	9	6	Above
Nifty Ex Financials (39)	1,335	1	6	4	5	In Line
<b>MOFSL Ex Nifty Companies</b>	<b>833</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>-1</b>	<b>In Line</b>

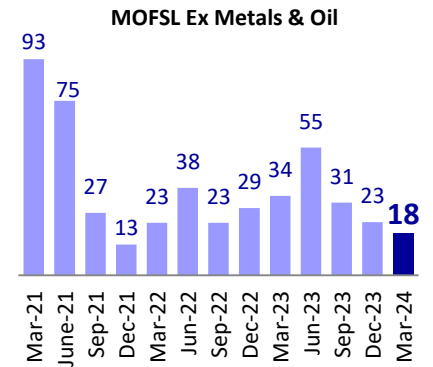
**Exhibit 4: PAT grew 10% YoY for the MOFSL Universe**



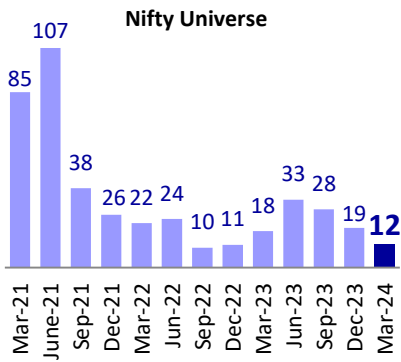
**Exhibit 5: PAT jumped 4% YoY for the MOFSL Universe, excluding Financials**



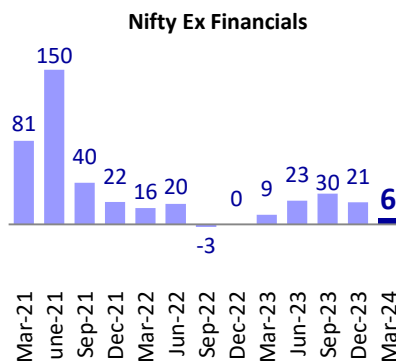
**Exhibit 6: PAT rose 18% YoY for the MOFSL Universe, sans Metals & O&G**



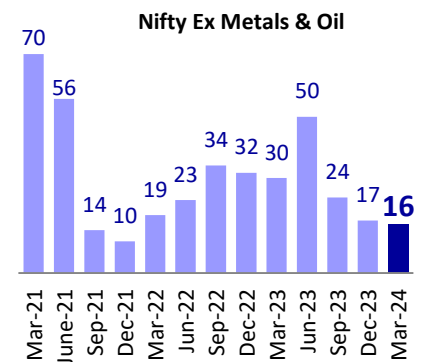
**Exhibit 7: PAT growth for the Nifty Universe stood at 12% YoY**



**Exhibit 8: PAT for the Nifty Universe, sans Financials, grew 6% YoY**



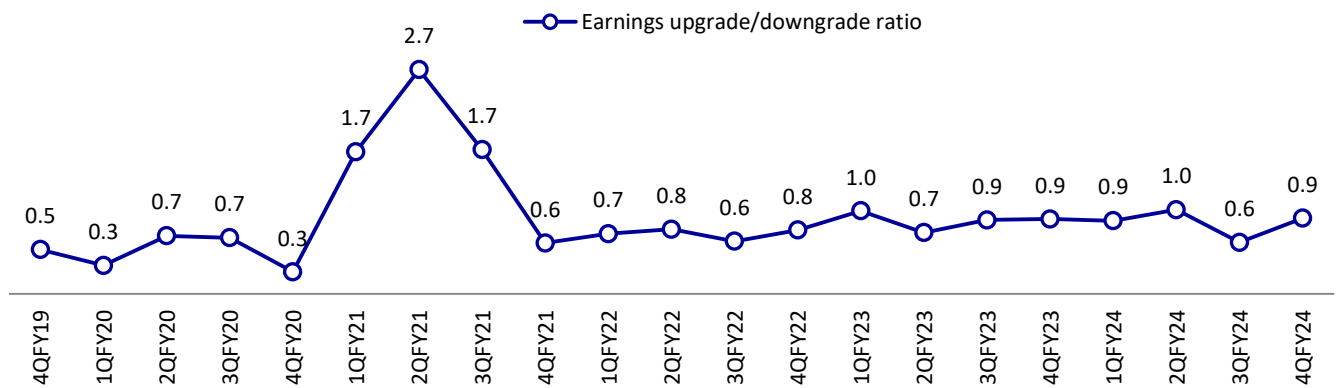
**Exhibit 9: PAT grew 16% YoY for the Nifty Universe, sans Metals & O&G**



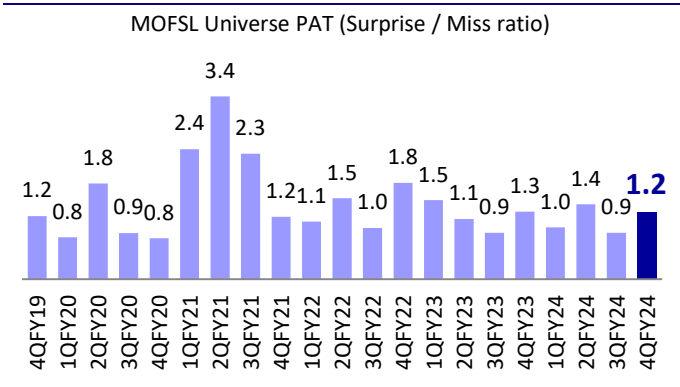
**Earnings upgrade-to-downgrade ratio balanced for FY25E**

- For the MOFSL Universe, however, the earnings upgrade-to-downgrade ratio has been largely balanced for FY25E, as 72 companies' earnings have been upgraded by >3%, while 80 companies' earnings have been downgraded by >3%.
- The spread of earnings was satisfactory, with 67% of our Coverage Universe either meeting or exceeding profit expectations. Of the 258 companies under our coverage, 107 exceeded profit estimates, 86 posted a miss, and 65 were in line on the PAT front.
- Of the 23 sectors under our coverage, 11/8/4 sectors reported profits above/in line/below our estimates.

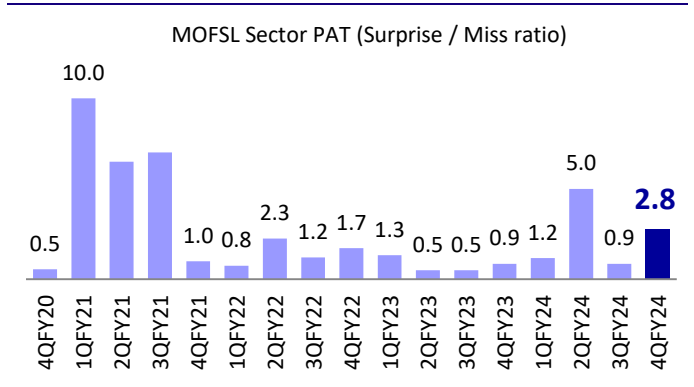
**Exhibit 10: The upgrade-to-downgrade ratio trend for the MOFSL Universe**



**Exhibit 11: Surprise/miss ratio for the MOFSL Universe at 1.2x in 4QFY24**



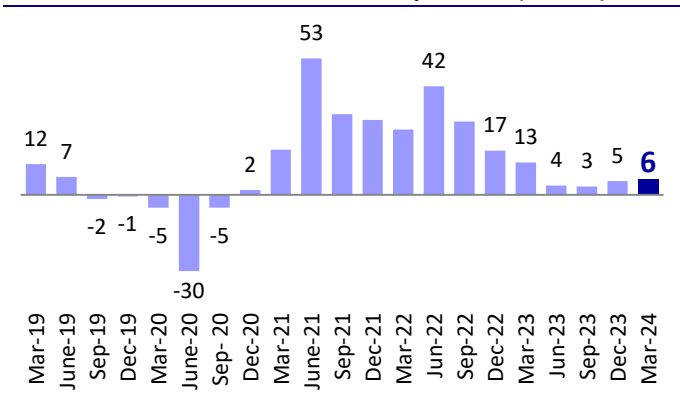
**Exhibit 12: Sectoral surprise/miss ratio at 2.8x, for the MOFSL Universe, in 4QFY24**



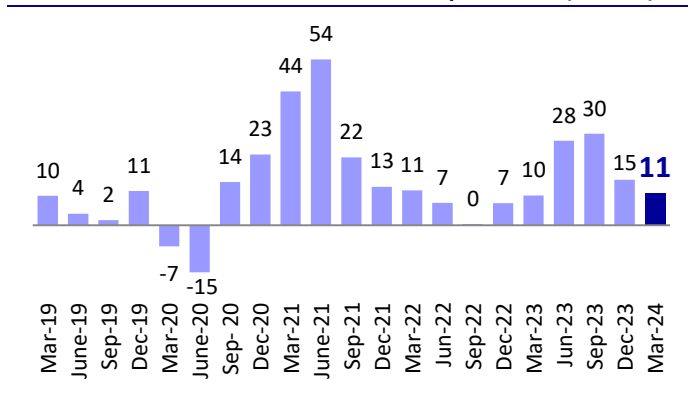
**Exhibit 13: Two and three-year profit CAGR for the MOFSL Universe**

Sector	EBITDA (INR b)			CAGR (%)		PBT (INR b)			CAGR (%)		PAT (INR b)			CAGR (%)	
	4QFY21	4QFY22	4QFY24	2-year	3-year	4QFY21	4QFY22	4QFY24	2-year	3-year	4QFY21	4QFY22	4QFY24	2-year	3-year
Automobiles	285	235	423	34	14	177	118	312	62	21	148	86	244	69	18
Capital Goods	101	100	130	14	9	93	91	122	16	9	59	63	88	18	14
Cement	101	82	101	11	0	76	58	70	10	-3	54	42	51	11	-2
Chemicals-Spec.	13	14	11	-10	-4	12	13	10	-12	-5	9	10	8	-11	-5
Consumer	143	159	197	11	11	136	150	189	12	11	104	115	144	12	11
EMS	0	2	3	33	NA	0	2	3	40	NA	0	1	2	42	NA
Financials	1,017	1,101	1,617	21	17	487	725	1,251	31	37	350	556	980	33	41
Banks-Private	415	468	730	25	21	252	387	523	16	28	192	295	443	22	32
Banks-PSU	441	451	615	17	12	159	200	520	61	48	100	152	379	58	56
Insurance	15	29	40	18	37	2	15	24	25	123	4	16	20	12	70
NBFC - Lending	138	145	219	23	17	66	113	170	22	37	48	86	128	22	38
NBFC - Non Lend.	7	9	13	24	22	8	9	14	25	23	6	7	11	26	25
Healthcare	117	126	177	19	15	91	106	151	19	18	71	77	112	20	16
Infrastructure	14	13	14	5	1	7	8	9	3	10	4	6	5	-1	9
Logistics	30	39	56	19	23	19	26	38	21	25	16	22	32	20	26
Media	9	11	7	-19	-9	8	9	6	-23	-10	6	7	4	-22	-9
Metals	658	745	491	-19	-9	497	570	315	-26	-14	385	414	212	-28	-18
Oil & Gas	638	830	968	8	15	492	597	681	7	11	393	449	498	5	8
Real Estate	27	28	48	30	21	18	23	44	39	35	14	19	37	40	38
Retail	31	41	50	10	16	18	27	25	-3	13	12	24	19	-11	15
Staffing	3	3	4	10	11	2	2	2	-9	-2	2	2	1	-17	-7
Technology	332	367	427	8	9	306	341	393	7	9	227	263	291	5	9
Telecom	212	258	288	6	11	-23	6	3	-30	LP	-41	-25	-25	Loss	Loss
Others	60	67	110	28	23	23	28	55	40	34	11	19	46	57	60
<b>MOFSL Universe</b>	<b>3,791</b>	<b>4,221</b>	<b>5,123</b>	<b>10</b>	<b>11</b>	<b>2,438</b>	<b>2,901</b>	<b>3,678</b>	<b>13</b>	<b>15</b>	<b>1,827</b>	<b>2,148</b>	<b>2,750</b>	<b>13</b>	<b>15</b>
<b>Nifty Universe</b>	<b>2,500</b>	<b>2,905</b>	<b>3,627</b>	<b>12</b>	<b>13</b>	<b>1,682</b>	<b>2,080</b>	<b>2,695</b>	<b>14</b>	<b>17</b>	<b>1,279</b>	<b>1,555</b>	<b>2,041</b>	<b>15</b>	<b>17</b>

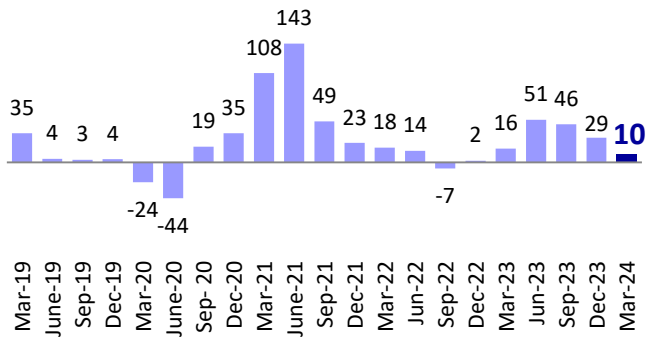
**Exhibit 14: Sales for MOFSL Universe up 6% YoY (est. 5%)**



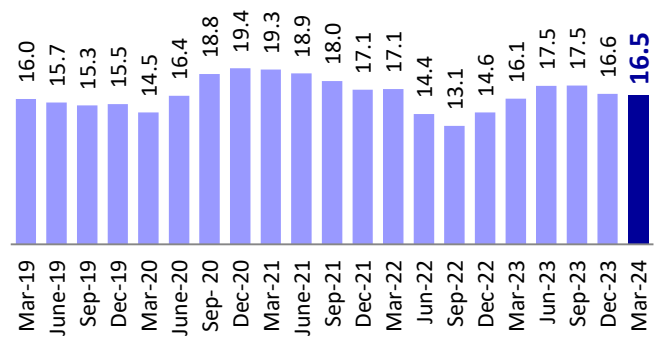
**Exhibit 15: EBITDA for MOFSL Universe up 11% YoY (est. 7%)**



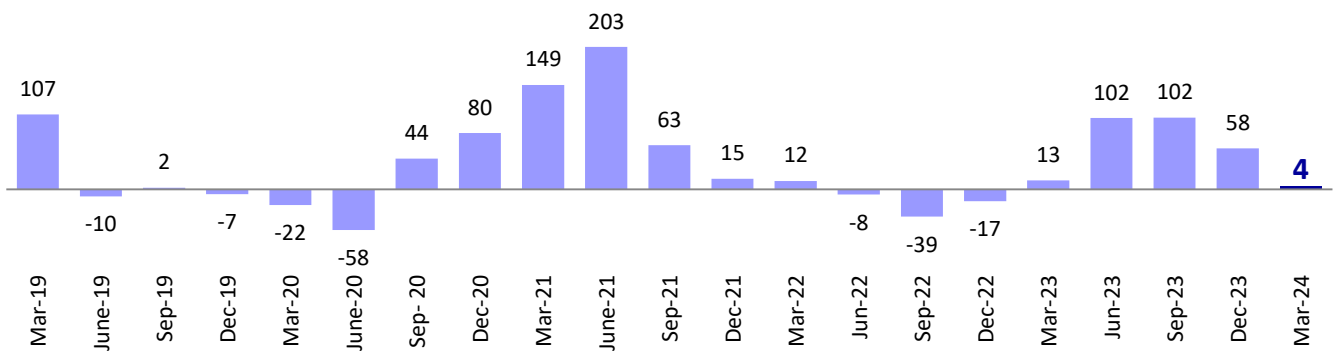
**Exhibit 16: PAT growth for the MOFSL Universe at 10% YoY (est. 5%)**



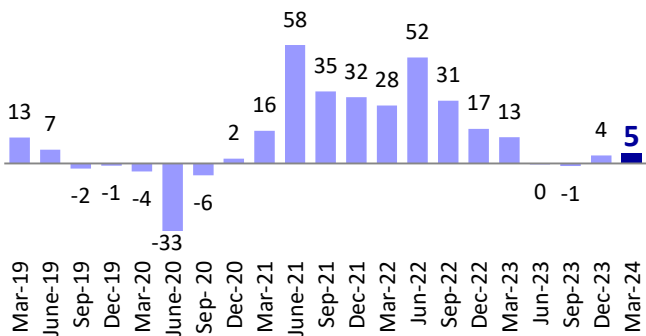
**Exhibit 17: EBITDA margin, excluding Financials, expanded 40bp YoY to 16.5%**



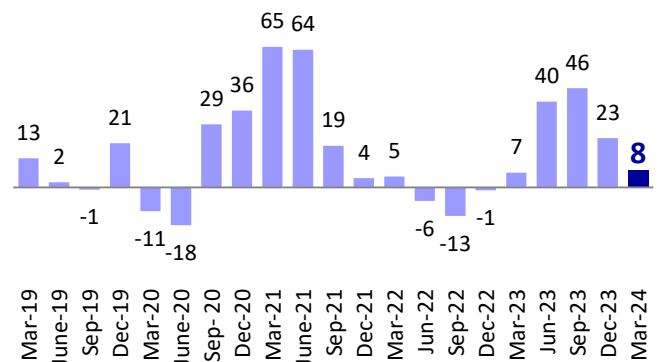
**Exhibit 18: MOFSL Universe (ex-Nifty) posted just 4% YoY growth in profits, due to OMCs**



**Exhibit 19: Sales growth YoY for the MOFSL Universe, excluding Nifty companies, stood at 5% YoY**



**Exhibit 20: EBITDA growth was 8% YoY for the MOFSL Universe, excluding Nifty companies**



**Margin continues to recover**

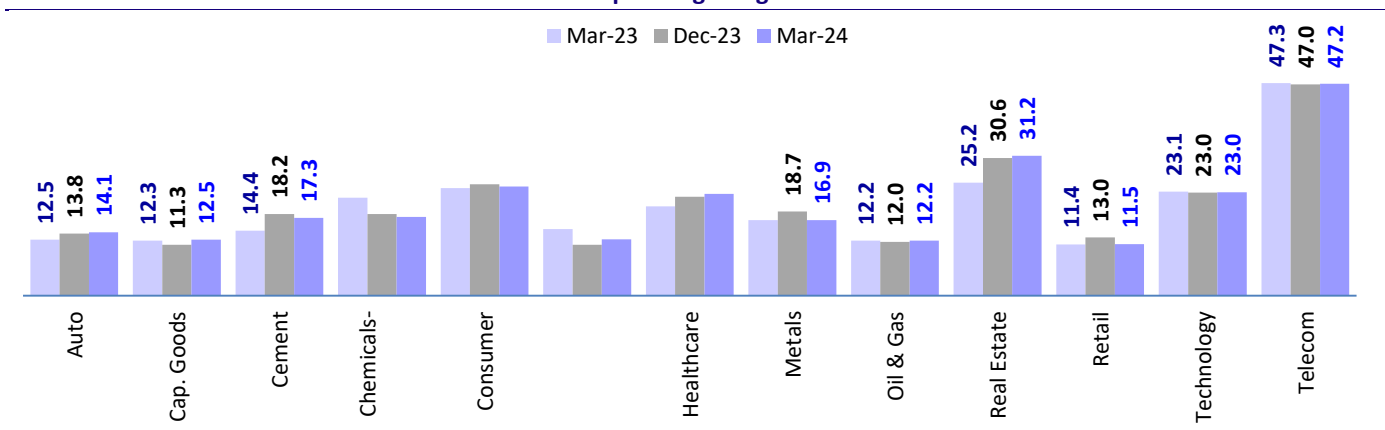
- Sales for the MOFSL Universe companies grew 6% YoY (in line). Excluding Metals and O&G, sales growth was in line at 10% YoY (in line).
- Sectoral sales growth: EMS (42%), NBFC - Lending (23%), Retail (20%), Capital Goods (17%), Real Estate (+17%), Private Banks (16%), Automobiles (14%), and Healthcare (13%).
- EBITDA margin for the MOFSL Universe (ex-Financials) rose 40bp YoY to 16.5%. Gross margins for major sectors spiked, while margins for a few contracted.
- In 4QFY24, 8 of the 13 major sectors under MOFSL Coverage reported an expansion in gross margin YoY, while 5 sectors experienced a contraction.

**Exhibit 21: Gross margin revived in several sectors during the quarter**

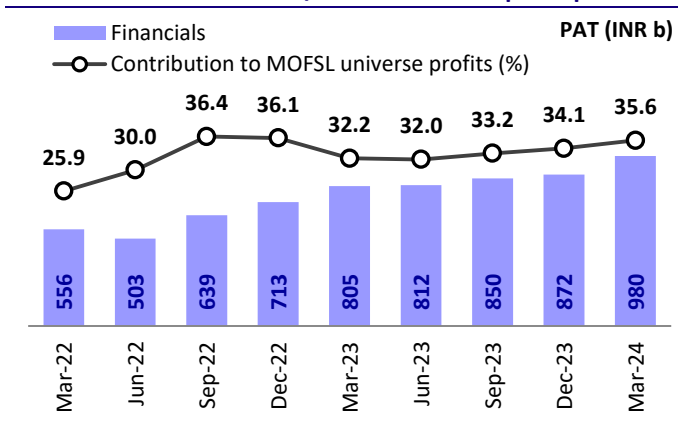
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Change in GM bps YoY
Real Estate	45.1	47.1	51.5	41.5	48.8	58.5	55.4	50.0	54.9	57.2	59.9	55.7	562
Healthcare	63.5	63.4	63.0	62.6	62.3	63.8	63.9	63.6	65.0	65.5	65.9	67.1	347
Cement	65.5	61.5	56.2	55.1	54.5	50.4	51.1	51.0	58.4	54.0	55.6	53.8	277
Consumer	49.2	49.6	48.7	48.7	47.6	48.5	50.0	51.2	51.6	52.6	53.0	53.7	250
Automobiles	30.8	29.1	29.8	29.3	31.6	32.0	33.3	34.0	34.8	34.7	36.0	36.4	244
Others	44.8	42.3	45.7	42.9	44.9	41.7	46.1	43.7	49.2	46.0	46.6	45.9	223
Oil & Gas	24.2	22.9	20.8	21.8	16.8	17.0	18.4	22.5	28.3	19.6	22.4	24.4	185
Logistics	15.8	18.5	18.6	18.5	51.5	49.9	48.4	50.8	52.7	51.7	52.0	52.2	144
Retail	33.8	34.5	35.6	35.8	35.6	35.3	34.0	33.7	33.4	33.0	33.7	33.4	-27
Technology	35.8	35.5	35.2	34.5	33.1	33.6	34.4	34.5	33.8	33.9	34.3	34.2	-28
Metals	62.7	60.7	57.5	55.6	58.1	49.9	53.0	55.8	54.6	51.7	57.4	55.3	-50
Chemicals-Specialty	45.6	40.6	41.7	42.9	41.6	39.4	41.2	42.4	40.8	41.0	40.7	40.9	-146
Infrastructure	35.3	40.8	41.4	36.0	40.7	71.4	39.1	36.6	36.7	40.2	51.7	33.0	-351

Source: 193 companies that form part of the MOFSL Universe, excluding Financials, Telecom, Media, and Staffing

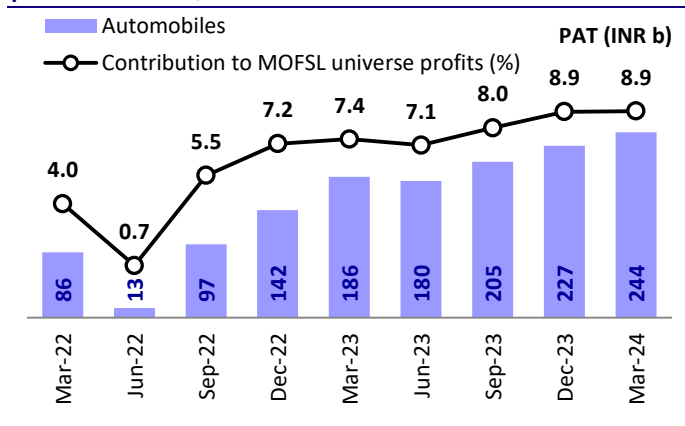
**Exhibit 22: Several sectors recovered YoY in terms of operating margin**



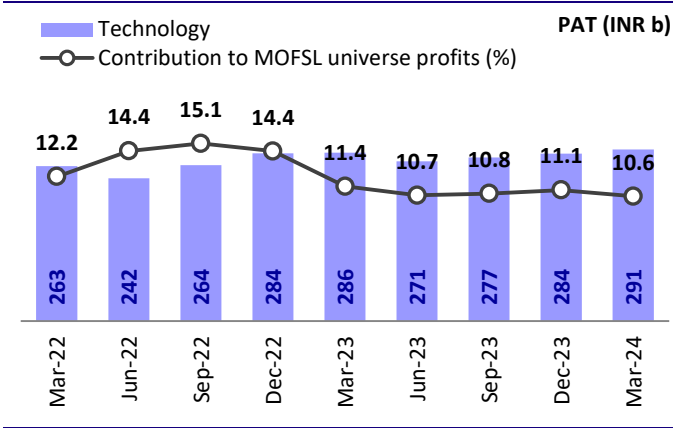
**Exhibit 23: Financials' contribution jumped in 4Q; it accounted for more than 1/3<sup>rd</sup> of the overall profit pool**



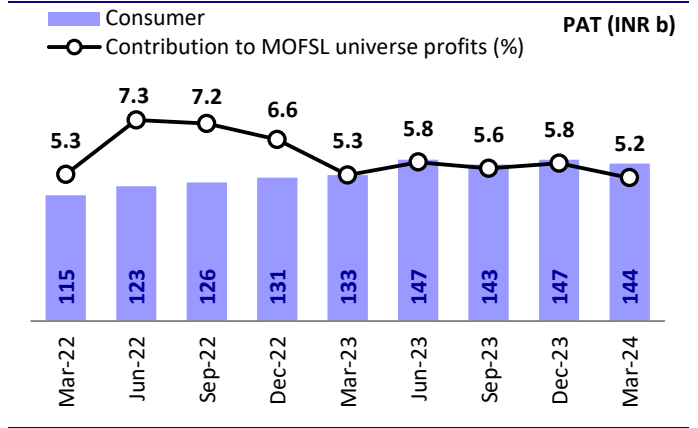
**Exhibit 24: Auto sector's contribution to the overall profit pool stable in 4QFY24**



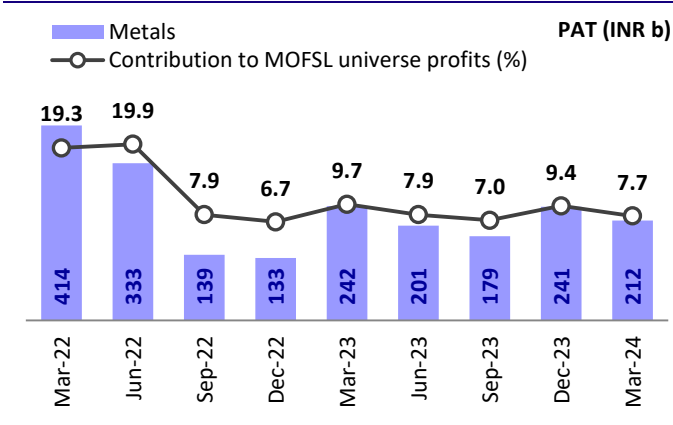
**Exhibit 25: IT sector's contribution to the overall profit pool declined in 4QFY24**



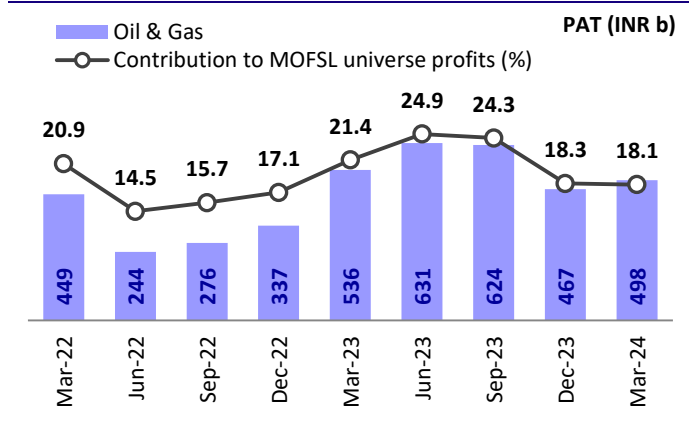
**Exhibit 26: Consumer sector's contribution moderated in 4QFY24**



**Exhibit 27: Metals' PAT contribution to the MOFSL Universe declined in 4QFY24**



**Exhibit 28: O&G's PAT contribution stable to the overall profit pool**



## Performance highlights for Nifty constituents in 4QFY24

### Top five stocks account for ~72% of the incremental profit YoY

- Sales/EBITDA/PBT growth for Nifty constituents was in line with our estimates at +7%/+11%/+12% YoY in 4QFY24. However, PAT was above our estimates and grew 12% YoY (vs. est. of +5%). Excluding Financials, profit for Nifty constituents rose 6% YoY (vs. est. of +1%).
- Among Nifty constituents, 42% exceeded our PAT estimates, while 18% missed our estimates.
- SBI, Reliance Industries, HDFC Bank, ONGC, Coal India, Tata Motors, Axis Bank, L&T, Kotak Mahindra Bank, Hindalco, Bharti Airtel, Sun Pharma, Ultratech Cement, M&M, Bajaj Auto, Tata Steel, Tech Mahindra, Nestle, SBI Life Insurance, Divis Labs, and Grasim Industries delivered higher-than-estimated earnings.
- Conversely, BPCL, HCL Technologies, JSW Steel, Asian Paints, LTIMindtree, Titan Company, and HDFC Life Insurance missed our profit estimates.
- Seven Nifty companies witnessed earnings upgrades of over 5% in their FY25 EPS estimates; while, nine companies witnessed downgrades of over 5%.

Exhibit 29: Nifty sales up 7% YoY (in line) in 4QFY24

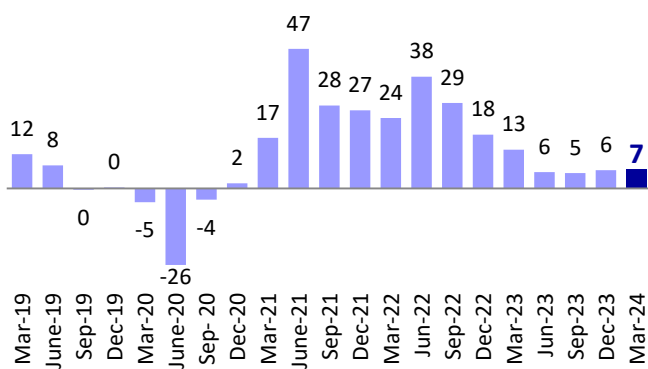


Exhibit 30: Nifty EBITDA up 11% YoY (est. 9%) in 4QFY24

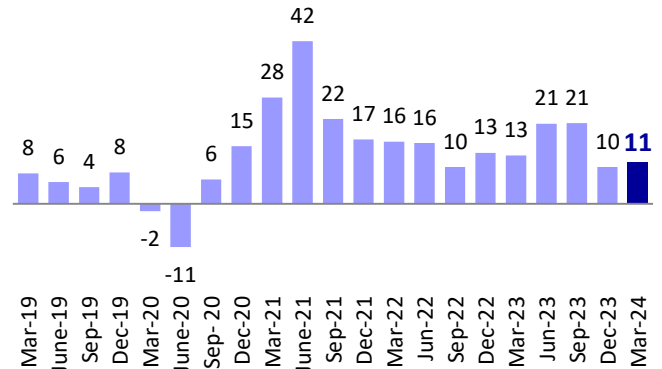


Exhibit 31: Nifty PAT up 12% YoY (est. 5%)

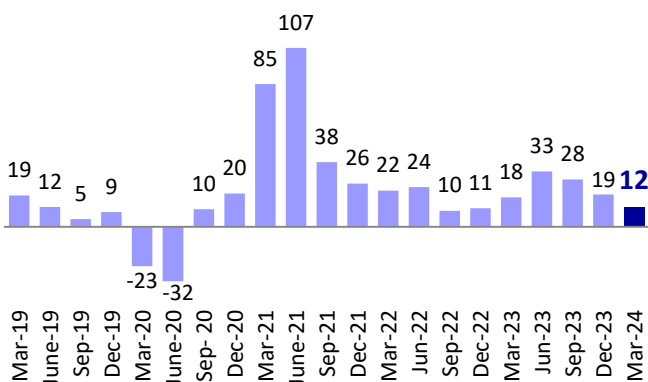
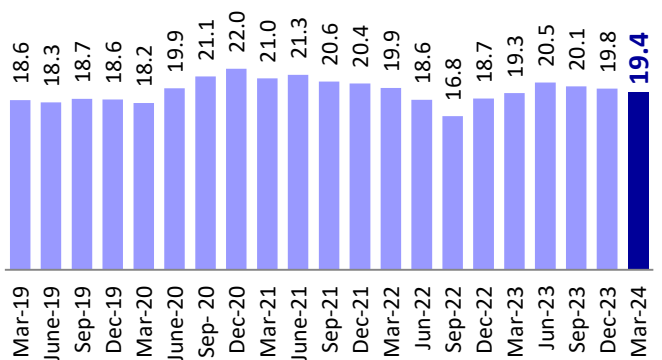


Exhibit 32: Nifty EBITDA margin (ex-Financials) expanded 10bp YoY to 19.4%



**Exhibit 33: BFSI, and Metals to drive FY25E earnings for the Nifty**

Sector	PAT (INR b)						Growth YoY (%)					
	FY21	FY22	FY23	FY24	FY25E	FY26E	FY21	FY22	FY23	FY24	FY25E	FY26E
Automobiles	179	76	289	623	677	779	74	-57	277	116	9	15
BFSI	1,044	1,433	2,031	2,540	2,949	3,466	25	37	42	25	16	18
Capital Goods	68	84	104	130	145	187	-23	24	24	25	12	29
Cement	100	130	115	134	147	169	0	31	-11	16	10	15
Consumer	292	319	386	438	462	506	1	9	21	13	6	9
Healthcare	129	172	181	220	249	293	38	33	6	21	13	17
Logistics	45	59	77	89	106	126	-10	30	30	16	19	19
Metals	344	926	540	599	780	903	45	169	-42	11	30	16
Oil & Gas	776	1,107	1,089	1,550	1,612	1,795	20	43	-2	42	4	11
Retail	10	23	33	35	44	55	-35	138	40	7	27	24
Technology	836	958	1,022	1,055	1,183	1,381	7	15	7	3	12	17
Telecom	-7	35	82	113	213	304	Loss	Loss	LP	39	89	43
Utilities	277	306	324	364	384	411	13	10	6	12	5	7
Others	11	8	27	35	35	35	15	-29	249	29	0	0
<b>Nifty</b>	<b>4,103</b>	<b>5,638</b>	<b>6,299</b>	<b>7,924</b>	<b>8,987</b>	<b>10,411</b>	<b>19</b>	<b>37</b>	<b>12</b>	<b>26</b>	<b>13</b>	<b>16</b>

**Exhibit 34: Sectoral upgrades/downgrades for the MOFSL Universe**

Sector	PAT (INR b) - preview			PAT (INR b) - review			Upgrade/downgrade (%)			Growth YoY (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Automobiles	835	966	1,113	853	975	1,133	2.2	0.9	1.8	94.5	14.2	16.2
Capital Goods	230	297	370	241	297	379	5.0	0.1	2.5	31.9	23.0	27.5
Cement	222	260	302	227	259	300	2.1	-0.3	-0.5	28.7	14.2	16.0
Chemicals-Specialty	69	83	102	68	77	96	-1.5	-7.1	-6.2	-29.1	13.0	24.5
Consumer	589	636	705	587	638	708	-0.2	0.3	0.5	15.9	8.6	11.1
EMS	6	9	13	6	9	13	1.0	2.9	1.6	33.2	58.5	48.8
Financials	3,534	4,223	5,001	3,570	4,225	4,992	1.0	0.0	-0.2	29.5	18.3	18.2
Banks-Private	1,678	1,929	2,285	1,689	1,944	2,299	0.7	0.8	0.6	26.3	15.1	18.3
Banks-PSU	1,266	1,560	1,822	1,294	1,562	1,817	2.2	0.2	-0.3	34.0	20.7	16.3
Insurance	78	101	121	78	96	111	-0.4	-5.0	-8.1	16.4	23.5	15.8
NBFC - Lending	475	588	720	473	576	711	-0.5	-2.0	-1.2	30.5	21.7	23.4
NBFC - Non Lending	37	45	53	37	46	55	1.0	2.5	2.6	53.0	25.2	17.8
Healthcare	405	495	581	411	498	588	1.5	0.5	1.2	24.4	21.2	18.1
Infrastructure	17	22	28	17	22	28	3.4	-1.1	-0.9	-12.4	24.6	28.8
Logistics	122	148	182	121	148	183	-0.1	0.3	0.7	12.3	22.2	23.4
Media	23	28	34	24	28	34	4.2	-0.8	0.5	16.7	15.4	22.7
Metals	811	1,087	1,292	871	1,181	1,402	7.3	8.7	8.5	0.1	35.7	18.7
Oil & Gas	2,388	2,135	2,364	2,425	2,175	2,410	1.6	1.8	2.0	79.5	-10.3	10.8
Excl. OMCs	1,462	1,644	1,881	1,589	1,749	1,969	8.7	6.4	4.7	21.3	10.1	12.6
Real Estate	89	130	162	95	122	156	7.4	-6.0	-3.6	19.6	28.1	28.5
Retail	86	123	161	86	119	157	-0.4	-3.3	-2.1	-2.5	38.9	32.5
Staffing	8	13	18	8	13	18	0.0	0.0	0.0	17.2	58.1	34.5
Technology	1,122	1,294	1,520	1,117	1,259	1,473	-0.5	-2.7	-3.1	3.8	12.6	17.0
Telecom	-147	-39	42	-134	2	146	-8.4	-105.5	243.9	Loss	LP	6669.0
Others	150	192	262	158	192	257	5.0	-0.2	-1.8	81.1	21.3	34.2
<b>MOFSL Universe</b>	<b>10,559</b>	<b>12,101</b>	<b>14,251</b>	<b>10,752</b>	<b>12,237</b>	<b>14,474</b>	<b>1.8</b>	<b>1.1</b>	<b>1.6</b>	<b>33.9</b>	<b>13.8</b>	<b>18.3</b>

Note: PL: Profit to loss; LP: Loss to profit

Exhibit 35: Nifty delivered 12% YoY profit growth in 4QFY24

Company	Sales				EBITDA				PBT				PAT				EBITDA Margin	
	Mar 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Mar 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Mar 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Mar 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Mar 2024 (%)	Chg. YoY bp
<b>High PAT growth</b>																		
Grasim Industries	68	2	6	5	5	24	1	3	3	142	37	50	2	145	-3	36	7.8	1.4
Divis Labs	23	18	24	20	7	49	49	41	7	51	51	45	5	66	56	40	31.7	6.5
Dr Reddy's Labs	71	17	-2	0	18	34	-13	-9	15	33	-19	-11	12	50	-12	-1	24.9	3.1
Shriram Finance	51	22	4	0	39	27	6	1	26	39	8	1	19	49	7	0	76.8	3.1
Maruti Suzuki	382	19	15	-2	47	40	20	-6	50	54	23	-3	39	48	24	-2	12.3	1.8
Apollo Hospitals	49	15	2	2	6	31	4	3	4	44	-1	-7	3	47	3	1	13.0	1.6
ONGC	346	-5	0	-1	174	7	1	-3	129	38	2	11	99	42	0	13	50.3	5.2
Ultratech Cement	204	9	22	0	41	24	26	9	32	27	35	13	23	39	30	12	20.1	2.3
Tata Consumer	39	9	3	-1	6	23	10	3	5	12	-1	-8	4	38	9	-2	16.0	1.9
Tata Motors	1,200	13	9	1	170	33	11	1	92	84	21	4	77	37	9	21	14.2	2.1
HDFC Bank	291	25	2	0	293	57	24	21	158	-1	-19	-24	165	37	1	5	100.7	20.9
Bajaj Auto	115	29	-5	5	23	34	-5	7	25	35	-5	5	19	35	-5	7	20.1	0.8
Sun Pharma	118	11	-3	-3	29	14	-7	-5	30	25	1	3	28	33	13	13	24.7	0.7
Hindalco	560	0	6	5	67	25	14	6	41	46	24	8	32	32	36	8	11.9	2.4
Coal India	374	-2	3	0	98	14	-18	3	114	20	-15	25	87	26	-14	27	26.3	3.7
State Bank	417	3	5	0	287	17	41	25	271	27	116	29	207	24	44	28	69.0	8.1
Cipla	62	7	-7	1	13	12	-25	-8	12	28	-26	-8	9	23	-27	-5	21.4	0.9
Nestle	53	9	15	0	13	19	19	5	12	21	20	5	9	22	17	5	25.5	2.2
Bajaj Finance	80	28	5	-1	64	25	4	-2	51	20	4	-2	38	21	5	-1	80.0	-1.8
Bajaj Finserv	269	33	11	1	68	26	2	-3	55	22	2	-2	21	20	-2	-6	25.4	-1.4
<b>Med/Low PAT growth</b>																		
Hero Moto	95	15	-2	2	14	25	-7	4	13	18	-11	-1	10	18	-14	0	14.3	1.2
Kotak Mah. Bank	69	13	5	3	55	18	20	9	52	16	30	15	41	18	38	21	79.0	2.9
Eicher Motors	43	12	2	1	11	21	4	2	13	27	6	4	11	18	7	-1	26.5	2.0
ICICI Bank	191	8	2	0	150	9	2	2	143	17	5	2	107	17	4	1	78.8	0.5
IndusInd Bank	54	15	2	-2	41	9	1	-2	31	15	2	-3	23	15	2	-3	75.9	-4.6
HDFC Life Ins.	209	7	35	-8	12	-18	44	1	4	66	22	-11	4	15	13	-6	5.9	-1.8
Bharti Airtel	376	4	-1	-3	194	4	-2	-5	52	4	23	-9	30	14	18	34	51.5	-0.4
Adani Ports	69	19	0	-4	40	24	-3	-5	27	32	-11	-13	23	11	-3	0	58.6	2.2
TCS	612	4	1	-1	172	9	5	2	168	9	6	2	125	9	6	1	28.1	1.5
L&T	671	15	22	3	72	6	26	0	63	7	33	5	43	8	47	17	10.8	-0.9
Axis Bank	131	11	4	3	105	15	15	14	94	6	15	10	71	8	17	12	80.5	2.4
Titan Company	125	21	-12	2	12	9	-24	-8	10	0	-28	-13	8	5	-27	-11	9.5	-1.0
SBI Life Ins.	252	26	12	6	15	5	-10	2	8	5	154	14	8	4	152	12	6.0	-1.2
M&M	251	11	-1	7	32	16	0	15	27	19	-15	15	20	3	-17	13	12.9	0.5
HCL Tech.	285	7	0	-1	61	3	-9	-5	53	1	-10	-6	40	0	-8	-6	21.4	-0.9
ITC	179	2	-1	-3	66	0	2	0	68	1	2	0	51	0	-4	0	37.0	-0.6
<b>Negative PAT growth</b>																		
Asian Paints	87	-1	-4	-4	17	-9	-18	-15	16	-7	-17	-14	13	-1	-14	-9	19.4	-1.8
Infosys	379	1	-2	-2	96	-2	-4	-2	83	-2	-4	-3	61	-1	-1	-4	25.2	-0.9
LTIMindtree	89	2	-1	-3	15	-4	-3	-6	14	0	-6	-8	11	-1	-6	-8	17.3	-1.2
Hind. Unilever	152	0	-2	-1	35	-1	-4	0	33	-2	-4	0	25	-2	-1	0	23.2	-0.2
Reliance Inds.	2,365	11	5	-8	425	11	5	10	277	15	7	15	190	-2	10	8	18.0	-0.1
NTPC	425	3	8	-18	113	2	14	-31	76	11	70	-1	56	-2	22	-10	26.6	-0.2
Power Grid Corp	109	-5	1	-25	90	-11	-6	-26	50	-3	9	-10	41	-2	4	0	82.5	-5.7
Britannia	41	1	-4	-2	8	-2	-4	-2	7	-2	-3	-2	5	-4	-4	-5	19.4	-0.6
Wipro	222	-4	0	0	44	-5	4	-2	39	-4	9	-1	28	-8	5	-4	19.7	-0.1
BPCL	1,166	-1	1	-1	93	-17	48	-10	74	-21	62	-12	56	-26	64	-12	7.9	-1.5
Tech Mahindra	129	-6	-2	-3	14	-30	4	-10	13	-28	43	2	10	-27	35	5	10.9	-3.8
Tata Steel	587	-7	6	-4	66	-9	5	11	24	-26	8	45	12	-29	42	14	11.2	-0.2
Adani Enterp.	292	1	16	0	26	-20	-20	0	7	-41	-71	0	7	-33	-66	0	8.8	-2.3
JSW Steel	463	-1	10	3	61	-23	-15	4	21	-50	-36	7	13	-65	-43	-15	13.2	-3.7
<b>Nifty Universe</b>	<b>14,890</b>	<b>7</b>	<b>5</b>	<b>-2</b>	<b>3,627</b>	<b>11</b>	<b>7</b>	<b>2</b>	<b>2,695</b>	<b>12</b>	<b>10</b>	<b>3</b>	<b>2,041</b>	<b>12</b>	<b>8</b>	<b>7</b>	<b>24.4</b>	<b>0.9</b>

Note: PL: Profit to loss; LP: Loss to profit

### Nifty EPS experiences an upward revision

- Nifty exits FY24 with 24% EPS growth: Nifty EPS for FY24 increased 2.6% to INR1,005 (earlier: INR980) largely fueled by notable upgrades in ONGC, Coal India, and SBI. EPS for FY25E/FY26E also experienced upward revisions of 0.8% each to INR1,142/INR1,327. We now expect Nifty EPS to rise ~14%/16% YoY in FY25/FY26.
- **The top earnings upgrades in FY25E:** ONGC (+22%), Bharti Airtel (+17%), Coal India (+13%), JSW Steel (+8%), and Tata Steel (+6%).
- **The top earnings downgrades in FY25E:** L&T (-10%), Bajaj Finance (-8%), HCL Tech (-7%), LTIMindtree (-6%), and Titan (-6%).

**Exhibit 36: FY25E EPS revisions – Seven Nifty constituents saw upgrades of over 5%, while nine witnessed downgrades of over 5%**

Company	Current EPS (INR)			EPS Upgrade / Downgrade (%)			EPS Growth (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
ONGC	46.3	52.8	57.4	23.7	22.2	20.0	44.9	13.9	8.8
Bharti Airtel	20.2	38.1	54.4	7.1	16.9	34.1	38.6	88.6	42.7
Coal India	60.7	55.9	66.0	22.0	12.7	11.2	17.8	-7.9	18.1
JSW Steel	37.2	69.2	78.7	-2.6	7.8	8.5	152.8	86.2	13.8
Tata Steel	2.7	10.9	13.4	2.5	6.1	2.9	-61.8	303.8	22.4
Mahindra & Mahindra	89.4	102.2	120.2	2.2	6.1	11.5	35.0	14.4	17.6
Divis Labs	60.0	80.1	96.5	10.7	5.7	5.1	-7.5	33.4	20.5
Axis Bank	80.7	89.9	104.3	3.2	3.8	1.5	13.0	11.4	16.1
Hero MotoCorp	204.6	238.3	279.8	0.1	3.4	2.2	40.5	16.5	17.4
Hindalco	45.6	59.3	62.7	2.3	2.6	4.2	0.8	29.9	5.7
Cipla	52.5	58.9	65.8	-1.0	2.1	2.2	39.0	12.3	11.7
Maruti Suzuki	424.4	499.0	564.6	-4.6	2.0	3.3	56.1	17.6	13.1
Bajaj Auto	276.1	325.7	374.9	1.6	1.3	1.6	28.9	18.0	15.1
HDFC Bank	80.0	92.4	107.7	1.4	1.2	0.7	1.0	15.4	16.6
Britannia	88.7	102.8	115.5	-1.3	1.2	1.9	10.1	15.9	12.3
Adani Ports	41.3	49.1	58.5	-0.1	1.2	0.4	16.5	19.1	19.1
TCS	126.3	147.5	169.6	0.5	0.5	-0.3	9.5	16.8	15.0
Dr Reddy's Labs	317.1	323.9	339.1	-0.2	0.3	0.1	29.6	2.1	4.7
Grasim Industries	95.8	96.4	105.4	1.7	0.3	-0.3	-2.6	0.6	9.3
ITC	16.4	17.3	18.6	-0.1	0.3	0.4	9.0	5.4	7.6
Tech Mahindra	41.1	50.8	67.3	1.8	-0.1	-1.2	-28.2	23.7	32.3
ICICI Bank	58.4	65.1	76.5	-0.1	-0.1	2.0	27.5	11.5	17.5
Nestle	41.0	35.8	40.9	1.3	-0.2	0.0	62.5	-12.9	14.2
Shriram Finance	191.3	224.6	275.9	-0.5	-0.4	2.5	19.8	17.4	22.9
Hind. Unilever	43.7	48.3	53.1	-0.3	-0.4	-0.5	0.7	10.6	9.9
Sun Pharma	41.4	47.0	57.6	3.3	-0.6	1.8	15.8	13.5	22.4
Reliance Inds.	102.9	117.7	135.9	2.0	-0.7	-2.2	4.4	14.4	15.4
IndusInd Bank	115.5	137.4	169.3	-0.9	-0.7	0.9	20.3	18.9	23.2
Ultratech Cement	244.5	288.2	345.5	3.8	-0.8	0.3	39.4	17.9	19.9
Asian Paints	57.9	58.6	64.7	-2.1	-1.3	0.6	30.9	1.1	10.4
Kotak Mahindra Bank	90.4	100.2	116.6	1.0	-1.7	-3.2	19.1	10.8	16.3
State Bank	75.2	89.2	103.1	4.7	-1.9	-3.0	20.6	18.6	15.6
Wipro	20.4	22.4	26.9	-0.9	-2.2	-1.7	-1.5	10.0	19.9
Tata Consumer	14.6	17.9	19.9	-0.6	-2.8	-3.2	28.7	22.4	10.8
BPCL	129.3	72.3	73.3	-10.4	-3.0	-2.7	1271.9	-44.1	1.4
Tata Motors	58.7	58.3	67.1	6.7	-3.4	-5.1	2628.0	-0.7	15.2
Apollo Hospitals	62.4	93.1	132.2	0.3	-3.4	-2.9	29.6	49.2	41.9
Eicher Motors	146.3	163.3	182.1	-0.3	-4.3	-6.8	37.3	11.6	11.5
Infosys	63.3	63.8	74.0	6.8	-5.7	-6.4	10.0	0.7	16.0
Titan Company	39.3	49.8	61.9	-2.7	-5.7	-5.0	6.8	26.9	24.2
LTIMindtree	154.8	168.4	200.9	-1.9	-6.0	-8.7	2.0	8.8	19.3
HCL Technologies	57.9	62.8	73.6	-1.7	-6.7	-5.5	5.6	8.4	17.3
Bajaj Finance	233.7	283.0	364.5	-0.7	-7.8	-6.1	22.8	21.1	28.8
Larsen & Toubro	94.5	105.8	136.0	5.5	-10.3	-9.0	24.5	12.0	28.5
HDFC Life Insur.	7.3	10.1	11.9	-1.9	-10.6	-14.8	15.4	38.2	18.4
SBI Life Insurance	18.9	19.9	21.2	3.9	-12.3	-18.2	10.0	5.3	6.6
<b>Nifty (50)</b>	<b>1,005</b>	<b>1,142</b>	<b>1,327</b>	<b>2.6</b>	<b>0.8</b>	<b>0.8</b>	<b>23.9</b>	<b>13.6</b>	<b>16.3</b>

## Exhibit 37: We estimate a 15% CAGR for Nifty free-float PAT over FY24–26

Company	Sales (INR b)			Sales CAGR % 24-26	EBITDA Margin (%)			EBITDA CAGR % 24-26	PAT (INR b)			PAT CAGR % 24-26	Contbn to Delta %
	FY24	FY25E	FY26E		FY24	FY25E	FY26E		FY24	FY25E	FY26E		
<b>High PAT Growth (20%+)</b>	<b>10,734</b>	<b>12,302</b>	<b>13,920</b>	<b>14</b>	<b>23</b>	<b>25</b>	<b>27</b>	<b>21</b>	<b>867</b>	<b>1,284</b>	<b>1,623</b>	<b>37</b>	<b>30</b>
Tata Steel	2,292	2,594	2,775	10	10	14	14	33	34	136	167	122	5
Bharti Airtel	1,500	1,673	1,888	12	52	54	56	16	113	213	304	64	8
JSW Steel	1,750	2,036	2,247	13	16	20	20	26	90	167	190	46	4
Apollo Hospitals	191	216	252	15	13	13	14	23	9	13	19	46	0
Tech Mahindra	520	536	594	7	11	14	16	27	36	45	59	28	1
HDFC Life Insur.	620	747	875	19	6	5	5	16	16	22	26	28	0
Divis Labs	78	91	106	16	28	31	32	23	16	21	26	27	0
Titan Company	511	597	695	17	10	11	11	22	35	44	55	26	1
Bajaj Finance	296	373	473	26	81	79	79	25	144	175	226	25	3
Bajaj Finserv	372	479	598	27	70	65	62	19	83	110	128	25	2
IndusInd Bank	206	239	288	18	77	77	79	19	90	107	132	21	2
Shriram Finance	188	222	269	20	76	76	78	21	72	84	104	20	1
Larsen & Toubro	2,211	2,497	2,857	14	11	11	11	17	130	145	187	20	2
<b>Medium PAT Growth (0-20%)</b>	<b>45,589</b>	<b>49,176</b>	<b>53,886</b>	<b>9</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>12</b>	<b>6,747</b>	<b>7,517</b>	<b>8,595</b>	<b>13</b>	<b>74</b>
Adani Ports	267	308	350	14	59	59	60	15	89	106	126	19	2
Ultratech Cement	709	754	847	9	18	20	21	16	71	83	100	19	1
Tata Consumer	152	178	194	13	15	16	16	17	14	18	20	19	0
Sun Pharma	478	533	595	12	26	26	28	16	100	113	139	18	2
Hindalco	2,160	2,335	2,456	7	11	12	12	9	101	132	139	17	2
State Bank	1,599	1,766	1,951	10	59	63	64	15	671	796	920	17	10
Hero MotoCorp	375	419	483	14	14	14	14	15	41	48	56	17	1
Bajaj Auto	447	512	584	14	20	20	20	16	77	91	105	17	1
HDFC Bank	1,085	1,263	1,481	17	87	83	84	15	608	702	818	16	8
Mahindra & Mahindra	988	1,159	1,344	17	13	13	14	20	107	123	144	16	1
TCS	2,409	2,627	2,941	11	27	28	29	14	462	535	615	15	6
Maruti Suzuki	1,410	1,573	1,745	11	12	12	13	17	133	157	178	15	2
Reliance Inds.	9,011	9,815	10,726	9	18	18	19	11	696	796	919	15	9
ICICI Bank	743	844	991	15	78	78	80	16	409	457	537	15	5
Britannia	168	187	204	10	19	19	19	11	21	25	28	14	0
LTIMindtree	355	378	429	10	18	18	19	12	46	50	60	14	1
Axis Bank	499	556	639	13	74	76	78	16	249	277	322	14	3
Kotak Mahindra Bank	260	297	347	16	75	72	72	13	180	199	232	14	2
Wipro	896	925	1,038	8	19	19	21	12	110	119	141	13	1
HCL Technologies	1,099	1,149	1,292	8	22	22	23	11	157	170	200	13	2
Infosys	1,537	1,576	1,746	7	24	24	25	10	243	264	307	12	3
Cipla	258	278	305	9	24	25	26	11	42	48	53	12	0
Eicher Motors	162	185	207	13	27	26	26	11	40	45	50	12	0
ONGC	6,430	6,614	6,871	3	17	18	18	8	583	664	723	11	6
Hind. Unilever	619	664	722	8	24	24	24	9	103	114	125	10	1
Power Grid Corp.	458	496	520	6	87	85	84	5	156	167	177	7	1
ITC	709	771	835	9	37	37	36	7	205	216	232	6	1
NTPC	1,785	1,895	2,035	7	29	30	30	9	208	217	234	6	1
SBI Life Insurance	806	950	1,121	18	7	7	7	23	19	20	21	6	0
Asian Paints	355	385	433	10	21	21	20	8	56	56	62	6	0
Grasim Industries	258	294	314	10	9	9	11	23	63	63	69	5	0
Tata Motors	4,379	4,664	5,086	8	14	14	14	8	225	214	247	5	1
Coal India	1,423	1,497	1,694	9	34	32	35	10	374	344	407	4	1
Dr Reddy's Labs	279	306	341	10	28	27	26	7	53	54	56	3	0
Adani Enterprises	1,022	1,022	1,022	0	10	10	10	0	35	35	35	0	0
<b>PAT de-growth (&lt;0%)</b>	<b>4,725</b>	<b>4,465</b>	<b>4,632</b>	<b>-1</b>	<b>11</b>	<b>7</b>	<b>7</b>	<b>-19</b>	<b>310</b>	<b>186</b>	<b>193</b>	<b>-21</b>	<b>-5</b>
Nestle	244	212	237	-1	24	24	25	0	40	34	39	0	0
BPCL	4,481	4,252	4,395	-1	10	6	6	-22	271	151	153	-25	-5
<b>Nifty (PAT free float)</b>	<b>61,048</b>	<b>65,942</b>	<b>72,438</b>	<b>9</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>13</b>	<b>4,442</b>	<b>5,054</b>	<b>5,876</b>	<b>15</b>	<b>100</b>

### FY25E earnings highlights: Metals, Banks, and Technology to drive the incremental earnings

■ The MOFSL Universe is likely to deliver sales/EBITDA/ PAT growth of 11%/11%/14% YoY in FY25E. The Metals, Banks, and Technology sectors are projected to be the key growth drivers, with 36%, 18% and 13% YoY earnings growth, respectively. They are likely to contribute 65% to the earnings growth in FY25E.

Exhibit 38: Metals, Banks, and Technology to lead the incremental profits for FY25E (PAT, INR b)

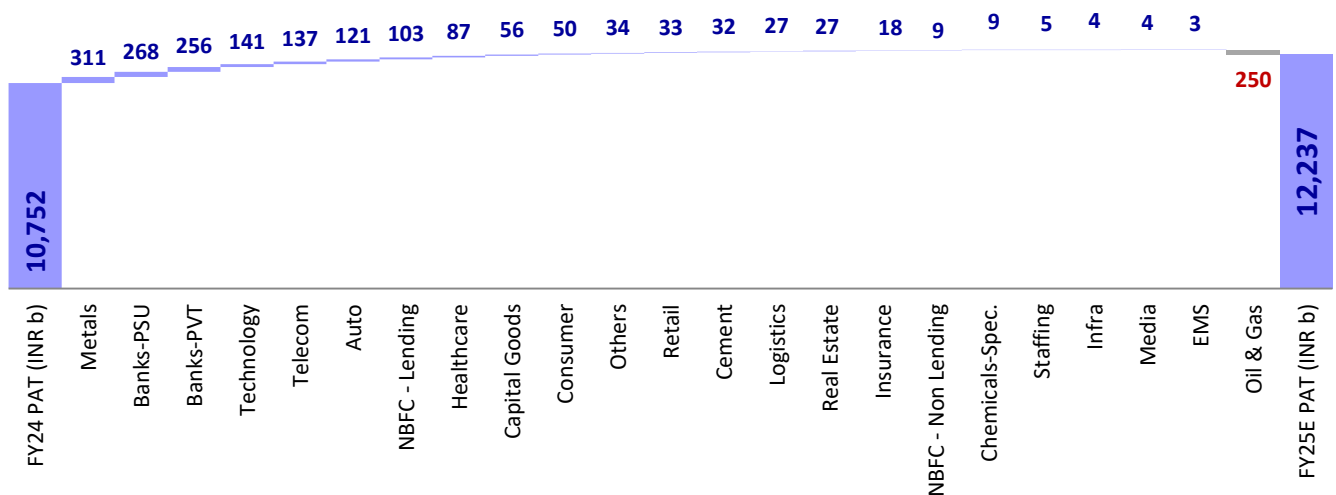
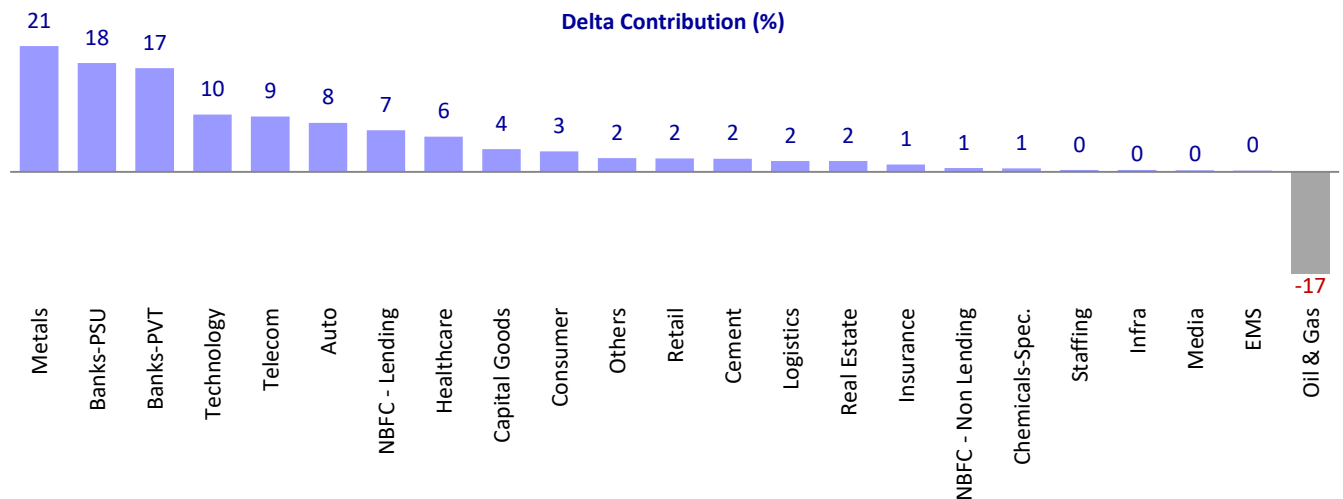


Exhibit 39: Delta contribution to FY25E profit for the MOFSL Universe (%)

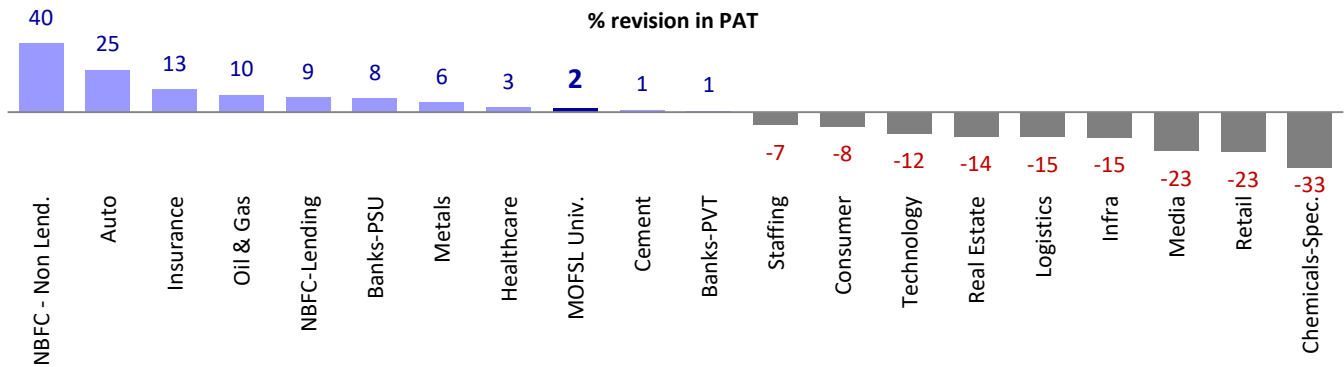


## The 12M earnings revision stable for MOFSL Universe in FY25E

### NBFCs, Autos, and O&G witness upgrades

- Over the last one year, earnings revisions for the MOFSL Universe remained at +2%.
- NBFC Non-lending, Autos, Insurance, O&G, and NBFC Lending saw major upgrades of 40%, 25%, 13%, 10%, and 9%, while Spec Chem, Retail, and Media witnessed significant earnings downgrades of 33%, 23%, and 23%, respectively.

Exhibit 40: NBFCs saw major earnings upgrades, while Spec. Chemicals saw earnings downgrades over the last one year



Note: Comparable MOFSL Universe of 223 companies

Exhibit 41: Annual Sales/EBITDA/PAT estimates for the MOFSL Universe

Sector	Sales (INRb)			Gr. YoY (%)			EBITDA (INRb)			Gr. YoY (%)			PAT (INRb)			Gr. YoY (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Automobiles	11,389	12,631	14,023	20	11	11	1,545	1,748	1,975	52	13	13	853	975	1,133	95	14	16
Capital Goods	3,380	3,895	4,544	19	15	17	388	472	577	20	22	22	241	297	379	32	23	27
Cement	2,112	2,287	2,526	5	8	10	349	410	478	24	17	17	227	259	300	29	14	16
Chemicals-Specialty	620	698	785	-8	13	12	119	137	163	-18	15	19	68	77	96	-29	13	24
Consumer	3,302	3,593	3,959	6	9	10	816	890	982	13	9	10	587	638	708	16	9	11
EMS	75	107	145	39	42	36	8	13	18	16	51	44	6	9	13	33	59	49
Financials	10,483	11,992	13,890	17	14	16	5,804	6,719	7,894	18	16	17	3,570	4,225	4,992	30	18	18
Banks-Private	3,360	3,896	4,595	21	16	18	2,575	2,945	3,532	23	14	20	1,689	1,944	2,299	26	15	18
Banks-PSU	3,411	3,722	4,126	12	9	11	2,242	2,571	2,894	11	15	13	1,294	1,562	1,817	34	21	16
Insurance	2,542	2,958	3,456	15	16	17	124	152	184	-3	23	21	78	96	111	16	23	16
NBFC - Lending	1,069	1,293	1,571	25	21	22	813	982	1,203	26	21	23	473	576	711	30	22	23
NBFC - Non Lending	101	123	142	39	21	16	52	69	81	38	34	17	37	46	55	53	25	18
Healthcare	3,034	3,392	3,807	13	12	12	675	796	913	22	18	15	411	498	588	24	21	18
Infrastructure	191	201	235	4	6	17	51	56	65	-4	10	17	17	22	28	-12	25	29
Logistics	580	675	794	16	16	18	215	253	302	18	18	19	121	148	183	12	22	23
Media	189	204	229	11	8	13	42	47	58	6	13	22	24	28	34	17	15	23
Metals	11,168	12,367	13,503	-2	11	9	1,884	2,339	2,685	-1	24	15	871	1,181	1,402	0	36	19
Oil & Gas	35,317	39,220	41,564	-5	11	6	4,623	4,321	4,702	55	-7	9	2,425	2,175	2,410	80	-10	11
Excl. OMCs	18,868	20,111	21,395	-3	7	6	3,164	3,430	3,781	19	8	10	1,589	1,749	1,969	21	10	13
Real Estate	449	551	650	11	23	18	132	169	215	20	28	27	95	122	156	20	28	28
Retail	1,737	2,096	2,483	19	21	19	209	266	326	10	27	23	86	119	157	-2	39	33
Staffing	436	506	596	13	16	18	16	21	27	22	34	26	8	13	18	17	58	35
Technology	7,357	7,803	8,745	5	6	12	1,654	1,815	2,114	4	10	16	1,117	1,259	1,473	4	13	17
Telecom	2,422	2,713	3,092	6	12	14	1,142	1,333	1,572	12	17	18	-134	2	146	Loss	LP	6,669
Others	2,382	2,634	3,019	6	11	15	349	415	515	31	19	24	158	192	257	81	21	34
<b>MOFSL Universe</b>	<b>96,622</b>	<b>1,07,563</b>	<b>1,18,590</b>	<b>4</b>	<b>11</b>	<b>10</b>	<b>20,021</b>	<b>22,218</b>	<b>25,580</b>	<b>23</b>	<b>11</b>	<b>15</b>	<b>10,752</b>	<b>12,237</b>	<b>14,474</b>	<b>34</b>	<b>14</b>	<b>18</b>

Source: MOFSL

## SECTOR-WISE: Highlights / Surprise / Guidance

### AUTOS: Improved mix, operating leverage and FX boost margins QoQ

- **Growth moderates across all segments:** Auto volumes (excluding tractors) grew 20% YoY in 4QFY24, led by a healthy recovery in 2Ws and steady growth in the SUV segment. 2Ws witnessed the highest growth of ~26% YoY, driven by a low base and good demand for the 125cc+ segment. PV volumes rose ~9% YoY, largely driven by ~26% YoY SUV growth, partially offset by 9% YoY decline in passenger car volumes. 3Ws grew ~9% YoY. On the other hand, CV volumes declined 4% YoY (7%/3% YoY decline for MHCV/LCV) largely over a high base of last year. Also, tractor volumes declined 16% YoY due to subdued rural sentiment and the effect of erratic monsoon.
- **Operationally in-line performance; margin expansion driven by favorable commodity and mix, cost control and Fx benefits:** Total revenue for our auto OEM universe (excluding JLR) grew 13% YoY, largely driven by volume growth. EBITDA jumped 27% YoY primarily due to an improved mix, operating leverage in 2Ws/PVs, and FX benefits. Adj. PAT grew 26% YoY. We expect volume growth to moderate in FY25 and it should be in the range of 4-6% YoY for most of the segments, due to the high base and moderation in demand. However, we believe 2Ws and SUVs should outperform the auto pack with 7-9% YoY growth in FY25. Total revenue/EBITDA/PAT for our auto ancillaries universe grew 13%/21%/33% YoY.
- **Commodity cost movement remains the key monitorable:** Gross margins in 4Q were supported by higher volume growth, a better product mix, and foreign exchange benefits, resulting in an EBITDA margin expansion of 140bp/100bp YoY for OEMs/ancillaries in 4QFY24. While input costs seem to have bottomed out, it needs to be seen where they stabilize in the coming quarters. OEMs who are able to deliver further mix improvement can see incremental margin improvement. For companies with global operations, particularly in the EU, energy costs are reducing, but wage costs are rising.
- **Exports – outlook remains uncertain:** Export volume saw strong growth of ~31%/9% YoY in 2W/3Ws in 4Q, largely over a low base of last year. However, the export outlook remains weak in major markets like Africa. Even large export-focused OEMs, like BJAUT, have not given any growth guidance on exports, given the ongoing uncertainty. Ancillary companies with overseas exposure such as MOTHERSO, ENDU, CIE, APTY, BHFC and BIL have indicated that the auto demand outlook in Europe remains weak. While the Red Sea crisis led to higher lead time, there was limited impact on the costs.
- **The quarter witnessed several downgrades:** Among OEMs, we saw EPS downgrades in EIM (-4%) and TTMT (-3%), largely as we believe margins have largely peaked out in 4Q for them. Among ancillary players, the most notable earnings downgrades were in tyre companies CEAT (-14%), APTY (-6%) and MRF (-12%), largely to factor in the EPR impact and also the impact of rise in input costs. Meanwhile, notable upgrades happened for MM (6%), AL (7%), ESCORTS (7%), EXID (9%), ENDU (14%), and BIL (12%). In terms of ratings downgrades, we have downgraded BHFC to Neutral (From Buy) and EIM to Sell (from Neutral) largely due to the sharp run-up in the stocks.
- **Valuation and view:** We strongly believe that the majority of easy gains in auto OEM stocks are now behind us, as we have witnessed significant volume growth across segments over the last two years, and input costs also appear to have bottomed out. Hence, one will have to make selective micro strategies to outperform from hereon. In this backdrop, MSIL is our top pick in auto OEMs, along with AL. Among auto ancillaries, our top picks are CRAFTSMA, MOTHERSO, and HAPPYFORG.
- **Surprises:** AL, BJAUT, MM, BIL, ENDU, EXID, MOTHERSO
- **Misses:** MSIL, BOS, CEAT, CRAFTSMA, TIINDIA

### Guidance highlights:

- **MSIL:** As per the company, the proportion of FTBs in FY24 stood at 40-43% and did not improve. This would affect sales of small cars, which are expected to remain muted. MSIL's order backlog stands at 200k units, of which CNG vehicles account for almost 111k units. CNG share for the industry stood at 15% in FY24 (vs. MSIL's ~24% or 450k units, up 50% YoY). MSIL aims to sell 600k units of CNG vehicles (up ~30%) in FY25.

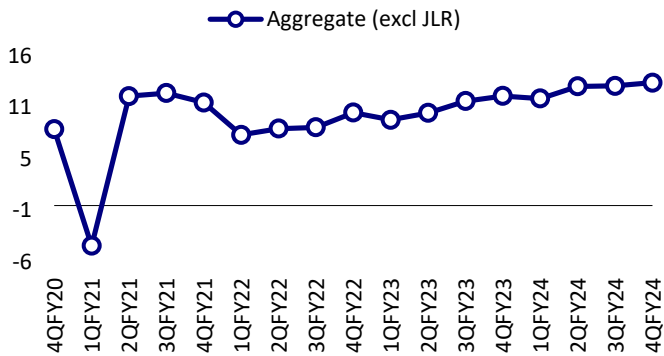
- **MM: Automotive** – MM has maintained its previous guidance of growth of mid-to-high teens in FY25 for UVs, aided by new launches (XUV 3XO, Thar 5 door) and some product interventions (launch of lower variants of XUV700). Open bookings now stand at 220k units (vs. 226k units in 3QFY24). **Tractors** – MM expects tractor industry volumes to grow 5% YoY in FY25, aided by above-normal monsoon as predicted by IMD. 1HFY25 is expected to remain weak due to ongoing elections, but 2HFY25 should see a significant pickup.
- **TTMT: JLR**- Some markets, such as EU and the UK, are under pressure. North America is improving and demand in China is stable. The order book stands at ~133k units. FY25 EBIT margin likely to remain stable YoY at 8.5%. **CV** – Volumes are likely to remain flat or decline YoY in FY25. Expects 1Q to be slow and demand likely to recover from 2Q onward. **PV**- Industry growth rate is likely to moderate to less than 5% YoY in FY25 as pent-up demand is exhausted and also due to a high base (strong volume growth seen in both FY23/24).
- **AL**: Industry outlook for FY25 is positive as all the macroeconomic growth factors are intact. Even in May'24, demand momentum on the ground has been positive. Its medium-term goal of achieving ~35% market share remains intact. The aging of the fleet has been the highest, as the average truck age is ~10 years now vs. 7-8 years historically, indicating strong replacement demand.
- **BJAUT: Domestic**: Industry to grow 7-8% YoY with the premium segment growing faster than the industry. **Exports**- Export markets are recovering gradually but still are 25% below the FY22 peak. The currency situation in the emerging market remains fragile.
- **HMCL**: Expects double-digit revenue growth in FY25. Consumer sentiment was positive in Mar-Apr'24. Despite having fewer wedding dates in May-Jun'24, overall sentiment remains positive across rural and urban areas. **Premium**- Aims to increase the capacity to 10k units per month for 440CC platform and Karizma put together in the next couple of months. HD has 10% market share in the regions where it is present.
- **TVSL**: The management has indicated that its key export market Africa is likely to see weak demand in 1HFY25 and is likely to recover in 2H. **EVs**- The management has indicated that FY25 is likely to be an exciting year for new launches for TVSL. In EVs, it plans to launch multiple variants of iQube with various battery options to suit consumer needs.
- **EIM**: Anticipating double-digit growth in the mid-weight motorcycle segment for FY25E, with RE poised to outperform due to upcoming new launches. However, the anticipated replacement cycle for RE is yet to gain momentum. Retail sales are seeing green shoots in some export markets with stable market share across key geographies. It has entered Turkey in FY24. **VECV**- Despite near-term challenges, the CV industry is poised for stable demand, driven by factors such as GDP growth, infra investments, and the replacement cycle, which are fundamental drivers.
- **MOTHERSO**: Automotive booked business increased to USD83.9b (up from USD77.3b in 2QFY24 end). About 23% of this came from EVs. It does not include the order book of Yachio and the non-auto business. Integration benefits of acquisitions of Yachio, Lumen and ADI will reflect in 1QFY25. These acquisitions are expected to add INR144b in net revenues in FY25. Non-auto vertical is expected to grow exponentially in the coming years.
- **BHFC**: There is an encouraging traction visible from global OEMs for moving supplies to India from other geographies, including China and Europe. The impact of the Red Sea crisis has reduced, and there is a stronger outlook from customers than anticipated earlier. There is a stable demand commentary by OEMs for North America Class 8 trucks, while domestic CV volume is likely to be flat YoY for FY25.
- **BIL**: Inventory in key markets is returning to normalcy. The management has refrained from giving any volume growth guidance for FY25 as the demand outlook remains uncertain in its key end-markets given the ongoing geopolitical conflicts. The management does not expect freight rates to further increase in 1QFY25. **EPR**- It expects INR300m impact due to this in FY25 (or less than 1% of total revenues).

**Exhibit 42: Key operating indicators**

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)				
	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	4QFY24	4QFY23	YoY (bp)	3QFY24	QoQ (bp)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Bajaj Auto	1,069	860	24.3	1,201	-11.0	20.1	19.3	80	20.1	0	19,360	14,329	35.1	20,419	-5.2
Hero MotoCorp	1,392	1,270	9.6	1,460	-4.6	14.3	13.0	120	15.1	-80	10,161	8,589	18.3	11,801	-13.9
TVS Motor	1,063	868	22.4	1,101	-3.5	11.3	10.3	100	11.2	10	4,854	3,640	33.4	5,934	-18.2
Maruti Suzuki	584	515	13.4	501	16.5	12.3	10.5	180	11.7	50	38,778	26,236	47.8	31,300	23.9
M&M	287	279	2.9	313	-8.4	12.9	12.4	50	12.8	10	20,382	19,750	3.2	24,540	-16.9
TTMT India CV**	111	119	-6.2	99	12.7	11.9	10.2	180	11.1	80	19,840	17,040	16.4	16,560	19.8
TTMT India PV**	156	136	14.8	139	12.3	7.3	7.3	0	6.5	80	5,330	2,340	127.8	4,060	31.3
JLR	121	107	12.3	114	5.9	16.3	14.8	150	16.2	20	732	263	178.6	592	23.6
Ashok Leyland	56	60	-5.7	47	19.1	14.1	11.0	320	12.0	210	9,485	7,145	32.7	5,804	63.4
Eicher - RE	228	219	4.2	228	-0.2	27.6	24.7	290	27.5	10	9,833	7,469	31.7	9,137	7.6
Eicher - VECV	26	26	-2.4	21	24.3	7.9	9.9	-210	7.9	0	2,446	3,154	-22.5	2,067	18.3
<b>Aggregate **</b>	<b>5,021</b>	<b>4,409</b>	<b>13.9</b>	<b>5,167</b>	<b>-2.8</b>	<b>13.1</b>	<b>11.7</b>	<b>140</b>	<b>12.8</b>	<b>30</b>	<b>1,38,664</b>	<b>1,09,895</b>	<b>26.2</b>	<b>1,29,256</b>	<b>7.3</b>

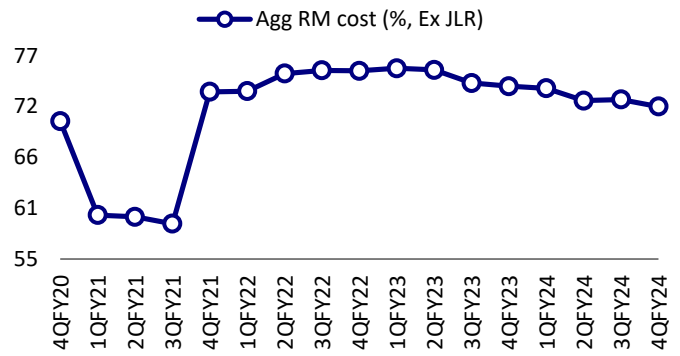
\*\* PBT instead of PAT; JLR in GBP m; Source: MOFSL, Company

**Exhibit 43: Aggregate EBITDA margin improved 30bp QoQ to 13.1% led by better mix, cost savings and favorable Fx**



Source: MOFSL, Company

**Exhibit 44: Gross margins improved 80bp QoQ led by improved mix**



Source: MOFSL, Company

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	325.7	321.5	1.3	374.9	368.8	1.6
HMCL	238.3	236.9	0.6	279.8	273.7	2.2
TVSL	55.3	55.4	-0.3	65.1	65.3	-0.2
EIM	163.3	170.6	-4.3	182.1	195.4	-6.8
MSIL	499.0	489.4	2.0	564.6	546.4	3.3
MM	102.2	96.3	6.1	120.2	107.9	11.5
TTMT	58.3	60.3	-3.4	67.1	70.7	-5.1
AL	11.7	10.9	7.0	13.2	12.5	5.9
ESCORTS	101.6	95.0	6.9	120.9	107.8	12.1
ARENM	56.0	57.7	-3.0	60.5	60.9	-0.7
EXID	16.3	14.9	9.4	18.9	16.6	13.5
BOSCH	821	812	1.2	951	909.3	4.6
ENDU	65.8	57.6	14.1	81.1	71.1	14.1
MACA	24.5	24.2	1.1	29.6	29.8	-0.7
BHFC	38.7	38.3	1.2	48.9	47.5	3.1
MOTHERSO	6.1	6.3	-1.2	7.6	7.4	2.0
SONACOMS	11.7	11.8	-1.4	14.0	14.3	-2.1
CEAT	160.9	186.2	-13.6	195.6	213.5	-8.4
APTY	30.1	32.1	-6.1	34.6	34.7	-0.3
BIL	91.1	81.5	11.8	114.4	102.4	11.6
MRF	4,584.0	5,191.2	-11.7	5,112.3	5,672.9	-9.9
MSUMI	1.9	1.9	-2.1	2.3	2.2	1.3
TIINDIA	62.3	67.7	-8.0	77.0	82.6	-6.7
CRAFTSMA	174.4	174.5	0.0	230.7	230.6	0.0
HAPPYFORG	34.7	33.6	3.5	44.9	42.9	4.8

## CAPITAL GOODS: Robust margin performance; execution remains healthy

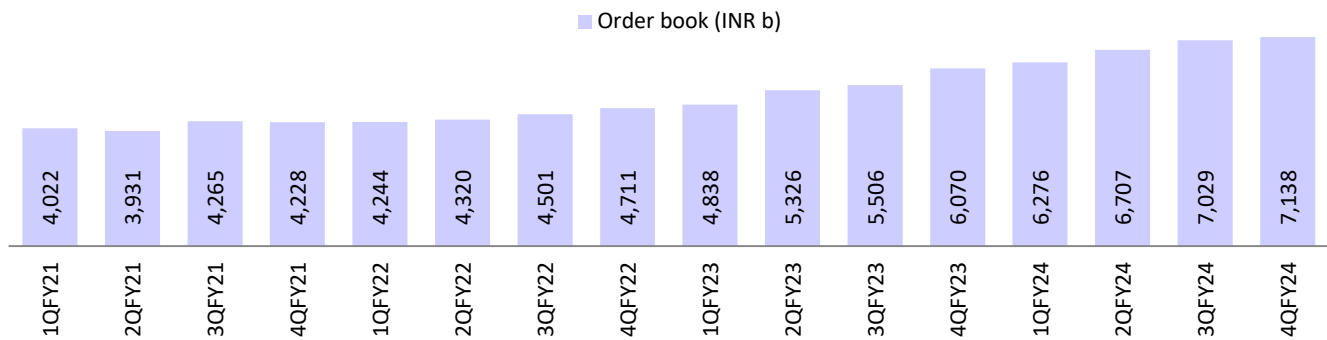
- **Ordering activity saw some moderation:** On expected lines, order inflows moderated for our coverage companies, largely due to the election cycle. Healthy traction was seen in key sectors such as power T&D, renewable energy, data centers, real estate, defense, etc. Private investments have been selective, with sectors such as data centers, metals, real estate, automotive, etc. driving growth. While the structural levers remain intact, there might be a slight lull in the coming quarter due to elections. However, things are expected to normalize by 2QFY25 and private sector ordering is expected to pick up.
- **Execution growth was in line:** Overall coverage universe execution grew by 17% YoY on the back of healthy opening order books, with EPC companies posting 15% growth and product companies clocking in 25% growth. KKC, ABB and SIEM saw robust revenue growth, while KPIL and KECI were noticeably weaker.
- **Margin trajectory improved sharply:** Though RM inflation has remained benign in recent quarters, margin improvement for EPC players will take place gradually with the completion of legacy projects. For product companies, there was a sharp margin improvement as companies enjoyed pricing power and strong demand, leading to a favorable product mix, coupled with operating leverage benefits.
- **Except for a few pockets, exports continue to disappoint:** While companies such as LT, KPIL and TRIV reported robust growth in international ordering, especially in the MENA region, KKC saw a sharp 30% decline in export revenue owing to continued weakness in key markets due to high inflation and geopolitical tensions. The situation is expected to bottom out in the next couple of quarters and a turnaround is expected thereafter.
- **Top picks:** LT and KKC in the large-cap space, and TRIV in the mid-cap space
- **Surprises:** ABB, SIEM, KKC, KOEL, TMX, POWERIND, BHE, TRIV
- **Misses:** KPIL and KECI

### Guidance highlights:

Management commentary by most of the companies remained positive about a robust order pipeline given the government's emphasis on capex-led growth. A meaningful uptick is expected in 2HFY25. EPC companies exuded confidence in their international prospects, chiefly in MENA countries.

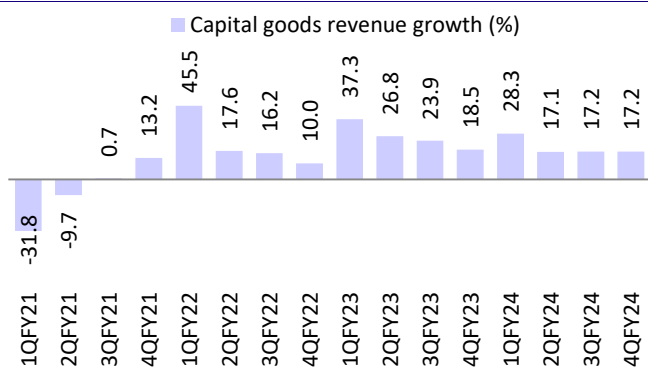
- **LT:** FY25 revenue and order inflow guidance at 15% and 10%, respectively. However, core margin guidance of 8.25% on account of geographical mix and competition. FY25 has a prospect pipeline of ~INR12.1t (+24% YoY).
- **SIEM:** Government capex continues to be strong, while private sector is also expected to contribute meaningfully. The overall enquiry pipeline is strong, particularly in areas such as transmission, EV, electrification, data centers, pharma, chemicals, electronics, battery storage, etc.
- **BHE:** FY25 revenue growth guidance of 15%, margin guidance of 23-25% and order inflow guidance of INR250b (excluding QRSAM).
- **KKC:** Maintained double-digit revenue growth guidance for FY25. Exports to bottom out in 1-2 quarters and a recovery is expected in coming quarters.
- **KOEL:** Management reiterated its 2X3Y strategy by FY25. Aiming to have share of exports at 30%. Margin could be double digit in FY25.
- **KECI:** FY25 order inflow guidance at ~INR250b, revenue growth of 15%, and margin guidance of 7.5%. Double-digit margin performance is expected in FY26.
- **KPIL:** FY25 to see 20% revenue growth, PBT margin at 5%, NWC below 100 days and capex guidance of ~INR5b. Order inflow guidance will be provided in 1QFY25 once there is more clarity after elections.
- **TMX:** Sees stability in margins for the next 1-2 quarters, if there are no big commodity shocks.
- **TRIV:** Domestic ordering expected to pick up 2HFY25 onward, while export opportunities continue to be robust.

**Exhibit 45: Aggregate order book seeing a steady build-up (INR b)**



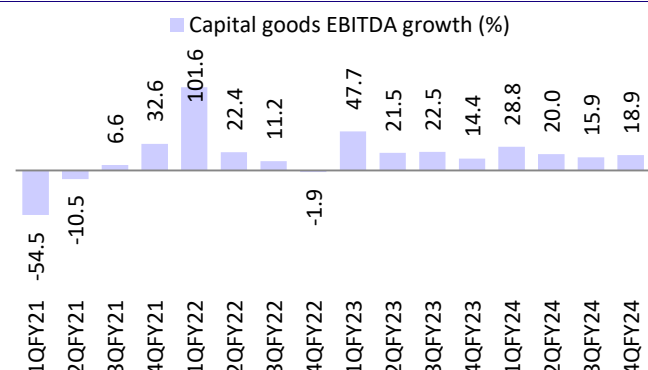
Source: Company, MOFSL

**Exhibit 46: Aggregate revenue growth (%)**



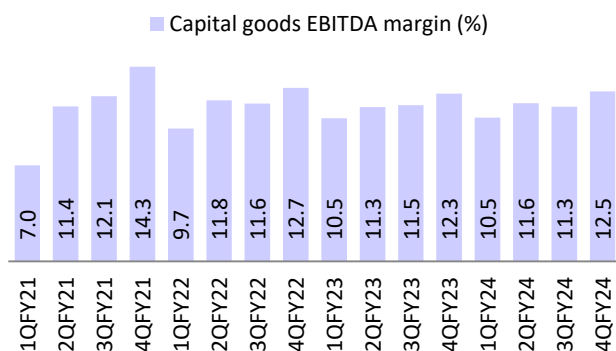
Source: Company, MOFSL

**Exhibit 47: Aggregate EBITDA growth (%)**



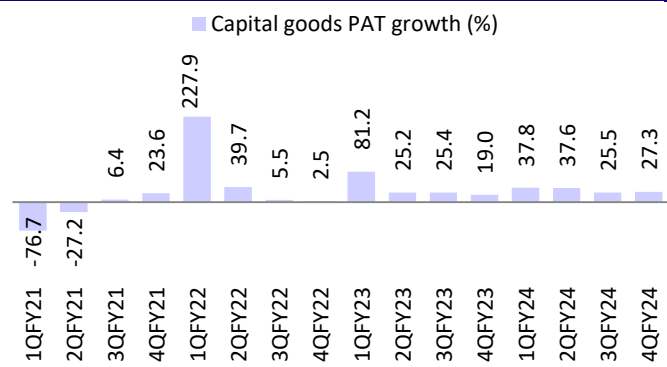
Source: Company, MOFSL

**Exhibit 48: Aggregate EBITDA margin (%)**



Source: Company, MOFSL

**Exhibit 49: Aggregate PAT growth (%)**



Source: Company, MOFSL

**CEMENT: Strong volume growth; EBITDA/t at INR1,010 (est. INR990)**

- **Sales volume up 12% YoY; realization down 4%:** Sales volume for our coverage universe grew 12% YoY (2pp above our estimate), backed by increased pre-election spending, sustained robust demand from government-led infrastructure projects, and the housing segment. ACC reported the highest volume growth of 24% YoY, followed by 17-19% YoY growth by ACEM, DALBHARA and TRCL. UTCEM, JKCE, BCORP and SRCM clocked volume growth of 8-11% YoY, while JKLC's volume rose 1% YoY. ICEM's volume declined ~13% YoY. Blended realization for our coverage universe declined 4% YoY (and 5% QoQ; 1% below our estimates). Consequently, revenue (excl. GRASIM) grew ~8% YoY. GRASIM's standalone revenue rose 2% YoY in 4QFY24. Its VSF segment revenue was flat YoY while, chemical segment revenue declined 13% YoY due to a drop in realization (down 19% YoY).
- **Gross margin for our coverage universe improves 3.7pp YoY to ~57%,** supported by reduced input material costs (average variable cost/t declined 11% YoY). Freight/employee cost per ton declined 3%/9% YoY, while

other expenses/t increased 1% YoY. **Aggregate EBITDA for cement companies increased 29% YoY (including GRASIM, which registered an EBITDA growth of 24% YoY) and OPM expanded 3pp YoY to 18.6% (est. 18.0%).** The EBITDA of ACC/BCORP/JKCE grew 80%/72%/60% YoY, while that of SRCM/JKLC/UTCEM grew 49%/45%/24% YoY. EBITDA of ACEM/TRCL rose 1% YoY (each), while DALBHARA reported an EBITDA decline of 7%. ICEM reported EBITDA of INR469m vs. operating loss of INR445m in 4QFY23. **Average EBITDA/t stood at INR1,010 vs. INR880/INR1,125 in 4QFY23/3QFY24.**

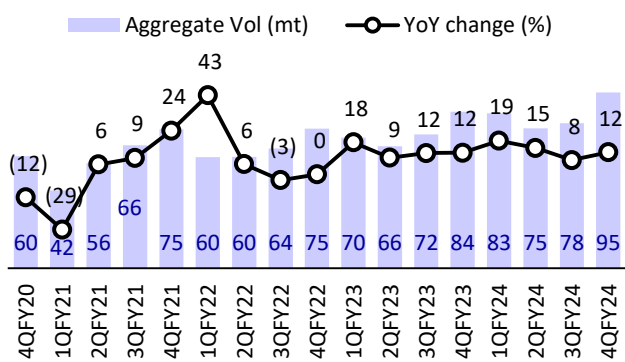
- **Profit improves 36% YoY:** Aggregate interest/depreciation expenses for our coverage universe grew 27%/16% YoY, and other income increased 30% YoY. **Aggregate profit grew 36% YoY to INR49b for cement companies (profit up 39% YoY to INR51.5b, including GRASIM).** BCORP and GRASIM's profit surged 2.6x/2.5x YoY. Profit grew 72-90% YoY for ACC/JKCE, 39%-43% for UTCEM/JKLC, 21% for SRCM and 6% for ACEM. Conversely, profits declined 20% YoY for TRCL and 3% for DALBHARA. ICEM reported a net loss of INR435m (vs. net loss of INR1.2b in 4QFY23).
- **Changes to our earnings estimates:** We cut our FY25/FY26 PAT estimates for DALBHARA by 9%/7% and that of TRCL by 5% (each). We broadly maintained our earnings estimates for other coverage companies.
- **Top picks:** While UTCEM is our top pick in the large-cap space, JKCE and DALBHARA are our preferred picks in the mid-cap space and JKLC in small-cap space.
- **Surprises:** UTCEM, SRCM, BCORP, and JKLC
- **Misses:** ACEM, DALBHARA, and JKCE

#### Guidance highlights:

Cement demand is likely to moderate in 1HFY25 due to the general election followed by the monsoon. Cement demand is estimated to grow between 7-9% YoY in FY25. Current cement price remains soft and is not likely to improve in the near term due to weak demand. Companies are expecting fuel costs to remain stable in the coming quarters due to stable fuel prices.

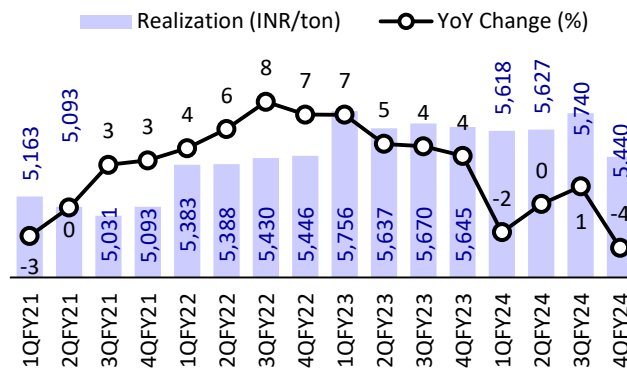
- **UTCEM:** Expects industry volume growth of ~7-9% YoY in FY25; while UTCEM will grow ahead of the industry. Cement prices are likely to remain stable or improve in FY25. It has some high-priced coal contracts that will get exhausted by Dec'24. It anticipates cost savings to be around INR200-300/t over the next three years.
- **ACEM:** Consol. volume grew 17% YoY in 4QFY24. It targets a cost reduction of INR530/t by FY28 to become the cost leader in the industry. It aims to increase green power share to 31%/60% by FY25/FY28E. It aims to commission clinker/grinding capacity of 4mtpa/4.8mtpa by 4QFY25.
- **SRCM:** Cement demand is likely to improve in 2HFY25 which will help cement prices to improve. Cost reduction remains its focus area. It targets to increase its grinding capacity by 9-10mtpa to 65.8mtpa by Mar'25 and is on track to achieve a capacity of 80mtpa by FY28. Capex will be INR40b annually for the next three years.
- **DALBHARA:** Expects cement prices to remain soft in 1HFY25 and believes that price recovery can happen only in 3QFY25. The acquisition of JPA's cement assets is taking longer than expected time; but should get completed by 2QFY25. Further expansion plans are under discussion. Capex is pegged at INR35b-40b in FY25.
- **JKCE:** Industry volume growth should be at 6-7% YoY in FY25; while JKCE's volume is likely to grow ~10% YoY. Cement prices are under pressure and price hikes are expected only in 3QFY25. It expects a potential cost reduction of INR150-200/t over the next 2-3 years. Capex is pegged at INR19b/INR18b in FY25E/FY26E.
- **JKLC:** Cement demand is estimated to improve after the general election results. Prices declined ~5% YoY in 4QFY24 and current prices are down ~1% QoQ. It will commission grinding capacity of 1.35mtpa at Surat GU in FY25 and Durg (Phase – II) expansion will be completed by FY26-end.
- **BCORP:** Mukutban unit's capacity utilization improved to ~68% in 4Q and ~77% in Mar'24. Management guided for a volume growth of ~8-9% YoY in FY25 and ~8-10% improvement in EBITDA/t. Currently, BCORP is focusing on expanding the grinding capacity, while clinker expansion is likely by FY27.

**Exhibit 50: Sales volume grew 12% YoY in 4QFY24**



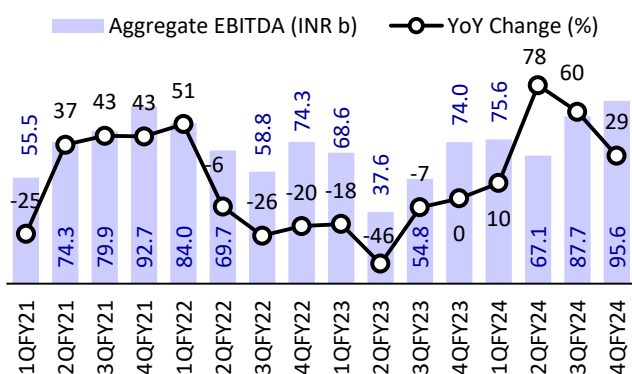
Source: Company, MOFSL

**Exhibit 51: Blended realization was down 4% YoY**



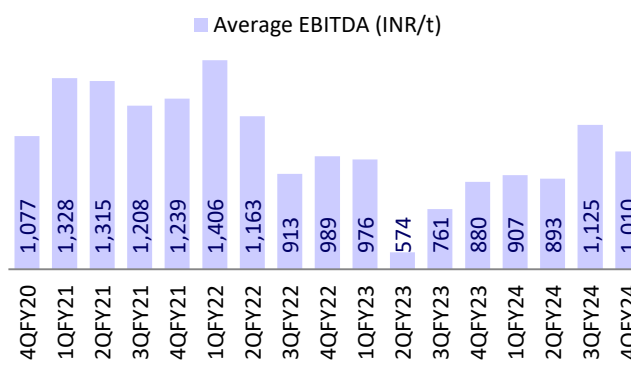
Source: Company, MOFSL

**Exhibit 52: Aggregate EBITDA grew 29% YoY in 4QFY24**



Source: Company, MOFSL

**Exhibit 53: Average EBITDA/t was up 15% YoY in 4QFY24**



Source: Company, MOFSL

**CHEMICALS: Earnings continue to decline; pricing pressure persists**

- Overall performance:** Revenue was in line with our estimates (AACL, CLEAN, FINEORG, NFIL, NOCIL, and VO beat our estimates, while PI missed our estimates). EBITDA was in line with our estimates too (AACL, ATLP, CLEAN, FINEORG, NFIL, NOCIL beat our estimates, while DN, GALSURF, and TTCH missed our estimates). Adj. PAT was below our expectation (ATLP, DN, GALSURF, TTCH missed our estimates, while that of the rest exceeded our estimates). Aggregate revenue declined 7% YoY to INR156.7b, EBITDA declined 25% YoY to INR27.5b and adj. PAT declined 42% YoY to INR14.6b
- Aggregate gross margin for our coverage universe decreased 10bp YoY in 4QFY24 (vs. decline of 70bp YoY in 3QFY24). CLEAN, DN, GALSURF, NFIL, SRF, and VO saw gross margin contraction YoY. Aggregate EBITDA margin dipped 430bp YoY. Only AACL and PI's EBITDAM expanded YoY, while there was a contraction for the rest of the companies within our coverage universe.
- Ratings and earnings revisions:** There were no rating downgrades in the quarter. However, we revised down our estimates for ATLP, DN, PI and SRF post-4QFY24 earnings. FINEORG and VO saw upward revisions in their estimates post-4QFY24 result season.
- Top picks:** **VO-** Veeral Organics (VOL) has commissioned a couple of products (MEHQ and Guaiacol), while the rest are expected to get commissioned in 2HFY25. These products are going to be the growth drivers for the company going forward. VO is now the largest and only double-integrated manufacturer of AOs in India. We continue to believe that VO will do well in the long term. **GALSURF-** We estimate a volume CAGR of 9% over FY24-26, led by robust volumes in the domestic market and a recovery in specialty care product volumes in the developed markets, which have already started growing. **PI-** It has levers in place to sustain near-term growth, led by: 1) consistent growth momentum in the CSM business; 2) product launches in the domestic market; and 3) the recent acquisition in the pharma API and CDMO segments.
- Surprises:** AACL, CLEAN, FINEORG, NFIL, NOCIL, and VO

- **Misses:** ATLP, DN, GALSURF, and TTCH

#### Guidance highlights:

- **AACL:** Management is confident of maintaining its Ethylamines market share despite capacity expansion by competition. Management guided a capex of INR600-800m in FY25 for debottlenecking and maintenance activities majorly.
- **ATLP:** Volume growth was driven by consumption in FY24, and management is confident of achieving higher volume growth in FY25.
- **CLEAN:** It is on track to commercialize the capacity for pharma intermediates by 3QFY25. Volume growth for FY25 will be driven by new products.
- **DN:** Management is confident that the backward integration projects will elevate the performance of the segment. Margin pressure is expected to continue over the next two quarters, with better performance anticipated from 2HFY25 as additional projects are commissioned.
- **FINEORG:** Management guided that it would take another 3-4 years for Patalganga-II to reach optimum utilization. Management highlighted that some regions have started showing demand recovery on a selective basis, while some headwinds still exist in the export markets.
- **GALSURF:** GALSURF expects a full revival in volumes in Jun'24. The management expects 6-8% volume growth going forward. The management believes that the momentum in the mass and masstige categories will remain intact, with accelerated approvals leading to volume growth.
- **NFIL:** Management seeks to double the R32 capacity that is expected to be commissioned by Feb'25. Management also highlighted that the refining gas market is showing signs of recovery. NFIL mentioned that it has a strong late-stage pipeline/commercial opportunities in the business.
- **NOCIL:** Management believed that FY24 volumes could be taken as a base for FY25. Although it believed that the situation has bottomed out, there is still no guidance with respect to optimum utilization of current capacities.
- **PI:** Management expects revenue growth of 15% in FY25. PI expects to exceed its guidance, subject to the improvement in domestic demand. It expects EBITDA margin to sustain at current levels in FY25.
- **SRF:** The chemical business is expected to witness ~20% growth in FY25, with significant growth expected in 2HFY25. Management expects margins to remain under pressure in the packaging business.
- **TTCH:** The new 230ktpa soda ash capacity will be commissioned in May'24, and is expected to reach the optimum capacity in ~90 days. TTCH has planned a 10-day shutdown in the Mithapur plant in 1QFY25. Management is expecting the US business to deliver healthy production and realization numbers going forward
- **VO:** Management highlighted that destocking in ATBS is over now and it expects demand to be robust going forward, with double-digit growth seen in FY25. IBB's revenue is expected to be at FY24 levels. Management has guided a revenue CAGR of 20% in the next three years.

#### Exhibit 54: Revenue for our coverage universe

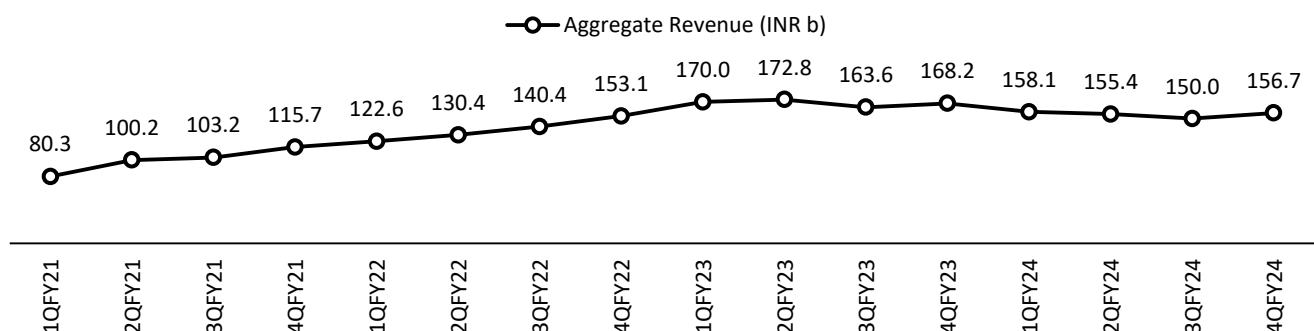


Exhibit 55: Gross margin for our coverage universe

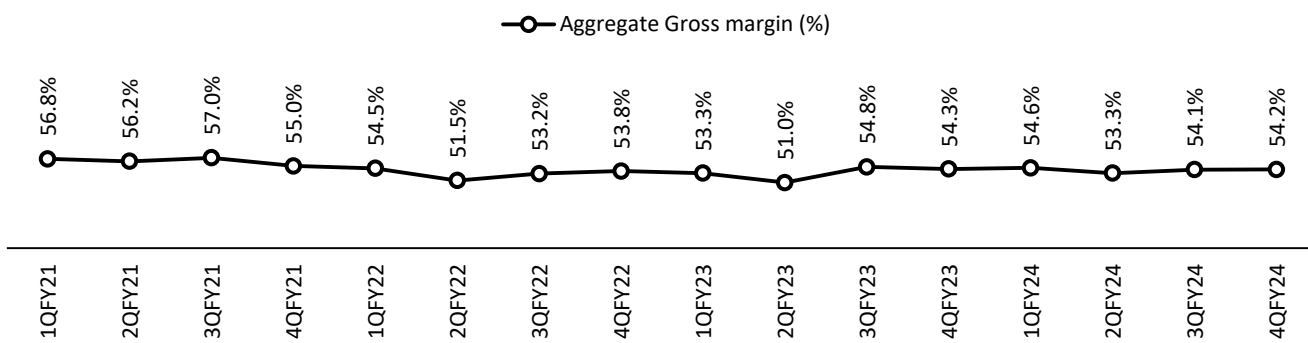


Exhibit 56: EBITDAM for our coverage universe

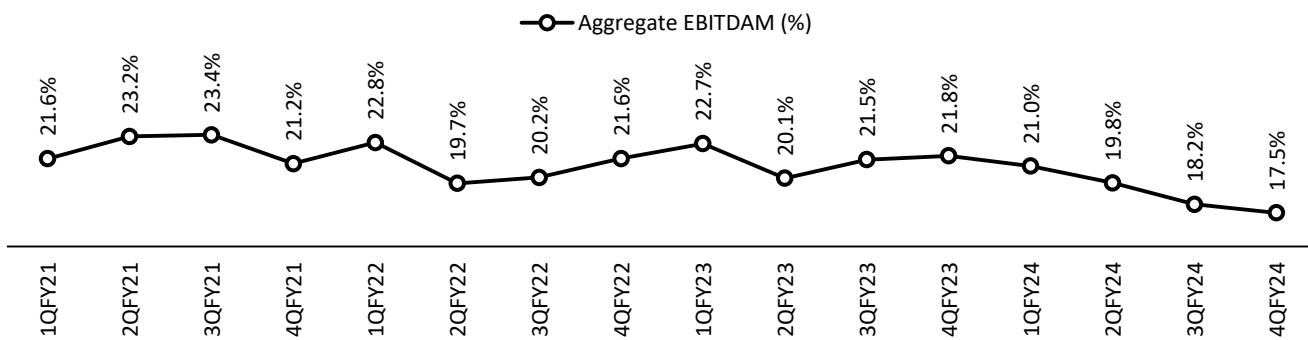


Exhibit 57: EBIT margin for our coverage universe

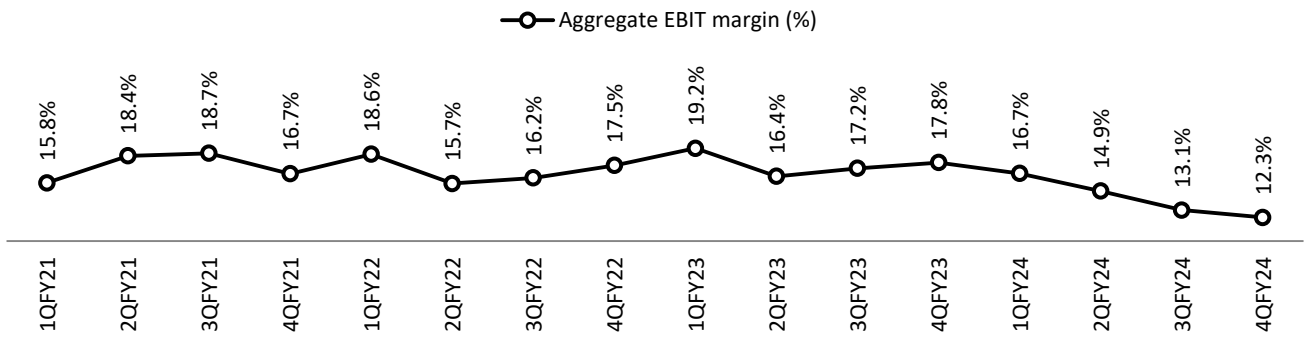
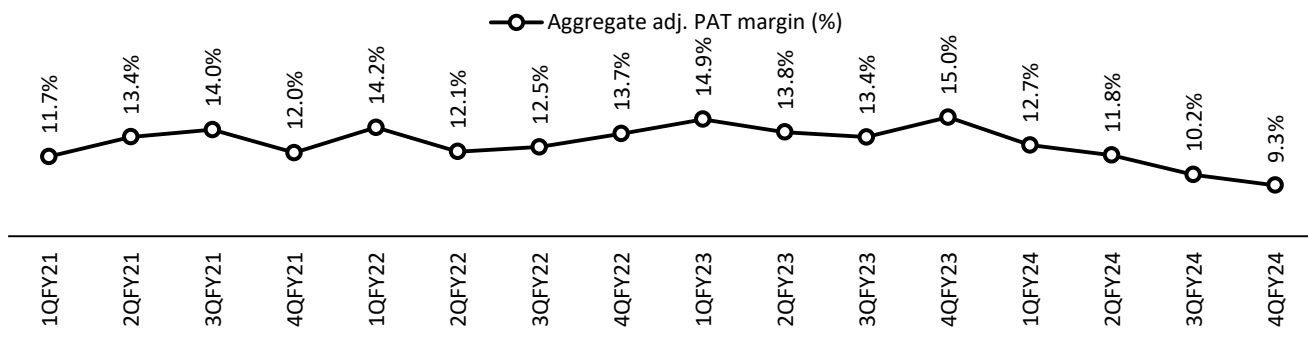


Exhibit 58: PAT margin for our coverage universe



**CONSUMER - FMCG: Recovery in rural market; volume trend to improve in FY25**

- **Steady demand in 4Q; promising outlook for FY25:** Our coverage universe posted revenue growth of 4% YoY (est. 5%) in 4QFY24. The demand trends were largely stable, but most companies witnessed rural recovery largely at the end of 4QFY24. After lackluster demand in FY24, management commentary by most companies looks promising on volume recovery for FY25. FY24 was marred by price cuts, competition from local players and unchanged demand trends that led to weak revenue performance (4% revenue growth). Volume growth improved in 4QFY24, but revenue growth was impacted by price cuts and product mix. In our coverage universe (19 cos), five companies reported double-digit revenue growth, while one company saw revenue contraction. Revenue growth was largely in line with our estimates for 16 out of 19 companies. UBBL and P&G Hygiene beat our estimates, while Page Industries missed our estimates.
- **Gross margin recovery sustained; A&P spending remained elevated:** The trajectory of gross margin expansion remained strong despite most companies/categories witnessing price cuts/offers to partially pass on benign RM prices. Companies are stepping up investments in marketing and distribution. Hence, the EBITDA margin expansion was lower than the gross margin expansion. Our coverage universe registered EBITDA growth of 5% YoY (est. 6%) in 4QFY24 and 11% in FY24. Excluding ITC, EBITDA growth was 8% in 4QFY24 and 15% for FY24.
- **PBT and PAT broadly in line:** For nine of the 19 coverage companies, PBT was either ahead of or in line with our estimates, with a better-than-expected performance by CLGT, NESTLE, P&G Hygiene, VBL and UNSP. Conversely, there were notable misses by APNT, PAGE, PIDI and UBBL. Aggregate PBT growth was in line at 6% YoY (est. 7%). Aggregate PAT growth stood at 8% YoY (est. 8%).
- **Positive surprises:** DABUR, NESTLE, P&G Hygiene, VBL and UNSP
- **Misses:** APNT, PAGE, PIDI and UBBL
- **Near-term outlook:** Companies are focusing on the traditional framework (distribution reach, product launches, consumer offers, etc.) to regain the growth momentum. With steady macro, along with price cuts/consumer offers by companies, we expect volume recovery in FY25 (rural recovery too). Gross margin has already recovered well for most companies in FY24; hence, a further expansion in FY25 will be category/company-specific. We expect cost control (particularly A&P spending) to help companies sustain healthy EBITDA growth in FY25. Local competition, rural pickup, pricing activities, and RM prices remain key monitorables.
- **Top picks – HUL, GCPL and DABUR:** We are positive on **HUL:** We expect that the volume growth has bottomed out and anticipate a gradual volume recovery in FY25. HUL's wide product basket and presence across price segments should help the company achieve a steady growth recovery. There is scope for a turnaround in part of BPC and F&R; we will monitor the execution in these segments under the new CEO. The valuation at 45x FY26E EPS is reasonable given its last five-year average P/E of 65x on one-year forward earnings. **GCPL** is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The valuation is expensive, but earnings are expected to outperform peers. **DABUR:** Recovery in rural markets should support its portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands.

**Guidance highlights:** The commentary on consumption is positive considering normal monsoons, improving macros, continued government spending, and lower inflation. Most of the companies are witnessing a recovery in the rural market and anticipate volume growth in FY25.

- **APNT:** The management guided double-digit volume growth in 1QFY25/FY25. It expects a 5-6% gap in volume and value growth in the medium term. Ad spending will remain in the range of 3-5%. EBITDA is expected to remain in the range of 18-20%.
- **BRIT:** The company aspires to achieve double-digit volume growth in FY25, along with 2-3% price hikes. Management remains optimistic about the growth outlook of the non-biscuit portfolio and anticipates it to

outperform the biscuit portfolio by 1.5x. The company will focus on consolidating growth within the existing category rather than entering a new category in FY25. EBITDA margin is expected to remain stable YoY in FY25.

- **DABUR:** Management expects volume growth in the mid-to-high single digits and revenue growth in the high single digits to low double digits in FY25. It plans to hike prices by 3% going forward. Operating margin is likely to sustain at ~20% (including legal costs) in the near term.
- **HMN:** The company aims to achieve double-digit revenue growth for FY25, primarily fueled by volume growth. Price increases are projected to be moderate in FY25, ranging from 2.0% to 2.5%. The D2C portfolio contributed ~INR2b to revenue in FY24. The Man Company's EBITDA margin turned positive, while Brillare's losses narrowed down in FY24. The effective tax rate will be ~10% for the next two years.
- **HUVR:** There will be a moderate pace of improvement in EBITDA margin in the near term; it is likely to remain around 23-24%. The urban organized trade and premium portfolio remained resilient and drove growth for FMCG. The company expects a slight moderation in price growth in the near term if commodity prices remain stable.
- **GCPL:** It plans to increase its market share in rural areas by doubling outlet coverage and tripling village coverage through Project Vistaara 2.0. GCPL has increased its capex and is focusing on achieving high single-digit volume growth in India and Indonesia, while prioritizing profitability and cash flows in other regions. In RCCL, the company expects high double-digit volume growth and EPS neutrality by the end of FY25.
- **MRCO:** Domestic revenue growth will outpace volume growth in 1QFY25 due to the increase in prices of certain commodities. It aims to deliver double-digit revenue growth through market share gains in domestic core portfolios, accelerated growth in the Foods and Premium Personal Care segments, and double-digit CC growth in the international business. MRCO continues to seek inorganic growth opportunities to strengthen its competitive position in the existing categories and expand the total addressable market in its existing geographies.
- **PIDI:** Both urban and rural markets expanded, with rural and small-town markets outperforming urban areas. Capex is expected to remain around 3% to 5% of total revenue. EBITDA margin is projected to be in the range of 20-24% in the medium term.
- **TATACONS:** The management aims to increase the contribution of growth business from 18% in FY24 to 30% of its Indian business, with a 30% revenue CAGR. It targets a 30% YoY growth in NourishCo in FY25. The short-term volume growth in the tea business is expected to be 2-4%, while mid-single-digit growth is anticipated in the medium to long term. Margin improvement is anticipated in the international beverage business going forward.
- **UBBL:** Premium volume remained strong, with a 21% surge, particularly driven by Kingfisher Ultra, Ultramax, and Heineken. UBBL aims to grow its volume by 8-9%, while gaining market share. The company is prioritizing its efforts to strengthen the portfolio over the next 1-2 years through incremental margin improvements.
- **VBL:** The company expects strong sales growth in 2QCY24, fueled by heat waves, elections, and a lower base in the corresponding quarter last year. It witnessed ~100% plant utilization in Apr'24 and is on track to meet its long-term guidance.

#### Exhibit 59: Quarterly volume growth

Volume growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0
Britannia	-2.0	5.0	3.0	3.0	0.0	0.0	3.0	3.5
Colgate	-2.5	-2.5	-4.5	0.5	3.0	-1.0	-1.0	1.0
Dabur	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0
Emami	9.6	-1.0	-3.9	2.0	3.0	2.0	-0.9	6.4
Godrej Consumer	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0
HUL	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0
ITC	26.0	20.0	15.0	11.5	8.0	5.0	-1.0	2
Marico	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0
Nestle	7.0	8.8	-2.3	5.1	5.4	5.4	4.0	4.0
Page	150.0	1.0	-11.0	-15.0	-11.5	-8.8	4.6	6.1
UBBL	121.0	23.0	4.0	3.1	-12.4	7.0	8.0	10.9
United spirits	17.9	8.3	-25.0	-27.3	5.8	1.0	-1.8	3.7

Source: Company, MOFSL

**Exhibit 60: Revenue/EBITDA/PAT growth**

Company Name	Revenue	4QFY24 YoY %	FY24 YoY %	EBITDA	4QFY24 YoY %	FY24 YoY %	PAT	4QFY24 YoY %	FY24 YoY %
Asian Paints	87,308	-1%	3%	16,914	-9%	21%	12,753	-1%	31%
Britannia	40,694	1%	3%	7,874	-2%	12%	5,366	-4%	10%
Colgate	14,900	10%	9%	5,322	18%	23%	3,798	20%	27%
Dabur	28,146	5%	8%	4,668	14%	11%	3,578	11%	8%
Emami	8,912	7%	5%	2,110	6%	10%	1,669	13%	16%
Godrej Consumer	33,856	6%	6%	7,604	14%	21%	5,749	23%	13%
Hind. Unilever	1,52,100	0%	2%	35,350	-1%	4%	24,996	-2%	1%
Indigo Paints	3,849	18%	22%	846	18%	31%	544	12%	28%
ITC	1,79,227	2%	0%	66,262	0%	2%	51,221	0%	7%
Jyothy Labs	6,600	7%	11%	1,084	19%	52%	781	32%	61%
Marico	22,780	2%	-1%	4,420	12%	12%	3,180	5%	14%
Nestle	52,676	9%	10%	13,426	19%	20%	9,138	22%	24%
P&G Hygiene	10,022	13%	8%	2,573	72%	48%	1,854	72%	51%
Page Industries	9,954	3%	-3%	1,672	24%	1%	1,082	38%	0%
Pidilite Inds.	29,019	8%	5%	5,769	26%	36%	3,779	32%	42%
Tata Consumer	39,269	9%	10%	6,296	23%	23%	3,785	38%	29%
United Breweries	21,315	21%	8%	1,420	166%	13%	808	731%	25%
United Spirits	26,660	7%	3%	3,620	7%	20%	4,073	92%	44%
Varun Beverages	43,173	11%	16%	9,888	24%	24%	5,374	25%	29%

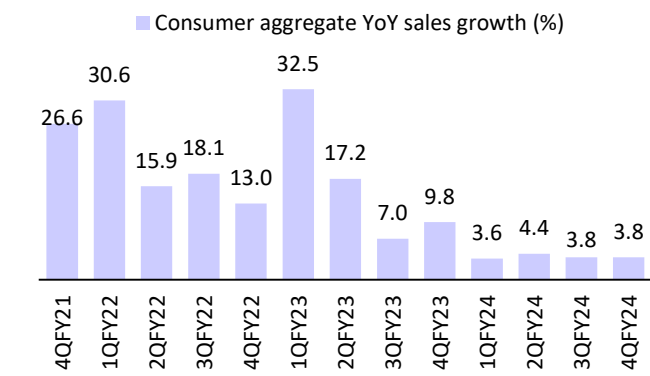
Source: Company, MOFSL

**Exhibit 61: Gross and EBITDA margin expansion in 4QFY24**

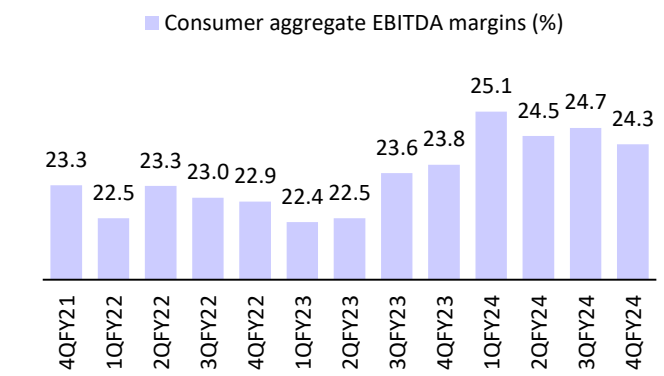
Companies	Gross Margin	YoY (bp)	EBITDA Margin	YoY (bp)
Asian Paints	43.7%	121	19.4%	-185
Britannia	44.9%	-3	19.4%	-56
Colgate	69.3%	244	35.7%	226
Dabur	48.6%	279	16.6%	128
Emami	65.8%	265	23.7%	-23
Godrej Consumer	56.1%	322	22.5%	168
Hind. Unilever	52.3%	320	23.2%	-25
Indigo Paints	48.9%	204	22.0%	-6
ITC	63.2%	164	37.0%	-59
Jyothy Labs	49.5%	378	16.4%	163
Marico	51.6%	417	19.4%	186
Nestle	56.8%	299	25.5%	221
P&G Hygiene	66.3%	977	25.7%	877
Page Industries	56.2%	-101	16.8%	287
Pidilite Inds.	53.4%	664	19.9%	281
Tata Consumer	46.1%	430	16.0%	189
United Breweries	41.7%	312	6.7%	363
United Spirits	43.3%	-205	13.6%	2
Varun Beverages	56.3%	385	22.9%	240

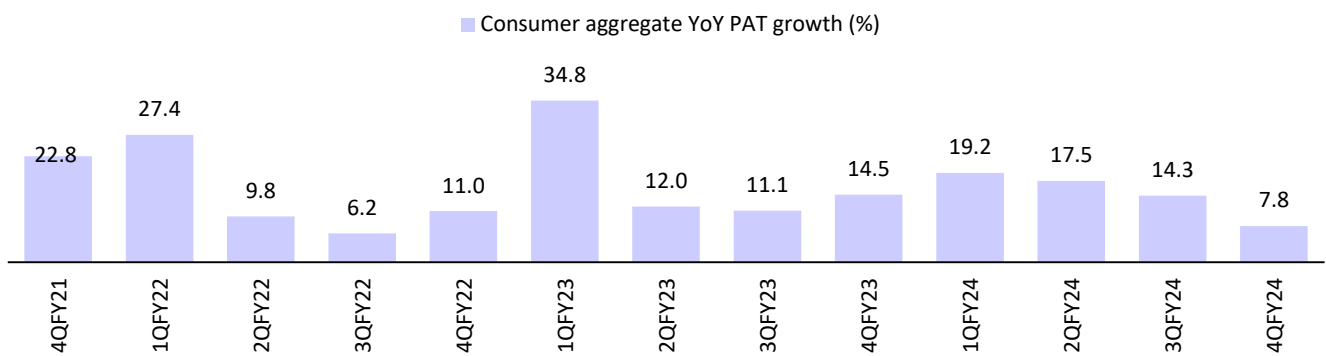
Source: Company, MOFSL

**Exhibit 62: Sales grew 3.8% YoY for our consumer universe**



**Exhibit 63: Aggregate EBITDA margin rose ~50bp YoY in 4Q**



**Exhibit 64: Aggregate adjusted PAT up 7.8% YoY in 4QFY24**

Source: Company, MOFSL

**CONSUMER - QSR: Weak underlying growth; pressure on profitability**

- **Sluggish demand trajectory:** QSR companies sustained sluggish performance as growth metrics (SSSG, ADS) remained weak during the quarter due to competition from local players and weak dine-in demand. Our coverage universe posted revenue growth of 7% YoY (organic growth) in 4QFY24 vs. 6% in 3QFY24 and 17% in 4QFY23. SSSG/ADS continued to decline, barring Restaurant Brand Asia (BK) and Barbeque, which reported SSSG of 2%/1%. Jubilant reported flat LFL growth. Westlife/Devyani KFC/Devyani PH/Sapphire KFC/Sapphire PH registered same-store sales decline of 5%/7%/14%/3%/15%. Delivery continued to outperform dine-in.
- **Store addition intact; expects slow additions in FY25:** Most companies have maintained aggressive store additions in 4QFY24 and the momentum is expected to remain intact in FY25. Given sluggish unit economics across brands, particularly the weaker ones (PH, etc), store openings are expected to be slightly slower in FY25.
- **Pressure on profitability:** With the underlying growth remaining weak, companies witness a significant impact on their unit economics. Both restaurant margin and EBITDA margin contracted for most of the brands in 4Q. The downward trend persisted in FY24. PBT was down >90% YoY in 4QFY24 and >50% YoY in FY24. PBT for Devyani, Sapphire, Westlife, RBA and Jubilant declined 89%, 93%, 93%, 15% and 22% YoY, respectively. However, Barbeque managed to reduce its loss from INR125m to INR9m.
- **Outperformer (4Q):** Barbeque Nation
- **Under-performer (4Q):** Sapphire, Westlife, Jubilant, Devyani
- **Near-term outlook:** The Quick Service Restaurant (QSR) industry is currently facing challenges with weak unit economics in both dine-in and delivery formats, primarily due to increased competition. We maintain a cautious outlook on the QSR sector in the near term due to the ongoing demand challenges that are expected to adversely impact operating margins. After a significant decline in margins in FY24, we will closely monitor any further reductions. Additionally, the pace of QSR store expansion is anticipated to slow down in FY25.

**Guidance highlights:**

- **JUBI:** For FY25, Domino's plans to open 180 stores in India, 50 in Turkey and 20 in Bangladesh. It also aims to open 70 COFFY stores, 50 Popeyes stores, and 25 Hong's Kitchen outlets. JUBI focuses on volume growth, acquiring new customers, and expanding market share. The last three months have seen an uptick in LFL sales, with positive trends in Apr'24, though dine-in's share declines as deliveries grow. The management targets 21% EBITDA margin.
- **Devyani:** The company expects the demand scenario to improve after elections. Seasonally, 1Q is better than 4Q. It has partnered with PVR-INOX to operate stores in various food courts in shopping malls nationwide, enhancing its presence and enriching its brand portfolio. The management maintains its store addition guidance of 275-300 in FY25. It has expanded into the Thailand QSR market, significantly strengthening the company's international presence.
- **Westlife:** The company has guided 15-18% operating margin (Pre-Ind-AS) and 18-20% operating margin (Post-Ind-AS) in the medium term. It targets to open 45-50 stores in FY25 with a focus on South India, smaller towns, and drive-thru. It aims to reach 580-630 restaurants by FY27.

- **Sapphire:** The company will not take any material price hikes in 1HFY25. GP margin will remain in the same range going forward, i.e., 68-69%. There could be pressure on restaurant margins if same-store sales remain challenging. KFC restaurant margin will remain ~20%, while PH will be in double digits, if same-store sales grow ~5-6%.
- **RBA:** It gave the guidance for 450 stores in FY24 and beat that guidance with 455 restaurants as of 31st Mar'24. The company is targeting 700 restaurants by FY27. Indonesia operations are expected to achieve cash break-even in FY25, delayed from the initial target of FY24 due to geopolitical hindrances.
- **Barbeque:** The management plans to add 25-30 stores in FY25, including 15 BBQ India outlets, three international locations, six Toscano stores, and three Salt stores.

**Exhibit 65: Quarterly trends**

Particulars	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
<b>Revenue Growth</b>										
Barbeque Nation	47%	11%	209%	41%	14%	12%	3%	-3%	1%	6%
Devyani (organic)	65%	36%	100%	45%	27%	28%	20%	10%	7%	5%
Jubilant	13%	13%	41%	17%	10%	8%	6%	5%	3%	6%
Sapphire	52%	46%	80%	36%	17%	13%	20%	14%	12%	13%
Restaurant Brands	0%	0%	64%	47%	21%	29%	25%	19%	15%	16%
Westlife	47%	27%	108%	49%	28%	22%	14%	7%	-2%	1%
<b>Total</b>	<b>54%</b>	<b>41%</b>	<b>75%</b>	<b>34%</b>	<b>18%</b>	<b>17%</b>	<b>14%</b>	<b>9%</b>	<b>6%</b>	<b>7%</b>
<b>SSSG</b>										
Barbeque Nation	43%	6%	182%	23%	-1%	-3%	-8%	-11%	-5%	1%
Devyani - KFC	24%	3%	64%	13%	3%	2%	-1%	-4%	-5%	-7%
Devyani - PH	25%	2%	32%	3%	-6%	-3%	-5%	-10%	-13%	-14%
Jubilant (LFL)	8%	6%	28%	8%	0%	-1%	-1%	-1%	-3%	0%
Sapphire - KFC	29%	15%	65%	15%	3%	2%	0%	0%	-2%	-3%
Sapphire - PH	22%	3%	47%	23%	-4%	-4%	-9%	-20%	-19%	-15%
Restaurant Brands	65%	17%	66%	27%	9%	8%	4%	4%	3%	2%
Westlife	44%	23%	97%	40%	20%	14%	7%	1%	-9%	-5%
<b>Store (India)</b>										
Barbeque Nation	174	185	195	205	212	216	212	212	216	227
Devyani	838	892	961	1,047	1,120	1,184	1,230	1,298	1,387	1,429
Jubilant	1,548	1,625	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,024
Sapphire	459	482	516	550	599	627	660	692	725	748
Restaurant Brands	294	315	328	334	379	391	396	404	441	455
Westlife	316	326	331	337	341	357	361	370	380	397
<b>PBT (INR M)</b>										
Barbeque Nation	190	2	208	69	67	(125)	(55)	(151)	75	(9)
Devyani	663	451	771	700	736	412	603	330	97	44
Jubilant	1,831	1,539	1,642	1,619	1,194	930	1,014	963	819	721
Sapphire	525	286	356	269	336	123	336	214	140	8
Restaurant Brands	(265)	(564)	(509)	(551)	(559)	(800)	(541)	(507)	(399)	(921)
Westlife	279	205	318	420	480	277	406	302	231	20
<b>PBT Margins</b>										
Barbeque Nation	7%	0%	7%	2%	2%	-4%	-2%	-5%	2%	0%
Devyani	11%	8%	11%	9%	9%	5%	7%	4%	1%	0%
Jubilant	15%	13%	13%	13%	9%	7%	8%	7%	6%	5%
Sapphire	10%	6%	7%	5%	6%	2%	5%	3%	2%	0%
Restaurant Brands	-6%	-14%	-10%	-10%	-11%	-16%	-9%	-8%	-7%	-15%
Westlife	6%	5%	6%	7%	8%	5%	7%	5%	4%	0%

Source: MOFSL, Company

**Consumer Durables: Strong revenue growth momentum continues**

- **Revenue growth in line with our estimate:** Revenue for our Consumer Durables coverage universe increased 24% YoY in 4QFY24 (in line). Revenue growth for HAVL/VOLT stood at 12%/42% YoY led by strong demand for cooling products amid a favorable summer season. Revenue growth for Polycab/KEII/RRKABEL stood at 29%/19%/16% YoY supported by strong demand in the cables and wires segment. The Room Air Conditioners (RACs) segment witnessed robust demand growth owing to low base, channel filling, and promising summer season, with

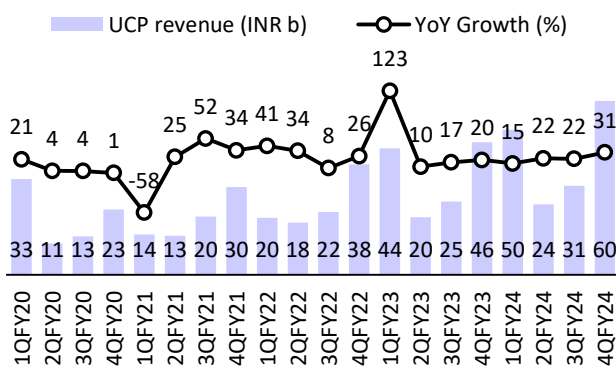
44%/6% YoY revenue growth for VOLT (UCP)/Lloyds. VOLT’s RAC volume jumped 72% YoY in 4QFY24. The Cables and Wires segment also witnessed strong growth led by robust demand from infrastructure, power transmission, and exports.

- **Healthy operating leverage and cost efficiency support EBITDA:** Aggregate EBITDA for our coverage universe (excluding VOLT due to higher losses in its EMPS segment in international business) grew 22% YoY (~10% higher than our estimates). Healthy operating leverage and cost efficiency measures aided EBITDA improvement. Conversely, FMEG segment has witnessed lower margins due to pricing pressure in the lighting and fans segments as well as higher ad spending. VOLT reported ~13% YoY decline in EBITDA (~34% miss) due to higher losses in its EMPS segment (second consecutive quarter of higher provisioning for losses in Qatar projects).
- **Adjusted PAT (Ex-VOLT) above our estimates:** Aggregate PAT (Ex-VOLT) increased 26% YoY (~11% higher than our estimates). PAT growth for Polycab/HAVL stood at 29%/25% YoY, while the same for KEII/RRKABEL was 22%/21%. VOLT’s PAT declined 28% YoY due to higher losses in the EMPS segment for its international business.
- **The quarter sees one rating downgrade:** We downgrade HAVL to Neutral from BUY, given its expensive valuations. Conversely, we maintained our earnings and ratings for other coverage companies.
- **Surprises:** Polycab and HAVL
- **Misses:** RRKABEL and VOLT

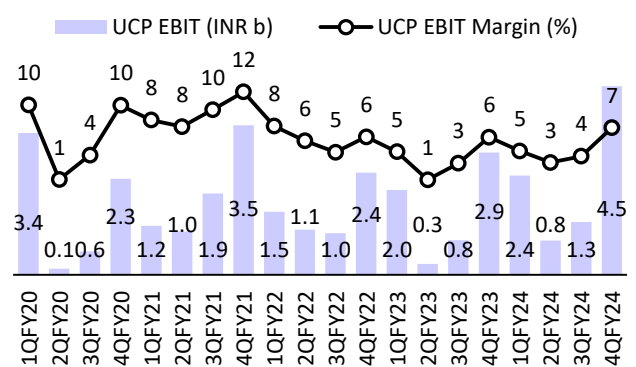
**Guidance highlights:**

- **Polycab:** There have been encouraging signals for rural demand improvement. Its market share in the domestic organized cables & wires increased to ~25-26% in FY24. EBIT margin in the cables & wires segment should be at 12-13% on a sustainable basis. The EHV plant will become operational by end-FY26.
- **KEII:** The demand outlook remains strong both in the domestic and export markets. Revenue should grow by ~17% YoY in FY25. It will maintain ~11% margin in FY25, and expects margin to expand 1.0-1.5pp over the next few years. Phase – I of the greenfield expansion in Gujarat plant is likely to be commissioned in 1QFY26.
- **RRKABEL:** Volume of cables & wires should grow by ~20% YoY in FY25 with 1.0-1.2pp YoY improvement in margin. In the FMEG segment, it targets to achieve a revenue of INR10b in FY25 (+29% YoY) and expects to break even by 1QFY26. It is doubling its power cable capacity, which is likely to be completed by Mar’25.
- **HAVL:** Primary sales have been strong for RACs, though the north region is yet to witness demand pick-up. Lloyd maintains its market share on a full-year basis and would maintain a balance between growth and profitability, though market share gains will always be preferred.
- **VOLT:** In RAC, the company’s YTD Mar’24 market share stood at 18.7%. The expansion in Chennai (2m units production capacity) is expected to become operational by May’24-end. Provisioning for the Qatar projects has been completed and international business should deliver positive results in FY25.

**Exhibit 66: Aggregate\* UCP revenue and growth**



**Exhibit 67: Aggregate\* UCP EBIT and margin**



Source: Company, MOFSL; Note: \*In UCP revenue and EBIT we consider VOLT, HAVL, Blue star

Exhibit 68: Aggregate\* cables and wires revenue and growth

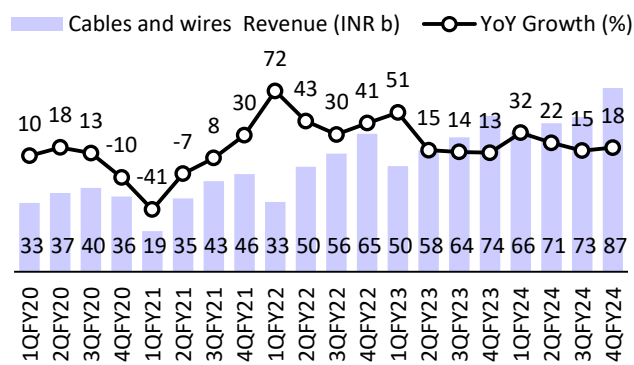
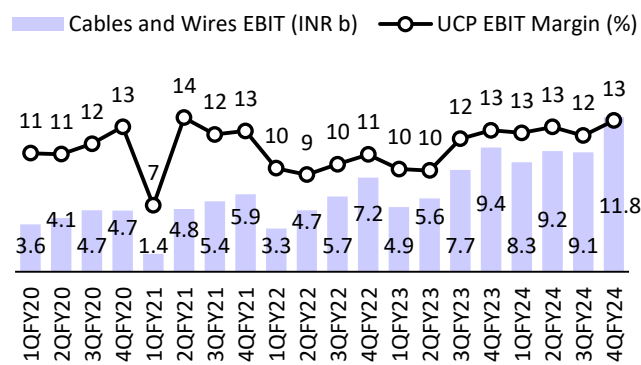


Exhibit 69: Aggregate\* cables and wires EBIT and margin



Source: Company, MOFSL; Note: \*In Cables and Wires revenue and EBIT we considered Polycab, KEIL, HAVL

### EMS: Growth momentum continues with healthy order inflows

- Strong revenue growth across EMS players:** The EMS sector reported another strong quarter with aggregate revenue growth of 27% YoY. This was driven by healthy order inflow, which rose 29% YoY (order book growth excludes Dixon and Amber). Kaynes led the pack with 75% YoY revenue growth, led by strong traction in the Industrials (up 3.7x YoY; includes EV) and Aerospace (up 3.9x YoY) verticals, followed by Syrma (67%), Dixon (52%), and Cyient DLM (30%). Conversely, Avalon/DATAPATT/Amber posted a revenue decline of 20%/2%/7% YoY. For our coverage universe (ex. Dixon and Amber), revenue grew 42% YoY vs. our est. of ~36% YoY.
- The order book remains healthy with inflows from new industries:** The order inflow was healthy across sectors. For instance, Kaynes was awarded large orders in aerospace/outerspace, smart meters, medtech, and HPC servers. Avalon reported order inflow from industrial, automotive, aerospace, mobility, and railways. Cyient DLM witnessed a decline of 11% YoY in its order book due to the lumpy nature of its business; and Syrma saw strong growth in consumer order flows, followed by industrials and automotive. Among the EMS basket, Kaynes/Syrma clocked the highest order inflow, up 55%/50% YoY, followed by Data Patterns (up 17% YoY) and Avalon (up 11% YoY).
- Gross margin remains muted due to the unfavorable product mix:** Gross margin for our coverage universe contracted ~460bp YoY/210bp QoQ to 25.8%. The companies that recorded the strongest growth (such as Kaynes/Syrma) have reported a gross margin contraction of 780bp/430bp YoY. This contraction was primarily due to a change in product mix (towards low-margin products) and higher initial prototyping costs for new orders/ clients added in 2Q/3QFY24. Conversely, DATAPATT posted a margin expansion of 1,410bp aided by higher mix of production revenue, while CYIENTDL and AVALON reported a slight margin expansion of 10bp and 30bp YoY, respectively. Driven by strong revenue growth, EBITDA for the basket grew 21% YoY/48% QoQ; however, gross margin contraction coupled with higher SG&A costs (mainly top tier recruitments) led to an overall 230bp YoY contraction in the EBITDA margin during the quarter.
- The quarter witnesses one earnings upgrade and three earnings downgrades:** We have upgraded our earnings estimates for Kaynes by 22%/28% in FY25E/FY26E, while we have downgraded our earnings estimates for Avalon (6%/8%), Syrma (10%/16%) and DATAPATT (7%/5%). We maintained our FY25/FY26 EPS estimates for Cyient DLM.
- Surprises:** KAYNES
- Misses:** AVALON, SYRMA, and DATAPATT

### Guidance highlights:

- Kaynes:** The management expects revenue growth of over 60% in FY25, along with a ~100bp improvement in EBITDA margins to ~15%. This guidance excludes revenue from OSAT & PCB. The company is confident of achieving USD1b in revenue by FY28E.
- Avalon:** Management guided revenue growth of ~14-18% YoY in FY25, with major growth likely to be in 2HFY25. Profitability is likely to be notably higher than FY24 led by favorable operating leverage and the shift of a part of the production to India from the US. Avalon expects to double the revenue in the next three years.

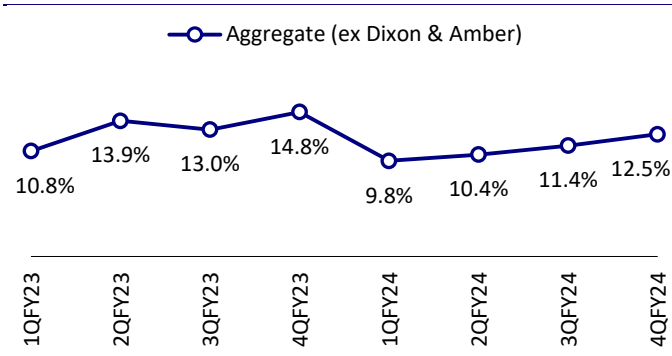
- **Syrma SGS:** The management has guided for revenue growth of ~40-45% in FY24, with EBITDA margins of ~7%. It is confident of maintaining over 40% revenue growth going ahead.
- **Cyient DLM:** Management is targeting a 30% revenue CAGR over the next three years with an improving margin trajectory. CYIENTDL’s RoCE is likely to reach 15% in a couple of years and ~25% over the next five years.
- **DATAPATT:** The company expects to achieve ~20-25% revenue growth in FY25. This is a conservative guidance, and revenue growth can exceed this range in FY25. It is targeting more than 25% revenue CAGR over the next two to three years. Margins are likely to sustain at ~40%.

Exhibit 70: Key operating indicators

	Revenue (INR m)					EBITDA margins (%)					Adj PAT (INR m)				
	4Q	4Q	YoY	3Q	QoQ	4Q	4Q	YoY	3Q	QoQ	4Q	4Q	YoY	3Q	QoQ
	FY24	FY23	(%)	FY24	(%)	FY24	FY23	(bp)	FY24	(bp)	FY24	FY23	(%)	FY24	(%)
Kaynes	6,373	3,645	74.8	5,092.93	25.1	14.9	16.3	-130	13.7	120	813	412	97.3	452	79.8
Avalon	2,168	2,718	-20.2	2,142.73	1.2	7.9	15.1	-720	7.7	20	71	227	-68.9	66	7.4
Cyient DLM	3,618	2,774	30.5	3,210	12.7	10.5	11.5	-100	9.2	130	227	126	80.7	184	23.3
Syrma SGS	11,341	6,795	66.9	7,067	60.5	6.5	8.5	-200	5.5	100	349	423	-17.4	155	125.1
Data Patterns	1,823	1,851	-1.5	1,395	30.7	51.0	39.6	1140	43.0	800	711	554	28.4	510	39.5
Dixon	46,580	30,655	52.0	48,183	-3.3	3.9	5.1	-120	3.8	10	952	806	18.1	964	-1.3
Amber	28,055	30,026	-6.6	12,948	116.7	7.9	6.8	110	6.1	180	947	1,040	-9.0	-5	NA
<b>Agg.</b>	<b>99,958</b>	<b>78,464</b>	<b>27.4</b>	<b>80,038</b>	<b>24.9</b>	<b>7.2</b>	<b>7.9</b>	<b>-70</b>	<b>6.0</b>	<b>130</b>	<b>4,070</b>	<b>3,588</b>	<b>13.4</b>	<b>2,327</b>	<b>74.9</b>
<b>Agg. (ex. Dixon, Amber)</b>	<b>25,323</b>	<b>17,783</b>	<b>42.4</b>	<b>18,908</b>	<b>33.9</b>	<b>12.5</b>	<b>14.8</b>	<b>-230</b>	<b>11.4</b>	<b>120</b>	<b>2,171</b>	<b>1,741</b>	<b>24.7</b>	<b>1,367</b>	<b>58.8</b>

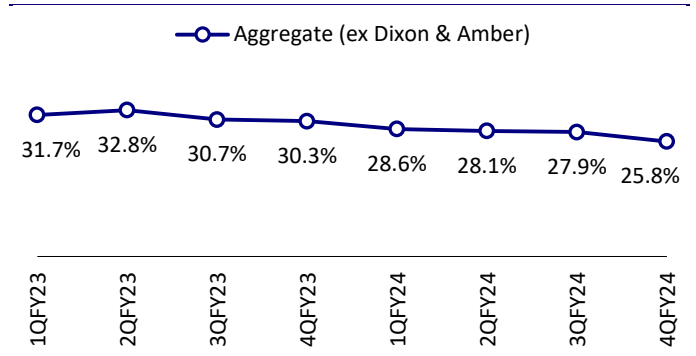
Source: MOFSL, Company

Exhibit 71: Aggregate EBITDA margin remained under pressure due to...



Source: MOFSL, Company

Exhibit 72: ...unfavorable product mix that impacted aggregate gross margin adversely



Source: MOFSL, Company

Exhibit 73: Our revised EPS estimates (INR)

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Kaynes	49.5	40.4	22	73.5	57.6	28
Avalon	9.7	10.4	-6	15.8	17.1	-8
Cyient DLM	14.6	14.0	5	21.9	22.9	-4
Syrma SGS	9.5	10.6	-10	15.3	18.1	-16
Data Patterns	40.6	43.5	-7	55.2	58.1	-5

**FINANCIALS – BANKS: Earnings traction steady; remains watchful on liability growth and margins**

- The banking sector reported a healthy performance in 4QFY24, led by robust business growth and controlled provisions. NIM performance was mixed, with many banks reporting margin improvements. Opex was high for most of the banks, barring ICICIBC and SBIN. Credit growth was healthy, backed by strong traction in the retail and MSME segments. Growth in the corporate segment was lower than retail growth amid competitive pricing and better profitability in retail. Unsecured loan growth has started to cool down for most of our coverage banks but continues to stay elevated. We expect credit growth to moderate to 13-14% in FY25E amid a slowdown in unsecured loans (increase in risk weights), while a higher CD ratio will compel banks to be selective in loan growth.
- NII growth was healthy for most of the banks (16%/6% YoY for private/PSU banks). In our coverage universe, IDFCB reported the highest growth at 24% YoY and BOB posted the lowest growth at 2.3% YoY. We believe NII

growth will largely follow loan growth going ahead, as we remain watchful on margins amid high deposit rates, while a reversal in the rate cycle can put further pressure on lending yields. During 4QFY24, most banks surprised positively on margins, with large private banks AXSB and KMB reporting 5bp/6bp QoQ improvements. Strong fee income and healthy treasury performance led to 17% YoY/15.7% QoQ growth in PPOP.

- Fresh slippages were under control, with most of the large private banks reporting a decline in the slippage ratio, while recoveries and upgrades were healthy. As a result, asset quality ratios improved further. Though we noted some deterioration in unsecured loans, the overall credit cost remained benign amid some reversals from AIF and standard asset provisions. PCR improved further, while restructured book continued to follow a declining trend, with SMA pool remaining well under control.
- **Private Banks – Healthy growth in advances; margins surprise positively:** Advances growth was healthy, with most of the large private banks growing at 14-18% YoY. Among private banks, IDFCB continued to grow at a strong pace of 24% YoY. Deposit growth also improved, with HDFCB posting robust growth of 26% YoY. Several mid-size banks also reported strong deposit progression – IDFCB at 39% YoY, BANDHAN at 25% YoY and RBK at 22% YoY. CASA ratio held steady for most of the large private banks (barring KMB). NII thus grew 16% YoY/ 3.2% QoQ, with IDFCB cloaking the highest growth and DCBB posting the lowest. Margins surprised positively for private banks as most banks witnessed margin improvements to the tune of ~2-40bp, barring AUBANK, ICICIBC, IDFCB and RBK, which saw a mild decline in margins. Slippages remained well under control, which, coupled with healthy recoveries and upgrades, led to a reduction in the overall GNPA ratio to the tune of 0-34bp (BANDHAN's GNPA declined by 318bp QoQ on account of aggressive write-off).
- **Public Sector Banks – Earnings momentum healthy; asset quality continues to improve:** With healthy loan growth of 12-15% across banks, PSBs continued to post strong improvements in operating performance. NII growth also remained strong, which, along with steady fee income and treasury gains, led to healthy growth in PAT. Slippages remained under control for most banks, though select banks reported higher agri slippages. Recoveries and upgrades also remained healthy. As a result, the GNPA ratio declined 5-13bp QoQ. Overall, PCR continued to be at healthy levels of ~71-89%. Restructured and SMA books too witnessed a sequential decline.
- **Small Finance Banks – Business growth robust; asset quality trends mixed:** AUBANK reported robust business growth, with advances growing by 25% YoY, led by growth in both retail and wholesale books. Deposits too grew at a healthy 26% YoY (8.8% QoQ). CASA growth was also steady and as a result, the CASA mix remained stable at 33%. After an asset quality blip in 3Q, GNPA/NNPA ratios improved by 31bp/13bp QoQ, while PCR improved to 68%. EQUITASB reported healthy AUM growth of 21% YoY/3% QoQ, led by healthy traction across segments (barring NBFCs and new CVs). Strong NII growth and higher other income resulted in 9% YoY growth in PAT. Deposit growth was healthy at 42% YoY/12% QoQ, led by robust growth in both CASA and TDs. The CASA ratio moderated to 32% (vs. the peak of 52% in 4QFY22).
- **Our view:** We estimate the banking sector's operating performance to remain robust, driven by steady loan growth, improved operating leverage and controlled provisions. We have marginally raised our earnings estimates for private banks amid receding cost pressures along with better earnings outlook and growth visibility. Given the system's credit-deposit (CD) ratio at its peak and intense competition for deposits showing no signs of easing, we remain cautious about funding costs. We estimate that NIM moderation will continue, though the rate of moderation will likely slow in the coming quarters. The outlook for asset quality remains positive, with a reduction in slippages, strong PCR, and contingency buffers supporting favorable trends in core credit costs. While we remain vigilant about the delinquency cycle in unsecured loans, we still expect credit costs to remain under control in the upcoming quarters. We raise our FY25E/FY26E earnings for private banks as well as PSU banks given a better earnings outlook and growth visibility. Among private banks, we increase our FY26 earnings estimates by 19.1%/3.5%/2.6% YoY for AUBANK/ICICIBC/DCBB among PVBs, and raise our earnings estimates by 7.1%/4.6%/2.8% for INBK/PNB/BOB. **We retain our preference for ICICIBC, SBIN, IIB, BOB and UNBK.**
- **Surprises:** SBI, AXSB, HDFCB, KMB
- **Misses:** IDFCB, UNBK, BANDHAN

**Guidance highlights**

- **HDFCB** continues to focus on strengthening its geographical footprint through branch expansions in underpenetrated areas. With deposits growing at a healthy pace, the CD ratio moderated to 104% from the peak of 110%. With current margins at the lower end of the spectrum, margin accretion will depend on the banks' ability to replace high-cost borrowings. Floating provisions from the Credila stake sale has strengthen the balance sheet against fluctuations.
- **KMB** remains committed to its growth strategy, driven by an all-round performance in various segments. The bank reported robust broad-based growth in advances and deposits. KMB estimates that the RBI order has affected business, which will result in an impact of INR3-5b on PBT, with priority on the business continuity.
- **ICICIBC** aims to boost operating earnings while managing risk and prioritizing customers. For branch expansion, it will explore micro market opportunities without specific growth targets or strategies. The bank relies on broad-based growth in secured loans rather than unsecured ones. With rising deposit costs, NIM is expected to moderate but remain range-bound. Consistent loan growth is anticipated, driven by retail, SME, and business banking segments.
- **AXSB** had a strong year, driven by its GPS strategy, which improved deposit growth. The bank targets 13% deposit growth in the medium term, aiming for 300-400bp faster growth than the industry. With deposit growth crucial for credit expansion, AXSB will maintain a defined LDR strategy. Continued investments in the franchise are planned as long as the bank can achieve an RoE of 18%.
- **SBIN** delivered strong performance with 16% credit growth and guides for 13-15% growth backed by broad-based sector growth. The CD ratio is expected to stabilize around 75%. The bank anticipates an RoE of 18-20%, with internal accruals driving growth, but is open to raising capital if needed. No unexpected opex surprises are expected, with provisions made for AIF investments and one-time wages already done in FY24. Wage and staff costs are expected to be INR 5b per month from FY25 onward.
- **IIB** targets 18%-23% loan growth, with retail loans making up 45%-50%. It aims to maintain an LCR of 115% and expects NIM to stay between 4.2%-4.3%. Focusing on retailization, 73% of deposits are from retail and CASA, reducing reliance on bulk deposits. It anticipates an RoA of 1.8%-2.2%. The bank received INR 9.9b in telco repayments and holds a contingent buffer of INR 10b, independent of corporate exposure.
- **BOB** aims for 12-14% advances growth in FY25, focusing on the retail segment while reducing PL growth. It maintains NIM guidance at 3.15 (+/- 5bp). With expected advances and deposit growth of 12-14%, the CD ratio should stay at 80-82%. BOB plans to keep credit cost below 1% and slippages at 1-1.25%. The bank is committed to maintaining an ROA above 1% in FY25.

**Exhibit 74: Steady quarter for banks: Earnings growth supported by healthy business growth and controlled provisions**

INR b	NII			PPOP			PAT		
	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)
AUBANK	13.4	10.2	0.9	6.6	16.3	1.1	3.7	(12.7)	(1.2)
AXSB	130.9	11.5	4.4	105.4	14.9	15.3	71.3	7.6	17.4
BANDHAN	28.7	16.0	13.5	18.4	2.4	11.1	0.5	(93.2)	(92.5)
BoB	117.9	2.3	6.2	81.1	0.4	15.6	48.9	2.3	6.7
CBK	95.8	11.2	1.7	73.9	1.9	8.6	37.6	18.3	2.8
DCBB	5.1	4.4	7.1	2.3	(4.2)	10.5	1.6	9.5	23.0
FB	22.0	15.0	3.4	11.1	(16.8)	(22.7)	9.1	0.4	(10.0)
HDFCB	290.8	24.5	2.1	292.7	57.2	23.8	165.1	37.1	0.9
ICICIBC	190.9	8.1	2.2	150.4	8.8	2.1	107.1	17.4	4.2
IDFCFB	44.7	24.2	4.3	16.6	6.8	6.5	7.2	(9.8)	1.2
IIB	53.8	15.1	1.5	40.8	8.6	1.0	23.5	15.0	2.1
INBK	60.2	9.2	3.5	43.0	7.2	5.1	22.5	55.3	6.0
KMB	69.1	13.2	5.4	54.6	17.5	19.6	41.3	18.2	37.5
PNB	103.6	9.1	0.7	64.2	9.4	1.3	30.1	159.8	35.4
RBK	16.0	17.9	3.5	8.9	49.4	15.9	3.5	30.1	51.3
SBIN	416.6	3.1	4.6	287.5	16.8	41.4	207.0	24.0	125.9
UNBK	94.4	14.4	2.9	65.3	(4.3)	(10.2)	33.1	19.0	(7.8)
<b>Total Banking Coverage</b>	<b>1761.5</b>	<b>10.7</b>	<b>3.5</b>	<b>1326.6</b>	<b>17.2</b>	<b>15.7</b>	<b>815.1</b>	<b>21.8</b>	<b>22.1</b>

Source: MOFSL, Company

**Exhibit 75: Most large PVBs reported margin improvement (barring ICICI), while most PSBs too saw a mild improvement in margins (barring PNB)**

NIM (%)	3QFY24	4QFY24	YoY (bp)	QoQ (bp)
AUBANK	5.50	5.10	(100)	(40)
AXSB	4.01	4.06	(16)	5
BANDHAN	7.20	7.60	30	40
BoB	3.10	3.27	(26)	17
CBK	3.03	3.07	-	4
DCBB	3.48	3.62	(56)	14
FB	3.19	3.21	(15)	2
HDFCB	3.40	3.44	(66)	4
ICICIBC	4.43	4.40	(50)	(3)
IDFCFB	6.42	6.35	(6)	(7)
IIB	4.29	4.26	(2)	(3)
INBK	3.49	3.52	(7)	3
KMB	5.22	5.28	(47)	6
PNB	3.15	3.10	(14)	(5)
RBK	5.52	5.45	(17)	(7)
SBIN	3.22	3.30	(30)	8
UNBK	3.08	3.09	11	1

**Exhibit 76: Loan growth steady; deposit growth led by CA as well as Term deposits**

INR b	Loans			Deposits			CASA ratio (%)		
	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (bp)	QoQ (bp)
AUBANK	732	25.2	9.6	872	25.7	8.8	33.0	(540)	-
AXSB	9,651	14.2	3.5	10,686	12.9	6.3	43.0	(400)	100
BANDHAN	1,211	15.6	9.9	1,352	25.1	15.1	37.1	(220)	97
BoB	10,680	13.5	4.3	13,108	8.9	5.3	41.3	(92)	64
CBK	9,370	12.8	1.8	12,818	8.7	1.5	32.3	(119)	64
DCBB	409	19.0	5.1	494	19.7	4.7	26.0	(40)	(11)
FB	2,093	20.0	5.1	2,526	18.4	5.4	29.4	(330)	(125)
HDFCB	24,849	55.2	1.6	23,798	26.4	7.5	38.2	(620)	50
ICICIBC	11,844	16.2	2.7	14,128	19.6	6.0	42.2	(362)	255
IDFCFB	1,946	24.4	4.9	2,006	38.7	9.9	47.2	(252)	42
IIB	3,433	18.4	5.0	3,846	14.4	4.3	37.9	(222)	(61)
INBK	5,149	14.6	5.2	6,880	10.8	5.2	40.8	(122)	110
KMB	3,761	17.6	4.6	4,490	23.6	9.9	45.5	(730)	(220)
PNB	9,344	12.5	2.0	13,697	6.9	3.5	41.4	(156)	(103)
RBK	839	19.6	5.0	1,035	21.9	11.6	35.2	(218)	143
SBIN	37,040	15.8	5.2	49,161	11.1	3.2	41.1	(269)	(7)
UNBK	8,708	14.3	1.0	12,215	9.3	4.2	34.2	(142)	(20)
<b>Total Banking Coverage</b>	<b>1,40,983</b>	<b>20.6</b>	<b>3.4</b>	<b>1,73,578</b>	<b>14.2</b>	<b>5.1</b>	<b>39.6</b>	<b>(284)</b>	<b>40</b>

**Exhibit 77: Asset quality continues to improve for most banks; credit cost remains in control**

Asset quality (%)	3QFY24 (%)			4QFY24 (%)			QoQ change (bp)			4QFY24 (%)
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR	Slippage Ratio
AUBANK	1.98	0.68	66.0	1.67	0.55	67.6	(31)	(13)	164	2.03
AXSB	1.58	0.36	77.8	1.43	0.31	78.5	(15)	(5)	72	1.53
BANDHAN	7.02	2.21	70.0	3.84	1.11	71.8	(318)	(110)	182	3.61
BoB	3.08	0.70	77.7	2.86	0.64	78.3	(22)	(6)	56	0.30
CBK	4.39	1.32	70.8	4.13	1.22	71.3	(26)	(10)	52	0.37
DCBB	3.43	1.22	65.1	3.23	1.11	66.4	(20)	(11)	130	4.07
FB	2.29	0.64	72.3	2.22	0.62	72.1	(7)	(2)	(20)	0.95
HDFCB	1.26	0.31	75.3	1.24	0.33	74.0	(2)	2	(124)	1.19
ICICIBC	2.30	0.44	81.3	2.16	0.42	80.8	(14)	(2)	(54)	1.95
IDFCFB	2.04	0.68	66.9	1.88	0.60	68.8	(16)	(8)	191	NA
IIB	1.92	0.57	70.6	1.92	0.57	70.6	-	-	(1)	1.80
INBK	4.47	0.53	88.7	4.16	0.48	88.9	(31)	(5)	25	1.98
KMB	1.73	0.34	80.6	1.39	0.34	75.9	(34)	-	(464)	1.42
PNB	6.24	0.96	85.4	5.77	0.83	86.3	(47)	(13)	93	0.92
RBK	3.12	0.80	75.1	3.02	0.81	73.6	(10)	1	(146)	3.45
SBIN	2.42	0.64	74.2	2.26	0.59	74.4	(16)	(5)	26	0.54
UNBK	4.83	1.08	78.4	4.55	0.99	79.0	(28)	(9)	66	1.57

Exhibit 78: Snapshot of restructured book across Banks (%)

INR b	Restructured book									
	Absolute	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24
AXSB	15.3	0.52	0.45	0.38	0.3	0.22	0.21	0.2	0.18	0.16
BANDHAN	NA	5.2	2.35	0.2	NA	NA	NA	NA	NA	NA
DCBB	10.7	6.42	6.1	5.45	4.94	4.51	3.97	3.4	3	2.62
HDFCB	NA	1.14	0.76	0.53	0.42	0.31	NA	0.22	NA	NA
ICICIBC	30.6	1	0.8	0.7	0.5	0.4	NA	0.32	0.29	0.26
IIB	13.7	2.6	2.1	1.5	1.25	0.84	0.66	0.54	0.48	0.40
KMB	3.8	0.44	0.39	0.34	0.25	0.22	0.19	0.15	0.13	0.10
FB	20.3	2.44	2.22	2.03	1.81	1.62	1.4	1.3	1.1	0.97
RBK	4.3	3.27	2.9	2.21	1.67	1.21	1.05	0.89	0.63	0.51
AUBANK	4.4	2.5	2.1	1.7	1.4	1.2	1	0.8	0.7	0.60
BOB	NA	2.44	2.46	2.12	1.87	1.5	1.31	NA	1	NA
SBIN	172.8	1.13	1	0.93	0.85	0.8	0.69	0.62	0.54	0.47
INBK	86.0	4.73	4.2	3.9	3.37	2.51	2.19	2.12	1.93	1.67
PNB	NA	2.36	2	1.8	1.54	1.32	NA	NA	NA	NA
UNBK	133.7	2.99	2.92	2.6	2.38	2.2	2	1.71	1.57	1.48
CBK	NA	2.77	2.41	2.09	1.75	NA	NA	NA	NA	NA

Exhibit 79: We slightly raise our earnings estimate for Private as well as PSU banks by ~1.5% for FY25-26E

PAT (INR b)	Old estimates		Revised estimates		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Private Banks</b>						
AXSB	267.2	317.0	277.4	322.0	3.8%	1.6%
BANDHAN	37.1	43.6	36.2	43.3	-2.4%	-0.6%
DCBB	6.1	7.4	6.3	7.7	3.9%	3.5%
HDFCB	693.4	812.7	702.0	818.2	1.2%	0.7%
ICICIBC	455.4	523.6	457.3	537.3	0.4%	2.6%
IDFCFB	38.6	53.3	37.9	51.3	-1.9%	-3.8%
IIB	107.3	130.1	106.9	131.7	-0.4%	1.2%
KMB	145.1	169.7	146.6	168.6	1.1%	-0.6%
FB	44.0	52.9	44.4	53.2	0.9%	0.7%
RBK	15.4	20.9	15.2	20.5	-0.7%	-1.9%
AUBANK	20.5	28.2	25.1	33.6	22.3%	19.1%
EQUITASB	9.4	12.4	9.7	12.7	3.9%	2.8%
<b>Total Private Banks</b>	<b>1,839.5</b>	<b>2,171.7</b>	<b>1,865.2</b>	<b>2,200.2</b>	<b>1.4%</b>	<b>1.3%</b>
<b>YoY growth</b>	<b>14.5%</b>	<b>18.1%</b>	<b>14.9%</b>	<b>18.0%</b>		
<b>Total Private Banks (Ex HDFCB)</b>	<b>1,146.0</b>	<b>1,359.1</b>	<b>1,163.2</b>	<b>1,382.0</b>	<b>1.5%</b>	<b>1.7%</b>
<b>YoY growth</b>	<b>13.7%</b>	<b>18.6%</b>	<b>14.7%</b>	<b>18.8%</b>		
<b>PSU Banks</b>						
BOB	200.2	226.7	204.0	233.0	1.9%	2.8%
CBK	166.0	187.5	168.8	192.5	1.7%	2.7%
INBK	95.1	111.2	101.9	119.2	7.1%	7.1%
PNB	125.0	164.3	133.2	171.8	6.6%	4.6%
SBIN	705.0	799.4	711.5	802.0	0.9%	0.3%
UNBK	162.1	184.5	158.6	180.5	-2.2%	-2.1%
<b>Total PSU Bank</b>	<b>1,453.5</b>	<b>1,673.6</b>	<b>1,478.0</b>	<b>1,698.9</b>	<b>1.7%</b>	<b>1.5%</b>
<b>YoY growth</b>	<b>22.1%</b>	<b>15.1%</b>	<b>19.8%</b>	<b>14.9%</b>		
<b>Total for Banks</b>	<b>3,292.9</b>	<b>3,845.3</b>	<b>3,343.2</b>	<b>3,899.1</b>	<b>1.5%</b>	<b>1.4%</b>
<b>YoY growth</b>	<b>17.7%</b>	<b>16.8%</b>	<b>17.0%</b>	<b>16.6%</b>		
<b>Total for Banks (Ex of HDFCB)</b>	<b>2,599.5</b>	<b>3,032.7</b>	<b>2,641.2</b>	<b>3,080.9</b>	<b>1.6%</b>	<b>1.6%</b>
<b>YoY growth</b>	<b>18.3%</b>	<b>16.7%</b>	<b>17.5%</b>	<b>16.6%</b>		
<b>Other Financials</b>						
SBICARD	32.3	43.6	30.1	40.0	-6.7%	-8.2%
PAYTM	-9.8	5.7	-11.4	-1.2	NA	

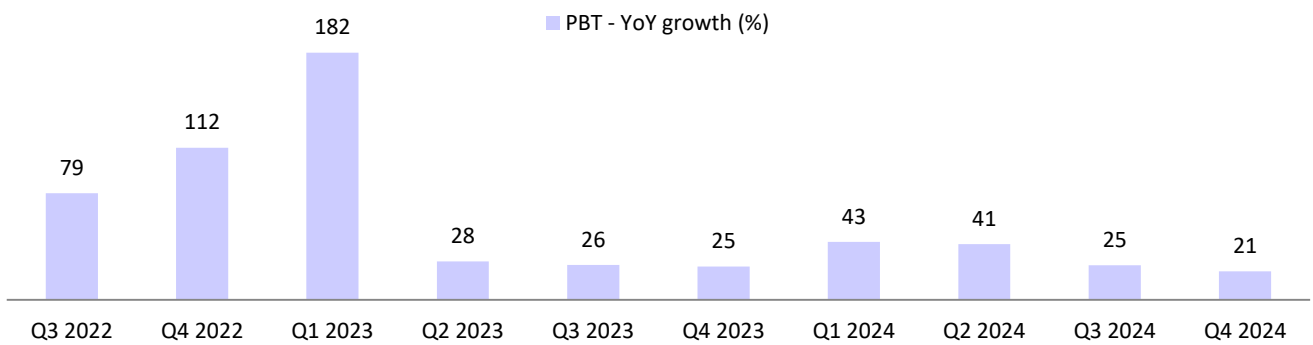
**FINANCIALS – NBFC: Strong demand sustained; NIM moderation in HFCs; weakness in MFI asset quality**

- NBFCs (incl. HFCs) under our coverage universe reported AUM growth of ~20% YoY/5% QoQ. Vehicle financiers clocked AUM growth of 26% YoY; large HFCs (PNBHF and LICHF) grew 5% YoY; affordable and small-ticket HFCs saw 16% YoY growth; NBFC-MFIs grew 29% YoY; and gold loan NBFCs grew ~16% YoY. In 4QFY24, NII/PPoP/PAT grew 24%/25%/23% YoY and 5% each QoQ for our coverage (excluding PIEL).
- In line with expectations, NIM for HFCs (including affordable HFCs) was either broadly stable QoQ or contracted because of pressure on yields and a continued increase in the portfolio cost of borrowings (CoB). Large mortgage lenders, such as PNBHF and LICHF, reported a ~20bp QoQ expansion in NIM, driven by a minor decline in CoB. Among small HFCs, HomeFirst, AB Housing Finance and CANF reported a sequential NIM compression in 4Q.
- For vehicle financiers, NIM was largely stable, with MMFS reporting a ~10bp QoQ expansion and SHFL seeing a ~20bp QoQ compression. Most vehicle financiers continued to guide for NIM expansion in FY25, driven by stability in CoB and improvement in yields. Demand remained strong across UVs, and 2Ws maintained demand recovery. Most lenders acknowledged that the economic activity, and consequently CV demand, remained relatively muted in Apr-May'24 because of the general elections. They expect CV demand to recover after elections and monsoons.
- Across all product segments (except microfinance), asset quality improved in the seasonally strongest quarter. Credit costs remained benign, except in lower-ticket personal loans, which continued to exhibit higher delinquencies and credit costs. MMFS and LICHF reported the strongest sequential improvement in GS3 of ~60bp and ~95bp, respectively, aided by elevated write-offs and the release of ECL provisions.
- **HFCs/AHFCs – Competitive intensity remained high; NIM expected to stabilize in another two quarters.** Disbursements in LICHF recovered during the quarter and the management guided for double-digit loan growth in FY25. Demand for self-construction in affordable housing remained strong with both AAVAS and HomeFirst having reported an improvement in their disbursement momentum. Competitive intensity remained high, which impacted incremental yields for HFCs. All affordable HFCs (except for AAVAS) reported a sequential moderation in margins because of the pressure on yields and a rise in CoB (in some cases). AAVAS seems to be getting its mojo back and resumed its healthy disbursement growth trajectory in 4QFY24.
- **Vehicle financiers – Expect NIM expansion in FY25 even as volume growth could moderate:** Disbursements grew 21% YoY for the cohort of three vehicle financiers. While SHFL and CIFIC have a diversified AUM mix, we have classified them under vehicle financiers for this exercise. Asset quality improved for SHFL, MMFS and CIFIC. Write-offs remained elevated for MMFS, despite a significant reduction in the stressed pool of Stage 2 and 3 loans. CIFIC reported sequentially stable NIM because of the rise in CoB.
- **Diversified financiers – Focus remains on SMEs/MSMEs while calibrating growth in personal/unsecured loans:** Diversified lenders, including BAF, AB Capital and LTFH, calibrated their growth in personal loans (including BNPL). They acknowledged the stress in small-ticket personal loans and the consequent risk aversion to this product segment. CIFIC has taken corrective actions in its CSEL (partnerships) segment and reported an improvement in asset quality in this segment. LTFH has transformed into a retail franchise and remains dominant in its core segments of tractors, 2W and rural business loans.
- **Gold financiers – Strong gold loan growth aided by higher gold prices and RBI ban on IIFL Finance:** MUTH/MGFL reported ~5%/4% QoQ growth in gold loans. While MGFL reported a sequential decline in NIM because of a rise in CoB, MUTH reported a healthy expansion in NIM, driven by improvement in yields. All non-gold product segments exhibited strong growth for MGFL and MUTH. Asirvad MFI (subsidiary of MGFL) continued to report asset quality deterioration (in Punjab/Rajasthan) and high credit costs. MUTH/MGFL managements shared that there was no significant impact of capping on cash disbursements in gold loans and that they have observed healthy gold loan growth even during Apr-May'24.
- **Microfinance institutions (MFIs) – Guidance for higher credit costs in FY25 from across all MFI players:** Asset quality trends have been weak in the microfinance sector, with FUSION grappling with Punjab, Spandana with its internal *Project Parivartan*, and CREDAG seeing forward flows into higher buckets and some impact of TN floods, resulting in a rise in GS3. While FUSION reported a ~10bp QoQ expansion in NIM, Spandana saw a ~130bp NIM expansion, aided by decline in CoB. Disbursement growth was healthy for FUSION/Spandana at ~24%/30% YoY. All three MFIs guided for a structural increase in credit costs for FY25.

- **Our view:** There are still expectations of global interest rate cuts in 2HCY24, which (if and when happen) will be positive for the NBFC sector. We have a **positive** stance on the sector, driven by expectations of margin expansion for vehicle financiers in FY25 and benign credit costs. Vehicle financiers are better placed than other product segments as the margins have bottomed out and are expected to gradually expand as the existing book is replaced with higher-yielding new loans. A government scheme for housing purchases, which is expected to be announced in the new budget, can further spur housing purchases and demand for mortgages. Our preferred ideas are CIFIC, SHFL and CREDAG.
- **Positive surprises:** PNBHF, MUTH, CIFIC
- **Misses:** FUSION, PIEL, LTFH
- **Rating changes:** BAF, PIEL

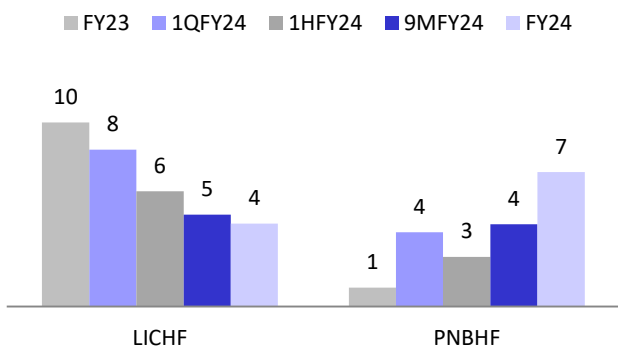
**Guidance highlights:** a) Vehicle financiers have selectively started guiding for moderation in volumes in FY25; b) MUTH continues to guide for ~15% YoY growth in gold loans in FY25, while MGFL guides for ~20% YoY growth in consol. AUM; c) BAF guides for ~26-28% AUM growth, 30-40bp NIM compression over the next two quarters and credit costs of 1.75%-1.85%; and d) PNBHF guides for retail loan growth of ~17% in FY25 and for affordable loan book to increase to ~14%-15% of the loan mix by FY27.

**Exhibit 80: PBT up 21% YoY for our NBFC coverage universe\***



Source: MOFSL, Company, \*MOFSL universe excl. PIEL and Indostar

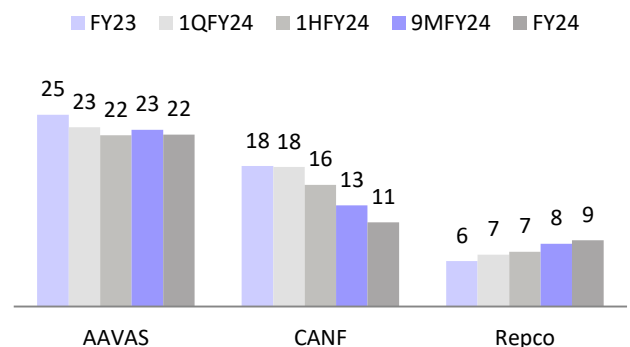
**Exhibit 81: LICHF loan growth has lagged the industry, while PNBHF retail loan growth has been gaining momentum**



Source: MOFSL, Company;

Note: YoY AUM growth for large HFCs

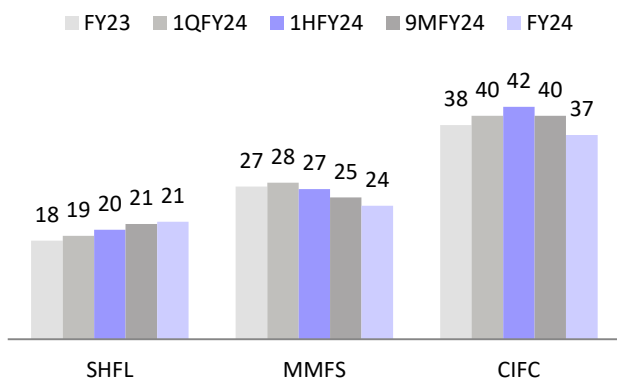
**Exhibit 82: Repco loan growth has been picking up; for CANF, loan growth moderated through the course of FY24**



Source: MOFSL, Company;

Note: YoY AUM growth for affordable housing financiers

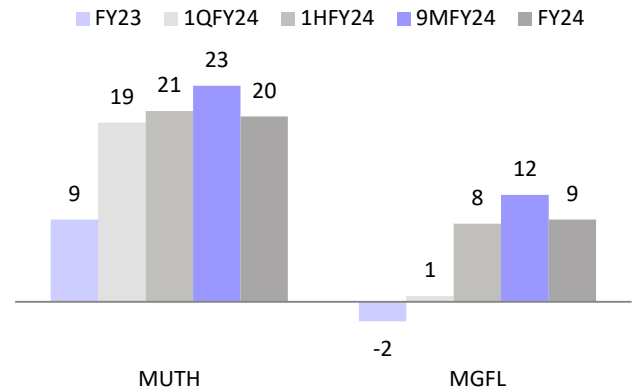
**Exhibit 83: CIFIC is best placed among vehicle financiers to exhibit strong growth in the subsequent quarters**



Source: MOFSL, Company

Note: YoY AUM growth for vehicle financiers

**Exhibit 84: Gold loan growth picking up pace, aided by increase in gold prices and tonnage (%)**



Source: MOFSL, Company

Note: YoY AUM growth for gold financiers

**Exhibit 85: PAT (ex-PIEL) grew 23% YoY for our NBFC coverage universe\***

INR m	NII			PPOP			PAT			NIM		
	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (bp)	QoQ (bp)
AAVAS	2,371	7.2	7.4	1,818	10.2	15.3	1,426	12.5	22.3	7.0	-1.0	0.1
ABCAP (NBFC)	16,926	26.1	2.7	11,426	30.6	2.3	5,850	28.9	2.3	6.6	-0.4	-0.2
ABCAP (HFC)	2,110	24.9	1.0	879	-6.3	-8.6	720	10.8	-7.7	4.4	-0.6	-0.2
BAF	80,130	28.1	4.7	64,121	25.3	4.4	38,245	21.1	5.1	10.0	-3.0	-0.2
CANF	3,278	25.5	-0.3	2,717	22.5	-5.2	2,090	26.1	4.4	3.8	0.4	-0.1
CIFIC	23,548	33.4	8.5	16,278	27.9	7.4	10,581	24.1	20.8	6.7	-0.2	0.0
Fivestar	4,615	33.4	9.7	3,326	43.6	10.8	2,361	39.8	8.9	19.9	-1.2	0.3
HomeFirst	1,368	22.4	1.8	1,135	24.8	3.4	835	30.4	5.9	5.8	-0.6	-0.3
IIFL Finance	14,288	20.6	-9.3	10,289	28.2	7.3	4,798	16.2	-2.2	7.3	-0.5	-1.1
LTHF	23,367	31.9	7.2	13,619	14.9	1.8	5,530	32.6	-13.5	11.2	2.8	0.3
LICHF	22,376	12.4	6.7	19,041	8.7	1.0	10,908	-7.6	-6.2	3.2	0.2	0.2
MMFSL	18,121	13.2	6.7	11,730	24.2	10.4	6,190	-9.5	12.0	7.3	-0.7	0.1
MASFIN	1,142	28.3	12.6	1,125	26.9	2.1	681	22.5	9.0	6.8	0.3	0.1
MGFL	14,943	32.8	2.9	9,333	52.0	-0.3	5,635	35.7	-2.1	15.0	1.1	-0.3
Muthoot	21,348	15.2	12.0	15,095	16.9	8.3	10,563	17.0	2.8	11.9	-0.8	0.7
PIEL	7,121	-22.3	-12.4	-1,057	-153.7	-114.4	1,371	N.A.	N.A.	6.0	-	-2.0
PNBHF	6,232	7.2	5.1	5,665	17.3	13.4	4,393	57.3	29.8	3.7	-0.1	0.2
PFL	5,625	48.1	14.6	4,094	103.1	16.9	3,317	83.6	25.1	10.9	0.0	0.3
REPCO	1,769	11.9	-0.6	1,287	6.9	-6.1	1,081	31.6	8.7	5.1	-	-0.2
SHFL	50,874	21.7	3.6	39,056	26.8	5.9	19,459	48.7	7.0	9.3	0.1	-0.2
CREDAG	4,822	39.5	9.2	6,828	35.8	13.5	3,971	33.9	12.4	13.1	0.9	-
FUSION	3,612	30.6	6.7	2,907	31.5	11.7	1,327	15.9	4.9	11.6	1.0	0.1
SPANDANA	3,859	42.8	22.1	2,660	2.0	10.6	1,287	21.9	1.0	15.1	-0.0	1.3
<b>Total (ex Piramal)</b>	<b>3,26,722</b>	<b>24.3</b>	<b>5.2</b>	<b>2,44,428</b>	<b>24.6</b>	<b>5.4</b>	<b>1,41,245</b>	<b>22.9</b>	<b>5.3</b>			

Source: MOFSL, Company, \*MOFSL universe excl. PIEL and Indostar

Exhibit 86: Advances/AUM growth

INR b	Advances/AUM		
	4QFY24	YoY (%)	QoQ (%)
AAVAS	173	22.2	7.7
ABCAP (NBFC)	1,056	31.1	7.1
ABCAP (HFC)	184	33.4	11.4
BAF	3,306	33.6	6.3
CANF	350	10.9	2.8
CIFC	1,456	36.7	8.8
Five Star	96	39.4	7.9
HomeFirst	97	34.7	7.6
IIFL Finance	795	23.1	2.7
LTHF	856	5.8	4.6
LICHF	2,868	4.3	2.0
MMFSL	1,026	24.0	5.7
MASFIN	101	25.1	4.7
MGFL	421	18.7	4.2
Muthoot	758	20.0	6.5
PIEL	688	7.6	-2.8
PNBHF	712	6.9	3.9
PFL	250	54.9	13.9
REPCO	135	8.5	2.5
SHFL	2,249	21.1	5.0
CREDAG	267	27.0	14.3
FUSION	115	23.5	7.3
SPANDANA	120	40.7	15.1
<b>Total</b>	<b>18,081</b>	<b>20.4</b>	<b>5.1</b>

Source: MOFSL, Company

Exhibit 87: Asset quality snapshot

Asset Quality (%)	3QFY24			4QFY24			QoQ Change (bp)		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
AAVAS	1.1	0.8	27.5	0.9	0.7	28.8	-15	-12	129
ABCAP (NBFC)	2.6	1.3	50.0	2.5	1.3	49.9	-9	-4	-10
ABCAP (HFC)	2.2	NA	NA	1.8	NA	NA	-36	NA	NA
BAF	1.0	0.4	61.7	0.8	0.4	57.0	-10	0	-466
CANF	0.9	0.5	45.8	0.8	0.4	48.6	-9	-7	280
CIFC	2.8	1.6	45.1	2.5	1.4	46.4	-34	-23	131
Fivestar	1.4	0.6	54.3	1.4	0.6	54.3	-2	-1	2
HomeFirst	1.7	1.2	29.9	1.7	1.2	29.7	0	0	-18
IIFL Finance	1.7	0.9	49.6	1.6	0.8	52.3	-11	-10	267
LTFH	3.2	0.8	75.3	3.2	0.8	75.5	-6	-2	18
LICHF	4.3	2.2	48.6	3.3	1.6	51.4	-95	-60	279
MMFSL	4.0	1.5	62.7	3.4	1.3	63.2	-57	-24	44
MASFIN	2.3	1.4	41.4	2.4	1.5	38.9	10	12	-251
MGFL	2.0	1.8	NA	1.9	1.7	NA	-9	-5	NA
Muthoot	3.6	NA	NA	3.3	NA	NA	-34	NA	NA
PIEL	2.2	1.0	54.7	2.2	0.8	65.3	-2	-24	1061
PNBHF	1.7	1.1	34.4	1.5	0.9	37.4	-23	-19	301
PFL	1.3	0.7	47.3	1.2	0.6	49.3	-17	-11	198
REPCO	4.7	1.9	60.1	4.1	1.5	65.2	-61	-47	513
SFL	5.7	2.7	53.4	5.5	2.7	51.8	-21	-2	-158
CREDAG	1.0	0.3	70.4	1.2	0.4	70.8	21	6	36
FUSION	3.0	0.8	75.2	2.9	0.6	79.7	-15	-17	454
SPANDANA	1.6	0.5	70.3	1.5	0.3	79.9	-11	-18	956

Source: MOFSL, Company

## FINANCIALS – NON-LENDING: Volume growth strong for the capital market players; loss ratios moderated for the general insurance players; VNB margins subdued for the life insurance players

- **Growth in F&O and cash volumes:** The broking segment delivered a resilient performance yet again in terms of demat account additions (12.1m vs. 9.6m in 3QFY24), NSE active clients (40.8m vs. 36m in 3QFY24), and volumes across cash (INR1.2t, +33% QoQ) and derivatives (INR467.8t, +22% QoQ). This translated into strong revenue traction for Angel One (+65% YoY). However, its operating margin was under pressure, due to investments in customer acquisitions and IPL advertisement costs.
- **Exchanges to see gains from new product launches:** Continued momentum in BSE derivatives products driven by increased member participation, rising awareness about products, and a shift in Bankex expiry led to share gains. Flattish revenue for MCX was on account of lower non-transaction revenues and lower premium-to-notional turnover in the options segment. MCX is likely to see strong volume growth ahead, led by new products such as steel bar (launched), gold serial contracts, power contracts, smaller contracts with weekly expiry in the bullion segment, and mini contracts on other metal products such as copper and nickel.
- **VNB margins muted for life insurers:** APE growth for life insurance companies was in line with our estimates in 4QFY24 (except for MAXLIFE, where APE came in 14% higher than estimates), with SBILIFE/MAXFIN/IPRU reporting strong YoY growth of 17%/13%/10%. Conversely, HDFCLIFE reported a decline of 8% YoY. VNB margins for all life insurance players (including LIC) declined YoY. The weakness was owing to the adverse product mix (lower non-par share and higher ULIP share) and the pressure on non-par margins.
- **Profitability improved in the motor segment:** The general insurance players have seen decent growth in premiums, underpinned by the strength of auto sales, sustained high demand for health insurance, and commercial lines growing in line with economic growth. Profitability in the motor segment improved considerably, led by stable pricing trends. Though the claims ratio increased YoY for Star Health, the overall combined ratio was in line given the rationalization of cost. ICICIGI/STARHEAL registered a YoY NEP growth of 17.0%/16.5%, whereas their PAT grew 19%/40% YoY.
- **Strong performance by asset management firms:** AAUM of the MF Industry stood at INR54t as of FY24, up 34% YoY/10% QoQ. Equity AAUM grew 14.3% QoQ, while non-equity AUM rose 4.5% QoQ. Net inflows stood at INR822b vs. INR655b in 3QFY24. SIP flows continued to gain traction, with INR573b flows in 4QFY24 vs. INR516b in 3QFY24. For CAMS, profitability was supported by a YoY increase in the share of non-MF business and an improving mix of equity AUM in the total MF AUM. For 360ONE, total revenue surged on account of a surge in TBR income. While the ARR yields were flat QoQ, TBR yields doubled sequentially, which led to an increase in overall yields for 360ONE. The developments around new businesses (mid-market segment and launch of the global platform) are on track.

**Valuation and view:** Sustained strong trajectories in F&O and cash volumes have been translated into strong performances by capital market-related players, such as brokers and exchanges. These trends have further strengthened with customer acquisitions and turnover scaling new highs. Angel One, with its strategy to diversify its revenue base over the longer term, is well poised to leverage emerging trends. BSE should see strong business momentum with its rising share in derivatives volumes and the price hikes implemented for Sensex. The focus for MCX is on new product launches, which will boost its revenue and profitability over the medium term. General insurers will continue to witness strong premium growth and improvements in profitability, led by the normalization of loss ratios and scale benefits. Apart from expected surrender charges regulations, life insurers have moved past the higher base impact of 4QFY23. SBILIFE is better placed to report a relatively stronger performance. **Our top picks include ANGELONE, STARHEAL and SBILIFE.**

- **Surprises:** 360ONE, BSE, CAMS, ICICIGI
- **Misses:** IPRU

**Guidance highlights:**

- **360ONE:** It expects active ARR AUM to grow at an annualized rate of 25% (including MTM gains) and net flows to grow ~10-15% on an annual basis. Yields are expected to remain steady between 68-72bp. TBR asset income is likely to remain around INR4-6 b depending upon capital market sentiments.
- **ANGELONE:** With the INR15b fundraise in place, the company is well positioned to grow business across key parameters such as client acquisition, number of orders, and MTF book. In the near term, segments such as loan distribution and fixed income product distribution will scale up, and over the longer term, AMC and Wealth Management will start contributing to the revenue.
- **BSE:** Launches of new products (stock derivatives), increased member participation, rising awareness about products, and a shift in Bankex expiry would continue to drive market share gains for BSE. To bring down clearing and settlement costs BSE is adding high frequency traders and institutional investors to its customer base and speaking to the regulator for revising the cost structure.
- **CAMS:** It aspires to increase the non-MF share by ~2% every year. From an EBITDA margin perspective, the non-MF business margins have expanded to ~20% from ~15%, and the company expects to maintain the overall EBITDA margins to be in the range of ~45-46%. The expense growth for FY25 will largely be in line with FY24, i.e., ~18% growth.
- **MCX:** MCX has approval for 10g gold futures monthly contracts, but the 10g gold monthly contracts is in the testing phase. Index options on commodities were permitted by the regulator; however, now MCX has to apply to SEBI to launch the same (from application to launch, the time period would be ~5-8 months).
- **ICICIGI:** For FY25, ICICI Lombard expects mid-single-digit/8-10%/double digits growth in private car/2W/CV sales. The loss ratios in the OD segment are expected to range ~60-65% and the TP segment is likely to range ~65-70% in FY25. The FY25 exit combined ratio is projected to be ~101.5% vs. ~102% guided earlier. IFRS adoption for FY 25-26 is still in progress.
- **STARHEAL:** Price hikes on renewal policies would help improve the claims ratio. Similarly, with selective underwriting in the group health segment, particularly the SME segment, the loss ratios tend to see improvement. Star Health is anticipated to undertake price hikes (in range of 15-20%) in 1QFY25 in the Senior Citizen health insurance product and Young Star insurance product. These products accounts for ~10% of the total premium.
- **HDFCLIFE:** It expects the private life insurance industry to grow at ~12-15% in FY25, and the company would grow at a higher end of the range. Growth in lower-tier cities will be the key focus areas with the expansion of HDFC Bank's branch network and the deepening of HDFCLIFE's branch network. HDFCLIFE aims to maintain FY24 level VNB margins in FY25.
- **IPRU:** For FY25, business growth is expected to be ahead of the industry, and VNB growth is likely to be in line with business growth. Business growth will be primarily driven by the proprietary channels of Agency and Direct, which have delivered better growth than the company level.
- **LIC:** The company is further strengthening its presence in tier 2&3 cities through an agency transformation project. It targets being present in every Panchayat in FY25. LIC is contemplating a foray into the health insurance sector and will be assessing potential acquisition prospects. It is also working on launching new products in the protection business in FY25.
- **MAXFIN:** On the non-par side, MAXFIN is increasing rates to preserve margins; the group credit life side continues to be the focus area, while group term life business has seen a slowdown due to intense competition. It has guided high-teen growth in premiums and lower/in-line growth in VNB. Axis Bank entities are likely to enhance their stake in the company and MAXFIN expects the transaction to go through in the next few months.
- **SBILIFE:** Penetration in the SBI channel is at ~2% of the overall SBI customers, and the penetration in insurable customers (more than INR10k balance) is ~3.5-4.0%, which leaves significant scope for further penetration. Annuity business growth would continue to be robust with strong growth in the retired population and increasing adoption of NPS in the country. The higher share of annuities will help in improving the VNB margins.

**Exhibit 88: Quarterly performance**

INR m Broking/Wealth	Revenue			EBITDA			PAT		
	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)
ANGELONE	8,742	65	27	4,588	27	31	3,400	27	31
ISEC	15,432	74	17	7,199	104	15	5,365	104	15
<b>Exchanges</b>									
MCX	1,811	35	-5	1,020	4,827	NA	878	1,512	NA
BSE	4,885	115	31	979	-5	4	1,082	14	0
<b>AMCs</b>									
CAMS	3,105	25	7	1,433	31	11	1,030	38	16
IIFLWAM	5,740	46	30	2,740	32	31	2,437	57	26
<b>General Insurance</b>	<b>Gross Premium</b>			<b>Underwriting Profit/(Loss)</b>			<b>PAT</b>		
	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)
ICICIGI	62,631	17	-3	-2,319	NA	NA	5,195	19	20
STARHEAL	49,683	18	38	-911	NA	NA	1,423	40	-51
<b>Life Insurance</b>	<b>APE</b>			<b>VNB</b>			<b>PAT</b>		
	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)	4QFY24	YoY (%)	QoQ (%)
HDFCLIFE	47,270	-8	48	12,340	-18	44	4,111	15	13
IPRU	36,160	10	90	7,760	-26	78	1,738	-26	-24
SBILIFE	53,300	17	-13	15,100	5	-10	8,108	4	152
MAXFIN	28,720	13	60	8,210	7	68	-510	NA	NA
LIC	2,11,800	11	61	36,450	-2	38	1,37,626	2	46

**HEALTHCARE: In-line operating performance; strong US sales/low RM costs drive earnings****HOSPITALS: Better realization boosts earnings; patient volume stable**

- Our coverage companies, excluding hospitals, reported in-line sales, while EBITDA/PAT beat our estimates by 2%/7% in 4QFY24. The profitability was driven by a) reduced intensity of price erosion in US generics, b) lower raw material costs, and c) the launch of niche products.
- On an aggregate basis, sales/EBITDA/PAT grew 12.2%/26.9%/43.1% YoY. EBITDA margins expanded 270bp YoY.
- Among hospitals, APHS/MAX were largely in line with our estimates, while MEDANTA was below our estimates. On an aggregate basis, sales were in line with our estimates, while EBITDA/PAT were below our estimates by 1%/4.4%. Sales/EBITDA/PAT grew 15%/21%/21% YoY on an aggregate basis for 4QFY24.
- Out of 20 companies, seven reported a better-than-expected performance. Specifically, BIOS/DIVI/ARBP/ALPM/GSK/ZYDUS beat our earnings estimates by 43%/40%/40%/36%/29%/28% for the quarter. Nine out of 20 firms missed our estimates. PIRPHARM/LAURUS/IPCA/GLAND missed our estimates by 51%/34%/27%/27% for the quarter.
- **US sales** witnessed strong growth of 13.3% YoY (in cc terms) to USD2.3b on an aggregate basis for our coverage companies. 4QFY24 was the seventh consecutive quarter of healthy double-digit YoY growth in US generics at an aggregate level. Increased niche launches, better traction in existing products, and lower price erosion in the base portfolio led to stable YoY growth in US generics for the quarter.
- Among our coverage companies, DRRD delivered the highest YoY growth of 26% in US sales, aided by robust demand for key products. Moreover, LPC delivered 19% YoY growth in US sales, led by strong momentum in niche launches such as g-Spiriva/Albuterol and improved traction in legacy products such as Suprep and Lisinopril. ALPM's US segment delivered 19% YoY growth, led by new launches and increased volume. SUNP continued to witness robust execution in the specialty portfolio, leading to 11% YoY growth in US sales. However, GNP/TRP witnessed a 14%/6% YoY decline in US sales due to the lack of approvals, price erosion in the base business and regulatory issues at their respective facilities.
- On an overall basis, our coverage companies received approvals for 49 ANDAs in 4QFY24 and 210 in FY24 (vs. 212 in FY23). However, the pace of ANDA filings has been declining at the aggregate level amid more efforts toward select limited-competition products.
- On an aggregate basis, **domestic formulation (DF)** exhibited YoY growth of 9% in 4QFY24, higher than the growth seen in the previous three quarters. Among therapies, Cardiac/Neuro/Derma/Anti-diabetic delivered 11%/8%/8%/7% YoY growth, outperforming IPM (5.7% YoY growth). However, Respiratory/Anti-infective/Ophthal underperformed IPM by 8.6%/7.9%/2%. Acute therapies witnessed moderation in growth for 4QFY24

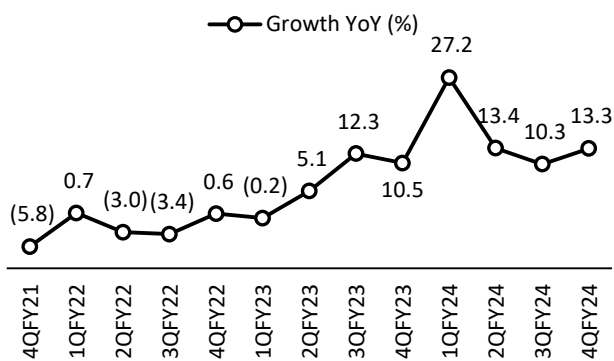
due to extreme weather conditions. Among our coverage companies, GSK/AJP/IPCA delivered 18%/14%/14% YoY growth. ERIS delivered the highest YoY growth of 37%, partly due to the addition of brands. ALKEM DF sales declined by 2% YoY in 4QFY24.

- **Hospital companies** at an aggregate level witnessed ARPOB growth of 10% YoY in 4Q. Overall revenue growth for hospitals was 10% YoY, implying stable volume of treated patients. In 4QFY24, KIMS registered maximum ARPOB growth of 12% YoY, while Yatharth delivered maximum volume growth. The maximum occupancy was posted by MAX (75%) and minimum was seen by NARH (45%) for the quarter. The bed addition continues to progress well for hospitals in the listed space.
- Among our coverage companies that have reported earnings so far, 11 companies have seen earnings upgrades, while three have seen earnings downgrades. The maximum upgrades in FY25/FY26 earnings were seen in ZYDUS (14%/16%), GNP (17%/10%), GSK (5%/8%), ARBP (9%/6%), and LPC (6%/6%). Conversely, BIOS (19%/12%), LAURUS (26%/10%), and GLAND (11%/9%) witnessed maximum downgrades in earnings estimates.
- **Top picks: SUN, CIPLA, MAXHEALTH**
- **Surprises: BIOS, CIPLA, ARBP, ALPM, DIVI, ZYDUSLIF, GLXO**
- **Misses: PIRPHARM, LAURUS, IPCA, GLAND, MEDANTA**

#### Guidance highlights

- **SUNP** guided for high single-digit YoY growth in revenue for FY25. There were no pending queries regarding Deuruxolitinib. SUNP indicated R&D spending at 8-10% of sales for FY25.
- **DRRD** would launch 20+ products in US generics in FY25. The meaningful benefit from biosimilar will be seen in FY27, as DRRD would be in the first wave of launches. DRRD expects approval for b-Rituximab for the UK market in the near term.
- **DIVI's** would incur capex of INR6.5b-INR7b to meet the requirement of one of the innovator customers. The two molecules would aid an API business opportunity in FY25. The Kakinada facility will start in 2Q/3QFY25.
- **CIPLA** has guided for 24.5%-25.5% EBITDA margin in FY25. It has completed remediation measures at its Goa site. Cipla has ~12 assets in peptides/complex generics to be launched over FY25-27.
- **BIOS** guided FY25 to be the year of consolidation, transition and growth acceleration. Formulations expected to be the key growth driver in FY25, led by new launches. GLP is the major growth driver in FY26.
- **LPC** guided for 10% YoY growth in overall sales and 20% EBITDA margin in FY25. LPC expects to grow close to double digits YoY in the DF segment in FY25. The company would be filing 11-15 ANDAs in FY25.
- **ZYDUSLIF** guided for high-teens YoY growth in revenue in FY25, assuming competition in g-Asacol. It has guided for double-digit YoY growth in DF revenue in FY25. Intends to launch 35+ products in the US market in FY25. Expects gross/EBITDA margin to sustain in FY25 as well.
- **APHS** guided for GMV to grow 50% YoY to INR40b in FY25. APHS remains confident of achieving 15% YoY growth in healthcare services revenue over FY25. It aims to improve occupancy ~70% in FY25. It plans to operationalize four hospitals in Pune, Gurgaon, Kolkata, and Hyderabad in CY25.
- **LAURUS** would invest USD40m for an additional fermentation facility. LAURUS would be making the validation batches for four products and launch quantities for certain products in FY25 under the animal health CDMO.
- **GLAND** indicated to grow 14-15% on an annual basis in the base business going forward. It intends to achieve a high-teen EBITDA margin in the Cenexi business over the next 1-2 years.
- **TRP** expects growth in FY25 to be led by new launches in US business. TRP sees scope for 50-100bp YoY improvement in EBITDA margin in FY25. TRP indicated a reduction in net debt by IN13b in FY25.
- **IPCA** guided consol. revenue/EBITDA at INR90b/INR16b for FY25. DF and export generics sales are expected to grow 12% YoY each. Unichem is expected to deliver EBITDA of INR2.3b in FY25 vs. INR1b in FY24.
- **MAXHEALTH** is undertaking capex to add another 3,244 beds over the next two to three years. The profitability of Lucknow and Nagpur hospitals is expected to increase in FY25.
- **MEDANTA** would incur capex of INR10-12b for the addition of 1,650 beds. The green field hospital has got legal clearance in Indore (bed capacity: 300). Noida hospital will commence operations in 4QFY25/1QFY26.

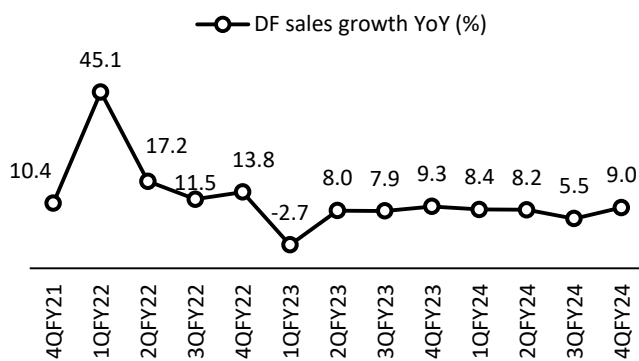
**Exhibit 89: US sales grew 13.3% YoY in 4QFY24 (CC terms)**



Ex-APHS/MAXHEALT/MEDANTA

Source: MOFSL, Company

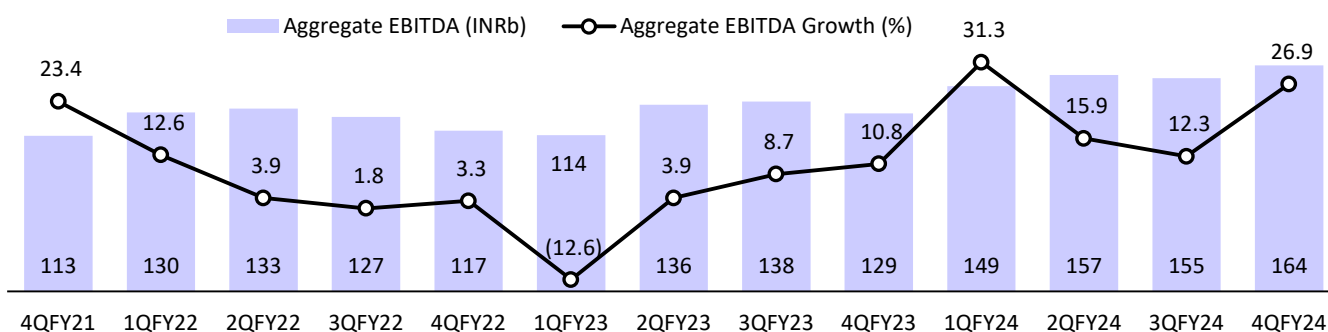
**Exhibit 90: DF sales grew 9% YoY in 4QFY24**



Ex-APHS/MAXHEALT/MEDANTA

Source: MOFSL, Company

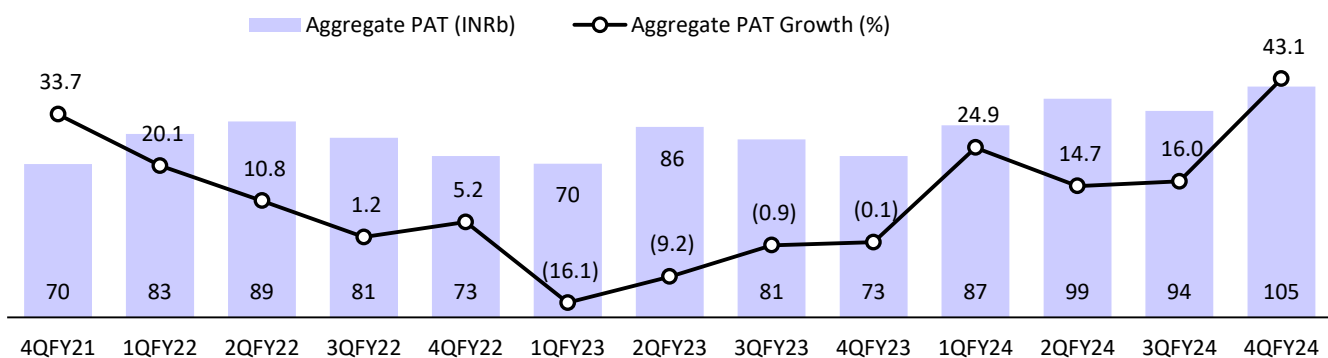
**Exhibit 91: Aggregate EBITDA up 26.9% YoY to INR164b in 4QFY24 for pharma universe**



Ex-APHS/MAXHEALT/MEDANTA/SOLARA

Source: MOFSL, Company

**Exhibit 92: Aggregate PAT up 43.1% YoY in 4QFY24 for pharma companies under coverage**



Ex-APHS/MAXHEALT/MEDANTA/SOLARA

Source: MOFSL, Company

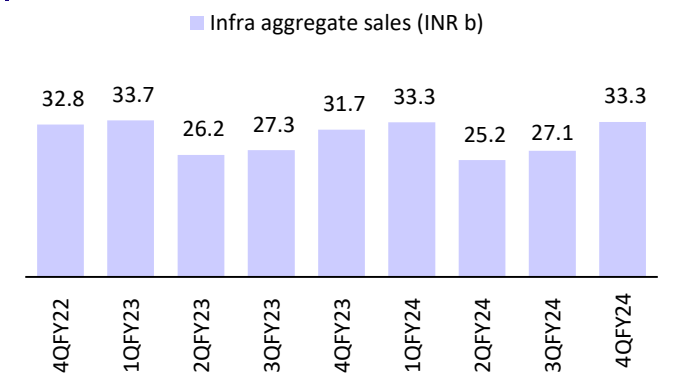
**Infrastructure: Delays in the appointed date hurt execution; subdued awarding activity by NHAI keeps order inflows muted**

- **Execution remains subdued in 4Q; FY25 likely to see flat growth:** Infrastructure companies within our coverage universe (excluding IRB) reported 5% YoY revenue growth in 4QFY24, primarily because of delays in land acquisition and subsequent delays in appointed dates (AD) for several projects. KNR’s revenue was flat YoY, while GRIL reported 8% YoY jump in execution. As NHAI awarding was sluggish in FY24, KNR and GRIL are exploring non-road infrastructure opportunities like power transmission projects, water projects and solar EPC projects in order to get new orders. KNR and GRIL have guided for flat growth in FY25. Execution is likely to improve in FY26 onward across our coverage companies.
- **Awarding activity remains subdued in FY24; pipeline robust:** Awarding activity by NHAI has been subdued, with ~2,500km of projects awarded in FY24 vs. a target of ~5,000km. While there is a huge tender pipeline, order inflows could kick in materially only after the general elections in FY25. GRIL and KNR have guided for order

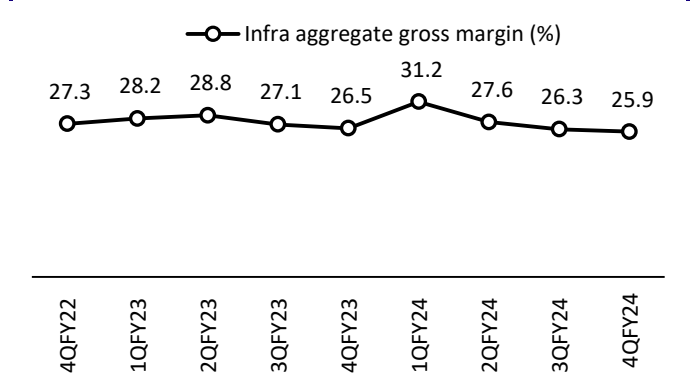
inflow targets of INR150-200b and INR50-60b, respectively, in FY25. Amid sluggishness in awarding activity by NHAI, companies will focus on diversification of the order book toward non-roads segments.

- **Elevated input costs keep margins in check:** Companies within our coverage reported a 70bp YoY drop in EBITDA margin due to muted execution and elevated input costs in 4Q. Though steel and aluminum prices have corrected ~30% from their highs in Apr'22, the prices remain high. Cement prices have decreased ~8% from their highs in Oct'23. Companies under our coverage universe expect stable margins YoY in FY25.
- **Focus on asset monetization:** NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations. NHAI awarded two TOT bundles, 13 and 14, having a combined length of 273km for INR93.8b in Dec'23. During FY24, NHAI has awarded and executed concession agreements for four ToT bundles for a total value of INR159.7b, which is higher than its monetization target of INR100b for FY24. NHAI has also monetized through project-based securitization (Delhi-Mumbai Expressway) amounting to INR46b in FY24. Till date NHAI has monetized more than INR1t.
- **Top picks:** Awarding activities by NHAI and execution have been muted and are expected to improve in FY25 after the general elections. Companies with decent order backlogs, a solid financial position, and involvement in multiple segments are well positioned to benefit in the near to medium term. Our preferred choice in the space is KNR.

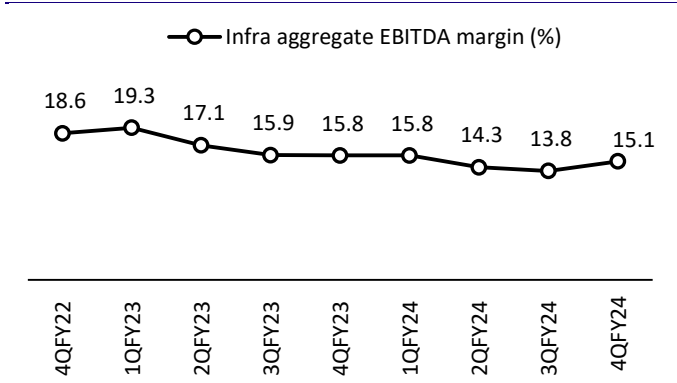
**Exhibit 93: Revenue grew 5% YoY for our coverage universe**



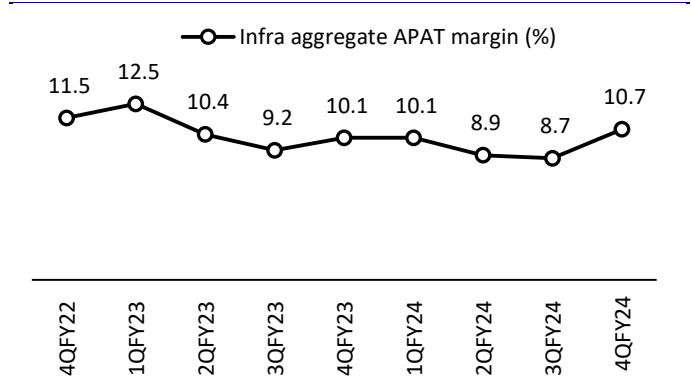
**Exhibit 94: Gross margin contracts on YoY and QoQ basis**



**Exhibit 95: EBITDA improves sequentially**



**Exhibit 96: PAT margins improve for our coverage universe**



Note: Data in charts above is for our coverage universe excluding IRB

**LOGISTICS: Volume picks up in 4Q; network expansion and technology adoption in focus; port operators gain market share**

- **Logistics activity picks up in 4QFY24; port operators grow more than 2x of India's major ports volumes in FY24:** Logistics activity picked up in 4QFY24, with port operators growing over twice the volume of India's major ports. Logistics companies, excluding APSEZ and JSWINFRA, reported ~10% YoY revenue growth. Organized freight operators expect better performance after elections. Multi-modal logistics companies performed better than pure play freight operators and express logistics players. APSEZ saw ~26% YoY growth in cargo volumes, and

JSWINFRA saw ~9% growth in 4Q. Both the firms increased their market share and are expected to continue this trend, driven by efficiency at existing ports and ramp-up at newly acquired ports/terminals.

- **Margins deteriorate YoY due to competitive pressure and high operating expenses:** Gross margin for our coverage universe, barring APSEZ and JSWINFRA, stood at 29.5% in 4Q (down 140bp YoY/up 20bp QoQ). High operating expenses, such as elevated fuel prices and high toll charges, continued to pressurize margins for fleet operators. EBITDA margin for our coverage universe, excluding APSEZ and JSWINFRA, contracted 60bp YoY and 30bp QoQ to 13.0%. APSEZ's margins stood at 58.6% in 4Q (up 220bp YoY, down 190bp QoQ) and JSWINFRA's margin was 53% (up 150bp YoY and up 200bp QoQ). With volume ramp-up at recently acquired ports/terminals, margins are expected to be strong ahead for APSEZ and JSWINFRA.
- **Organized players with pan-India network and technological advantage to gain higher market share:** The introduction of GST, e-way bills, and reduced e-invoicing turnover limits have encouraged businesses to partner with organized logistics providers. Express companies are expanding their infrastructure and digitalizing their operations, enabling them to capture higher volumes. The government's port privatization efforts present opportunities, with APSEZ and JSWINFRA well placed to benefit due to their strong balance sheets.
- **Top picks:** APSEZ is our preferred choice in this space.

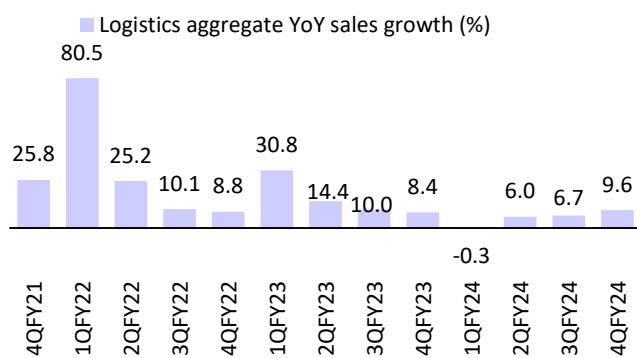
### Guidance

- **APSEZ:** APSEZ reported a robust FY24 by handling 420 MMT of cargo volume, surpassing the management's revised cargo volume guidance of 400 MMT. Further, through debt reductions, APSEZ achieved a net debt-to-EBITDA ratio of 2.3x vs. 3.1x in Mar'23. APSEZ is expected to record 2-3x of India's cargo volume growth, driven by a balanced port mix on the western and eastern coastlines of India and an operational ramp-up at the recently acquired ports. Cargo volumes are expected to range from 460 MMT to 480 MMT in FY25, with revenue projected to be ~INR300b.
- **JSWINFRA:** Cargo volume handled in FY24 stood at 106.5MMT vs. 92.8MMT in FY23. The share of third-party cargo increased to 40% of total volumes in FY24 and the management aims to increase it to 45% in the near to medium term. JSWINFRA is leveraging its strong balance sheet to explore both organic and inorganic growth opportunities, aiming to enhance its market presence. The company targets to increase its capacity to 258MMT/400MMT by 2027/2030 (170 MMT as of Mar'24). To achieve this goal, the company has outlined a capex plan of INR300b over the next six years. The management aims for a long-term volume CAGR of 15-17%.
- **VRL:** Volumes in 4Q and FY24 were hit by uneven rainfall patterns across India, sluggish demand in southern states and a general slowdown in the economy, especially in the textile and agro-commodities, which form the major product segments for the company. However, significant volume growth was observed in northern, eastern, and northeastern states due to the expanded branch network. VRL expects tonnage growth rate of 12-15% in FY25. Revenue growth is expected to be stronger in FY25 with higher freight rates. VRL incurred a capex of INR2.9b in FY24 primarily for the addition of trucks and plans to invest INR3b in FY25 for vehicle additions mainly.
- **TRPC:** Growth momentum in the supply chain business remained intact amid uptrends in the automotive sector. Competitive pressure in the freight segment led to subdued growth in the LTL segment. Going forward, as demand improves, the freight business is expected to witness strong growth. Seaways revenues are expected to remain flat in FY25. The growth in FY26 will be dependent on the addition of another ship to its fleet. In FY25, TRPC expects revenue/PAT growth of 10%/15%, along with improved margins.
- **BDE:** Volumes are improving as new aircraft are stabilizing and routes like Guwahati have been added to the network. As overall demand improves, a further pickup in volumes is anticipated in FY25 and FY26. The standalone EBITDA margin has started to expand as capacity utilization has improved and BDE has shifted some volumes from third-party cargo to its own aircraft. The share of third-party cargo has declined from 20-25% to 10-11% currently. The management expects a healthy demand outlook to translate into better profitability.
- **CCRI:** The management projects FY25 handling volume growth of 15% for EXIM, 25% for domestic, and 18% overall. EXIM growth will be driven by stabilizing geopolitical situations, double-stack train operations near Nava Sheva, increased direct port delivery services, and new terminal volumes. For domestic volumes, CCRI has

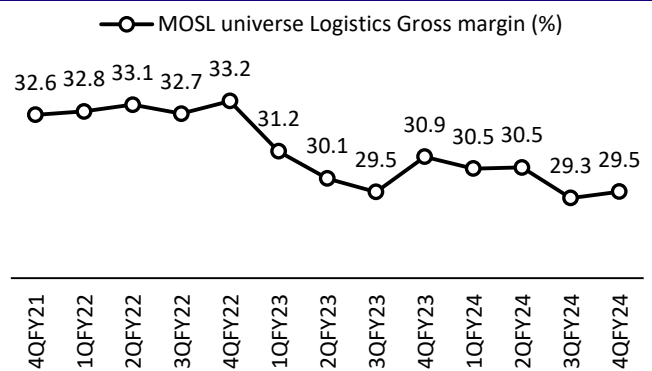
ordered cement tank containers for bulk cement transport, expecting a significant shift from road to rail by 2QFY25. Additionally, CCRI expects to benefit from the Gati Shakti Scheme for the Tughlakabad terminal, which may reduce LLF expenses by ~INR 1b in FY25.

- **MAHLOG:** The management remains optimistic about achieving EBITDA breakeven by the end of 1HFY25, and PAT breakeven is anticipated by the end of FY25. Express business losses are expected to decline as volumes improve, which should result in improvement in overall EBITDA for MLL. Strong order intake in the 3PL business should also support growth in the near to medium term. MLL aims for revenue of INR100b and RoE of 18% by FY26, with a focus on growing the 3PL business in the mid-teens. This involves generating INR65b in revenue from the 3PL business as well as rapidly expanding its network services.
- **TCIE:** The persistent challenges of subdued demand, especially in the lifestyle product segment, and elevated inventory levels with customers led to slower dispatches during 4Q. Volumes stood at 0.26m tons (-2% YoY) in 4Q. The total contribution of value-added services stood at 17.5%-18.0%. The management expects 20-25% contribution to revenue from new value-added services by FY25. The management remains optimistic about maintaining 2x GDP growth in the medium to long term.

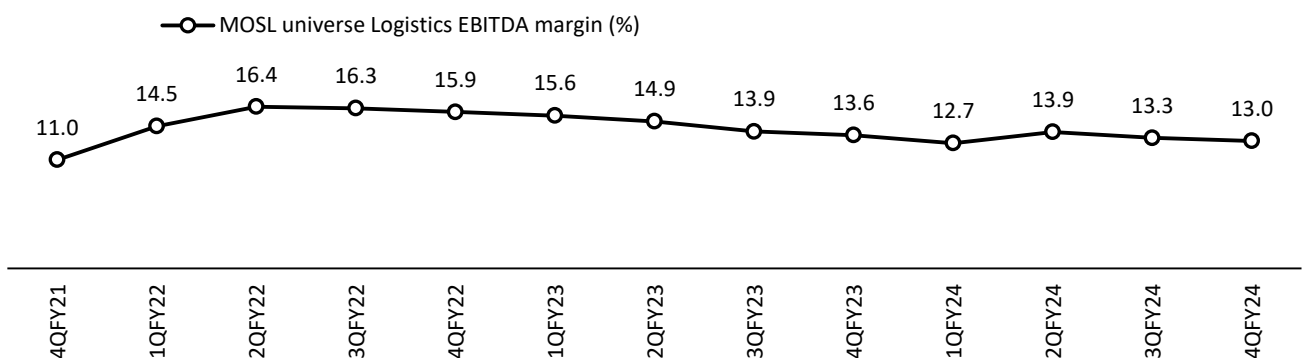
**Exhibit 97: Sales improved YoY for our coverage universe**



**Exhibit 98: Margins saw marginal uptrend on QoQ basis due to the pickup in volumes**



**Exhibit 99: EBITDA margin continued to decline due to competitive pressure and high fuel prices**



Note: Data in charts above is for our coverage universe excluding APSEZ& JSWINFRA

Source: Company, MOFSL

**METALS: Muted operating performances as expected owing to weak realization and high coal costs; volumes improve sequentially**

■ **Volumes improve:**

**Ferrous:** Sales volume across our coverage universe increased +13% QoQ and +1% YoY in 4QFY24. All the ferrous companies under our coverage reported double-digit volume growth QoQ, driven by improved domestic demand during the quarter. Improving export markets also supported higher volumes.

**Non-Ferrous:** HNDL witnessed an improvement in its domestic copper and aluminum businesses, registering sales volume growth of +13% and +1% QoQ (+15% and +4% YoY), respectively, during the quarter. Its international aluminum business (Novelis) saw a healthy volume growth of +5% QoQ and +2% YoY in 4QFY24. HZ witnessed zinc

volumes growth of +9% QoQ and +2% YoY, which were offset by muted volume from lead and silver verticals (-5% and -9% QoQ). Vedanta posted flat sequential growth (+4% YoY) for aluminum business, while zinc international business saw a steep decline in volume by 18% QoQ and 46% YoY during the quarter. NACL volume remained flat sequentially at 121kt (+3% YoY) during the quarter.

**Mining:** COAL's sales (dispatches) rose +5% QoQ and +8% YoY to 202mt. COAL's dispatches to the power sector (including CPP) stood at 176mt in 4QFY24, which represented ~87% of the dispatches. NMDC posted sales volume growth of +10% QoQ and +1% YoY to 12.5mt during the quarter.

- **Ferrous ASP corrected sequentially; remained muted YoY:** ASP for ferrous companies within our coverage universe declined 2-6% sequentially. Apart from JSP (+4% QoQ and flat YoY), all (JSW/TATA/SAIL) reported muted ASP (declined by 2%/5%/6% QoQ and 4%/9%/8% YoY).
- **EBITDA/t remained muted due to weak ASP, despite lower input costs: a) Ferrous:** EBITDA/t for our coverage companies declined in 4QFY24, due to weak ASP. TATA's India operation reported an EBITDA/t decline of 12% QoQ. EU operations (which posted operating loss/t of USD38/t vs. USD175 in 3QFY24 and USD91/t in 4QFY23) improved. TATA's consolidated EBITDA/t declined 6% QoQ and 11% YoY in 4QFY24. All the ferrous companies in our coverage have guided for a better operating performance in the coming quarter on account of better ASP and muted coal costs. **b) Non-ferrous:** HNDL's aluminum business saw EBITDA/t improvement of 13% QoQ (+21% YoY). Copper EBITDA/t increased 4% QoQ (+11% YoY) in 4QFY24.

**Capacity enhancement: a) Ferrous:** TATA is doubling its domestic crude steel capacity to 40mt from 21mt and the BF at Kalinganagar was commissioned in 4QFY24; its incremental benefits are expected to accrue in FY26. Similarly, JSP is doubling its finished steel capacity from 7.25mt to 13.75mt by FY26 (capex INR310b) and also commissioned the HSM plant. It is expected to end the year with a 50% capacity expansion rate. The BOF-II plant is under construction and on track to complete by 2QFY25 and BOF-III by 4QFY25. JSTL's 5mt Vijayanagar facility is expected to come on stream by 3QFY25 and the slurry pipeline is expected to be completed by FY26. SAIL plans to increase its capacity from 20mtpa of crude steel to 35mtpa by the end of FY31. SAIL plans to set up a 4.1mt Greenfield flat steel facility at IISCO, predominantly focused on HRC and CRC facility afterwards. Under Phase-I, the management plans to undertake the Rourkela steel plant, which has already been approved, and the Durgapur 1mt TMT facility, for which the pre-feasibility report done. **b) Non-ferrous:** Novelis's (HNDL) Bay Minette facility is expected to be completed in 2HCY26 and would take 18-24 months to fully ramp up. VEDL commissioned train-I at Lanjigarh refinery of 1.5MTPA, taking the total capacity to 3.5MTPA as of 4QFY24 and expects BALCO expansion to be commissioned in 3QFY25.

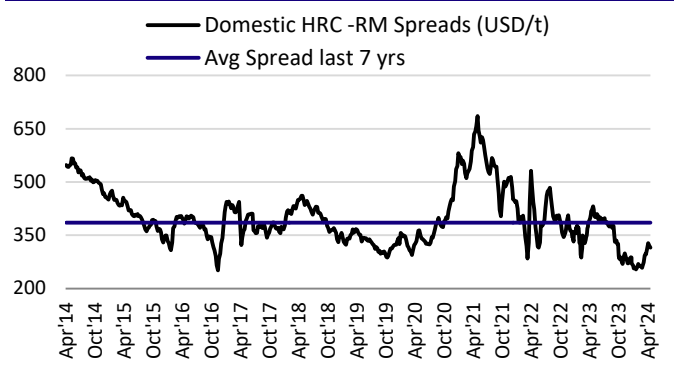
- **Top picks:** COAL, JSTL
- **Positive surprises:** TATA, VEDL, NMDC

#### Guidance highlights:

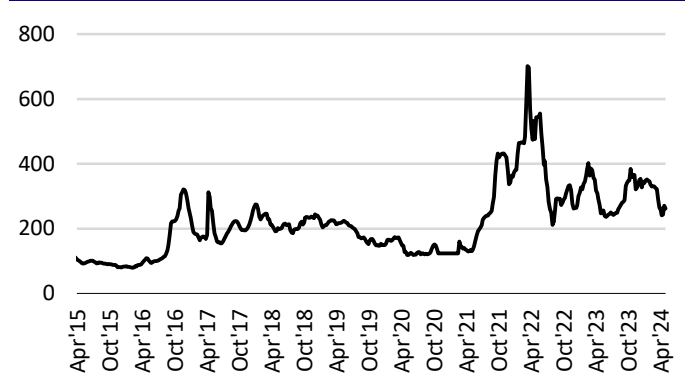
- **TATA:** In 1QFY25, the realization (ASP) for domestic operations is expected to increase by INR300-350/t compared to 4QFY24. ASP for the Netherlands is likely to increase by GBP90/t in 1QFY25 due to a better product mix and the end of low rate long-term contracts. Coking coal consumption cost in India is expected to decline by USD10/t and in the Netherlands, it is expected to increase by USD24/t due to previous inventory. In the UK, there is no coking coal involved because of coke oven closure.
- **JSTL:** Coking coal prices have declined in recent months and for 1QFY25, they are likely to be lower by USD22-27/t. Iron ore prices remained firm and were expected to remain stable in the near term. Steel prices are likely to remain range-bound going forward. JSTL plans to incur a capex of INR200b in FY25.
- **JSP:** Coal cost is expected to moderate by USD30-40/t in 1QFY25 on consumption basis. JSP expects to incur the remaining ~INR150b capex in the next three years, excluding maintenance capex.
- **SAIL:** For 1QFY25, the management expects coking coal costs to decline roughly by USD30/t vs. 4QFY24 and NSR for longs products to be around INR54,600/t and flats at INR53,500/t. The management expects production volume of 20mt, and sales volume of 19mt (incl. inventory of 1.6mt) and guided INR63b of expansion capex for FY25.
- **HNDL:** The management expects a coal cost reduction of 1-2% in 1QFY24 and plans to incur a capex of ~INR60b in India. The management expects capex to range around USD1.4-2.1b (60-65% for Bay Minette) in FY25 (overall ~USD3.4b capex outflow expected over FY25-26E).

- **HZ:** The management guided mined metal production would range around 1,100-1,125kt and refined metal production around 1,075-1,100 kt in FY25. The management guided zinc's cost of production (CoP) to be at USD1,050- 1,100/t in FY25. For FY25, the management expects capex of USD270-325m.
- **VEDL:** Aluminum CoP expects to fall further USD100-200/t compared to 4QFY24. The management guided zinc's CoP to range between USD 1,050 and USD1,100/t for FY25 and expects capex of USD270-325m in FY25.

**Exhibit 100: Domestic spot steel spreads (USD/t) contracted and is currently below the LTA**

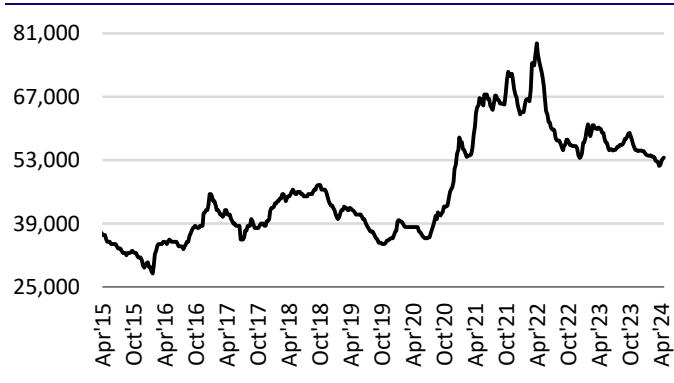


**Exhibit 101: Coking coal (USD/t), has moderated significantly ranging between ~USD260-280/t**



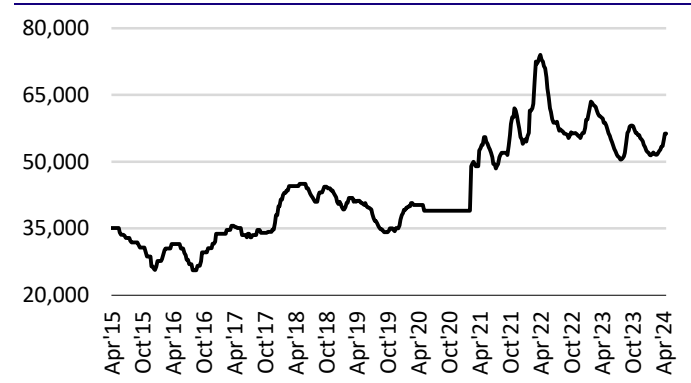
Source: MOFSL, Steelmint

**Exhibit 102: HRC (INR/t) recovering back to Dec'23 levels, after a steep correction during 4QFY24**



Source: MOFSL, Steelmint

**Exhibit 103: Rebar (INR/t) prices recovering too, inching close to Nov'23 levels**



Source: MOFSL, Steelmint

**Exhibit 104: Aluminum prices (USD/t) witnessed steep surge to USD2500/t during Apr'24 end**



Source: MOFSL, Bloomberg

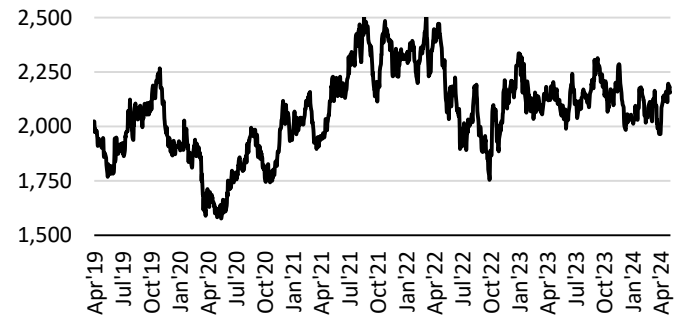
**Exhibit 105: Zinc prices (USD/t) surge significantly to USD2,835/t during Apr'24 end**



Source: MOFSL, Bloomberg

**Exhibit 106: Copper prices (USD/t) near INR10,000/t levels**

Source: MOFSL, Bloomberg

**Exhibit 107: Lead prices (USD/t) have remained range bound**

Source: MOFSL, Bloomberg

**Exhibit 108: EBITDA/t for steel companies under our coverage (Consolidated)**

EBITDA/t	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
JSW Steel	3,052	7,963	12,158	12,340	12,341	11,967	9,100
Tata Steel	8,382	5,661	9,279	7,186	6,037	8,760	8,271
SAIL	1,746	5,007	6,247	4,245	4,429	5,638	3,879
JSPL	7,559	12,513	10,775	14,283	11,372	15,705	12,162

Source: MOFSL, Company

**OIL & GAS: OMC's performance boosted by marketing; volumes in focus for CGDs**

- Overall performance:** Revenue was in line with our estimate (up 3% YoY), mainly driven by OMCs, GAIL, MRPL, and PLNG. Excluding OMCs, revenue was in line with our estimate (up 6.3% YoY). EBITDA was in line with our estimate (up 3% YoY), but BPCL, Castrol, IGL, IOC and OINL missed our estimates. Excluding OMCs, EBITDA was above our estimate (up ~14% YoY). Adjusted PAT was also in line (down 7% YoY). Adjusted PAT, excluding OMCs, was above our estimate (up 12% YoY).
- RIL:** RIL's revenue and EBITDA were in line due to subscriber additions, while ARPU was flat QoQ. Reliance Retail posted soft revenue and EBITDA growth. Standalone EBITDA beat our estimate, aided by better feedstock sourcing, higher domestic product placement, and increased sales volume.
- Upstream:** ONGC's reported EBITDA was 3% below our estimate, mainly due to higher-than-expected other expenses in 4QFY24. OINL reported lower-than-expected EBITDA, but PAT was in line due to higher-than-expected other income, and lower-than-expected depreciation/interest costs.
- OMCs – a miss on GRM:** IOCL reported a miss on our EBITDA estimate, due to lower-than-estimated reported GRM and weak performance of the petrochemical division. BPCL's reported GRM was below our estimate, while its implied marketing margin was above our estimate. Overall EBITDA was below our estimate due to weaker-than-expected refining performance and an impairment charge of INR18b in 4QFY24. HPCL beat our EBITDA estimate aided by higher-than-expected marketing margin. However, refining segment's performance was below expectations owing to lower-than-estimated GRM.
- CGDs – a mixed bag:** IGL's EBITDA came in below our estimate, primarily due to a lower-than-expected EBITDA/scm, which mainly declined as the APM gas allocation dipped. MAHGL's EBITDA inched up 1% YoY in 4QFY24, mainly driven by a 12% YoY rise in volumes, which offset an 11% decline in EBITDA/scm. Besides weaker EBITDA/scm margin, 4Q profitability was hit by a surge in marketing expenses and FY24 CSR expenses booked in 4Q. GUJGA's EBITDA was above our estimate as both margins and volumes were on the higher side.
- Ratings and earnings revisions:** **HPCL** – We have trimmed our refining margin assumption to USD8/bbl (from USD9/bbl), given the weak start to refining GRM, a decline in Russian crude discounts, and costs related to the commissioning of a bottom upgrade unit. Accordingly, we cut our FY25/FY26 EBITDA estimates by 8% each. **OINL** – We raise our production volume assumptions for FY25/ FY26 by 2%/3%, building in oil and gas productions of 3.7mmt and 4.2bcm in FY26, respectively.

- **Top picks:** **GAIL** – During FY24-26E, we are modeling a 9.8% PAT CAGR driven by: 1) rising natural gas transmission volumes to 142mmscmd in FY26 from 120mmscmd in FY24; and 2) substantial improvement in petchem segment's profitability over 2HFY25-FY26 as new petchem capacity will be operational and low inventories globally will drive re-stocking demand.  
**HPCL** – It remains our preferred pick among the three OMCs. We see the following as key catalysts for the stock: 1) demerger and potential listing of lubricant business, 2) the commissioning of its bottom upgrade unit, and 3) the start of Rajasthan refinery in 4QFY25.  
**OINL** – remains our strong conviction BUY with a 1.3x FY26E P/B (standalone) valuation. It is a unique play to benefit from the strong multi-year upcycle in both upstream and refining segments.
- **Surprises:** AGIS, RIL, GUJGA, HPCL, MRPL and ONGC
- **Misses:** BPCL, CSTR, GAIL, IOCL and MAHGL

#### Guidance highlights:

- **RIL:** Global oil demand for CY24 is likely to be at 103mnbopd (up 1.2mnbopd YoY). Gasoil cracks are anticipated to remain firm due to the strength in jet fuel demand and the limited availability of heavy crude. While global downstream chemical markets remain well-supplied in the near term, we note that capacity growth is tapering off and has passed its peak for key products such as PE, PP, and PX.
- **GAIL:** Management guided a rise in natural gas transmission volumes to 142mmscmd in FY26. Substantial improvement in petchem segment's profitability is expected over 2HFY25-FY26 as new petchem capacity will be operational and low inventories globally will drive re-stocking demand, thus improving spreads. Further, healthy trading segment profitability is expected with EBIT guidance at INR40-45b.
- **Upstream: ONGC's** management expects total production (excl. JV) to rise to 47mmtoe in the next three years from 39mmtoe now, mainly driven by KG-98/2 and Daman upside development. Gas production from the KG-98/2 asset, which will begin in 3QFY25, is expected to ramp up to 10mmscmd by end-FY25, while oil production could ramp up to 45,000bopd by 4QFY25. ONGC also expects capex to normalize at INR330-350b in FY25. **OINL's** management reiterated its target of increasing production to 9mmtoe by FY26 from 6.5mmtoe in FY24. Oil production is expected to ramp up to 3.8mmt and more than 4mmt in FY25/FY26 from 3.4mmt in FY24, while gas production is likely to be 5bcm by FY26. The company plans to drill 78 wells in FY25 and 81 wells in FY26.
- **OMCs: HPCL's** management guided that the Rajasthan refinery is on track for commissioning in 4QFY25, and petchem unit at HMEL achieved 90%+ utilization in Jan'24. Also, the refinery throughput should improve by another 1.3mmt annually once the bottom upgrade unit is commissioned. The company expects to clock marketing sales volume of 44mmtpa/45mmtpa in FY24/25. The commissioning of a bottom upgradation unit at its Visakhapatnam refinery would result in distillate yield improving by 10% from FY25 onward. The company also expects to maintain a GRM delta of ~USD3/bbl over SG GRM. **BPCL's** management plans to expand refining capacity to 45mmtpa by FY29, beginning with the brownfield expansion of Bina refineries. In the marketing business, the company plans to add 4,000 new outlets and another 300 CNG retail outlets in FY25.
- **CGDs: IGL's** management guided a rise in volumes to 9.5mmscmd in FY25. EBITDA/scm guidance was retained at INR7.0-8.5. IGL's management also guided FY25 capex at INR18b vs. INR12b in FY24. **MAHGL's** management guides for volume growth of 6-7% and maintains its EBITDA/scm guidance at INR9-11/scm. Capex guidance for FY25-26 was raised to INR9b from INR7.8b in FY24.

Exhibit 109: Implied gross marketing margin (INR/lit)

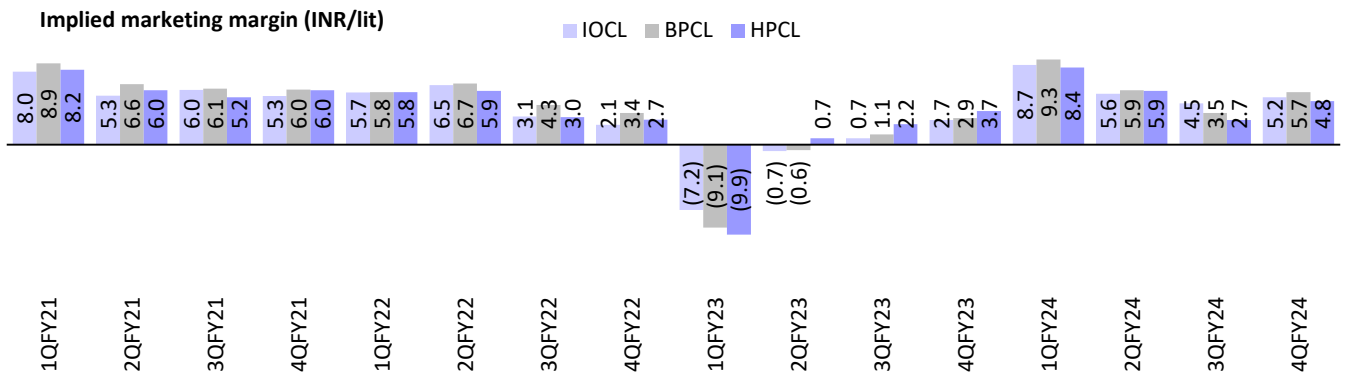


Exhibit 110: Reported refining margin (USD/bbl)

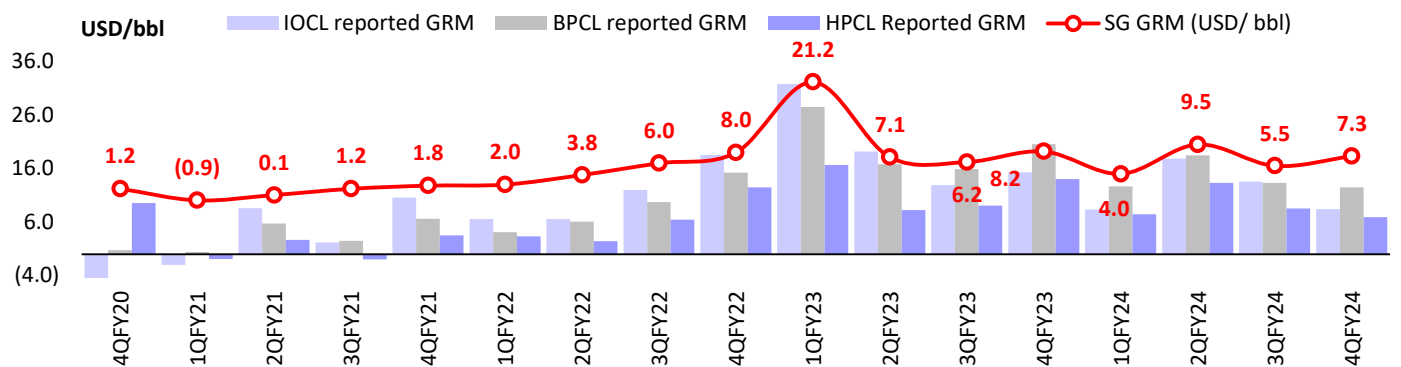


Exhibit 111: Exhibit 3: Sales volume of CGDs (mmscmd)

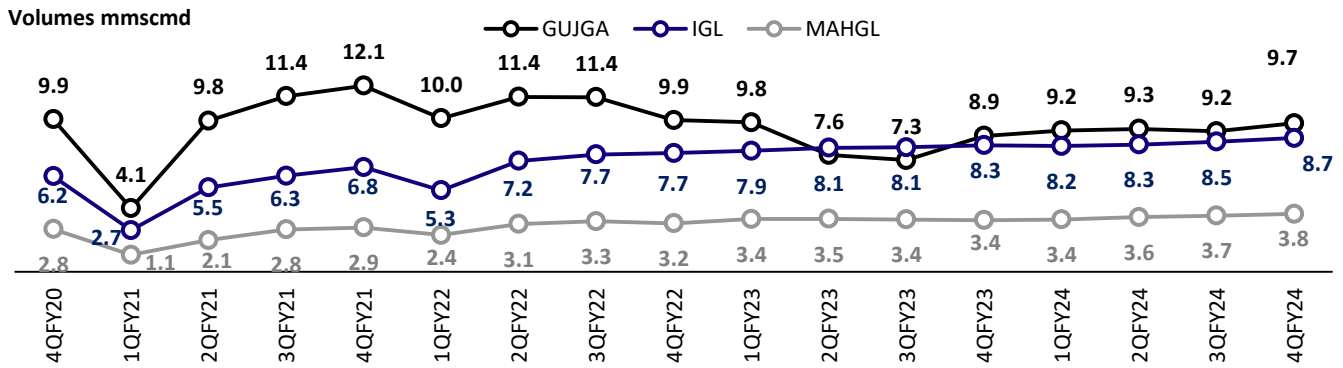
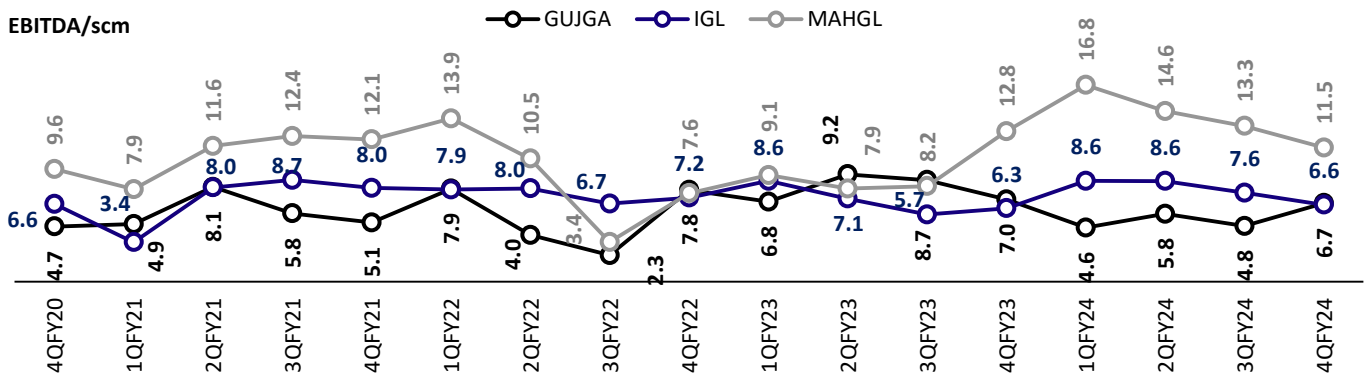


Exhibit 112: Exhibit 4: EBITDA/scm trend for CGDs (INR)



**Real Estate: Third year of sustained demand; bookings for our coverage clock 43% CAGR over FY21-24**

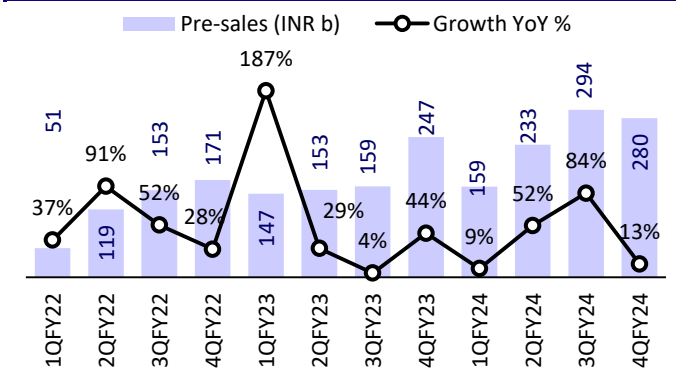
- **FY24 sales up 37% YoY:** Bookings traction sustained in 4QFY24, with our coverage universe reporting 13% YoY pre-sales growth of INR280b. While the individual performance for most of the companies was healthy, timely launches for a few companies, such as GPL, MLIFE, BRGD, and OBER have enabled them to outperform the peers. Among all companies, GPL delivered the best performance, with ~2.3x YoY surge in bookings, aided by a strong response to premium project launches in the NCR and Mumbai.
- The shift towards the premium segment was reflected in flat volumes of 23msf YoY and higher realization growth of 11%. For a LFL product, the price hikes were in the range of 8-12% YoY. For FY24, the coverage universe reported bookings of INR966b, up 37% YoY, of which volume growth was 19% and price growth was 17%.
- **Double-digit growth aspiration intact:** The cumulative bookings for our coverage universe clocked 43% CAGR over FY21-24, and despite the high base, the companies continued to aspire for 20-30% growth in FY25. Over the last few quarters, the performance on business development has remained equally strong, led by GPL and LODHA. They added new projects worth GDV of INR212b and INR203b, respectively. Consequently, the companies have identified the vast launch pipeline for FY25, which can support their growth aspirations.
- **Launches dominated by a few players:** Unlike in 3QFY24, which saw broad-based launches from all key developers, only a handful of players, such as GPL, LODHA and MLIFE had successfully launched multiple new projects. Cumulative launches in 4QFY24 stood at 22msf (vs. 35msf in 3QFY24). FY24 saw 88msf of new launches from our coverage universe (vs. 66msf in FY23). Launches will further pick up as most of the companies have less than 12 months of inventory.
- **Collections:** The total collections for 4QFY24 increased 6% YoY to INR171b. However, the collection efficiency (collections-to-sales) was lower at 61% vs. TTM average of 66% due to the higher share of sales from new projects. With progress in construction, we expect efficiency to pick up going forward, resulting in higher collections. Our coverage universe generated an OCF of INR89b, up 19% YoY during the quarter.
- **P&L performance – a mixed bag:** The aggregate revenue for our coverage universe increased 14% YoY to INR158b (8% above our estimate). The standalone performance was a mixed bag, as DLF/LODHA/BRGD/SUNTECK reported healthy revenue growth, while lower project deliveries adversely impacted KOLTE/SOBHA/MLFIE's performance. The cumulative EBITDA was INR47.5b, up 38% YoY, with a 30% EBITDA margin (vs. 25% in 4QFY23).
- **Valuation and picks:** The operating performance of our coverage universe was better than our expectations. We retain our FY25E pre-sales estimates for DLF/LODHA/OBER/SOBHA, and reduce the same by 7% for MLIFE as we await further clarity on its key launches. We raise our FY25E pre-sales estimates by 35%/8%/19% for GPL/PEPL/BRGD after their strong 4Q performance. Post-revision in estimates, the implied pre-sales growth from our coverage universe stood at 26%. We continue to see re-rating potential in companies, which would provide further growth visibility aided by strong business development through robust cash flows. We reiterate PEPL, SOBHA, GPL, and SUNTECK as our top picks.
- **Surprises:** GPL and BRGD
- **Misses:** DLF and KPDL

**Company commentary:**

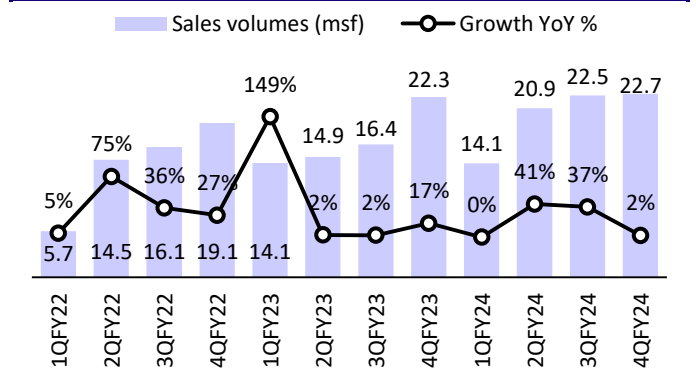
- **LODHA:** The company is aiming to achieve bookings of INR175b, up 20% YoY. Of these, 5% will be driven by pricing, 4-5% by volumes, and the remaining by market share gains. The company achieved sales of INR22b across two townships and anticipates a 30% growth in FY25, given the progress in infrastructure.
- **OBER:** The Pokhran Raod, Thane project remains on schedule for launch during the festive season (Oct'24). Additionally, OBER has plans to launch a new tower at Borivali, and offer inventory on higher floors in Mulund in FY25. Besides, the recently acquired projects in Worli (MMR) and Gurugram, along with Tardeo, are slated for launch in FY26. The company is mindful of the significant cash flows that can be generated from existing developments and intends to redeploy the same in a prudent way.
- **DLF:** The launch pipeline for FY25 has increased to INR360b (from INR295b in 3QFY24), and it includes the second phase of Privana (already launched in 1QFY25), Goa (2Q), a super-luxury project in DLF 5 (3Q), and the third phase of Privana, along with the Mumbai project in 4QFY25. DLF aims to grow collections by 15% in FY25.

- **GPL:** Management remains confident of sustaining the 20% growth level over the medium term. Growth in bookings in FY25 will be driven by a fairly large launch pipeline of INR300b. Management intends to sustain the business development momentum in FY25 as it aims to add new projects worth GDV of INR200b.
- **PEPL:** Despite a higher base of INR210b, management is confident of achieving 25-30% growth (INR260b) in bookings in FY25, driven by a significant launch pipeline of INR600b. Timely launches can also enable it to comfortably exceed the guidance. Despite the high capex commitments, the significant scale-up in residential cash flows along with the ADIA fund can enable it to reduce the D/E by the end of FY25.
- **BEL:** The company is aiming to launch 12.6msf of projects with a GDV value of ~INR130b across the three markets of Bengaluru, Chennai, and Hyderabad. The office demand is anticipated to be robust in FY25, driven by medium- and large-sized tenants, dominated by the automobile, technology, manufacturing, and engineering sectors. The rental income can grow 15-16% and reach INR7b by the end of FY25.
- **MLIFE:** Towards the end of 4Q, the company launched new projects in Bengaluru and Pune. The contributions from these projects will be reflected in 1QFY25. Additionally, the two redevelopment projects and the recently acquired small land parcel in Whitefield (Bengaluru) are also likely to be launched in FY25. To scale-up bookings by 5x by FY28, significant investment is required towards business development and management is evaluating various options including equity raise.
- **SOBHA:** Of the 17msf pipeline, SOBHA expects to launch 9msf projects in FY25 with a GDV potential of >INR90b. Of the 9msf, 60% will be in Bengaluru, 2.8-3.0msf in Gurugram, and the balance in Chennai and Kerala. It expects pre-sales to be INR85b on a base case in FY25 and aims to reach INR100b if the inventory off-take is better than expected.
- **KOLTE PATIL:** Given the strong launch pipeline of INR80b, management is confident of achieving bookings of INR35b in FY25, of which INR20-25b can be from new launches and the balance from existing inventory. On the business development side, the company targets adding new projects with a GDV of INR80b, of which three projects with a GDV of INR30b are at an advanced stage of discussion.

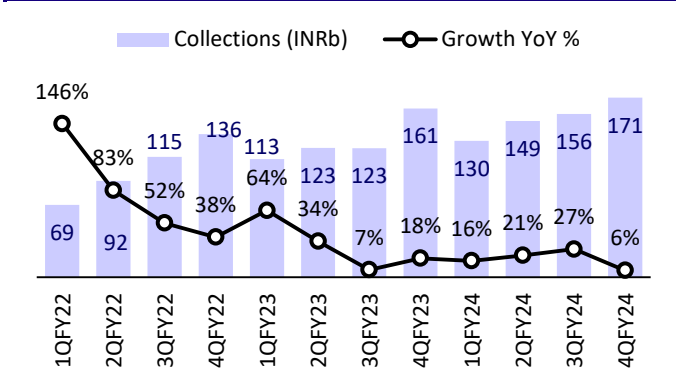
**Exhibit 113: Pre-sales for our coverage universe improved 13% YoY...**



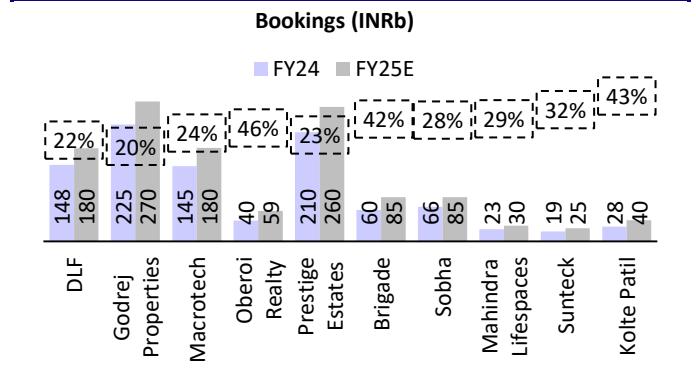
**Exhibit 114: ...while volumes were flat YoY**



**Exhibit 115: Collections improved 6% YoY in 4QFY24**



**Exhibit 116: Expect our coverage stocks to deliver 26% YoY growth**



**Exhibit 117: Estimate changes for our Coverage Universe**

Revenue (INR b)	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
DLF	74	80	74	80	0%	0%
Godrej Properties	35	37	35	37	0%	0%
Macrotech	141	182	141	186	0%	2%
Oberoi Realty	47	65	47	64	0%	-2%
Prestige Estates	104	114	104	114	0%	0%
Brigade	50	50	50	50	0%	0%
Sobha	42	50	42	50	0%	0%
Mahindra Lifespaces	4	5	4	5	0%	0%
Sunteck	14	18	14	18	0%	0%
Kolte Patil	16	19	20	30	26%	54%
<b>EBITDA (INR b)</b>						
DLF	27	30	27	30	0%	0%
Godrej Properties	8	10	3	2	-67%	-77%
Macrotech	37	52	37	53	0%	2%
Oberoi Realty	24	31	26	35	7%	14%
Prestige Estates	28	32	28	32	0%	0%
Brigade	15	17	16	18	2%	2%
Sobha	6	11	6	11	0%	0%
Mahindra Lifespaces	-1	-1	-1	-1	4%	5%
Sunteck	4	5	3	5	0%	0%
Kolte Patil	2	3	3	6	22%	77%
<b>PAT (INR b)</b>						
DLF	40	44	37	40	-8%	-9%
Godrej Properties	13	13	10	11	-26%	-19%
Macrotech	24	35	24	36	1%	3%
Oberoi Realty	16	22	18	26	11%	16%
Prestige Estates	8	10	7	10	-6%	-1%
Brigade	8	8	8	9	0%	1%
Sobha	4	8	3	7	-14%	-11%
Mahindra Lifespaces	1	1	1	1	-7%	-9%
Sunteck	2	3	3	3	7%	-1%
Kolte Patil	1	2	1	3	28%	103%
<b>Pre-sales (INR b)</b>						
DLF	189	229	180	230	-5%	0%
Godrej Properties	200	236	270	320	35%	35%
Macrotech	188	227	180	218	-4%	-4%
Oberoi Realty	58	80	59	79	0%	-1%
Prestige Estates	240	265	260	305	8%	15%
Brigade	72	84	85	105	19%	25%
Sobha	84	105	85	110	1%	5%
Mahindra Lifespaces	32	30	30	36	-7%	17%
Sunteck	25	31	25	31	0%	-1%
Kolte Patil	40	45	40	45	0%	0%
<b>Collections (INR b)</b>						
DLF	117	147	101	135	-14%	-8%
Godrej Properties	188	207	213	238	14%	15%
Macrotech	131	150	127	148	-4%	-1%
Oberoi Realty	49	56	48	65	-1%	16%
Prestige Estates	153	214	152	218	-1%	2%
Brigade	52	71	56	78	7%	10%
Sobha	62	78	66	76	7%	-2%
Mahindra Lifespaces	27	29	22	31	-16%	5%
Sunteck	17	24	17	24	-1%	0%
Kolte Patil	26	36	26	36	0%	0%

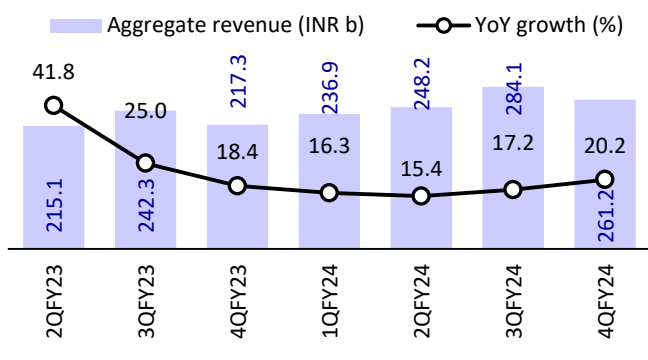
**RETAIL: Demand momentum remains weak; recovery expected from 2HFY25**

- **Revenue growth driven by footprint additions:** Aggregate revenue for the segment grew 20% YoY to INR261b in 4QFY24, which was mainly driven by 15% YoY footprint additions. LFL growth for the quarter continued to remain weak. Jan and Feb'24 remained muted due to fewer wedding dates and a weak winter. However, Holi and Eid in Mar'24 supported the growth. LFL across segments remained in the negative to flattish range. **Exceptions were Trent (+10% LFL), DMart (+6%) and V-Mart (+6%).** Trent continued to remain an outlier, reporting 53% YoY revenue growth driven by strong footprint additions and a healthy 10% LFL growth. DMart reported 20% YoY revenue growth, which was fueled by improved footprints and 6% productivity growth. Management expects demand to pick up from 2HFY25.
- **Store additions ebb in 4QFY24:** Though store additions supported revenue growth, most of the retailers have reduced the pace of additions, barring Trent and DMart. The weak demand environment and rationalization of the loss-making stores have resulted in net closures/moderate store additions. **Net store additions in 4QFY24 for the MOFSL Retail sector were 114 to reach 11,384 stores (vs. 912/294 store additions in 3QFY24/4QFY23).** This was largely due to Madura, Pantaloons, and V-Mart, which closed 60/29/10 stores on a net basis. Store additions moderated in Metro Brands to 10. Robust net store additions were visible in Zudio/DMart at 85/24.
- **Margins improve led by gross margin improvement and store rationalization:** The moderation in RM prices and premiumization led to an improvement in gross margin (aggregate) by 70bp to 32.5% (+30bp in 3QFY24). Store rationalization and moderate store expansion have offset weak LFL growth for retailers, which along with gross margin improvement, resulted in an operating margin improvement of 70bp YoY to 11.6% (+10bp in 3QFY24). With management confident in recovery post-2QFY25, the margins could improve. **In FY24, apparel retailers saw liquidation of the old inventory, which led to a reduction in inventory days. However, footwear players' inventory remained stable YoY, which could be due to BIS implementation-led inventory.** Trent's EBITDA margin expanded 480bp YoY fueled by improved GM and operating leverage. ABFRL witnessed 160bp YoY improvement in EBITDA margin despite investments within new businesses (Tasva and TMRW). This was led by a shift in focus towards profitable businesses and store rationalization. V-Mart's EBITDA margin improved 210bp YoY led by healthy LFL growth and store rationalization. Within the footwear space, all companies, barring BATA, witnessed an EBITDA margin expansion.
- Top pick: TRENT
- **Surprises:** ABFRL, Campus, Metro Brands, Trent, and V-Mart

**Guidance highlights:**

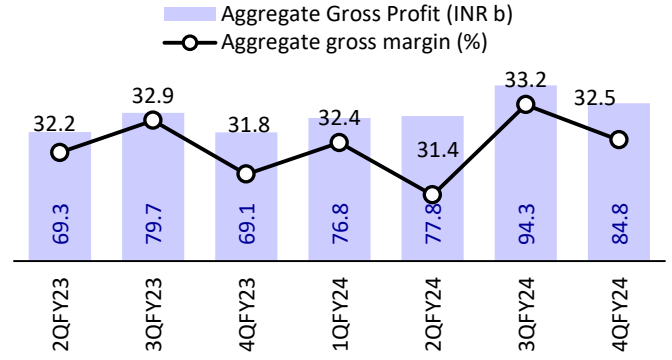
- **ABFRL:** a) The store closure is a one-time action. Going forward, it plans to open 25-30 Pantaloons stores in FY25 and b) its capex outlay is at INR6.0-6.5b for FY25.
- **Campus Activewear:** The company continues to incur higher advertisement expenses (at 6-7% of sales) and hence, it expects the EBITDA margin to range at 17- 19%.
- **Metro Brands:** a) It expects to open 225 stores (excluding FILA but including Footlocker) in the next two fiscal years with long-term guidance of 30% EBITDA margin and 15-17% PAT margin, b) it expects to close one FILA store in 1QFY25 and may add Footlocker stores in 3QFY25, and c) it will relaunch FILA by leveraging MBOS' network in FY25 and will start opening FILA EBOs in FY26.
- **Relaxo Footwear:** It expects revenue to grow in double digits in FY25, with 58- 60% gross margin and 15-16% EBITDA margin. Revenue may continue to grow in double digits for the next 2-3 years
- **Shoppers Stop:** a) FY25 strategy will focus on investments in new stores through internal accruals (INR2.75b for 100 store additions), higher capital allocation to beauty and Intune businesses, and premiumization (expect mid-single digit growth in ASP/ATV) and b) it expects 60 store addition in FY25 with a payback period of 2.0-2.5 years.
- **VMART:** Management anticipates adding 40-50 stores in FY25, with the possibility of closing 5-7 stores.

**Exhibit 118: Revenue grew 20% YoY led by all the companies, barring Relaxo**



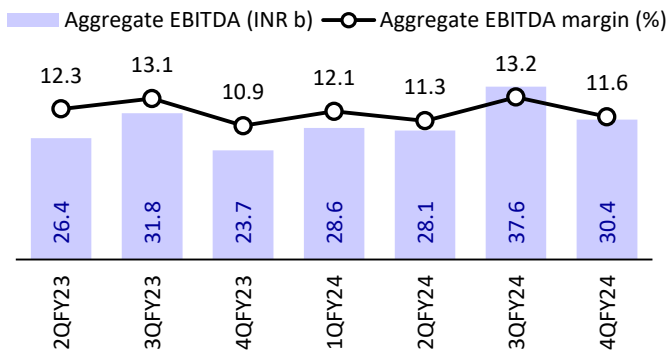
Source: Company, MOFSL

**Exhibit 119: Gross margin improved 70bp YoY led by RM moderation and premiumization**



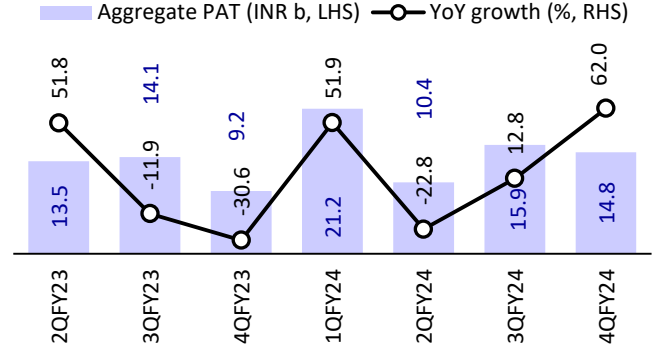
Source: Company, MOFSL

**Exhibit 120: EBITDA margin improved 70bp YoY led by GM and store rationalization/moderate store additions**



Source: Company, MOFSL

**Exhibit 121: Profitability for retailers improved YoY**



Source: Company, MOFSL

**Exhibit 122: Snapshot of Retail store additions**

Total Stores	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY	QoQ
ABFRL	3,848	3,977	4,188	4,056	4,753	4,664	17.3	-1.9
<i>Pantaloons</i>	406	431	434	439	446	417	-3.2	-6.5
<i>Madura</i>	3,442	3,546	3,754	3,617	4,307	4,247	19.8	-1.4
DMART	306	324	327	336	341	365	12.7	7.0
SHOP	246	247	251	253	261	272	10.1	4.2
TRENT	558	590	632	661	715	811	37.5	13.4
<i>Westside</i>	211	214	221	223	227	232	8.4	2.2
<i>Zudio</i>	326	352	388	411	460	545	54.8	18.5
V-MART	414	423	431	437	454	444	5.0	-2.2
Raymond	1067	1053	1054	1065	1086	1065	1.1	-1.9
<i>Branded Apparels</i>	296	316	311	345	380	409	29.4	7.6
Vedant Fashion	640	649	662	669	673	676	4.2	0.4
Metro	745	764	789	817	840	839	9.8	-0.1
Campus	180	202	225	240	250	268	32.7	7.2
Bata	2,021	2,053	2,100	2,150	2,204	2,231	8.7	1.2
Relaxo	384	387	389	394	399	405	4.7	1.5
<b>Total coverage stores</b>	<b>9,638</b>	<b>9,932</b>	<b>10,305</b>	<b>10,358</b>	<b>11,270</b>	<b>11,384</b>	<b>14.6</b>	<b>1.0</b>
<b>Absolute adds QoQ</b>	<b>807</b>	<b>294</b>	<b>373</b>	<b>53</b>	<b>912</b>	<b>114</b>		

Source: Company, MOFSL

**TECHNOLOGY: Key sectoral trends – 4QFY24**

**Technology:** The 4QFY24 results for Tier-1 companies have remained weak so far due to lower-than-expected growth, weak demand, and the re-scope of contracts, as well as project cancellations (INFO, LTIM). Discretionary spending shows no signs of picking up, and the near-term outlook remains bleak. The guidance for FY25 came in lower than expected (INFO 1-3% CC; HCLT 3-5% CC), even with muted expectations. Though deal bookings have continued to remain strong, with TCS signing record deals, the revenue conversion has been muted with leakages in existing

portfolios and slower conversions amid longer tenure deals. Except for TCS, margins were in-line to miss for Tier-1 names. Overall headcount additions have remained weak, with net headcount declining for most of the Tier-1 names. TECHM announced its FY27 vision with goals to outgrow peers in revenue terms and achieve an EBIT margin of 15% by FY27. It also aims for a 30%+ RoCE profile, and expects to return >85% of FCF by FY27.

### **TELECOM: Moderate growth in 4Q; tariff hikes likely to drive future growth**

The telecom sector registered a sequential revenue growth of 2%, led by a 1.5% increase in subscribers, while ARPU was marginally up. This growth was on the back of ongoing transitions from prepaid to postpaid plans, the migration of subscribers from 2G to 4G networks, and effective data monetization strategies. The market share shift continues. The recent 5G ramp-up has not contributed meaningfully to revenue growth. Companies remain focused on deleveraging their balance sheets, and it is anticipated that capex will moderate in FY25 for Bharti/RJio. VIL's capex would remain between INR500b and INR550b over the next three years to support network upgrade.

#### **Market share gains continue for RJio/Bharti; VIL's subscriber loss ebbs**

RJio and Bharti continue to gain subscriber market share and revenue, albeit at a slower pace. RJio/Bharti added 11m/7m subscribers (1.9%/2.3% growth) against VIL's loss of 2.6m subscribers (1.2% QoQ decline). The rate of subscriber loss for VIL became slightly better, with a loss of 2.6m subscribers in 4QFY24 against the average decline of 4m subscribers per quarter witnessed over the last eight quarters. Companies continue to witness consistent growth in 4G subscribers, with both RJio/Bharti gaining around 11m/7.8m 4G subscribers in 4QFY24. VIL's 4G subscriber's additions were 0.9m sequentially.

#### **ARPU marginally up; all eyes on tariff hikes**

Companies expect price hikes may result in some consolidation, but only in dual SIMs or multiple SIMs. However, the market can absorb the price increase. The price increase may not be as high at the entry level. Bharti reiterated its goal to reach an ARPU of INR300, which will require a couple of rounds of price hikes. In addition, management is waiting for the right time to implement tariff increases, as if competition does not follow suit, it will hurt Bharti. RJio's ARPU was flat QoQ at INR182, while Bharti/VIL's ARPU improved to INR209/INR146 (+INR1 each) in 4QFY24. The moderate increase in ARPU was due to one day less in 4Q.

#### **Margin profile remains stable**

The incremental margin remained at a steady 59%. Margins improved, led by lower network operating costs, even in the aggressive rollout phase. RJIO/VIL reported 10bp QoQ margin improvements to 52.4%/40.9%. Bharti (India Mobile)'s margins remained stable at 55.1%.

#### **Capex remains elevated; expect to moderate in FY25**

- Bharti (India)'s capex grew 9% sequentially to INR85b. VIL's capex inched up to INR5.5b (from INR3.3b in 3Q).
- Bharti (India) /RJio's annual network capex stood at INR331b/INR533b in FY24, significantly above VIL, despite having higher capacity. Capex is expected to moderate in FY25 for Bharti/RJio.
- VIL's capex was significantly lower than that of Bharti/RJio in the last several years. With the fundraise, however, capex is expected to be in the range of INR500b-550b over the next three years. Bharti and RJio have already deployed 5G in the majority of their operating circles, while VIL expects to roll out 5G in the next six months and expand its 4G coverage.
- For FY24, the net debt for Bharti/VIL/RJio stood at INR1.4t/ INR2.1t/ INR1.6t.

**VIL's fundraise aids Indus' viability:** VIL's fundraise and network investment will benefit Indus Towers from towers and tenancy additions and will also facilitate collections of past dues (INR54b). The company reported a flat revenue QoQ, but provision write-offs and lower power costs led to 14%/20% QoQ growth in EBITDA/PAT (a beat of 12%/41%).

**TCOM's organic business flat YoY:** TCOM reported 1% growth QoQ in revenue (in line) and a 7% decline QoQ in EBITDA (9% miss) in 4QFY24 due to higher integration expenses. Adjusting for the acquisitions, data revenue and

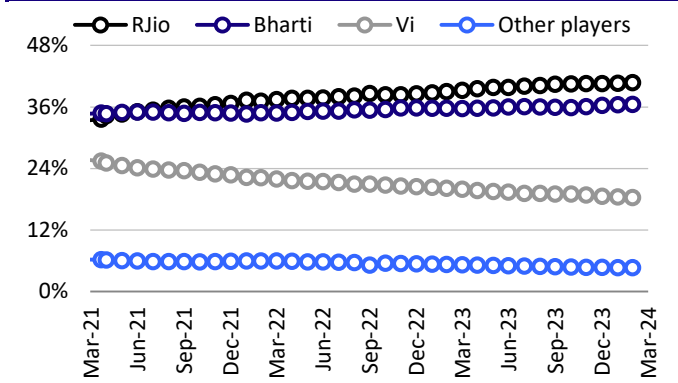
EBITDA were flat QoQ. The management's endeavor to drive growth, including the loss-making acquisitions, has resulted in margin contraction. It reiterated its long-term target of 23-25% EBITDA margin.

- **Top picks:** Bharti
- **Surprise:** VIL

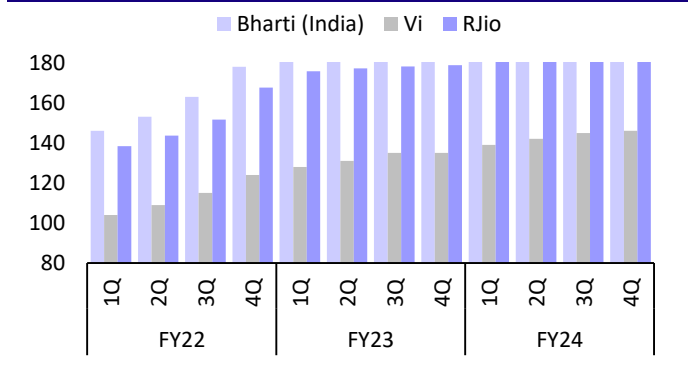
**Guidance highlights:**

- **Bharti:** Overall capex is likely to moderate from FY25.
- **VIL:** a) Expected capex to be in the range of INR500b to INR550b over the next three years for 4G coverage expansion, 5G launch, capacity expansion, and growing the enterprise business, b) the company expects to start rolling out 5G on a large scale in about six months, and c) in discussions with a consortium of banks, VIL plans to raise up to INR250b and additional non-fund-based facilities of up to INR100b of debt.
- **Tata Communication:** It reiterated its long-term target of 23-25% EBITDA margin, but in the short-term, margin may remain under pressure. It aims to double data revenue by FY27 at 15%-20% CAGR.
- **Indus Tower:** a) capex may remain elevated in FY25 due to rural expansion and ongoing 5G rollout, and b) expects steady collections and the recovery of past dues. However, the increase in towers for VIL will require more clarity.

**Exhibit 123: Operator-wise active subscriber market share (%)**



**Exhibit 124: Operator-wise ARPU (INR)**



## Exhibit 125: Wireless KPI comparison

	FY22				FY23				FY24				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>EOP Wireless SUBS (m)</b>														
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	352	5.0	1.9
Idea	255	253	247	244	240	234	229	226	221	220	215	213	-5.9	-1.2
RJio	441	430	421	410	420	428	433	439	449	460	471	482	9.7	2.3
<b>Avg. Wireless Subs (m)</b>														
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	349	4.5	1.4
Idea	262	254	250	246	242	237	232	227	224	221	218	214	-5.9	-1.7
RJio	433	435	425	416	415	424	430	436	444	454	465	476	9.2	2.4
<b>ARPU (INR/month)</b>														
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	209	8.3	0.5
Vi	104	109	115	124	128	131	135	135	139	142	145	146	8.1	0.7
RJio	138	144	152	168	176	177	178	179	181	182	182	182	1.6	0.0
<b>MOU/Sub (min)</b>														
Bharti (India)	1,044	1,053	1,061	1,081	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,158	3.2	2.8
Idea	641	630	620	610	620	599	613	623	627	613	614	627	0.6	2.1
RJio	815	835	901	962	1004	968	984	1001	1006	976	981	1008	0.6	2.7
<b>Wireless traffic (B min)</b>														
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,210	7.6	4.2
Idea	503	480	465	449	450	427	426	425	421	406	401	402	-5.3	0.4
RJio	1060	1090	1150	1200	1250	1230	1270	1310	1340	1330	1370	1440	9.9	5.1
<b>Data usage/Sub (Gb)</b>														
Bharti (India)	18.9	19.1	18.7	19.2	19.9	20.8	20.8	20.8	21.6	22.2	22.5	23.1	11.5	2.9
Idea	13.3	13.5	12.8	12.9	13.3	14.1	14.2	14.2	14.7	14.9	14.6	14.7	3.0	0.7
RJio	15.6	17.6	18.3	19.7	20.8	22.2	22.5	23.2	24.9	26.6	27.3	28.6	23.6	4.9
<b>Data traffic (B Gb)</b>														
Bharti (India)	10.8	11.3	11.3	11.8	12.6	13.5	13.9	14.2	15.3	16.1	16.8	16.1	13.3	-3.7
Idea	5.5	5.5	5.2	5.2	5.4	5.7	5.8	5.8	6.0	6.1	6.0	6.0	4.3	0.7
RJio	20.3	23.0	23.4	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	40.9	35.0	7.3

Source: MOFSL, Company

## Exhibit 126: Financials

	FY22				FY23				FY24				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Revenue (INR b)</b>														
Bharti (India wireless)	143	152	161	176	182	190	194	195	204	210	216	221	12.9	2.0
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	376	4.4	-0.8
Idea	92	94	97	102	104	106	106	105	107	107	107	106	0.7	-0.6
RJio	180	187	193	209	219	225	230	234	240	248	254	260	11.0	2.3
<b>EBITDA (INR b)</b>														
Bharti (India wireless)	70	75	79	89	93	99	104	105	112	115	119	122	15.6	2.0
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	194	3.6	-2.3
Idea	37	39	38	46	43	41	42	42	42	43	44	43	3.0	-0.3
RJio	86	90	95	105	110	115	120	122	126	130	133	136	11.5	2.5
<b>EBITDA Margin (%)</b>														
Bharti (India wireless)	49.2	49.2	49.4	50.6	51.2	52.4	53.8	53.8	54.8	54.9	55.1	55.1	128bp	1bp
Bharti (consolidated)	48.3	48.8	49.2	50.9	50.4	51.0	51.5	51.9	52.3	52.7	52.3	51.5	-42bp	-78bp
Idea	40.5	41.1	39.3	45.4	41.6	38.6	39.4	40.0	39.0	40.0	40.8	40.9	90bp	12bp
RJio	47.9	48.0	49.2	50.3	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.4	24bp	10bp
<b>PAT (INR b)</b>														
Bharti (consolidated)	2.8	11.3	8.3	20.1	16.1	21.5	15.9	30.1	16.1	13.4	24.4	20.7	-31.1	-15.2
Idea	(73.2)	(71.3)	(72.3)	(65.6)	(73.0)	(76.0)	(79.9)	(64.2)	(78.4)	(87.4)	(69.9)	(76.7)	19.6	9.9
RJio	35.0	35.3	36.2	41.7	43.4	45.2	46.4	47.2	48.6	50.6	52.1	53.4	13.2	2.5

Source: MOFSL, Company

**ANNEXURE: MOFSL UNIVERSE (ACTUAL V/S EXPECTATIONS)**

Company	Sales (INR M)				EBITDA (INR m)				PAT (INR m)			
	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)
<b>Automobiles</b>	<b>30,01,203</b>	<b>13.7</b>	<b>6.1</b>	<b>1.3</b>	<b>4,22,771</b>	<b>28.3</b>	<b>8.0</b>	<b>1.7</b>	<b>2,44,491</b>	<b>31.8</b>	<b>7.9</b>	<b>9.7</b>
Amara Raja Energy	27,967	14.9	-2.9	-0.1	4,077	15.4	-6.2	-1.2	2,280	29.7	-9.8	-2.6
Apollo Tyres	62,582	0.2	-5.1	-0.1	10,794	8.1	-10.7	-2.0	4,648	18.1	-8.3	6.2
Ashok Leyland	1,12,667	-3.1	21.5	0.7	15,921	24.8	42.9	7.8	9,485	32.7	63.4	16.8
Bajaj Auto	1,14,847	29.0	-5.2	4.8	23,063	34.4	-5.1	6.8	19,360	35.1	-5.2	6.5
Balkrishna Inds	26,971	16.0	16.5	14.5	7,098	43.6	21.0	25.3	4,884	89.6	58.4	63.6
Bharat Forge	23,286	16.6	2.9	-1.7	6,541	25.1	1.4	-3.3	3,997	45.1	5.8	2.6
Bosch	42,334	4.2	0.7	-7.4	5,572	6.7	-3.7	-10.3	5,645	41.5	19.6	16.6
CEAT	29,919	4.1	1.0	-4.4	3,915	6.4	-6.2	-9.3	1,513	8.3	-16.6	-7.9
CIE Automotive	24,268	-0.5	8.3	2.7	3,606	-5.3	10.1	2.2	2,302	4.5	30.0	22.5
Craftsman Auto	11,053	12.7	-2.2	-7.5	2,069	9.8	-6.0	-14.5	623	-22.3	-14.8	-27.8
Eicher Motors	42,560	11.9	1.8	1.1	11,286	20.9	3.5	2.2	10,705	18.2	7.5	-1.3
Endurance Tech.	26,648	19.3	4.0	-2.7	3,694	29.4	23.5	6.7	1,950	42.9	28.0	6.2
Escorts Kubota	20,825	-4.6	-10.3	-2.5	2,659	12.8	-15.0	-3.7	2,421	18.7	-12.7	-4.3
Exide Inds.	40,094	13.2	4.4	-1.6	5,162	40.6	17.3	6.0	2,838	36.5	18.1	2.7
Happy Forgings	3,433	13.5	0.4	-2.0	971	13.1	2.1	-0.9	658	29.7	13.6	8.4
Hero Motocorp	95,193	14.6	-2.1	2.4	13,592	25.5	-7.5	4.2	10,161	18.3	-13.9	-0.4
Mahindra & Mahindra	2,51,090	11.2	-0.7	6.5	32,401	15.8	0.1	15.4	20,382	3.2	-16.9	13.2
Maruti Suzuki	3,82,349	19.3	14.8	-1.8	46,850	39.8	19.9	-6.1	38,778	47.8	23.9	-2.4
Motherson Wiring	22,327	19.3	5.6	-2.5	2,913	34.4	11.2	-4.5	1,914	38.3	14.0	-3.9
MRF	62,151	8.6	2.8	-0.2	10,055	19.3	-3.3	-5.3	4,692	32.7	-7.6	-8.5
Samvardhana Motherson	2,68,612	19.3	4.7	3.6	26,686	31.7	15.2	7.2	9,170	45.6	69.2	38.3
Sona BLW Precis.	8,853	19.0	14.0	5.5	2,481	23.2	9.2	3.7	1,481	20.2	10.8	9.2
Tata Motors	11,99,863	13.3	8.5	1.3	1,69,933	32.7	10.8	0.8	77,271	37.4	8.8	20.8
Tube Investments	19,624	18.0	3.4	-1.8	2,171	3.1	-9.3	-14.2	2,479	-9.2	57.4	-17.7
TVS Motor	81,688	23.7	-0.9	1.7	9,262	36.3	0.2	2.7	4,854	33.4	-18.2	-5.8
<b>Capital Goods</b>	<b>10,43,742</b>	<b>17.2</b>	<b>24.7</b>	<b>2.1</b>	<b>1,30,127</b>	<b>18.9</b>	<b>37.2</b>	<b>6.3</b>	<b>87,524</b>	<b>26.8</b>	<b>53.5</b>	<b>21.0</b>
ABB India	30,804	27.8	11.7	3.9	5,652	98.1	35.5	32.1	4,596	87.4	33.1	27.9
Bharat Electronics	85,285	32.1	106.2	0.0	22,800	24.9	117.3	11.5	17,835	30.6	99.7	19.1
Cummins India	23,162	20.3	-8.6	9.9	5,443	66.9	1.2	43.7	5,615	76.3	23.1	61.8
Hitachi Energy	16,953	27.1	33.0	11.0	1,820	91.4	167.6	65.6	1,137	123.7	394.8	108.0
Kalpataru Proj.	51,470	17.1	24.1	-6.4	4,000	28.6	16.3	-9.4	1,750	52.6	21.5	-4.0
KEC International	61,648	11.6	23.1	-2.1	3,880	36.9	26.0	-5.0	1,517	110.2	56.7	-4.1
Kirloskar Oil	13,917	20.7	22.6	2.6	1,782	79.7	34.1	6.2	1,176	81.3	43.1	8.4
Larsen & Toubro	6,70,787	15.0	21.7	3.2	72,340	5.9	25.6	0.1	43,232	8.4	46.7	16.6
Siemens	57,499	18.4	19.2	0.6	8,782	41.4	47.3	20.8	8,028	70.2	58.8	36.4
Thermax	27,637	19.6	18.9	-0.9	2,732	36.6	45.7	24.5	1,876	20.1	33.7	11.4
Triveni Turbine	4,581	23.9	6.1	0.2	898	35.4	7.3	3.6	762	37.0	11.6	17.9
<b>Cement</b>	<b>5,82,346</b>	<b>7.5</b>	<b>13.9</b>	<b>1.3</b>	<b>1,00,894</b>	<b>28.9</b>	<b>8.6</b>	<b>3.8</b>	<b>51,269</b>	<b>42.8</b>	<b>10.3</b>	<b>7.9</b>
ACC	53,981	12.7	9.8	5.4	8,371	79.5	-7.3	2.7	4,913	72.0	-6.9	3.7
Ambuja Cements	47,803	12.3	7.7	1.4	7,978	1.2	-6.3	-14.5	5,441	-3.3	5.9	-14.3
Birla Corporation	26,564	7.9	14.9	0.3	4,724	72.2	24.8	18.7	1,884	164.6	72.6	30.6
Dalmia Bharat	43,070	10.1	19.5	3.3	6,540	-7.5	-16.0	-18.3	2,530	-3.1	-5.9	-1.2
Grasim Industries	67,675	1.8	5.7	5.2	5,266	23.6	0.8	2.7	2,294	145.3	-2.9	36.3
India Cements	12,454	-14.7	15.1	-12.6	469	LP	-4.4	-1.4	-435	Loss	Loss	Loss
J K Cements	31,058	11.8	5.8	-1.7	5,599	60.2	-10.4	-7.8	2,137	90.3	-24.7	-12.5
JK Lakshmi Cem.	17,809	-4.4	4.6	-7.7	3,365	44.6	11.4	14.0	1,570	42.7	14.1	11.5
Ramco Cements	26,733	4.0	26.9	7.6	4,171	1.0	5.5	4.2	1,214	-20.4	30.0	14.5
Shree Cement	51,010	6.6	4.1	2.5	13,272	48.7	7.6	15.8	6,618	68.8	-9.9	16.2
Ultratech Cement	2,04,189	9.4	22.0	-0.1	41,139	23.8	26.4	9.3	23,103	38.7	30.0	12.1
<b>Chemicals-Specialty</b>	<b>1,56,675</b>	<b>-6.9</b>	<b>4.5</b>	<b>2.5</b>	<b>27,460</b>	<b>-25.1</b>	<b>0.8</b>	<b>0.2</b>	<b>14,643</b>	<b>-42.2</b>	<b>-4.4</b>	<b>-6.8</b>
Alkyl Amines	3,566	-13.5	10.7	8.3	689	-11.4	15.5	19.5	385	-20.9	15.0	22.5
Atul	12,122	1.4	6.5	5.0	1,476	-1.2	-2.7	5.6	588	-36.2	-18.4	-18.1
Clean Science	2,275	4.9	16.8	19.0	945	-10.1	9.1	16.3	703	-12.7	12.2	23.6
Deepak Nitrite	21,262	8.4	5.8	4.6	3,011	-13.5	-1.2	-5.5	1,958	-16.3	-3.1	-7.1
Fine Organic	5,215	-25.3	22.5	34.1	1,322	-29.4	43.2	71.5	1,047	-24.2	50.3	77.4
Galaxy Surfactants	9,290	-5.2	-1.2	-3.0	1,017	-24.4	-9.6	-25.0	775	-14.4	8.6	-10.9
Navin Fluorine	6,020	-13.6	20.4	13.1	1,101	-45.5	45.4	12.7	704	-48.4	94.7	41.7
NOCIL	3,565	-9.2	4.7	15.5	434	-11.4	-9.1	7.3	411	44.9	38.2	59.9

Company	Sales (INR M)				EBITDA (INR m)				PAT (INR m)			
	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)
P I Industries	17,410	11.2	-8.2	-10.4	4,418	28.9	-20.2	-2.8	3,695	31.7	-17.6	8.1
SRF	35,697	-5.5	16.9	2.6	7,116	-25.8	21.9	4.0	4,380	-25.8	61.3	22.5
Tata Chemicals	34,750	-21.1	-6.8	-1.9	4,430	-54.1	-18.3	-20.7	-1,048	PL	PL	PL
Vinati Organics	5,503	6.0	22.8	29.6	1,502	2.0	31.0	56.9	1,045	-0.2	35.7	65.7
<b>Consumer</b>	<b>8,10,459</b>	<b>3.8</b>	<b>0.0</b>	<b>-0.9</b>	<b>1,97,117</b>	<b>5.3</b>	<b>-2.1</b>	<b>-1.0</b>	<b>1,43,529</b>	<b>7.8</b>	<b>-2.5</b>	<b>0.1</b>
Asian Paints	87,308	-0.6	-4.1	-4.1	16,914	-9.3	-17.7	-14.7	12,753	-0.6	-13.5	-8.7
Britannia	40,694	1.1	-4.4	-1.5	7,874	-1.7	-4.1	-2.4	5,366	-3.8	-3.9	-5.0
Colgate	14,900	10.3	6.8	-0.7	5,322	17.8	13.6	3.3	3,798	19.6	15.1	3.5
Dabur	28,146	5.1	-13.5	-1.1	4,668	13.9	-30.1	4.2	3,578	10.8	-31.5	10.2
Emami	8,912	6.6	-10.5	2.9	2,110	5.6	-33.0	2.7	1,669	13.0	-41.0	-19.0
Godrej Consumer	33,856	5.8	-7.5	0.1	7,604	14.4	-16.0	-1.3	5,749	22.6	-1.9	7.7
Hind. Unilever	1,52,100	0.0	-2.3	-1.0	35,350	-1.1	-3.6	-0.2	24,996	-1.6	-1.2	-0.3
Indigo Paints	3,849	18.3	8.8	-3.5	846	17.9	35.9	-4.8	544	11.8	45.0	-5.2
ITC	1,79,227	1.6	-0.5	-2.7	66,262	0.0	1.9	0.0	51,221	0.0	-4.1	0.0
Jyothy Labs	6,600	7.0	-2.6	-3.5	1,084	18.7	-8.6	-7.4	781	31.9	-14.1	-8.2
Marico	22,780	1.7	-5.9	0.1	4,420	12.5	-13.8	-1.3	3,180	5.3	-17.0	-15.0
Nestle	52,676	9.0	14.5	0.5	13,426	19.4	18.9	5.0	9,138	21.7	17.0	5.1
P&G Hygiene	10,022	13.5	-11.6	7.1	2,573	72.4	-16.9	27.9	1,854	72.5	-19.0	27.5
Page Industries	9,954	3.2	-19.0	-6.5	1,672	24.5	-27.2	-13.5	1,082	38.1	-29.0	-14.3
Pidilite Inds.	29,019	7.9	-7.3	2.9	5,769	25.6	-22.3	-12.9	3,779	31.5	-26.0	-15.4
Tata Consumer	39,269	8.5	3.2	-0.7	6,296	23.0	10.0	3.4	3,785	38.4	8.9	-2.0
United Breweries	21,315	20.8	16.9	8.1	1,420	165.6	-2.5	-19.4	808	730.8	-4.7	-23.1
United Spirits	26,660	6.9	-10.8	2.9	3,620	7.1	-26.3	-0.2	4,073	91.7	17.0	68.8
Varun Beverages	43,173	10.9	61.8	2.1	9,888	23.9	136.4	11.8	5,374	25.2	307.9	12.1
<b>EMS</b>	<b>25,323</b>	<b>42.4</b>	<b>33.9</b>	<b>5.0</b>	<b>3,172</b>	<b>20.5</b>	<b>47.7</b>	<b>-5.1</b>	<b>2,171</b>	<b>24.7</b>	<b>58.8</b>	<b>2.5</b>
Avalon Tech	2,168	-20.2	1.2	-0.3	172	-58.2	3.9	-4.9	71	-68.9	7.4	-8.6
Cyient DLM	3,618	30.5	12.7	-4.8	380	19.2	29.3	-4.3	227	80.7	23.3	-4.3
Data Pattern	1,823	-1.5	30.7	-20.9	930	26.8	54.9	-9.6	711	28.4	39.5	-4.7
Kaynes Tech	6,373	74.8	25.1	6.6	952	60.7	36.3	7.3	813	97.3	79.8	45.2
Syrma SGS Tech.	11,341	66.9	60.5	15.1	737	28.2	89.9	-13.0	349	-17.4	125.1	-29.8
<b>Financials</b>	<b>28,94,563</b>	<b>13.9</b>	<b>9.3</b>	<b>1.0</b>	<b>16,16,974</b>	<b>17.6</b>	<b>14.4</b>	<b>8.6</b>	<b>9,80,115</b>	<b>21.7</b>	<b>12.4</b>	<b>5.8</b>
<b>Banks-Private</b>	<b>8,87,198</b>	<b>16.1</b>	<b>3.2</b>	<b>0.5</b>	<b>7,29,968</b>	<b>26.0</b>	<b>13.4</b>	<b>10.7</b>	<b>4,42,657</b>	<b>18.1</b>	<b>5.5</b>	<b>3.9</b>
AU Small Finance	13,370	10.2	0.9	-2.5	6,642	16.3	1.1	-0.8	3,707	-12.7	-1.2	-3.5
Axis Bank	1,30,890	11.5	4.4	2.9	1,05,357	14.9	15.3	14.3	71,297	7.6	17.4	12.2
Bandhan Bank	28,663	16.0	13.5	7.5	18,385	2.4	11.1	1.8	546	-93.2	-92.5	-93.6
DCB Bank	5,075	4.4	7.1	3.9	2,337	-4.2	10.5	2.1	1,556	9.4	23.0	18.3
Equitas Small Fin.	7,859	11.2	0.1	-1.3	3,748	-3.0	4.0	1.8	2,076	9.3	2.8	-1.7
Federal Bank	21,951	15.0	3.4	-0.2	11,104	-16.8	-22.7	-16.1	9,063	0.4	-10.0	1.0
HDFC Bank	2,90,768	24.5	2.1	-0.2	2,92,742	57.2	23.8	20.7	1,65,119	37.1	0.9	5.5
ICICI Bank	1,90,928	8.1	2.2	-0.4	1,50,388	8.8	2.1	2.2	1,07,075	17.4	4.2	0.7
IDFC First Bank	44,689	24.2	4.3	-0.4	16,639	6.8	6.5	0.6	7,243	-9.8	1.2	-3.4
IndusInd Bank	53,765	15.1	1.5	-2.0	40,815	8.6	1.0	-1.9	23,491	15.0	2.1	-2.8
Kotak Mahindra Bank	69,094	13.2	5.4	3.1	54,616	17.5	19.6	8.6	41,333	18.2	37.5	20.9
RBL Bank	15,999	17.9	3.5	-0.9	8,870	49.4	15.9	8.7	3,526	30.1	51.3	5.1
SBI Cards	14,148	21.4	2.0	-2.3	18,326	28.2	13.1	7.8	6,624	11.0	20.6	17.5
<b>Banks-PSU</b>	<b>8,88,434</b>	<b>6.0</b>	<b>3.8</b>	<b>0.9</b>	<b>6,14,947</b>	<b>8.5</b>	<b>18.6</b>	<b>9.8</b>	<b>3,79,098</b>	<b>26.2</b>	<b>24.0</b>	<b>12.8</b>
Bank of Baroda	1,17,928	2.3	6.2	3.5	81,061	0.4	15.6	7.7	48,865	2.3	6.7	1.5
Canara Bank	95,802	11.2	1.7	2.1	73,875	1.9	8.6	4.9	37,572	18.3	2.8	0.6
Indian Bank	60,154	9.2	3.5	1.2	43,050	7.2	5.1	2.5	22,470	55.3	6.0	2.3
Punjab National Bank	1,03,631	9.1	0.7	-0.9	64,157	9.4	1.3	-9.6	30,103	159.8	35.4	5.4
State Bank	4,16,552	3.1	4.6	0.5	2,87,476	16.8	41.4	25.5	2,06,983	24.0	43.7	28.3
Union Bank	94,366	14.4	2.9	0.0	65,329	-4.3	-10.2	-9.6	33,105	19.0	-7.8	-14.4
<b>Insurance</b>	<b>7,98,283</b>	<b>16.7</b>	<b>26.4</b>	<b>1.6</b>	<b>40,180</b>	<b>-9.9</b>	<b>22.0</b>	<b>1.2</b>	<b>20,065</b>	<b>1.9</b>	<b>12.3</b>	<b>-16.2</b>
HDFC Life Insur.	2,09,376	6.7	34.9	-7.9	12,340	-18.3	44.2	0.8	4,111	14.6	12.6	-6.4
ICICI Lombard	43,683	17.2	1.5	3.8	-2,319	Loss	Loss	Loss	5,195	18.9	20.4	-0.5
ICICI Pru Life	1,51,500	16.6	47.3	10.6	7,760	-26.4	78.0	-18.8	1,738	-26.0	-23.6	-39.2
Max Financial	1,07,360	17.3	47.1	-0.5	8,210	6.6	67.9	18.2	-510	PL	PL	PL
SBI Life Insurance	2,52,411	26.1	12.4	6.2	15,100	4.9	-10.1	2.1	8,108	4.4	152.0	12.0
Star Health	33,953	16.6	3.1	0.6	-911	Loss	PL	Loss	1,423	39.8	-50.8	-0.8
<b>NBFC - Lending</b>	<b>2,89,677</b>	<b>23.1</b>	<b>5.8</b>	<b>1.1</b>	<b>2,18,508</b>	<b>23.5</b>	<b>5.5</b>	<b>1.0</b>	<b>1,27,504</b>	<b>21.7</b>	<b>5.7</b>	<b>-1.6</b>
AAVAS Financiers	2,371	7.2	7.4	0.2	1,818	10.2	15.3	6.1	1,426	12.5	22.3	9.6

Company	Sales (INR M)				EBITDA (INR m)				PAT (INR m)			
	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)
Bajaj Finance	80,130	28.1	4.7	-1.1	64,121	25.3	4.4	-1.6	38,232	21.1	5.1	-1.0
Can Fin Homes	3,278	25.5	-0.3	-1.0	2,717	22.5	-5.2	-6.3	2,090	26.1	4.4	-4.9
Chola. Inv & Fin.	23,548	33.4	8.5	1.6	16,278	27.9	7.4	-0.5	10,581	24.1	20.8	8.6
CreditAccess	8,810	42.3	9.7	2.9	6,828	35.8	13.5	0.1	3,971	33.9	12.4	0.3
Fusion Micro	3,612	30.6	6.7	-1.5	2,907	31.5	11.7	6.6	1,327	15.9	4.9	-9.5
Home First Fin.	1,368	22.4	1.8	-2.9	1,135	24.8	3.4	1.8	835	30.4	5.9	0.8
L&T Finance	19,875	12.6	1.8	-2.5	13,619	7.3	1.8	-4.1	5,530	10.4	-13.5	-18.4
LIC Housing Fin	22,376	12.4	6.7	8.8	19,041	8.7	1.0	4.7	10,908	-7.6	-6.2	-8.4
M & M Financial	18,121	13.2	6.7	1.3	11,730	24.2	10.4	5.9	6,190	-9.5	12.0	-15.3
Manappuram Finance	14,943	32.8	2.9	-2.5	9,333	52.0	-0.3	-3.4	5,635	35.7	-2.1	-5.4
MAS Financial	1,680	32.6	7.1	-1.8	1,125	26.9	2.1	-3.1	681	22.5	9.0	2.6
Muthoot Finance	21,348	15.2	12.0	8.6	15,095	16.9	8.3	9.4	10,563	17.0	2.8	2.5
PNB Housing	6,232	7.2	5.1	4.5	5,665	17.3	13.4	13.4	4,393	57.3	29.8	19.6
Poonawalla Fincorp	5,625	48.1	14.6	4.8	4,094	103.1	16.9	2.9	3,317	83.6	25.1	8.6
Repco Home Fin	1,628	10.5	-0.4	1.4	1,287	6.9	-6.1	-5.9	1,081	31.6	8.7	8.1
Shriram Finance	50,874	21.7	3.6	-0.4	39,056	26.8	5.9	1.3	19,459	48.7	7.0	-0.4
Spandana Spooorty	3,859	42.8	22.1	9.4	2,660	2.0	10.6	2.1	1,287	21.9	1.0	-5.2
<b>NBFC - Non Lending</b>	<b>30,972</b>	<b>64.0</b>	<b>18.4</b>	<b>9.1</b>	<b>13,371</b>	<b>72.3</b>	<b>29.0</b>	<b>2.0</b>	<b>10,792</b>	<b>82.2</b>	<b>27.0</b>	<b>3.2</b>
360 ONE WAM	5,740	46.1	30.5	25.2	2,740	31.8	31.1	24.3	2,437	56.8	26.2	26.2
BSE	4,885	115.2	31.4	-6.1	979	-5.5	4.5	-50.9	1,082	14.5	0.5	-38.3
Cams Services	3,105	24.6	7.2	3.7	1,433	31.4	10.8	6.9	1,030	38.5	16.3	11.0
ICICI Securities	15,432	74.3	16.6	14.1	7,199	103.8	15.4	14.9	5,365	104.2	15.2	12.3
MCX	1,811	35.4	-5.4	-13.4	1,020	4,826.6	LP	-22.1	878	1,511.6	LP	-17.4
<b>Healthcare</b>	<b>7,84,317</b>	<b>13.0</b>	<b>2.7</b>	<b>0.4</b>	<b>1,77,490</b>	<b>28.3</b>	<b>5.7</b>	<b>1.5</b>	<b>1,11,818</b>	<b>44.1</b>	<b>11.0</b>	<b>6.1</b>
Ajanta Pharma	10,541	19.5	-4.6	-0.8	2,783	62.7	-13.5	-8.4	1,884	57.1	-11.4	-13.7
Alembic Pharma	15,170	7.9	-7.0	-1.4	2,601	16.5	-2.5	6.1	1,790	73.1	-1.1	36.2
Alkem Lab	29,358	1.1	-11.7	-6.4	4,020	13.8	-43.2	-23.3	3,039	3.4	-52.7	-15.0
Apollo Hospitals	49,439	14.9	1.9	1.5	6,405	31.2	4.4	2.8	2,538	47.1	3.5	1.2
Aurobindo Pharma	75,801	17.1	3.1	3.8	16,871	68.3	5.4	12.2	10,097	96.3	11.8	39.9
Biocon	39,171	7.4	8.7	3.9	9,161	5.1	58.9	31.3	1,869	24.8	LP	42.7
Cipla	61,632	7.4	-6.7	0.9	13,159	12.1	-24.7	-7.9	8,690	22.7	-27.4	-4.8
Divis Labs	23,030	18.1	24.2	19.6	7,310	48.6	49.5	41.5	5,365	65.7	55.6	40.1
Dr Reddy's Labs	70,830	17.4	-1.8	0.4	17,669	34.0	-12.9	-8.6	12,120	50.1	-12.0	-1.0
ERIS Lifescience	5,509	36.8	13.3	7.2	1,698	42.8	-3.2	-4.4	815	24.6	-20.6	-16.3
Gland Pharma	15,375	95.9	-0.5	-4.3	3,587	113.0	-4.1	-9.2	1,918	61.7	-5.9	-26.5
Glenmark Pharma	30,630	2.1	22.2	-4.8	5,043	26.7	LP	17.4	1,680	247.6	LP	18.7
Global Health	8,086	14.4	-3.3	-6.1	1,911	12.7	-13.7	-17.0	1,273	26.0	3.1	-10.8
Granules India	11,758	-1.6	1.7	-3.5	2,557	8.3	2.1	-2.1	1,296	3.4	3.2	-10.3
GSK Pharma	9,298	18.1	15.5	6.9	2,573	51.6	18.0	25.1	1,921	56.1	-8.1	29.0
Ipca Labs.	20,330	34.5	-1.0	1.8	3,219	77.9	-2.7	18.1	930	32.7	-16.6	-27.1
Laurus Labs	14,397	4.3	20.5	4.1	2,415	-15.4	33.1	-15.7	756	-28.1	226.8	-33.8
Lupin	49,608	12.0	-4.6	-4.6	9,968	65.0	-2.5	-1.5	5,083	95.0	-15.2	-7.0
Max Healthcare	17,910	15.6	6.5	0.6	4,940	13.8	6.2	1.6	3,327	4.9	-2.5	-5.8
Piramal Pharma	25,524	18.0	30.3	5.0	5,299	50.9	97.5	11.3	1,146	128.6	227.3	-50.5
Sun Pharma	1,18,133	10.7	-2.8	-3.5	29,220	13.8	-6.6	-5.2	28,042	32.7	13.2	12.7
Torrent Pharma	27,450	10.2	0.5	-1.2	8,830	19.8	1.6	-1.2	4,490	51.0	17.8	-8.9
Zydus Lifesciences	55,338	10.4	22.8	5.0	16,252	23.7	50.2	7.7	11,749	52.1	56.2	27.7
<b>Infrastructure</b>	<b>53,959</b>	<b>12.6</b>	<b>15.3</b>	<b>1.4</b>	<b>13,922</b>	<b>10.4</b>	<b>11.8</b>	<b>2.0</b>	<b>5,465</b>	<b>21.2</b>	<b>29.5</b>	<b>10.7</b>
G R Infraproject	21,554	8.0	19.3	-0.3	2,990	3.2	31.1	7.1	2,249	17.0	50.8	19.3
IRB Infra	20,612	27.2	4.7	1.5	8,899	17.3	2.3	0.1	1,889	45.0	0.8	3.2
KNR Constructions	11,793	0.3	30.3	4.6	2,033	-4.1	38.0	3.6	1,328	3.2	55.2	8.7
<b>Logistics</b>	<b>1,52,485</b>	<b>14.0</b>	<b>2.4</b>	<b>-1.1</b>	<b>55,696</b>	<b>19.6</b>	<b>-0.6</b>	<b>-3.6</b>	<b>31,818</b>	<b>8.0</b>	<b>0.0</b>	<b>-0.4</b>
Adani Ports	68,965	19.0	-0.3	-3.6	40,439	23.6	-3.4	-5.2	22,924	11.0	-2.6	-0.4
Blue Dart Express	13,229	8.7	-4.3	-4.8	1,394	8.7	3.8	-3.0	761	8.1	-6.8	-6.5
Concor	23,176	7.0	5.1	1.5	4,890	10.0	-4.4	-7.6	2,945	5.8	-11.9	-14.3
JSW Infra	10,964	19.8	16.6	11.7	5,812	23.2	21.1	12.4	3,740	6.9	21.5	14.6
Mahindra Logistics	14,508	14.0	3.8	0.0	566	-11.2	8.4	-3.1	-128	Loss	Loss	Loss
TCI Express	3,171	-2.8	1.7	-2.6	448	-17.2	-1.6	-4.5	316	-17.8	-1.9	-3.7
Transport Corp.	10,789	10.2	7.7	2.5	1,094	1.2	9.5	-2.4	1,045	23.2	31.6	19.7
VRL Logistics	7,684	10.1	4.3	-0.6	1,053	-7.7	11.6	2.5	215	-64.7	57.3	-1.0
<b>Media</b>	<b>43,534</b>	<b>7.0</b>	<b>-2.8</b>	<b>7.0</b>	<b>7,200</b>	<b>11.7</b>	<b>-26.9</b>	<b>12.4</b>	<b>4,146</b>	<b>44.5</b>	<b>-29.1</b>	<b>25.3</b>

Company	Sales (INR M)				EBITDA (INR m)				PAT (INR m)			
	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)
PVR Inox	12,564	9.9	-18.7	0.7	12	-77.4	-99.4	-96.0	-901	Loss	PL	Loss
Sun TV	9,271	14.0	4.7	14.4	5,086	4.3	-11.4	3.1	3,988	9.0	-8.8	5.5
Zee Entertainment	21,699	2.7	6.1	8.0	2,102	38.6	0.5	79.5	1,059	58.4	-0.6	113.7
<b>Metals</b>	<b>29,12,185</b>	<b>-3.8</b>	<b>6.7</b>	<b>1.3</b>	<b>4,90,887</b>	<b>-3.5</b>	<b>-3.9</b>	<b>3.7</b>	<b>2,11,926</b>	<b>-12.5</b>	<b>-12.0</b>	<b>5.8</b>
Coal India	3,74,104	-1.9	3.5	-0.4	98,438	14.0	-17.5	3.3	86,822	26.3	-14.3	27.2
Hindalco	5,59,940	0.2	6.0	5.2	66,810	25.4	13.9	5.6	31,740	31.6	36.2	7.7
Hindustan Zinc	75,490	-11.3	3.3	-5.2	36,490	-14.2	3.6	1.6	20,380	-21.1	0.5	4.9
JSPL	1,34,870	-1.5	15.3	10.5	24,445	11.8	-14.0	-5.3	9,354	51.8	-51.5	-25.0
JSW Steel	4,62,690	-1.5	10.3	3.3	61,240	-22.9	-14.7	4.2	12,990	-64.5	-43.0	-15.4
Nalco	35,791	-2.5	6.9	-8.8	11,075	44.5	43.3	31.3	6,766	36.7	43.8	26.1
NMDC	64,893	10.9	20.0	2.1	21,017	-2.8	4.7	-9.9	14,309	-9.0	-14.6	-24.5
SAIL	2,62,445	-9.9	12.4	0.7	17,686	-39.5	-17.4	-4.9	1,806	-84.9	-50.7	8.1
Tata Steel	5,86,873	-6.8	6.1	-4.2	66,006	-8.6	5.4	10.9	12,060	-28.8	42.3	14.4
Vedanta	3,55,090	-6.4	-0.1	3.9	87,680	-7.3	2.8	4.0	15,700	-49.6	-22.0	-16.8
<b>Oil &amp; Gas</b>	<b>79,06,506</b>	<b>2.8</b>	<b>1.6</b>	<b>-0.3</b>	<b>9,68,263</b>	<b>2.9</b>	<b>4.2</b>	<b>-0.1</b>	<b>4,98,459</b>	<b>-6.9</b>	<b>6.7</b>	<b>0.6</b>
<b>Oil Ex OMCs</b>	<b>36,12,979</b>	<b>6.3</b>	<b>2.6</b>	<b>-4.7</b>	<b>7,17,456</b>	<b>12.1</b>	<b>4.0</b>	<b>4.8</b>	<b>3,65,954</b>	<b>11.9</b>	<b>5.4</b>	<b>7.9</b>
Aegis Logistics	18,372	-14.7	-1.9	-10.9	3,068	51.5	44.8	27.5	1,963	39.4	50.8	35.5
BPCL	11,65,551	-1.3	0.9	-1.4	92,654	-16.9	47.6	-9.8	55,700	-26.4	64.0	-12.5
Castrol India	13,252	2.4	4.8	-0.2	2,937	-0.4	-10.7	-9.6	2,162	6.8	-10.6	-9.5
GAIL	3,23,345	-1.6	-5.6	3.6	35,578	1,058.3	-6.9	-3.6	21,770	260.7	-23.4	-19.5
Gujarat Gas	41,342	5.2	5.2	3.0	5,911	5.5	47.5	26.7	3,681	-0.3	67.0	38.1
Gujarat State Petronet	4,547	21.6	-0.2	-1.6	3,780	28.2	-0.4	-1.0	2,611	16.4	-0.4	-4.2
HPCL	11,48,193	6.4	3.2	11.9	51,283	10.2	141.1	25.1	28,428	-11.8	437.4	28.9
Indraprastha Gas	35,968	-2.3	1.3	18.0	5,225	13.4	-6.4	-9.6	3,828	16.1	-2.4	1.1
IOC	19,79,782	-2.5	-0.6	2.5	1,06,872	-25.5	-31.5	-24.0	48,377	-51.9	-40.0	-31.9
Mahanagar Gas	15,671	-2.7	-0.1	4.3	3,938	1.0	-12.2	-4.0	2,650	-1.4	-16.5	-7.4
MRPL	2,53,287	-0.1	2.7	4.5	23,395	-31.1	97.5	55.4	11,422	-40.1	195.1	85.4
Oil India	57,567	2.0	-1.0	0.8	23,357	-0.5	10.9	-20.7	20,288	13.5	28.1	3.2
ONGC	3,46,367	-4.6	-0.4	-0.7	1,74,066	6.5	1.4	-3.3	98,694	41.9	-0.2	13.4
Petronet LNG	1,37,932	-0.6	-6.5	11.4	11,040	17.1	-35.3	0.5	7,376	20.1	-38.1	-0.1
Reliance Inds.	23,65,330	11.1	5.1	-8.4	4,25,160	10.6	4.6	9.5	1,89,510	-1.8	9.8	7.8
<b>Real Estate</b>	<b>1,52,706</b>	<b>17.1</b>	<b>44.0</b>	<b>10.4</b>	<b>47,609</b>	<b>45.2</b>	<b>46.6</b>	<b>17.6</b>	<b>37,144</b>	<b>24.1</b>	<b>70.3</b>	<b>27.0</b>
Brigade Enterpr.	17,024	102.0	45.0	62.0	4,327	114.1	65.1	70.3	2,149	305.8	161.6	292.9
DLF	21,348	46.6	40.3	-6.2	7,541	89.3	47.6	4.1	9,198	61.5	40.3	11.1
Godrej Properties	14,261	-13.4	331.6	173.6	1,228	-64.6	LP	113.8	4,780	5.2	662.1	27.5
Macrotech Developers	40,185	23.4	37.1	7.8	10,469	35.7	18.6	12.9	6,670	-11.1	17.0	12.4
Mahindra Lifespace	143	-94.4	-82.6	-84.2	-541	Loss	Loss	Loss	715	12,664.3	42.9	LP
Oberoi Realty	13,148	36.8	24.8	28.2	7,886	113.9	54.8	53.1	7,880	64.1	118.8	130.7
Phoenix Mills	13,059	79.1	32.4	21.8	6,267	45.5	13.6	4.5	3,267	58.9	17.0	6.7
Prestige Estates	21,640	-17.8	20.5	-3.7	8,277	21.4	50.1	29.8	1,400	-69.5	20.4	-27.5
Sobha	7,629	-36.9	11.4	-37.6	621	-46.3	-16.3	-55.9	70	-85.5	-53.4	-90.5
Sunteck Realty	4,269	773.4	905.7	-28.7	1,534	LP	LP	-29.1	1,013	LP	LP	-38.0
<b>Retail</b>	<b>4,32,555</b>	<b>19.8</b>	<b>-8.2</b>	<b>1.5</b>	<b>49,541</b>	<b>20.1</b>	<b>-18.9</b>	<b>-0.8</b>	<b>18,866</b>	<b>4.3</b>	<b>-30.0</b>	<b>-5.9</b>
Aditya Birla Fashion	34,067	18.3	-18.2	3.3	2,837	47.1	-48.7	27.4	-2,719	Loss	Loss	Loss
Avenue Supermarts	1,27,266	20.1	-6.2	0.0	9,437	22.3	-15.7	-5.5	5,631	22.4	-18.5	-4.7
Barbeque Nation	2,981	6.4	-9.9	-0.5	547	37.3	-17.5	2.2	0	Loss	PL	Loss
Bata India	7,979	2.5	-11.7	-0.7	1,823	0.2	-0.1	-4.4	636	-3.0	9.8	-6.1
Campus Activewear	3,639	4.6	-22.9	-0.7	639	13.0	13.6	14.7	328	42.7	31.6	27.2
Devyani Intl.	10,471	38.7	24.2	29.0	1,739	14.9	18.9	23.0	33	-94.6	-35.1	-6.8
Jubilant Foodworks	13,313	6.3	-1.8	0.4	2,543	0.8	-10.1	-7.9	345	-44.4	-43.4	-32.5
Metro Brands	5,830	7.1	-8.3	-2.0	1,586	10.5	-20.3	9.5	866	25.9	-12.4	52.3
Raymond	26,085	21.3	9.3	5.9	4,359	29.4	20.4	3.3	2,412	-12.6	27.2	3.4
Relaxo Footwear	7,472	-2.3	4.8	-9.1	1,204	2.0	38.1	-12.9	614	-3.0	59.2	-20.7
Restaurant Brands	4,391	20.3	-1.4	0.4	551	30.3	-22.1	-11.3	-310	Loss	Loss	Loss
Sapphire Foods	6,317	12.7	-5.1	-0.6	1,029	4.9	-15.4	-6.3	20	-82.2	-79.3	-69.0
Shoppers Stop	9,997	9.1	-17.2	3.1	1,641	4.5	-23.8	-5.7	48	-70.5	-86.5	-59.9
Titan Company	1,24,940	20.6	-11.8	2.3	11,910	9.4	-23.9	-7.6	7,710	4.8	-26.8	-11.2
Trent	31,869	53.4	-3.8	-2.5	4,773	125.1	-23.4	11.1	2,477	135.6	-27.9	30.6
Vedant Fashions	3,632	6.3	-23.5	2.0	1,751	4.3	-27.7	-0.2	1,158	6.4	-26.6	7.3
V-Mart Retail	6,686	12.6	-24.8	0.1	402	75.5	-66.4	52.9	-389	Loss	PL	Loss
Westlife Foodworld	5,623	1.1	-6.3	-2.5	771	-16.1	-19.7	-11.1	8	-96.1	-95.5	-91.5

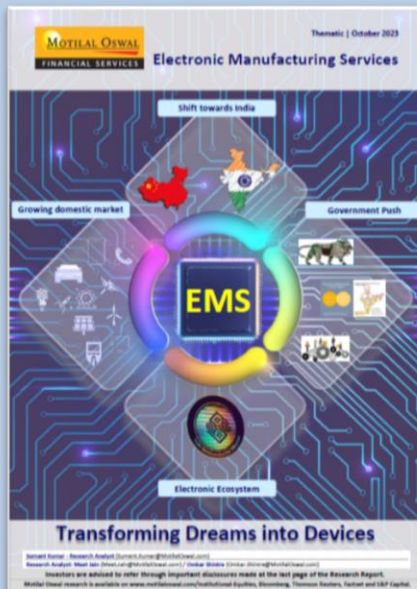
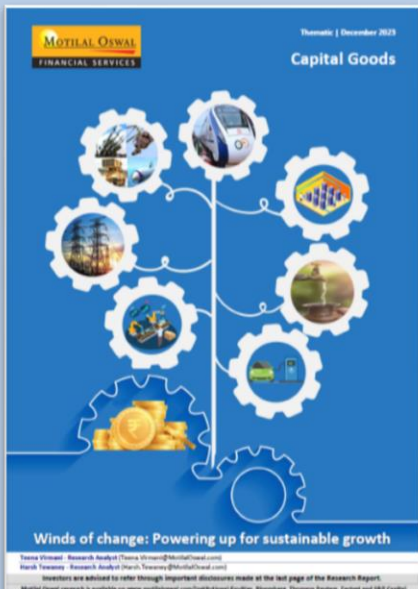
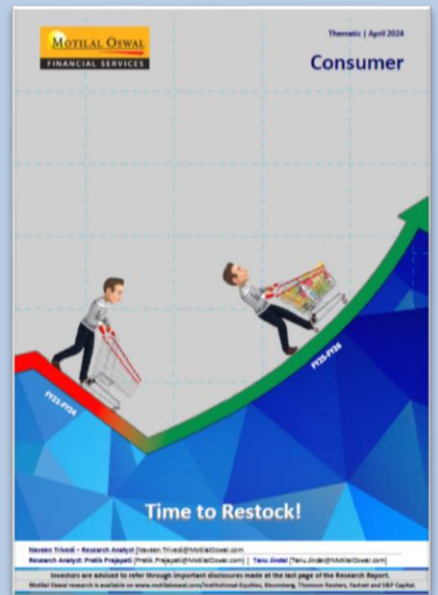
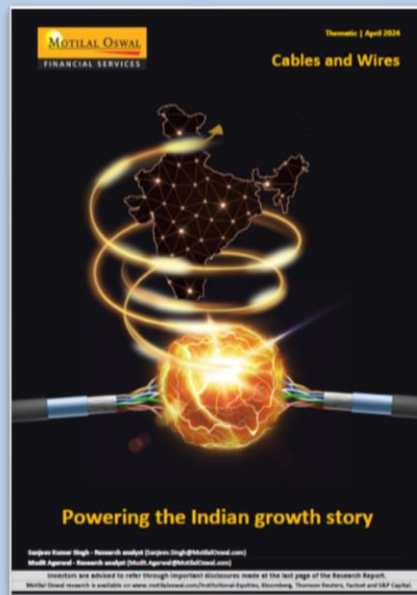
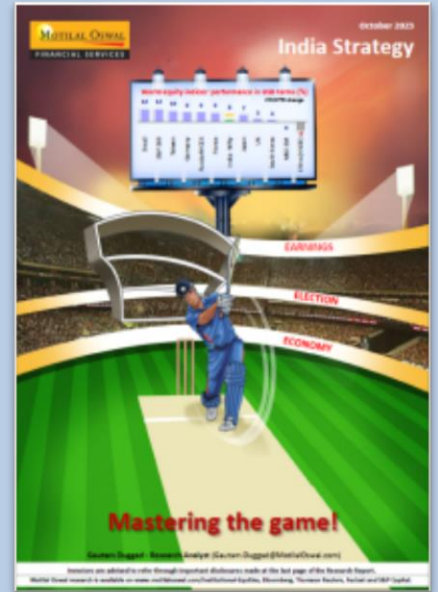
Company	Sales (INR M)				EBITDA (INR m)				PAT (INR m)			
	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)	Mar-24	YoY	QoQ	Var. over Exp. (%)
<b>Staffing</b>	<b>1,11,111</b>	<b>10.7</b>	<b>1.0</b>	<b>-4.0</b>	<b>4,218</b>	<b>19.7</b>	<b>4.6</b>	<b>-6.2</b>	<b>1,418</b>	<b>-17.7</b>	<b>-19.3</b>	<b>-50.7</b>
Qess Corp	49,098	10.6	1.4	-2.6	1,953	28.4	7.9	-1.9	1,036	212.9	23.7	1.9
SIS	31,376	4.7	2.1	-6.3	1,496	11.1	-1.2	-10.4	-117	PL	PL	PL
Team Lease Serv.	24,320	20.0	-0.5	-2.6	367	8.8	1.6	-5.3	281	15.4	2.3	-22.3
Updater Services	6,318	10.5	-0.7	-9.2	403	26.1	15.8	-10.1	217	0.4	-20.9	-35.0
<b>Technology</b>	<b>18,56,213</b>	<b>2.2</b>	<b>-0.1</b>	<b>-1.4</b>	<b>4,27,445</b>	<b>1.7</b>	<b>0.1</b>	<b>-1.2</b>	<b>2,91,026</b>	<b>1.9</b>	<b>2.5</b>	<b>-1.9</b>
Coforge	23,585	8.7	1.5	-2.6	4,251	4.3	6.0	-9.0	2,237	-3.9	-6.0	-19.7
Cyient	18,607	6.2	2.2	-1.8	3,352	4.0	2.8	-7.8	1,892	7.4	1.8	-12.7
HCL Technologies	2,84,990	7.1	0.2	-0.7	61,000	3.0	-8.9	-4.9	39,860	0.1	-8.4	-6.2
Infosys	3,79,230	1.3	-2.3	-2.3	95,750	-2.2	-3.9	-1.6	60,740	-0.9	-0.5	-3.6
L&T Technology	25,375	21.1	4.8	-0.6	5,028	11.9	3.1	-4.3	3,409	10.1	1.4	-5.7
LTIMindtree	88,929	2.3	-1.4	-2.8	15,357	-4.2	-3.1	-6.4	11,007	-1.2	-5.9	-7.6
Mphasis	34,129	1.5	2.2	1.1	6,388	6.7	6.3	4.2	3,932	-3.0	5.2	-2.0
Persistent Systems	25,905	14.9	3.7	0.7	4,544	9.1	2.8	-3.0	3,153	25.4	10.2	5.4
TCS	6,12,370	3.5	1.1	-1.3	1,71,853	9.4	4.7	2.2	1,25,020	9.3	6.2	1.1
Tech Mahindra	1,28,713	-6.2	-1.8	-2.7	14,078	-30.3	3.9	-9.7	9,697	-27.1	34.9	5.0
Wipro	2,22,083	-4.2	0.0	-0.2	43,813	-4.8	3.9	-2.0	28,346	-7.8	5.2	-3.8
Zensar Tech	12,297	1.4	2.1	0.4	2,031	15.5	-2.2	2.9	1,733	45.3	7.2	32.6
<b>Telecom</b>	<b>6,10,908</b>	<b>5.6</b>	<b>-0.5</b>	<b>-2.5</b>	<b>2,88,285</b>	<b>5.3</b>	<b>-0.2</b>	<b>-2.6</b>	<b>-24,964</b>	<b>Loss</b>	<b>Loss</b>	<b>Loss</b>
Bharti Airtel	3,75,991	4.4	-0.8	-3.2	1,93,648	3.6	-2.3	-5.1	29,518	13.9	18.5	34.2
Indus Towers	71,932	6.5	-0.1	-2.0	40,716	18.6	13.6	11.5	18,531	32.4	20.3	40.9
Tata Comm	56,917	24.6	1.0	-1.3	10,563	2.1	-6.9	-8.6	3,733	14.5	62.1	-24.6
Vodafone Idea	1,06,068	0.7	-0.6	-1.0	43,358	3.0	-0.3	-1.6	-76,746	Loss	Loss	Loss
<b>Others</b>	<b>6,44,093</b>	<b>6.4</b>	<b>6.3</b>	<b>7.1</b>	<b>93,776</b>	<b>5.2</b>	<b>7.4</b>	<b>5.8</b>	<b>39,048</b>	<b>-0.2</b>	<b>-5.9</b>	<b>6.9</b>
APL Apollo Tubes	47,657	7.6	14.1	13.2	2,804	-13.2	0.3	-10.9	1,704	-15.5	3.0	-12.9
Cello World	5,125	5.0	-2.8	-10.1	1,333	-72.7	0.9	-2.4	888	-81.8	4.6	-2.7
Coromandel International	39,127	-28.5	-28.4	-18.8	2,730	-32.3	-23.7	11.6	1,603	-34.9	-30.6	18.3
Dreamfolks Services	2,811	18.2	-7.8	-7.3	248	-26.3	-9.2	-11.5	182	-28.2	-9.4	-15.7
EPL	10,292	6.2	5.5	-3.0	1,909	23.5	4.1	0.4	677	-19.7	-21.4	-0.1
Godrej Agrovvet	21,343	1.9	-9.0	-4.6	1,480	98.4	-7.0	30.7	571	84.2	-37.8	7.5
Havells India	54,420	12.0	23.3	-0.2	6,346	20.4	46.7	13.5	4,467	24.8	55.2	15.9
Indiamart Inter.	3,147	17.1	3.1	-2.2	884	33.7	3.6	6.2	996	78.5	23.4	28.3
Indian Hotels	19,053	17.2	-3.0	1.9	6,598	23.2	-9.9	-0.1	4,178	27.3	-7.6	3.2
Info Edge	6,083	7.9	2.2	1.0	2,469	12.1	2.6	5.4	2,231	12.9	4.4	11.0
Interglobe Aviation	1,78,253	25.9	-8.4	7.9	43,702	51.2	-19.7	-6.8	18,939	106.8	-36.8	-20.0
Kajaria Ceramics	12,408	3.0	7.7	-5.4	1,720	-2.2	-3.8	-18.6	1,024	-2.3	-1.7	-16.9
Lemon Tree Hotel	3,273	29.5	13.4	0.4	1,715	22.6	22.7	6.3	670	52.4	89.2	38.6
One 97 Comm.	22,671	-2.9	-20.5	23.6	-2,247	Loss	Loss	Loss	-5,517	Loss	Loss	Loss
UPL	1,40,780	-15.0	42.4	22.7	19,320	-35.9	364.4	46.2	3,648	-65.1	LP	LP
Voltas	42,029	42.1	60.1	12.1	1,906	-12.6	570.6	-16.7	1,038	-27.9	LP	-39.4
Zomato	35,620	73.2	8.3	2.5	860	LP	68.6	-27.0	1,750	LP	26.8	-2.8

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