MOTILAL OSWAL
FINANCIAL SERVICES

April 2024

India Strategy



INDIA: BIG, BOLD, AND BLAZING!

Gautam Duggad - **Research Analyst** (Gautam.Duggad@MotilalOswal.com)

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India Strategy

BSE Sensex: 74,248 **Nifty 50: 22,514**



INDIA: BIG, BOLD, AND BLAZING!

Ushering in the *Amritkaal*

India: Where size meets agility!

India is set to exit FY24 with a GDP of USD3.6t and an underlying growth of 7.6%+. Capital markets signed off FY24 with a stellar 29%/60%/70 % returns in Nifty/Nifty Midcap 100/Nifty Smallcap 100. India's market cap has reached USD4.4t, making it the fifth largest in the world. During FY20-24, Nifty and MOFSL Universe' profit pool has expanded from INR3.5t to INR7.7t and INR4.3t to INR11t in FY24, representing a solid compounding of 22% and 27%, respectively. India's capital markets have witnessed vibrant participation from domestic retail savers, with Demat accounts surging to 151m in Mar'24 from 36m in Mar'19. Cumulative domestic equity inflows have amounted to USD92.7b over the last five years. India Inc. has raised USD92.9b through primary markets over the last five years. India now boasts a unique combination of ***'size and growth'***. India's GDP is likely to exceed USD4t in FY25/26 and USD8t by FY34. Expectations of political continuity after the forthcoming Lok Sabha Elections'24 should bolster the overall economic momentum further, with a focus on infrastructure, capex and manufacturing occupying the center stage, in our opinion. With size and growth in its wings, India's capital markets are truly poised to embrace the ***Amritkaal*** going forward.

INDIA: BIG, BOLD, AND BLAZING!

	FY14	FY24
Real GDP	6.4% (INR98t)	7.6% (INR173t)
Nominal GDP rank	10th	5th
CPI Inflation	9.4%	5.4%
Fiscal deficit to GDP	4.5%	5.8%
CAD (USD b)	32.3	26.4
CAD (% of GDP)	1.7%	0.7%
Trade deficit (USD b)	124.2	191.4
Trade deficit(% of GDP)	6.7%	5.4%
10-Year G-Sec	8.8%	7.1%
INR/USD	59.9	83.4
Market cap (USD t)	USD1.2t	USD4.4t
Market cap rank	11th	5th
Market cap contribution to the world (%)	2.0%	3.8%
Nifty EPS growth YoY (%)	10%	22 %
Nifty P/E (x)	16.6x	22.7x
FII flows (USD b)	USD13.7b	USD25.3b
DII flows (USD b)	USD8.9b	USD25.3b
Fund mobilization in equities (INR b)	239	1,571
Domestic MFs' equity AUM (INR t)	1.9	25.3
No. of billion-dollar market cap companies	175	513

*estimates for FY24; GDP – second advance estimate of the govt.; CAD & Deficit – MOFSL estimate; fundraising via IPOs, FPOs, QIPS, and OFS



India in a mini-Goldilocks!

India is currently experiencing a mini-Goldilocks moment due to solid macroeconomic conditions, healthy corporate earnings, peaking of interest rates, moderate inflation print, and ongoing policy momentum. This is, of course, ably supported by flows (discussed above). We firmly believe in the medium-term India

story and have conviction in selected domestic cyclical themes, such as financialization of savings, private capex revival, rising discretionary consumption, strengthening real estate cycle, and the massive development of digital and physical infrastructure. We do expect intermittent volatility along the way driven by notable events (General Elections'24), expensive mid- and small-cap valuations, and potential global macro shake-ups. Our model portfolio underscores our strong belief in various domestic structural and cyclical themes.

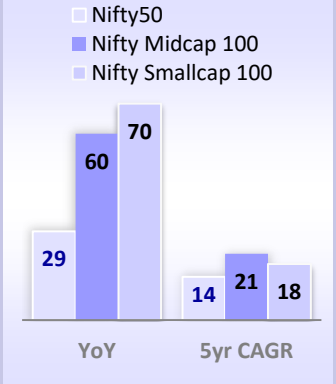
MOFSL and Nifty earnings likely to grow 6% YoY each in 4QFY24

We estimate MOFSL and Nifty earnings to grow 6% YoY each in 4QFY24. Margin tailwinds are likely to narrow due to a high base. EBITDA margin (ex-Financials) is likely to experience minor gains (+30bp) for the MOFSL Universe, reaching 16.4%. Meanwhile, it is projected to remain flat for the Nifty at 19.8% (+10bp). Overall earnings growth is anticipated to be driven, once again, by domestic cyclicals, such as Auto and BFSI, which are expected to post 20% and 15% YoY growth, respectively. Conversely, earnings growth is expected to be weighed down by global cyclicals, such as O&G and Metals, which are anticipated to decline 6% and 12% YoY, respectively. Healthcare (+33%) and Cement (+32%) are likely to report robust YoY earnings growth. Consumers (+7%), Capital Goods (+5%), and Technology (+4%) are anticipated to report moderate YoY growth. Our FY24 Nifty EPS remains stable at INR980, while the FY25 EPS has witnessed a cut of 1% to INR1,132. We expect the Nifty EPS to grow 21% and 16% in FY24 and FY25, respectively.

Key ponderables!

As the 4QFY24 earnings season is set to begin, we see three important factors that are likely to dominate investor conversations: **1) Political continuity:** With Lok Sabha elections scheduled in Apr-Jun'24, multiple opinion polls are predicting a return of the BJP-led NDA government with full majority for an unprecedented third term. This augurs well for sustained economic reforms and continued policy momentum, with a focus on capex, manufacturing, and infrastructure development. However, this could keep the equity market multiples elevated, in our view. **2) Consumption slowdown:** Both macro and micro indicators suggest a persistent weakness in consumption, particularly noticeable in rural India. With inflation moderating and predictions of a normal monsoon, coupled with election spending, we expect consumption trends to bottom out and contribute to growth in 2HFY25. **3) Institutional flows:** DII + FII flows stood at ~USD50.5b in FY24, the highest ever in any financial year. The continued rise in retail participation, along with increasing SIP contributions and the addition of new demat accounts (over 3.6m accounts per month during Oct'23-Mar'24) amid the ongoing trend of financialization of savings, has supported the markets in the face of global volatility.

Mid- and small-cap outperform Nifty-50 by a wide margin in FY24



FY24 – the year of mid and small caps!

- FY24 witnessed a broad-based growth, with all indices and sectors delivering positive returns. Both the Nifty Midcap 100 (+60% YoY) and the Nifty Smallcap 100 (+70% YoY) outperformed the Nifty-50 by a wide margin of 31% and 41%, respectively. On a five-year basis, Nifty-50/Nifty Midcap 100/ Nifty Smallcap 100 reported a CAGR 14%/21%/18%.
- The recovery of the underperforming sectors from the past decade, such as Real Estate, Capital Goods, PSUs, Industrials, Defense, etc. (despite not being a major contributor to the large-cap indices), drove the rally in the broader markets. This propelled the mid- and small-cap indices to new highs. The top sectoral gainers in

FY24 were: Real Estate (+133%), PSU Bank (+89%), Capital Goods (+77%), Auto (+75%), Energy (+71%), Healthcare (+58%), Metals (+50%), Technology (+22%), FMCG (+18%), and Private Bank (+14%).

- The Nifty-50 delivered a 26% earnings growth in 9MFY24. High-frequency data (GST collections, Auto monthly numbers, Power demand, PMI data, et al.) indicates that earnings momentum will continue to remain intact going forward as well. The sectors that underperformed on the earnings front for the past several years, such as Automobiles, Real Estate, Capital Goods, Infrastructure, Industrials, Utilities, Hotels, and PSUs have also made a strong comeback in FY24. The pick-up in government capex and the growth in order books continue to boost sectors such as Railways, Defense, Capital Goods and Utilities.

Earnings highlights – 4QFY24E | BFSI and Auto would continue to lead, while contributions from Healthcare and Cement to improve

- We predict both **MOFSL** and **Nifty** earnings to grow 6% YoY each in 4QFY24. Excluding global commodities (i.e. Metals and O&G), the MOFSL Universe and Nifty would post 12% and 9% YoY earnings growth, respectively, for the quarter.
- Overall earnings growth is likely to be driven once again by domestic Cyclicals, such as BFSI and Auto. **Private Banks and NBFC-Lending would mainly lead BFSI's earnings,** with 14% and 23% YoY growth, respectively. Earnings growth of Private and PSU Banks, at 14% and 12%, while healthy, is the lowest in 10 and 8 quarters, respectively. The **Auto** sector's earnings are expected to grow 20% YoY, amongst the best performers within MOFSL Coverage sectors, once again.
- Sales and EBITDA of the MOFSL Universe are likely to grow 5% and 7%, respectively; while for Nifty, we expect sales and EBITDA to improve 9% YoY each. Ex-OMC's, EBITDA of the MOFSL Universe/Nifty is likely to grow 8%/10% YoY though.
- The **Healthcare** universe is likely to report a strong 33% YoY earnings growth – the highest since Mar'21 – on a low base.
- The **Cement** universe too is expected to report a strong 32% YoY earnings growth on a weak base. The sector is likely to clock its third consecutive quarter of strong earnings growth after posting an earnings decline for seven quarters.
- The **Metals** universe is projected to report a 12% YoY earnings decline on weak base of 4QFY23.
- The **Capital Goods** sector is anticipated to report earnings moderation at 5% YoY for the quarter (the lowest in nine quarters) dragged by L&T. Ex-L&T, the MOFSL Capital Goods universe is likely to record 21% YoY growth.
- The **Technology** sector is expected to clock a modest earnings growth of 4% YoY, mainly due to weak global macros. The MOFSL IT universe profit pool has stagnated around INR280-290b for six quarters since 3QFY23.
- The **Specialty Chemicals** sector too is expected to post earnings decline of 38% YoY; the sector is likely to report earnings decline for the fourth straight quarter.
- EBITDA margin is projected to expand 30bp YoY for the MOFSL Universe (ex-Financials) to 16.4%. On the other hand, EBITDA margin for Nifty-50, excluding Financials, is likely to remain nearly flat YoY at 19.8% during the quarter.
- The MOFSL Midcap Universe is estimated to report a growth of 1% and 5% YoY in sales and EBITDA, respectively, and a decline of 4% YoY in PAT. Conversely, the MOFSL Smallcap Universe is estimated to clock a growth of 9%/8%/7% YoY

in Sales/EBITDA/PAT for 4QFY24. The MOFSL Largecap Universe is likely to register sales/EBITDA/PAT growth of 6%/8%/7% YoY during the quarter.

- **Sales/EBITDA/PAT of the MOFSL Universe** is expected to report a two-year CAGR of 9%/ 8%/10% over Mar'22-Mar'24.
- **FY25E earnings highlights:** The MOFSL Universe is likely to deliver a sales/EBITDA/PAT growth of 12%/12%/15% YoY. BFSI and Metals are likely to be the key earning drivers with 19% and 34% YoY growth, respectively. These two sectors are likely to contribute 64% of incremental earnings for FY25E.
- **Marginal change in Nifty EPS:** Our FY24 Nifty EPS remains stable at INR980, while our FY25 EPS has seen a cut of 1% to INR1,132. We expect the Nifty EPS to grow 21% and 16% in FY24 and FY25, respectively.

MOFSL Top Ideas: Large caps – ICICI Bank, SBI, L&T, TITAN, ITC, HCL Tech, Coal India, M&M, Zomato, and Hindalco.
Mid caps: Indian Hotels, Godrej Properties, Global Health, PNB Housing, KOEL, Cello World, Sobha, Lemon Tree Hotel, and JK Cement.



Model portfolio: Key changes

Our Model portfolio remains aligned with 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.

- **FINANCIALS:** We reiterate our OW stance on Financials and maintain a significant OW position on PSU Banks. Valuations in the banking space are very reasonable after the recent underperformance, even as asset quality continues to remain healthy. We have kept stocks and weights broadly unchanged in both Private and PSU Banks, with a significant OW stance on PSU Banks. In NBFC- Lending space, we are adding **Chola Investments.** CIFC will continue to grow faster than its peers over the medium term, aided by a diversified product suite and a gradual improvement in market share. With its ability to deliver industry-leading loan growth (~23% AUM CAGR over FY24-FY26E), its strong asset quality (estimated credit cost of ~1.2% over FY25-26) and healthy RoE of ~21-22%, we believe CIFC would continue to command premium valuations relative to its NBFC peers.
- **CONSUMPTION:** We continue to remain OW on Consumption with a significant bias towards discretionary consumption names. **ITC** is the only Consumer Staple stock we hold in our model portfolio. **We are adding Cello World to the portfolio**. Cello, with a presence across diverse product categories, benefits from the growing total addressable market (TAM) in each category. The overall TAM of Cello is expected to record a 13% CAGR over FY23-27 (to INR1,229b by FY27 from INR743b in FY23). The company is anticipated to register a robust revenue/EBITDA/Adj. PAT CAGR of 18%/23%/25% over FY23-FY26. We continue to maintain our allocations in **Avenue Supermart, Indian Hotels, Zomato, Lemontree Hotels, and Metro Brands.**
- **AUTOMOBILES:** We are replacing Hero Motors with SAMIL. Given its well-diversified presence across components, geographies, and customers, SAMIL is emerging as the key beneficiary of the growing popularity of electric cars and the rising trend of premiumization across segments. This is evident in a solid ramp-up in its order book, where its booked business has scaled up to USD77.3b. The stock trades at an attractive valuation relative to peers (at 17x

FY26E EPS). We are reintroducing Craftsman Automation after the correction. Its track record of creating and gaining market leadership organically is uncommon in the auto component industry. This has enabled the company to deliver a good balance of strong growth and superior capital efficiency. We estimate a CAGR of 25%/24%/30% in consolidated revenue/EBITDA/PAT over FY23-26.

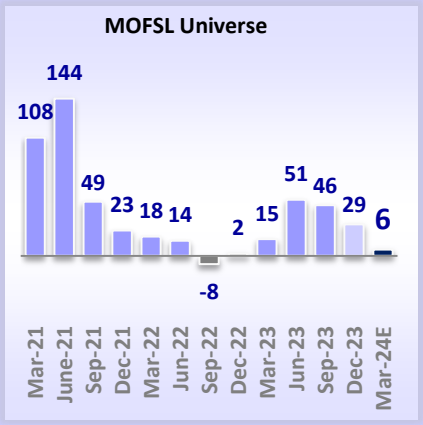
- **METALS:** While Coal India continues to remain our preferred idea, we are also adding Hindalco to our model portfolio. Novelis has experienced a significant improvement in EBITDA/t over the last few quarters, which is expected to reach USD600 by FY25-end (from USD500 at present). The stock is currently trading at an EV/EBITDA of 5.5x on FY26E EBITDA.
- **CEMENT:** We are adding JK Cement, which has demonstrated superior execution capabilities, resulting in higher-than-industry volume growth. Its management has outlined expansion plans to reach over 30mtpa by FY26-27, and we believe that JKCE has the potential to reach 50mtpa+ capacity in the long run. We have upgraded our FY25/FY26 EBITDA estimates by 5%/6%.

Note: Exhibit data is sourced from Bloomberg, Companies, and MOFSL research database

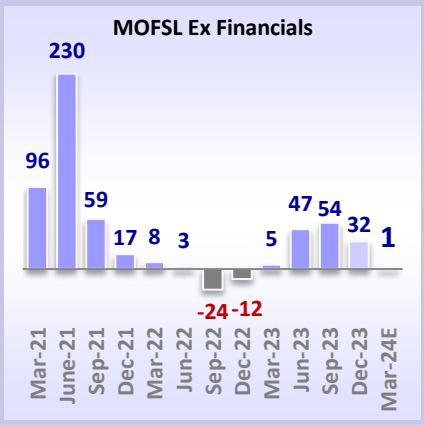
Corporate earnings at a glance: BFSI and Auto to drive earnings growth

BFSI and Auto would lead the quarter; Healthcare and Cement's contribution to improve; excluding Metals and O&G, profits would grow 12% and 9% YoY for the MOFSL Universe and Nifty, respectively.

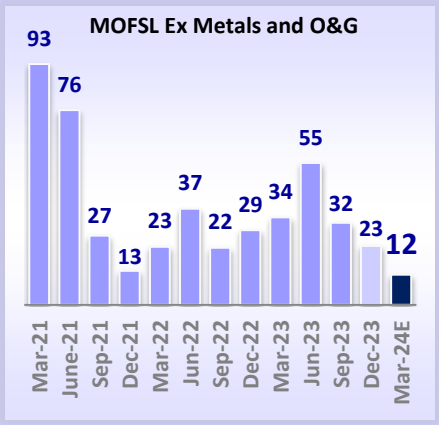
PAT expected to rise 6% YoY for the MOFSL Universe



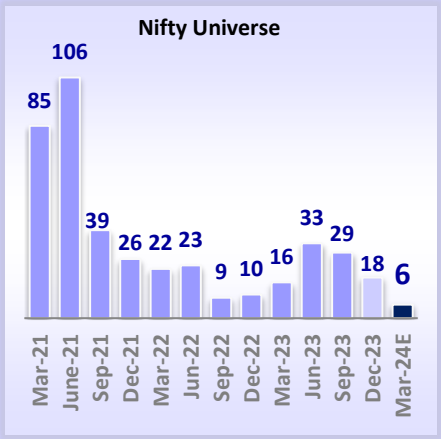
PAT likely to rise 1% YoY for the MOFSL Universe, excluding Financials



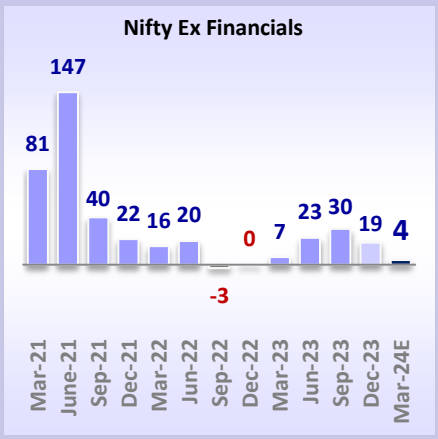
PAT to jump 12% YoY for the MOFSL Universe, sans Metals and O&G



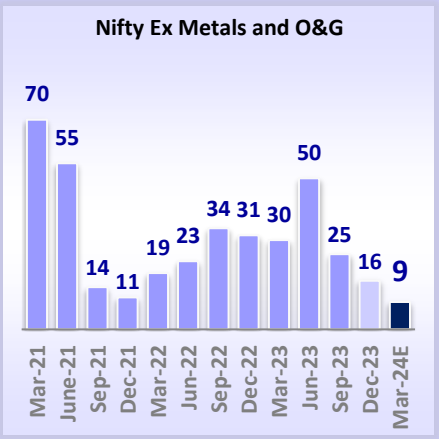
PAT growth for the Nifty Universe likely to be at 6% YoY



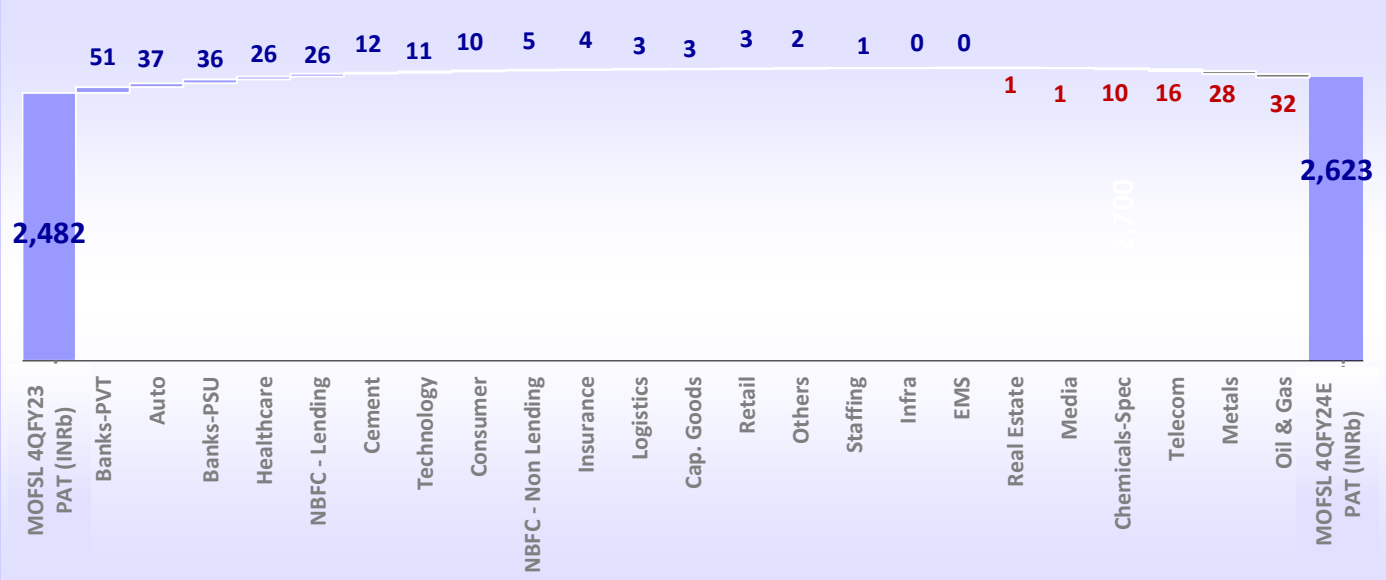
PAT to grow 4% YoY for the Nifty Universe, sans Financials



PAT to jump 9% YoY for the Nifty Universe, sans Metals and O&G

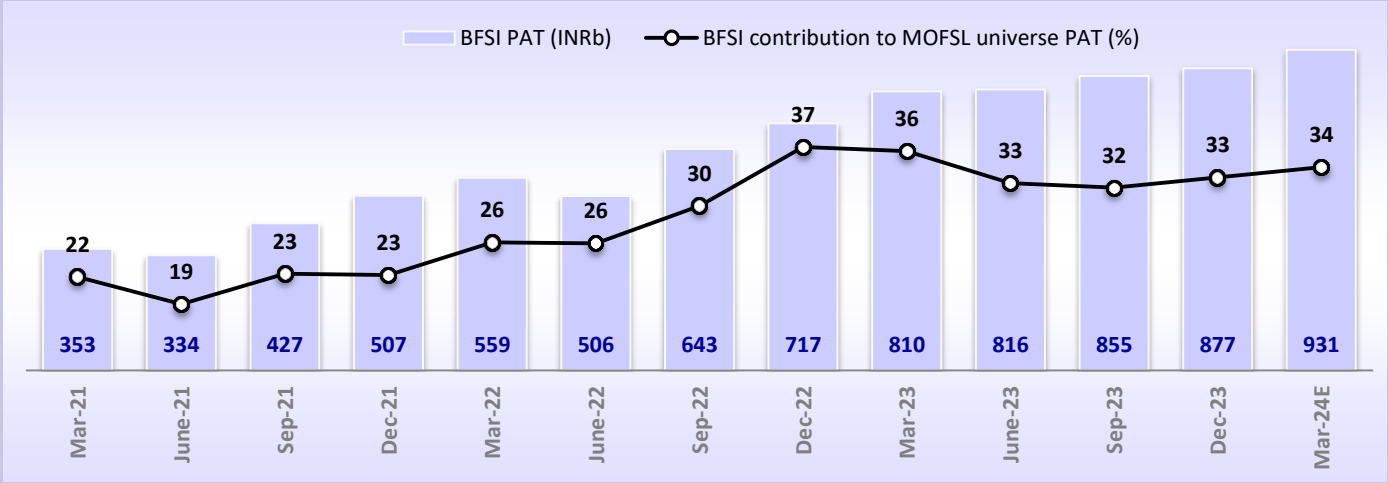


Performance of the MOFSL Universe to be driven by BFSI, Autos, Healthcare, and Cement in 4QFY24E

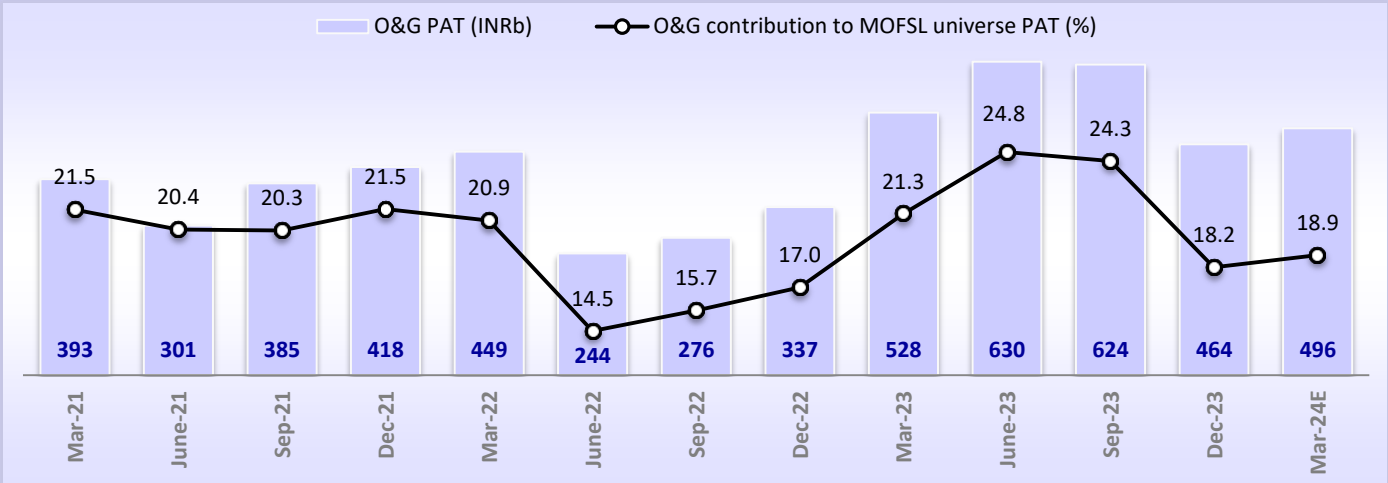


Corporate earnings at a glance: BFSI and O&G's contribution likely to expand

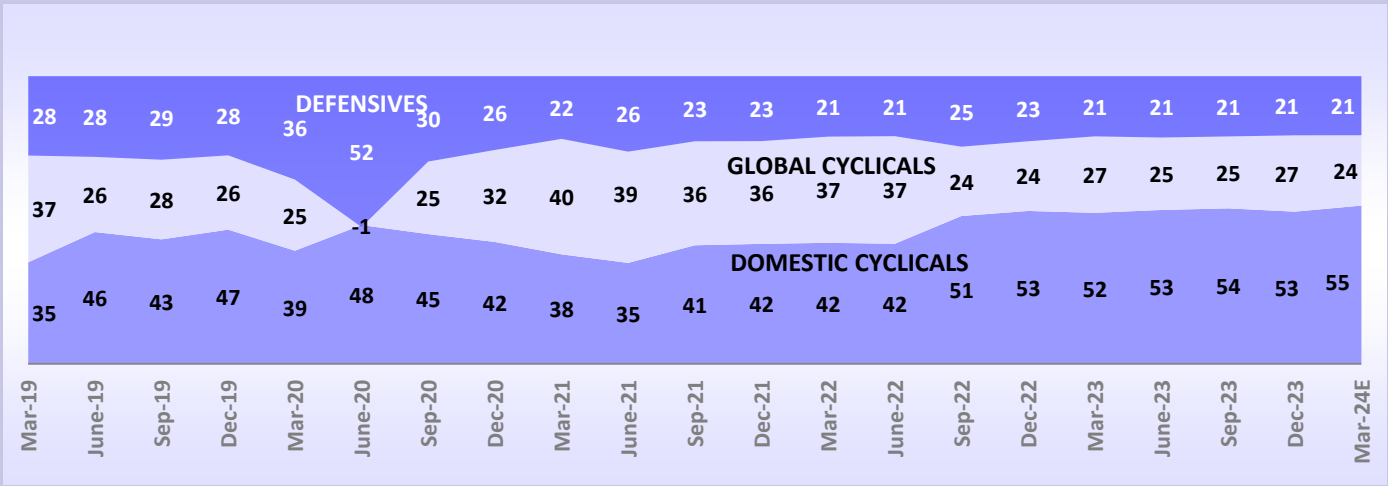
Financials' contribution to witness marginal gains and to account for over one-third of the overall profit pool



O&G's PAT contribution to the MOFSL Universe would improve in 4QFY24



MOFSL (ex-OMC)'s PAT share (%): Domestic Cyclicals to drive earnings; while, Global Cyclicals to drag!



MOFSL: MODEL PORTFOLIO

SECTOR WEIGHT / PORTFOLIO PICKS	BSE 100	MOST WEIGHT	WEIGHT RELATIVE TO BSE100	EFFECTIVE SECTOR STANCE	PAT YoY / CAGR (%)			
					FY24E	FY25E	FY26E	FY24-FY26
Financials	**31.1**	**34.0**	**2.9**	**Overweight**				
Private Banks	**22.4**	**20.0**	**-2.4**	**Underweight**				
ICICI Bank	6.2	8.0	1.8	Buy	28	12	15	13
HDFC Bank	9.6	7.0	-2.6	Buy	36	16	17	16
Axis Bank	2.5	3.0	0.5	Neutral	10	11	19	15
AU Small Finance	0.2	2.0	1.8	Buy	8	33	37	35
PSU Bank	**2.8**	**6.0**	**3.2**	**Overweight**				
SBI	2.4	4.0	1.6	Buy	15	27	17	22
Bank of Baroda	0.4	2.0	1.6	Buy	26	13	13	13
Diversified Financials	**5.9**	**8.0**	**2.1**	**Overweight**				
Angel One	0.0	3.0	3.0	Buy	22	24	22	23
Chola. Inv & Fin.	0.4	3.0	2.6	Buy	25	42	26	34
PNB Hsg Fin	0.0	2.0	2.0	Buy	37	26	25	26
Consumption / Retail	**13.0**	**14.0**	**1.0**	**Neutral**				
ITC	3.3	4.0	0.7	Buy	9	5	7	6
Avenue Supermarts	0.6	3.0	2.4	Buy	8	41	33	37
Titan Company	1.3	3.0	1.7	Buy	11	30	23	26
Zomato	0.9	2.0	1.1	Buy	LP	168	140	154
Indian Hotels	0.4	2.0	1.6	Buy	25	29	18	23
Energy/Telecom	**13.0**	**12.0**	**-1.0**	**Neutral**				
Reliance Industries	8.2	6.0	-2.2	Buy	2	17	17	17
GAIL	0.4	2.0	1.6	Buy	77	-8	27	8
HPCL	0.0	2.0	2.0	Buy	LP	-25	1	-13
Bharti Airtel	2.5	2.0	-0.5	Buy	29	73	24	47
Cap Goods, Infra & Cement	**9.0**	**8.0**	**-1.0**	**Neutral**				
Larsen & Toubro	3.6	4.0	0.4	Buy	18	32	27	29
ABB India	0.0	2.0	2.0	Buy	82	25	23	24
Godrej Properties	0.0	2.0	2.0	Buy	21	71	2	32
Technology	**10.9**	**8.0**	**-2.9**	**Underweight**				
Infosys	4.3	5.0	0.7	Buy	2	14	17	15
HCL Technologies	1.3	3.0	1.7	Buy	8	14	16	15
Auto	**7.7**	**7.0**	**-0.7**	**Neutral**				
Mahindra & Mahindra	1.6	3.0	1.4	Buy	32	10	12	11
Samvardhana Motherson	0.0	2.0	2.0	Buy	44	66	32	48
Ashok Leyland	0.2	2.0	1.8	Buy	92	21	12	16
Healthcare	**4.4**	**4.0**	**-0.4**	**Neutral**				
Cipla	0.6	2.0	1.4	Buy	40	9	12	10
Global Health	0.0	2.0	2.0	Buy	51	30	17	23
Metals / Utilities	**6.6**	**4.0**	**-2.6**	**Underweight**				
Hindalco	0.7	2.0	1.3	Buy	-1	29	4	16
Coal India	0.8	2.0	1.2	Buy	9	0	20	9
Others	**4.4**	**9.0**	**4.6**	**Overweight**				
Lemon Tree	0.0	1.0	1.0	Buy	10	85	36	59
Metro Brands	0.0	1.0	1.0	Buy	-13	32	28	30
Kirloskar Oil Eng.	0.0	1.0	1.0	Buy	32	33	28	30
Sobha	0.0	1.0	1.0	Buy	11	240	105	164
Restaurant Brands	0.0	1.0	1.0	Buy	-30	-73	-187	LP
Cello World	0.0	1.0	1.0	Buy	25	25	23	24
J K Cements	0.0	1.0	1.0	Buy	96	29	25	27
Craftsman Auto	0.0	1.0	1.0	Buy	32	19	31	25
Sunteck Realty	0.0	1.0	1.0	Buy	8910	82	38	59
Total	**100**	**100**			**23**	**16**	**17**	**17**

LP: Loss to Profit

MARKETS

Indian markets scale new peak…

…with healthy institutional flows and strong retail participation!

- **Creating new milestones:** The Nifty-50 surpassed the milestone of 22k, and BSE Sensex exceeded the 74k mark and hit an all-time high. The Nifty-50 surged 29% YoY in FY24 (vs. -1% in FY23).
- **Resilience personified:** Amid weak global macros, high interest rates, and geopolitical uncertainties that kept global markets volatile and jittery, Indian markets continued to showcase their resilience and outperformed other emerging markets handsomely. MSCI India outperformed global markets by a wide margin in the past 12 months.
- **Most global economies end higher in FY24**: Barring China (-16%), most of the key global markets, such as US S&P 500 (+28%), Brazil (+27%), India (+27%), Japan (+26%), Taiwan (+22%), Russia (+20%), Germany (+18%), France (+11%), South Korea (+7%) and UK (+7%) gained in FY24 in USD terms. Further, MSCI India (+35%) outperformed MSCI EM (+5%) by a wide margin in FY24.
- **India's outperformance moderates vs. global peers in FY24** as global markets recover from their lows. Despite relative moderation, India remains the top performer in local currency terms and one of the top three performers in USD terms in the last 10 years. The Nifty-50 posted a CAGR of 15%/14%/13% (in local currency terms) and a CAGR of 10%/10%/9% (in USD terms) during the 3-year/5-year/10-year periods.
- **Broad-based outperformance!** The year witnessed broad-based growth, with all indices and sectors delivering positive returns. Both the Nifty Midcap 100 (+60% YoY) and Nifty Smallcap 100 (+70% YoY) outperformed the benchmark by a wide margin of 31% and 41%, respectively. The recovery of the underperforming sectors from the past decade, such as Real Estate, Capital Goods, PSUs, Industrials, Defense, etc. (despite not being a major contributor to the large-cap indices), led to the continued rally in the broader markets. This propelled the mid- and small-cap indices to new highs.
- **FII flows rebound while DII flows remain strong:** FIIs turned net buyers with inflows of USD25.3b in FY24 (vs. outflows of USD6b in FY23). Further, resilient domestic inflows of USD25.3b in FY24 and monthly SIP inflows of +USD2b (scaling a new high) easily cushioned the major shocks caused by global volatility and various uncertainties in the past two years.

Exhibit 1: World equity indices in USD terms (%)

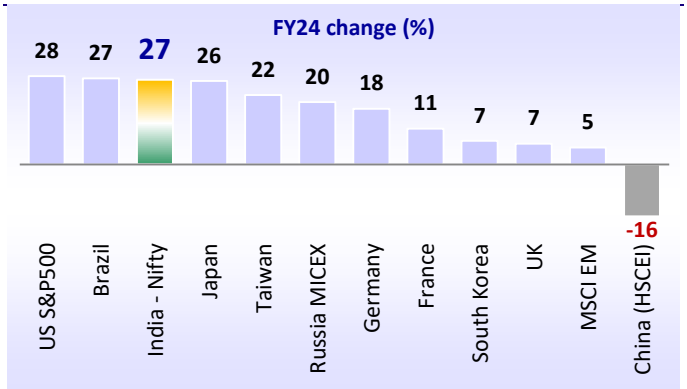


Exhibit 2: World equity indices in local currency terms (%)

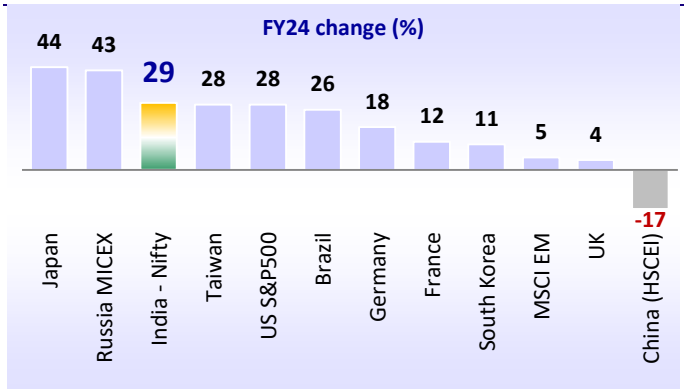


Exhibit 3: FII flows remained volatile but positive…

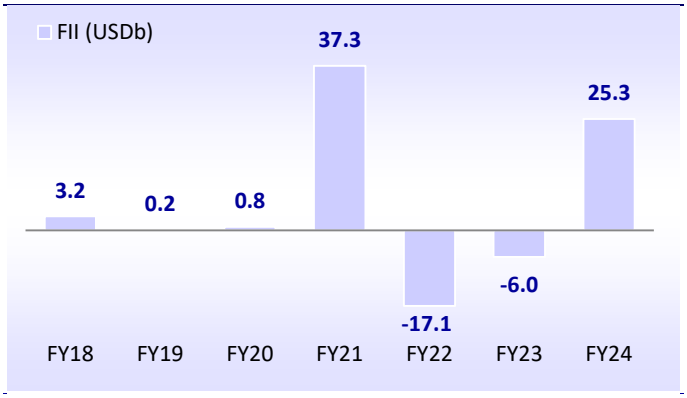


Exhibit 4: …while DII inflows continued to remain strong

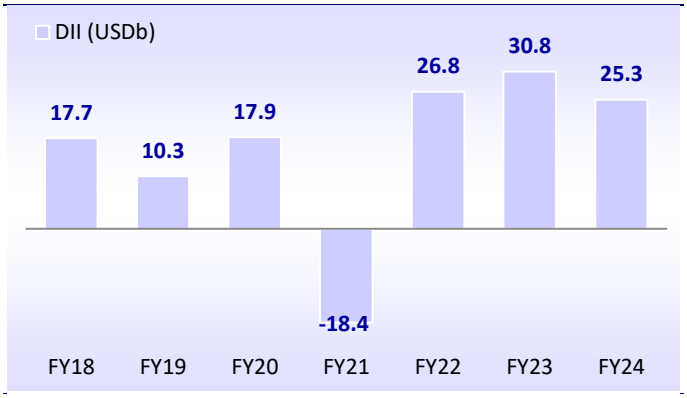


Exhibit 5: FIIs net buyers, and inflows jumped in Mar'24

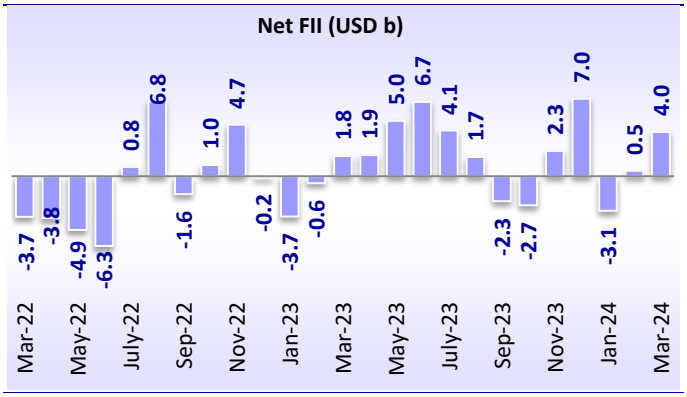


Exhibit 6: DII flows remained healthy since last eight months

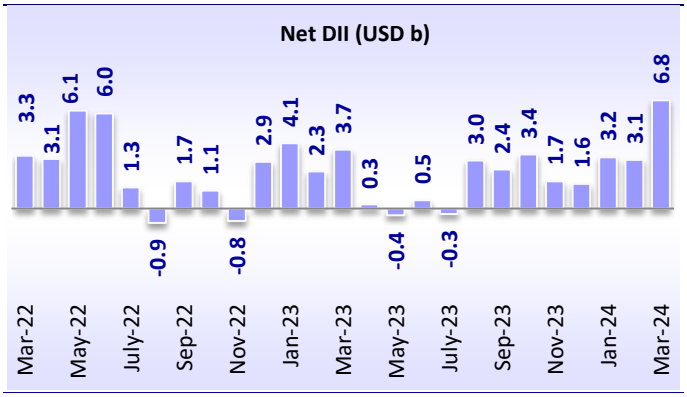
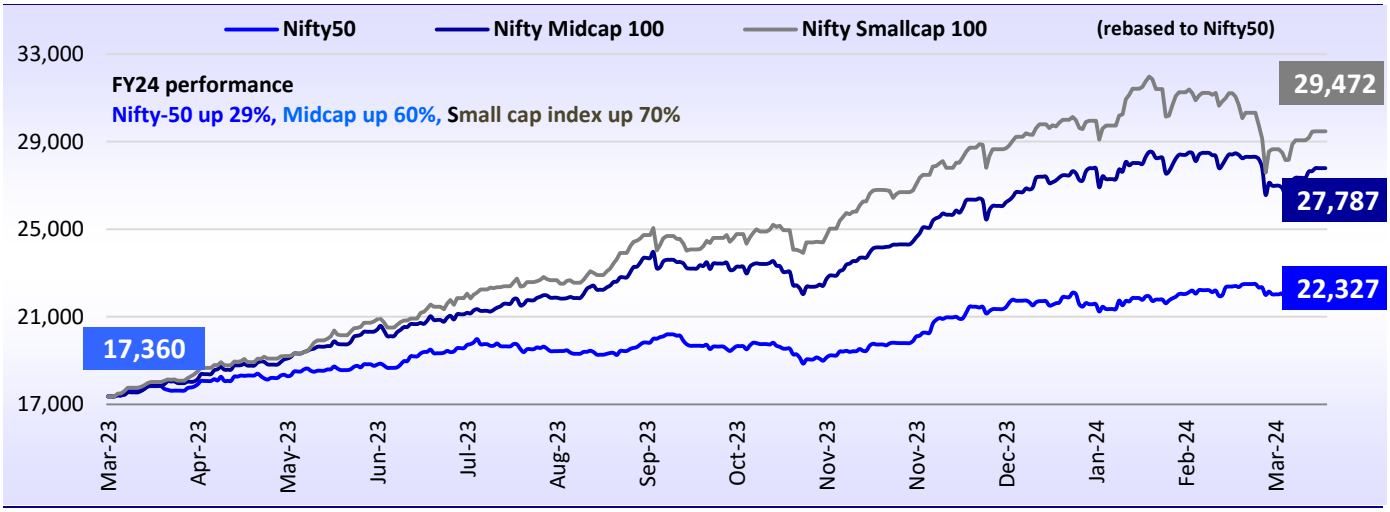


Exhibit 7: Nifty Midcap and Nifty Smallcap indices outperformed Nifty-50 in CY23 (indices rebased to Nifty-50)



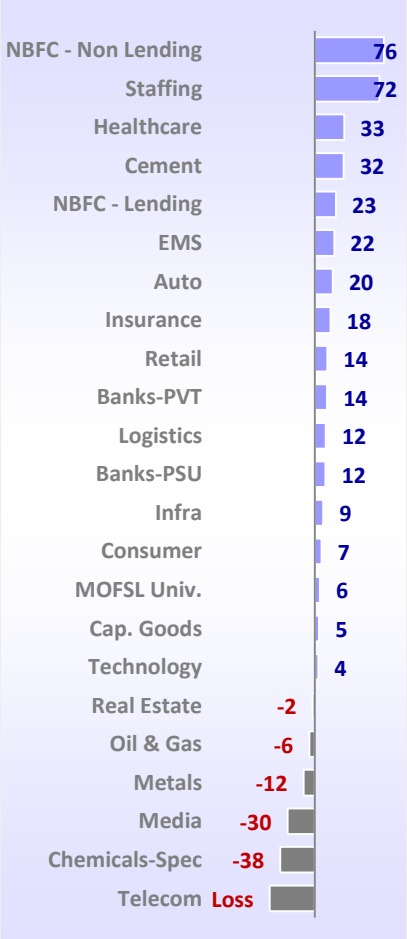
4QFY24 PREVIEW

Auto and BFSI to lead, while broader markets' contributions continue to improve!

Expect BFSI and Auto to lead the incremental profit growth in 4QFY24

Of the 17 major sectors under MOFSL Coverage, 8 sectors to witness an expansion in EBITDA margin YoY

Sectoral PAT growth for the quarter-ended Mar'24 (YoY %)



Earnings of Healthcare and Cement to improve, while that of global cyclicals to weaken

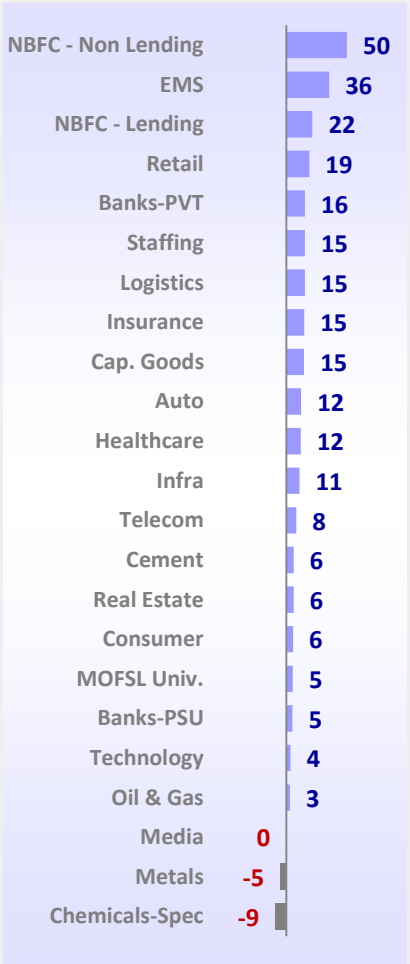
- **Auto** sector's earnings are anticipated to surge 20% YoY during the quarter. Excluding Tata Motors, the sector is likely to clock 23% YoY growth. We estimate margin expansion to continue for the eighth straight quarter YoY. We estimate EBITDA margin to remain stable sequentially, with ~80bp YoY gain for our Auto OEM Universe (ex-JLR). This will be driven by better gross margins and cost efficiencies. The benefit of healthy growth in underlying industries coupled with cost efficiencies should also result in strong earnings growth for our Ancillary coverage universe.
- **BFSI's** earnings are anticipated to be healthy and will be driven by Private Banks (up 15%) and NBFC-Lending (up 23%), while PSBs are expected to post earnings growth of 14% YoY. This growth will be aided by credit growth due to the sustained momentum in retail and business banking, along with a gradual recovery in the corporate sector. The SME and Real Estate sectors are experiencing strong growth. Home Loans, Vehicle Finance and Small business loans continue to drive positive momentum, while unsecured loans are expected to witness some moderation in growth amidst the RBI's RWA regulation. We expect NIM compression to moderate further in 4QFY24. Further, slippages are likely to remain under control, which should drive the continued improvement in asset quality ratios.
- **Cement sector** earnings are projected to jump 32% YoY on a weak base of 4QFY23. The sector is expected to report its third consecutive quarter of strong earnings growth after posting an earnings decline for seven quarters. Our Cement coverage universe is likely to report strong volume growth of 10% YoY in 4QFY24. Cement price corrected across regions during the quarter. We estimate average EBITDA/t to decline ~12% QoQ to INR990. Aggregate EBITDA is estimated to increase 24% YoY, while OPM is expected to improve YoY to 18.2%
- **O&G's** earnings would moderate in 4QFY24 as marketing profits may be hit by inventory losses. Brent crude prices averaged USD83/bbl in 4QFY24, up 2% YoY. However, Brent has surpassed the USD85/bbl level amid escalating geopolitical tensions. The sector's PAT should decline 6% YoY, whereas it would increase 6% YoY (ex-OMCs) during the quarter.
- **Metals sector** is expected to post an earnings decline of 12% YoY. Excluding global commodities (Metals and O&G), the MOFSL Universe is anticipated to report a 12% earnings growth during the quarter.
- **Technology** sector would be impacted adverse macros that would continue to dampen demand in 4QFY24. However, the sequential revenue growth for the companies across our coverage should see an improvement due to the low 3Q base (on account of seasonality). This should result in the weakest sectoral annual growth (median growth of 4.9% YoY) since the 2008-09 financial crisis (excluding the Covid-impacted FY21). The MOFSL IT Services coverage universe should report a median revenue growth of 1.8% QoQ/4.1% YoY in 4QFY24. We expect most of the companies to deliver a better operating margin in 4Q due to their continued focus on cost optimization.

- **Specialty Chemicals** is projected to report an earnings decline (down 38% YoY) for the fourth consecutive quarter.
- **4QFY24 snapshot:** We expect EBITDA/PBT/PAT to grow 7%/9%/6% YoY in 4QFY24 for the MOFSL Universe. Excluding Metals and O&G, EBITDA/ PBT/PAT for the MOFSL Universe would grow 11%/15%/12% YoY. Sales for the MOFSL Universe are forecasted to grow 5% YoY. Excluding Metals and O&G, sales are likely to improve 10% YoY during the quarter.
- EBITDA margins for Real Estate, Logistics, Cement, Healthcare, Automobiles, Staffing, Retail, and Consumers should expand, while margins for O&G, Telecom, Media, Technology, Capital Goods, Metals, Infrastructure, EMS, and Specialty Chemicals are likely to contract on a YoY basis.
- **Nifty earnings to grow 6% YoY in 4QFY24:** Ex-OMCs, Nifty earnings are anticipated to grow ~7% YoY. HDFC Bank, ONGC, ICICI Bank, Maruti Suzuki, Coal India, and TCS are likely to drive Nifty earnings, while Tata Steel, BPCL, Reliance, and JSW Steel are projected to drag the same.
- Nifty earnings, ex Metals/O&G, are likely to grow 9% YoY in 4QFY24.
- **FY24E snapshot:** MOFSL Universe and Nifty are likely to record 28% YoY and 23% YoY earnings growth, respectively, in FY24E. Excluding Metals and O&G, MOFSL Universe/Nifty should post 23%/21% YoY earnings growth.

Key sectoral trends and highlights

- **The Private Banks (excluding HDFCB) would report a PPoP growth of 6% YoY/ 2% QoQ, and a PAT growth of 6% YoY/5.3% QoQ**. Earnings growth would be supported by robust business growth, normalized opex, and controlled credit costs. We expect the pace of NIM compression to moderate vs. 3Q/2Q levels and NII to grow 15.4% YoY (ex-HDFCB).
- **PSU Banks** are likely to report NII growth of 5% YoY, while PPoP is anticipated to decline 1% YoY. PAT is projected to grow 12% YoY in 4QFY24. Opex is likely to decrease sequentially primarily due to wage-related provisions made in 3QFY24. Stable NIMs, moderate treasury gains, and benign credit costs bode well. The ongoing improvement in asset quality is expected to continue.
- The MOFSL **NBFC-Lending** Coverage Universe is likely to report a PBT/PAT growth of 22%/23% YoY. We expect disbursements to remain healthy across HFCs, vehicle financing, gold lenders, and diversified lenders, driven by strong demand and sectoral tailwinds. For our coverage universe, we estimate a loan growth of ~20% YoY/~5% QoQ in 4QFY24.
- The **Auto** Universe is likely to report a 20% YoY jump in earnings. Ex-TTMT, the growth will still be healthy at 23% YoY, led by Maruti, Tata Motors, and Bajaj Auto. We estimate EBITDA margin to remain stable sequentially, with ~80bp YoY gain for our Auto OEM Universe (ex-JLR).
- The **Healthcare** Universe is likely to report sales/EBITDA/PAT growth of 12%/ 25%/ 33% YoY in 4QFY24. Sales growth would be aided by a strong traction in the US generics and a healthy performance in the domestic formulation (DF) segment in 4Q. For hospitals, we expect the profitability to improve due to the addition of beds and optimization of the case mix/payor mix.
- The **MOFSL Cement** Universe should report an EBITDA/PBT/PAT growth of 24%/ 27%/32% YoY on a low base. This would be the third straight quarter of earnings expansion after seven consecutive quarters of decline. The aggregate EBITDA margin is likely to expand 250bp YoY to 16.9% for the Universe. We estimate

Sectoral sales growth for the quarter-ended Mar'24 (YoY %)



~10% YoY volume growth for our coverage companies, with the industry's capacity utilization at ~93% (vs. 91%/79% for 4QFY23/3QFY24).

- The **Technology** Universe is likely to deliver moderate USD revenue growth over a weak base of 3QFY24. We estimate 3.6% YoY revenue growth in INR terms in 4Q, translating into a corresponding YoY growth of 4% each in INR EBIT/PAT. The uncertain macroeconomic outlook continues to dampen the demand environment for the IT services industry in 4QFY24. The favorable movement of major currencies (EUR/GBP: 0.9%/2.2%) will support earnings at the margin.
- Our **Consumer** Universe is likely to report a muted sales/EBITDA/PAT growth of 6%/6%/7% YoY due to continued weak demand trends in 4QFY24. We believe volume growth has bottomed out and expect a better print in FY25. Our FMCG universe is likely to post low-to-mid-single-digit volume growth in 4QFY24. Paints and adhesive companies are likely to report high single-digit volume growth. The cigarette segment is seeing a moderation in demand and is expected to deliver flat volume growth. With gross margin benefits, we expect EBITDA to grow at a higher rate than revenue.
- **The O&G** Universe's PAT is expected to clock a 6% YoY decline (up 6% YoY ex-OMCs) largely due to the improvement in GRMs of the OMCs. SG GRM improved QoQ during the quarter due to improving Naphtha FO and Gasoline cracks. The PE, PP, and PVC spreads contracted YoY.
- The **Metals** Universe is expected to post a weak performance with 5%/7%/12% decline in revenue/EBITDA/APAT, due to softness in steel prices and elevated RM costs, partially offset by an improvement in volumes. While we expect the ferrous sector to post subdued performance, the non-ferrous sector is expected to perform better. The mining companies are expected to report strong growth, driven by volumes.
- The **Telecom** Universe would continue to report losses, led by VIL. Subsequently, we expect ~1% ARPU increase across the Telcos and 1% industry subscriber growth in 4QFY24. Within the industry, Bharti and RJio would continue to see higher revenue growth.

Exhibit 8: MOFSL and Nifty Universe to post 6% YoY earnings growth each in 4QFY24 (INR b)

	Sales	Gr. (%)		EBITDA	Gr. (%)		PAT	Gr. (%)		PAT Delta	PAT
Sector	Mar-24	YoY	QoQ	Mar-24	YoY	QoQ	Mar-24	YoY	QoQ	INRb	Share (%)
Sectors to report high PAT growth	**4,788**	**12**	**5**	**935**	**25**	**6**	**526**	**25**	**3**	**106**	**20**
NBFC-Non Lending (5)	28	50	9	13	69	27	10	76	23	5	0
Staffing (4)	116	15	5	4	28	10	3	72	64	1	0
Healthcare (23)	781	12	2	175	25	4	105	33	5	26	4
Cement (11)	575	6	12	97	24	5	48	32	2	12	2
NBFC-Lending (19)	301	22	4	227	23	5	134	23	7	26	5
EMS (5)	24	36	28	3	27	56	2	22	55	0	0
Automobiles (25)	2,963	12	5	416	26	6	223	20	-1	37	8
Sectors to report medium/ low PAT growth	**7,501**	**9**	**6**	**2,218**	**6**	**4**	**1,390**	**10**	**4**	**123**	**53**
Insurance (6)	786	15	24	40	-11	21	24	18	34	4	1
Retail (18)	430	19	-9	51	23	-17	21	14	-24	3	1
Banks-Private (13)	883	16	3	659	14	2	426	14	2	51	16
Banks-PSU (6)	881	5	3	560	-1	8	336	12	10	36	13
Logistics (8)	154	15	3	58	24	3	32	12	0	3	1
Infrastructure (3)	53	11	14	14	8	10	5	9	18	0	0
Consumer (19)	808	6	2	193	6	-1	141	7	-6	10	5
Others (17)	601	0	-1	89	5	2	37	7	-12	2	1
Capital Goods (11)	1,023	15	22	122	12	29	72	5	27	3	3
Technology (12)	1,883	4	1	433	3	2	297	4	4	11	11
Sectors to report PAT decline	**11,763**	**1**	**3**	**1,813**	**1**	**1**	**708**	**-11**	**1**	**-88**	**27**
Real Estate (10)	138	6	30	40	23	25	29	-2	35	-1	1
Oil & Gas (15)	7,929	3	2	969	3	4	496	-6	7	-32	19
Metals (10)	2,875	-5	5	473	-7	-7	200	-12	-13	-28	8
Media (3)	41	0	-9	6	-1	-35	3	-30	-42	-1	0
Chemicals-Specialty (12)	153	-9	2	27	-25	1	16	-38	3	-10	1
Telecom (4)	627	8	2	296	8	3	-37	Loss	Loss	-16	-1
MOFSL Universe (259)	**24,053**	**5**	**4**	**4,966**	**7**	**3**	**2,623**	**6**	**3**	**141**	**100**
Nifty (49)	**14,929**	**9**	**8**	**3,530**	**9**	**5**	**1,904**	**6**	**3**	**108**	
Sensex (30)	**11,222**	**12**	**9**	**2,854**	**9**	**6**	**1,512**	**3**	**3**	**49**	

Exhibit 9: Expect a two-year PBT/PAT CAGR of 11%/10% for the MOFSL Universe (INR b)

Sector	PBT (INR b)				Growth (%)			PAT (INR b)				Growth (%)		
	Mar-22	Mar-23	Dec-23	Mar-24	YoY	Two-year CAGR	QoQ	Mar-22	Mar-23	Dec-23	Mar-24	YoY	Two-year CAGR	QoQ
Automobiles (25)	118	215	279	299	39	59	7	86	186	225	223	20	61	-1
Capital Goods (11)	91	98	84	109	11	9	29	63	69	57	72	5	7	27
Cement (11)	58	51	62	65	27	6	6	42	36	47	48	32	7	2
Chemicals-Specialty (12)	28	31	20	20	-34	-16	2	22	25	15	16	-38	-16	3
Consumer (19)	150	175	192	188	8	12	-2	115	131	150	141	7	11	-6
EMS (5)	2	2	2	3	21	39	58	1	2	1	2	22	40	55
Financials (49)	730	1,068	1,089	1,234	16	30	13	559	810	877	931	15	29	6
Banks-Private (13)	387	497	535	567	14	21	6	295	375	420	426	14	20	2
Banks-PSU (6)	200	395	357	450	14	50	26	152	300	306	336	12	49	10
Insurance (6)	15	21	19	25	18	27	30	16	20	18	24	18	22	34
NBFC - Lending (19)	118	147	167	180	22	24	8	89	109	125	134	23	23	7
NBFC - Non Lending (5)	9	8	11	14	72	22	24	7	6	8	10	76	24	23
Healthcare (23)	106	105	130	140	34	15	7	77	79	101	105	33	17	5
Infrastructure (3)	8	7	6	7	9	-6	21	6	5	4	5	9	-5	18
Logistics (8)	26	31	41	42	38	28	4	22	28	32	32	12	21	0
Media (3)	9	4	8	4	-5	-36	-52	7	5	6	3	-30	-30	-42
Metals (10)	570	319	329	279	-13	-30	-15	414	229	230	200	-12	-30	-13
Oil & Gas (15)	597	672	640	669	0	6	4	449	528	464	496	-6	5	7
Oil Ex OMCs (12)	449	411	479	460	12	1	-4	346	319	344	339	6	-1	-1
Real Estate (10)	23	28	26	35	26	25	36	19	30	22	29	-2	24	35
Retail (18)	27	22	37	26	20	-1	-28	24	18	27	21	14	-7	-24
Staffing (4)	2	2	2	3	79	18	44	2	2	2	3	72	19	64
Technology (12)	341	382	385	397	4	8	3	263	286	284	297	4	6	4
Telecom (4)	6	9	-11	4	-48	LP	LP	-25	-21	-35	-37	Loss	Loss	Loss
Others (17)	13	43	38	44	3	85	16	6	34	41	37	7	147	-12
MOFSL Universe (259)	**2,905**	**3,261**	**3,358**	**3,569**	**9**	**11**	**6**	**2,151**	**2,482**	**2,550**	**2,623**	**6**	**10**	**3**
MOFSL Ex Metals and O&G (234)	**1,739**	**2,271**	**2,389**	**2,622**	**15**	**23**	**10**	**1,289**	**1,725**	**1,856**	**1,927**	**12**	**22**	**4**
MOFSL Ex OMCs (256)	**2,757**	**3,001**	**3,196**	**3,361**	**12**	**10**	**5**	**2,048**	**2,274**	**2,430**	**2,467**	**8**	**10**	**2**
Nifty (49)	**2,075**	**2,353**	**2,409**	**2,596**	**10**	**12**	**8**	**1,552**	**1,797**	**1,854**	**1,904**	**6**	**11**	**3**
Sensex (30)	**1,626**	**1,926**	**1,900**	**2,078**	**8**	**13**	**9**	**1,222**	**1,463**	**1,466**	**1,512**	**3**	**11**	**3**

Sales/PAT for the MOFSL Universe to grow 5%/6% YoY in 4QFY24

Exhibit 10: Expect sales for the MOFSL Universe to grow 5% YoY in 4QFY24

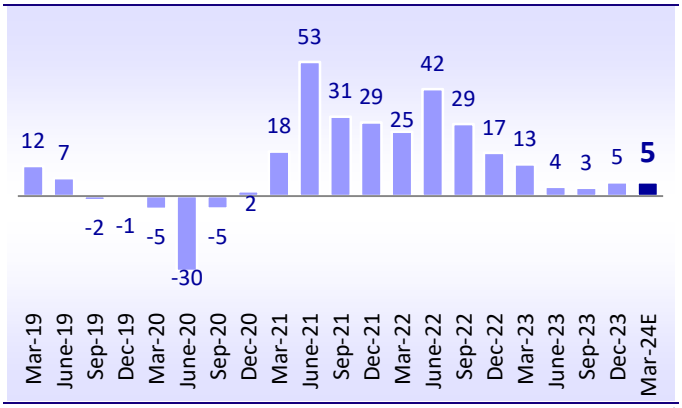


Exhibit 11: Expect MOFSL Universe earnings to grow 6% YoY in 4QFY24, driven by Auto, BFSI, Healthcare, and Cement

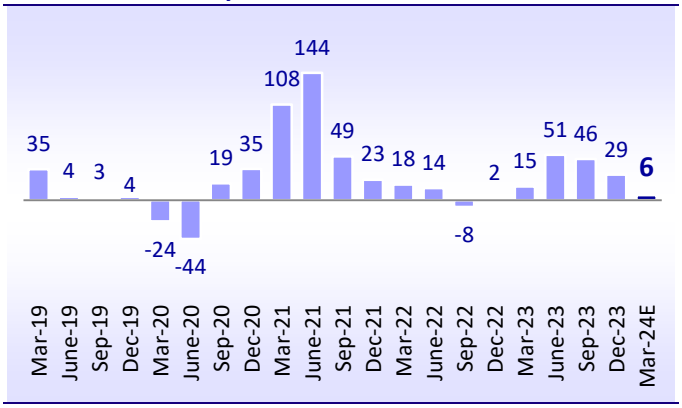
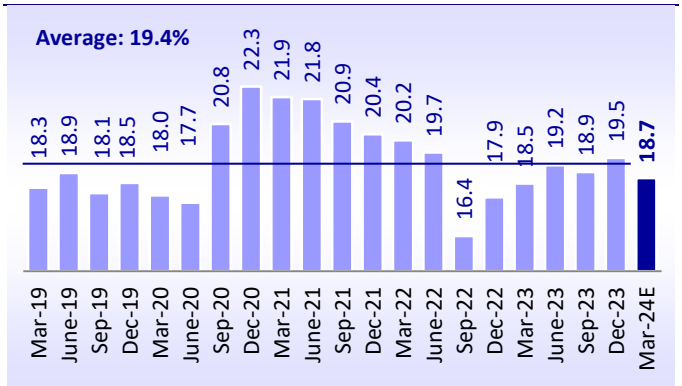
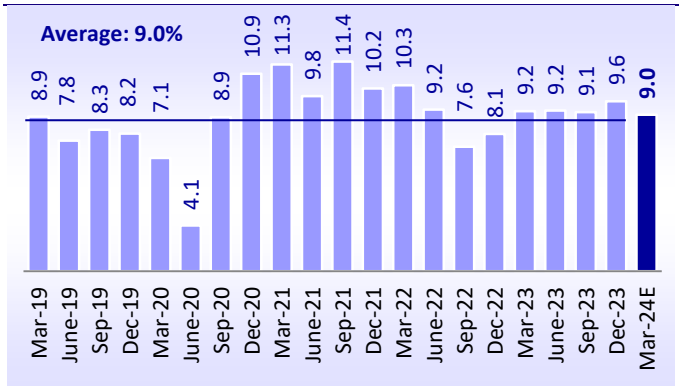


Exhibit 12: Expect EBITDA margin to expand 20bp YoY to 18.7% in 4QFY24



Source: MOFSL, excluding Financials and OMCs

Exhibit 13: Expect PAT margin to contract 20bp YoY to 9.0%



Source: MOFSL, excluding Financials and OMCs

Exhibit 14: BFSI, Auto, and Healthcare to lead; while O&G, Metals, Telecom, and Spec Chem to drag earnings in 4QFY24

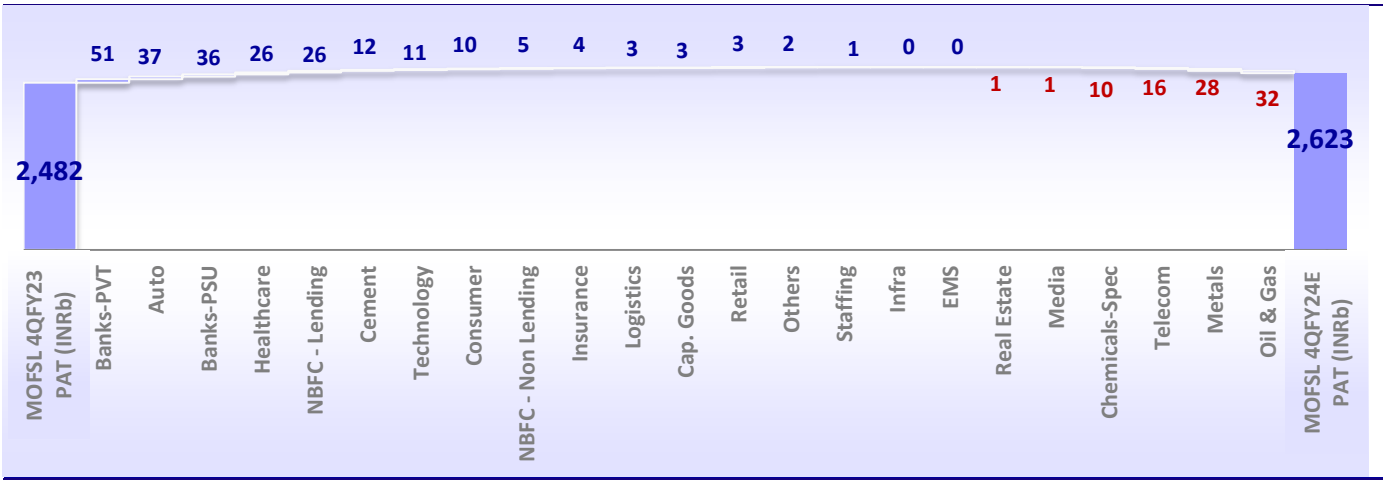


Exhibit 15: Sectoral quarterly PAT trend (INR b) – MOFSL Universe to report a 6% YoY growth in PAT in 4QFY24

	PAT (INR b)												
Sector	**Mar-21**	**June-21**	**Sep-21**	**Dec-21**	**Mar-22**	**June-22**	**Sep-22**	**Dec-22**	**Mar-23**	**June-23**	**Sep-23**	**Dec-23**	**Mar-24E**
Automobiles	148	8	31	59	86	13	97	142	186	179	205	225	223
Banks-Private	192	174	190	262	295	272	306	343	375	369	415	420	426
Banks-PSU	100	123	148	150	152	133	226	252	300	307	294	306	336
Insurance	4	4	13	8	16	14	15	16	20	18	19	18	24
NBFC - Lending	51	28	70	80	89	81	89	99	109	116	118	125	134
NBFC - Non Lending	6	6	6	7	7	6	7	6	6	6	8	8	10
Capital Goods	59	18	34	38	63	31	41	46	69	45	58	57	72
Cement	54	51	45	32	42	44	21	23	36	41	41	47	48
Chemicals-Specialty	15	18	16	18	22	25	24	22	25	20	18	15	16
Consumer	104	90	109	118	115	120	122	131	131	144	143	150	141
EMS	0	0	0	0	1	1	1	1	2	1	1	1	2
Healthcare	71	89	94	87	77	75	93	86	79	93	105	101	105
Infrastructure	4	3	3	3	6	8	4	4	5	5	3	4	5
Logistics	16	21	20	23	22	29	26	23	28	27	30	32	32
Media	6	5	5	8	7	8	5	6	5	6	8	6	3
Metals	385	373	416	353	414	333	139	133	229	201	179	230	200
Oil & Gas	393	301	385	418	449	244	276	337	528	630	624	464	496
Real Estate	14	6	12	18	19	15	15	20	30	18	19	22	29
Retail	12	-5	17	30	24	24	22	25	18	20	21	27	21
Staffing	2	1	2	2	2	2	2	2	2	2	2	2	3
Technology	227	239	247	256	263	242	264	284	286	271	277	284	297
Telecom	-41	-55	-46	-45	-25	-48	-42	-59	-21	-32	-43	-35	-37
Others	6	-20	80	18	6	7	4	39	34	51	21	41	37
MOFSL Universe	**1,829**	**1,476**	**1,899**	**1,942**	**2,151**	**1,679**	**1,755**	**1,980**	**2,482**	**2,538**	**2,569**	**2,550**	**2,623**

Expect profits of Nifty constituents to rise 6% YoY in 4QFY24

- We expect sales/EBITDA/PAT for Nifty constituents to improve 9%/9%/6% YoY propelled by Auto & BFSI. Excluding Metals and O&G, Sales/EBITDA/ PBT/PAT is likely to grow 11%/13%/13%/9% YoY for the quarter.
- HDFC Bank, ONGC, ICICI Bank, Maruti Suzuki, Coal India, and TCS are likely to drive Nifty earnings, while SBI, Tata Steel, BPCL, Reliance, JSW Steel are projected to drag the same.
- Seventeen Nifty companies are likely to report a PAT growth of above 20% YoY. Whereas, fifteen Nifty companies are expected to report a YoY decline in PAT.

NBFC, Healthcare, and Cement are likely to lead Nifty earnings in 4QFY24

Exhibit 16: Sector-wise PAT breakdown for the Nifty constituents in 4QFY24E (YoY %)

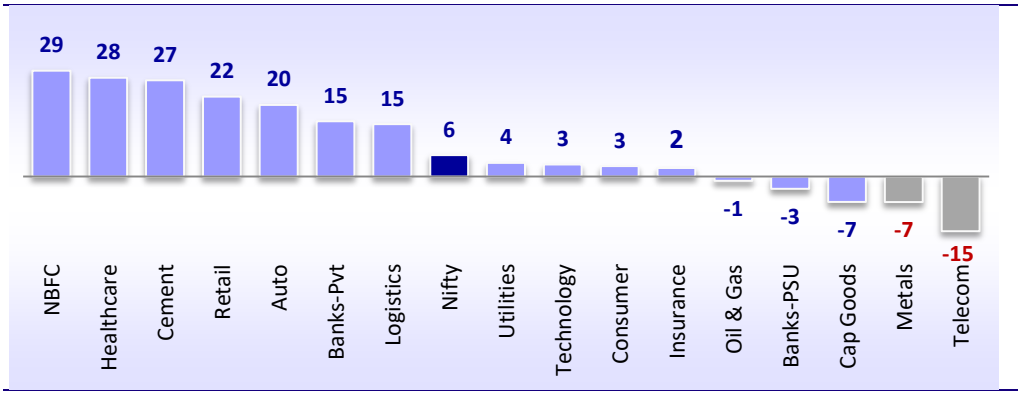


Exhibit 17: Expect Nifty's revenue to grow 9% YoY in 4QFY24

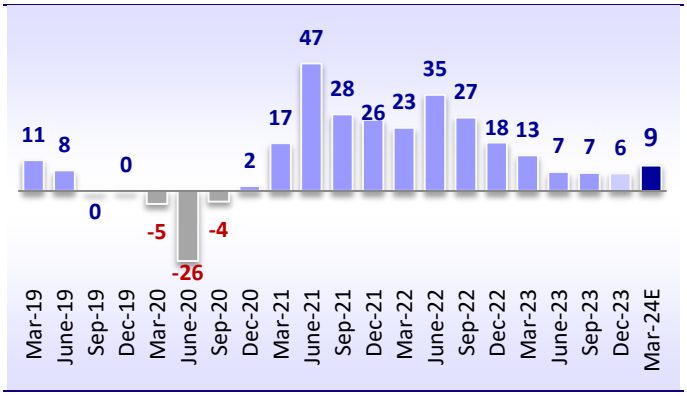


Exhibit 18: Expect Nifty's EBITDA to grow 9% YoY in 4QFY24

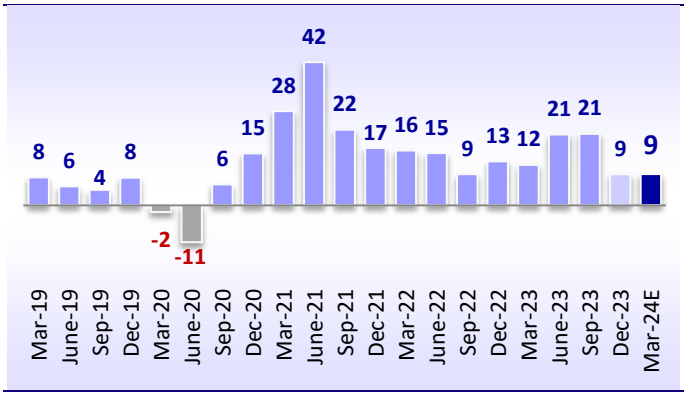


Exhibit 19: Expect Nifty's PAT to rise 6% YoY in 4QFY24

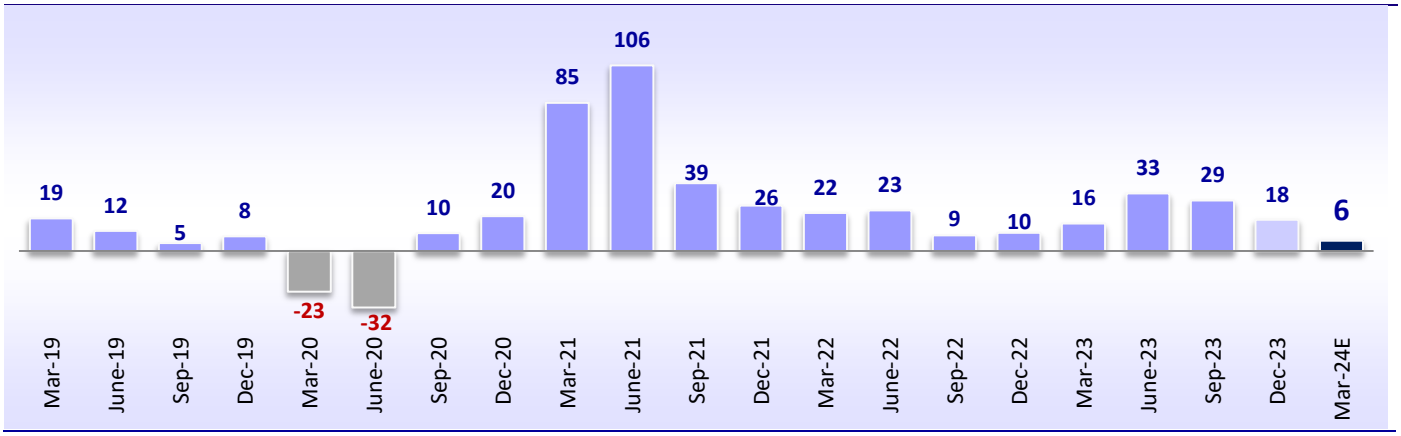


Exhibit 20: Nifty's earnings snapshot for 4QFY24 (INR b)

		Sales	Gr. (%)		EBITDA	Gr. (%)		PBT	Gr. (%)		PAT	Gr. (%)	
Company	Sector	Mar-24	YoY	QoQ	Mar-24	YoY	QoQ	Mar-24	YoY	QoQ	Mar-24	YoY	QoQ
Bajaj Auto	Auto	110	23.1	-9.5	22	25.8	-11.1	24	28.1	-9.7	18	26.8	-11.0
Eicher Motors	Auto	42	10.6	0.7	11	18.3	1.3	12	22.0	1.3	11	19.7	8.9
Hero MotoCorp	Auto	93	11.9	-4.4	13	20.4	-4.3	14	19.0	-3.7	10	18.8	-4.9
Mahindra & Mahindra	Auto	236	4.4	-6.8	28	0.4	-13.2	23	3.5	-26.3	18	-8.8	-26.6
Maruti Suzuki	Auto	389	21.5	16.9	50	48.8	27.6	51	57.5	26.5	40	51.4	26.9
Tata Motors	Auto	1,185	11.8	7.1	169	31.6	10.0	88	76.4	16.3	64	13.8	-9.8
Axis Bank	Pvt. Bank	127	8.3	1.5	92	0.5	0.8	85	-4.2	4.6	64	-4.1	4.6
HDFC Bank	Pvt. Bank	291	24.8	2.4	243	30.3	2.6	208	30.3	6.8	157	29.9	-4.4
ICICI Bank	Pvt. Bank	192	8.6	2.7	147	6.5	0.0	141	15.5	3.1	106	16.5	3.5
IndusInd Bank	Pvt. Bank	55	17.5	3.6	42	10.7	2.9	32	18.3	5.0	24	18.2	5.0
Kotak Mah Bank	Pvt. Bank	67	9.8	2.2	50	8.2	10.1	45	0.9	13.8	34	-2.2	13.8
State Bank	Banks-PSU	415	2.6	4.1	229	-6.9	12.7	211	-1.0	68.2	161	-3	12.0
HDFC Life Insur.	Insurance	227	15.9	46.5	12	-19.0	42.9	5	87.9	38.2	4	22.5	20.4
SBI Life Insurance	Insurance	238	18.8	5.9	15	2.7	-11.9	7	-7.8	122.5	7	-6.8	125.0
Bajaj Finance	NBFC - Lend	81	29.5	5.8	65	27.4	6.1	52	22.4	6.5	39	22.3	6.2
Bajaj Finserv	NBFC - Lend	266	31.8	9.6	70	29.8	5.1	57	24.6	4.1	23	27.7	4.7
Shriram Finance	NBFC - Lend	51	22.1	4.0	39	25.2	4.6	26	38.3	7.5	20	49.3	7.4
Larsen & Toubro	Capital Goods	650	11.4	17.9	72	5.7	25.5	60	2.0	26.2	37	-7.0	25.8
Grasim Industries	Cement	64	-3.2	0.5	5	20.3	-1.9	2	60.9	-8.9	2	80.0	-28.8
Ultratech Cement	Cement	204	9.5	22.1	38	13.3	15.6	28	12.8	19.6	21	23.7	16.0
Asian Paints	Consumer	91	3.6	0.0	20	6.4	-3.5	19	8.3	-3.5	14	8.9	-5.3
Britannia	Consumer	41	2.7	-2.9	8	0.8	-1.7	8	-0.3	-1.0	6	2.0	0.9
Hind. Unilever	Consumer	155	4.0	2.0	37	5.8	3.7	35	4.7	1.2	26	3.9	1.1
ITC	Consumer	174	5.8	5.3	59	-4.5	-1.6	65	-0.4	-3.5	49	-3.0	-12.8
Nestle	Consumer	52	8.5	14.0	13	13.8	13.3	12	15.2	14.2	9	15.8	11.4
Tata Consumer	Consumer	40	9.3	4.0	6	19.0	6.4	6	21.1	7.7	4	41.3	11.2
Apollo Hospitals	Healthcare	49	13.2	0.4	6	27.6	1.5	4	55.1	7.2	3	45.4	2.3
Cipla	Healthcare	61	6.5	-7.5	14	21.8	-18.2	13	39.7	-19.7	9	28.9	-23.7
Divis Labs	Healthcare	19	-1.3	3.8	5	5.0	5.6	5	4.3	4.2	4	18.2	11.0
Dr Reddy' s Labs	Healthcare	71	16.9	-2.2	19	46.6	-4.7	17	49.6	-8.5	12	51.7	-11.1
Sun Pharma	Healthcare	122	14.7	0.7	31	20.0	-1.5	29	21.4	-1.8	25	17.8	0.5
Adani Ports	Logistics	72	23.4	3.4	43	30.4	1.9	31	51.3	2.4	23	14.6	-2.2
Coal India	Metals	376	-1.6	3.9	95	10.3	-20.1	91	19.6	-25.1	68	23.4	-24.7
Hindalco	Metals	532	-4.7	0.8	63	18.7	7.8	38	34.5	14.7	29	22.2	26.4
JSW Steel	Metals	448	-4.6	6.8	59	-25.9	-18.1	20	-53.8	-40.8	15	-58.1	-32.7
Tata Steel	Metals	612	-2.8	10.7	60	-17.6	-5.0	16	-49.3	-25.6	11	-37.7	24.4
BPCL	Oil & Gas	1,182	0.1	2.3	103	-7.9	63.5	85	-10.3	85.6	64	-15.9	87.3
ONGC	Oil & Gas	349	-3.9	0.3	180	10.2	4.9	116	40.8	-4.2	87	40.8	-8.8
Reliance Inds.	Oil & Gas	2,582	21.3	14.7	388	1.0	-4.5	240	-0.2	-7.0	176	-8.9	1.9
Titan Company	Retail	126	21.3	-11.3	13	22.2	-14.9	12	18.9	-14.7	9	22.3	-14.6
HCL Tech	Technology	287	7.9	0.9	64	8.2	-4.4	56	7.8	-4.7	43	6.8	-2.3
Infosys	Technology	388	3.7	0.0	97	-0.6	-0.1	86	1.2	-0.6	63	2.8	3.2
LTI Mindtree	Technology	91	5.2	1.4	16	2.3	3.5	16	9.2	2.1	12	6.9	1.8
TCS	Technology	621	4.9	2.4	168	7.1	2.5	166	7.8	4.6	124	8.1	5.0
Tech Mahindra	Technology	132	-3.5	1.0	16	-22.8	15.1	12	-28.7	40.8	9	-30.6	28.5
Wipro	Technology	223	-4.0	0.3	45	-2.9	6.0	39	-3.0	9.8	29	-4.2	9.4
Bharti Airtel	Telecom	389	7.9	2.5	204	9.1	2.9	57	14.1	35.0	22	-15.2	-11.7
NTPC	Utilities	517	25.1	31.0	164	47.5	64.8	77	12.2	70.9	62	8.4	34.5
Power Grid Corp.	Utilities	145	26.5	34.5	122	20.6	28.1	56	7.7	20.3	41	-2.3	3.8
Nifty Universe		**14,929**	**9.3**	**7.5**	**3,530**	**9.1**	**5.4**	**2,596**	**10.3**	**7.8**	**1,904**	**6.0**	**2.7**

Note: For Banks: Sales = Net Interest Income, EBITDA = Operating Profits; For Life Insurance: Sales = Net Premium, EBITDA = VNB.

Exhibit 21: Expect 16% PAT CAGR for the MOFSL Universe over FY24-26

	Sales CAGR (%)	EBIDTA CAGR (%)	EBIDTA Margin (%)			PAT (INR b)			PAT Grw / CAGR (%)				PAT Delta Share (%)
Sector	(FY24-26)	(FY24-26)	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	(FY24-26)	(FY24-26)
High PAT CAGR (>25%)	**15**	**18**	**20.8**	**21.3**	**21.8**	**439**	**746**	**1,056**	**47**	**70**	**42**	**55**	**16**
Telecom (4)	10	12	47.2	48.3	49.2	-147	-39	42	Loss	Loss	LP	**LP**	5
EMS (5)	36	47	11.7	12.6	13.6	6	9	13	32	56	51	**53**	0
Staffing (4)	17	30	3.6	4.2	4.5	8	13	18	17	58	35	**46**	0
Retail (18)	20	25	12.0	12.7	13.1	86	123	161	-1	42	31	**36**	2
Real Estate (10)	22	32	29.0	31.7	33.9	89	130	162	11	46	25	**35**	2
Others (17)	14	22	14.6	15.6	16.9	150	192	262	72	28	36	**32**	3
Infrastructure (3)	12	15	26.5	27.8	28.2	17	22	28	-15	30	29	**29**	0
Capital Goods (11)	16	22	11.4	12.1	12.5	230	297	370	26	29	25	**27**	4
Medium PAT CAGR (15-25%)	**11**	**17**	**24.1**	**25.5**	**26.7**	**7,545**	**9,044**	**10,651**	**19**	**20**	**18**	**19**	**81**
Metals (10)	10	18	15.9	17.6	18.5	811	1,087	1,292	-3	34	19	**26**	13
Logistics (8)	16	18	37.3	37.7	38.3	122	148	182	13	22	23	**22**	2
Chemicals-Specialty (12)	13	19	19.2	20.3	21.3	69	83	102	-28	20	23	**22**	1
Media (3)	11	19	22.2	23.9	25.4	23	28	34	12	21	21	**21**	0
Healthcare (23)	12	15	22.2	23.2	23.6	405	495	581	23	22	17	**20**	5
Financials (53)	13	18	40.0	41.9	43.5	3,936	4,687	5,525	20	19	18	**18**	42
Banks-PVT (13)	17	18	74.6	75.3	76.8	1,678	1,929	2,285	25	15	18	**17**	16
Banks-PSU (6)	10	15	64.3	68.5	69.6	1,266	1,560	1,822	31	23	17	**20**	15
Insurance (7)	11	20	5.9	6.3	6.9	448	489	546	4	9	12	**10**	3
NBFC - Lending (22)	23	23	75.8	75.6	76.3	507	664	818	-4	31	23	**27**	8
NBFC - Non Lending (5)	18	25	52.1	57.3	58.3	37	45	53	51	23	18	**20**	0
Cement (11)	9	18	16.4	18.2	19.2	222	260	302	26	17	16	**17**	2
Technology (12)	11	15	22.5	23.2	24.2	1,122	1,294	1,520	4	15	17	**16**	10
Auto (25)	10	14	13.5	14.0	14.4	835	962	1,114	90	15	16	**15**	7
Low PAT CAGR (<15%)	**9**	**2**	**13.9**	**12.0**	**12.3**	**2,976**	**2,770**	**3,067**	**59**	**-7**	**11**	**2**	**2**
Consumer (19)	9	9	24.7	24.6	24.6	588	635	703	16	8	11	**9**	3
Oil & Gas (15)	9	1	12.9	10.9	11.1	2,388	2,135	2,364	75	-11	11	**-1**	-1
Ex OMCs (12)	8	10	16.2	16.3	16.9	1,462	1,644	1,881	13	12	14	**13**	11
MOFSL (263)	**11**	**13**	**19.9**	**19.9**	**20.8**	**10,961**	**12,560**	**14,774**	**28**	**15**	**18**	**16**	**100**
MOFSL Ex OMCs (260)	**11**	**16**	**21.9**	**22.9**	**23.9**	**10,035**	**12,068**	**14,291**	**19**	**20**	**18**	**19**	**NA**
Nifty (50)	**9**	**13**	**22.8**	**23.6**	**24.6**	**7,680**	**8,861**	**10,274**	**23**	**15**	**16**	**16**	**NA**
Sensex (30)	**11**	**15**	**26.3**	**27.5**	**28.4**	**5,837**	**6,966**	**8,136**	**19**	**19**	**17**	**18**	**NA**

Note: For Banks, sales represent net interest income, and EBITDA represents operating profit; Sensex and Nifty Numbers are free float

Exhibit 22: Upgrades/downgrades for Nifty in FY25E vs. the 3QFY24 Review

(INR)	Current EPS (INR)			EPS UPGRADE / DOWNGRADE (%)			EPS GROWTH (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Maruti Suzuki	444.8	489.4	546.4	3.9	9.4	13.1	63.7	10.0	11.7
Coal India	49.8	49.6	59.3	-1.1	9.2	15.9	8.9	-0.4	19.6
SBI Life Insurance	18.2	22.7	25.9	-1.1	4.7	5.5	5.8	24.8	14.2
Bajaj Auto	271.7	321.5	367.3	-2.0	3.4	5.4	26.8	18.4	14.2
Mahindra & Mahindra	87.5	96.3	107.9	-1.7	2.7	5.4	32.1	10.1	11.9
Eicher Motors	146.8	170.6	195.4	-0.5	2.0	0.1	37.8	16.2	14.5
Shriram Finance	192.2	225.4	269.3	-0.5	1.3	1.5	20.4	17.2	19.5
Bajaj Finance	235.3	307.0	388.2	-0.2	1.0	1.0	23.6	30.5	26.5
Adani Ports	41.3	48.6	58.3	-1.8	1.0	-0.6	18.0	17.5	20.0
Apollo Hospitals	62.2	96.4	136.1	-3.5	0.8	0.7	29.2	55.0	41.1
Britannia	89.9	101.6	113.4	1.0	0.5	0.3	11.9	13.1	11.6
BPCL	144.3	74.5	75.3	10.0	0.2	1.0	1431.0	-48.4	1.2
Grasim Industries	94.2	96.1	105.7	-0.1	0.1	0.1	-4.3	2.1	10.0
HDFC Life Insur.	7.4	11.3	14.0	0.0	0.0	0.0	17.7	51.6	24.3
Cipla	53.0	57.7	64.4	0.0	0.0	0.0	40.4	8.9	11.6
Bharti Airtel	18.9	32.6	40.6	0.0	0.0	0.0	29.4	72.8	24.4
Dr Reddy' s Labs	317.8	322.9	338.8	0.0	0.0	0.0	29.9	1.6	4.9
Sun Pharma	40.1	47.3	56.6	0.0	0.0	0.0	12.2	17.9	19.5
TCS	125.7	146.8	170.1	0.0	0.0	0.0	9.0	16.8	15.9
Wipro	20.6	22.9	27.3	0.0	0.0	0.0	-0.6	11.5	19.2
Tech Mahindra	40.4	50.9	68.0	0.0	0.0	0.0	-29.5	26.1	33.8
ITC	16.4	17.2	18.5	0.0	0.0	0.2	9.1	5.0	7.5
LTIMindtree	157.9	179.2	220.0	0.0	0.0	0.0	4.0	13.5	22.7
Tata Consumer	14.7	18.4	20.5	-0.3	-0.2	-0.2	29.5	25.3	11.2
Hindalco	44.6	57.8	60.2	-2.3	-0.2	-0.4	-1.5	29.5	4.1
Infosys	59.3	67.6	79.1	-0.1	-0.3	-0.5	3.0	14.0	17.0
HCL Technologies	58.9	67.3	77.9	-0.1	-0.3	-0.5	7.4	14.2	15.9
Titan Company	40.7	52.8	65.2	-2.0	-0.4	1.6	10.7	29.8	23.3
ICICI Bank	58.4	65.2	75.0	0.3	-1.2	-2.7	27.6	11.6	15.0
Kotak Mahindra Bank	89.6	101.9	120.5	-0.2	-1.4	-0.7	17.9	13.8	18.3
IndusInd Bank	116.6	138.4	167.7	0.5	-1.5	-1.7	21.4	18.7	21.2
JSW Steel	38.1	64.2	72.6	-12.3	-1.7	-1.4	159.5	68.4	13.0
Reliance Inds.	100.9	118.5	138.9	0.0	-1.8	0.0	2.3	17.5	17.2
Hind. Unilever	43.8	48.0	52.7	-1.6	-2.0	-1.7	0.8	9.6	9.8
Nestle	40.5	35.8	40.9	0.3	-2.2	-0.1	60.4	-11.6	14.1
Divis Labs	54.2	75.7	91.8	-4.1	-2.2	-2.2	-16.4	39.7	21.2
ONGC	37.5	43.2	47.9	-4.6	-2.4	-1.6	23.4	15.2	10.9
Larsen & Toubro	89.5	118.0	149.5	-4.3	-2.6	-0.2	18.0	31.8	26.7
State Bank	71.8	90.9	106.2	0.8	-2.6	-3.9	15.2	26.6	16.9
Hero MotoCorp	204.4	230.5	273.7	2.5	-2.7	-1.3	40.4	12.7	18.8
Tata Motors	55.0	60.3	70.7	3.9	-3.1	-2.1	2456.1	9.7	17.3
Asian Paints	59.2	59.3	64.3	0.8	-3.2	-4.4	33.8	0.2	8.3
Axis Bank	78.2	86.6	102.8	-0.1	-3.7	-4.2	9.6	10.8	18.7
Ultratech Cement	235.6	290.5	344.6	-2.7	-4.8	-6.0	34.3	23.3	18.6
Tata Steel	2.6	10.3	13.0	-33.8	-4.9	0.9	-62.7	290.1	26.3
HDFC Bank	78.9	91.3	107.0	-1.0	-5.1	-7.6	-0.5	15.7	17.2
Nifty (50)	**980**	**1,132**	**1,317**	**0.5**	**-0.8**	**-1.0**	**21.3**	**15.6**	**16.3**

Exhibit 23: Absolute change in FY24E PAT for Nifty constituents (INR b)

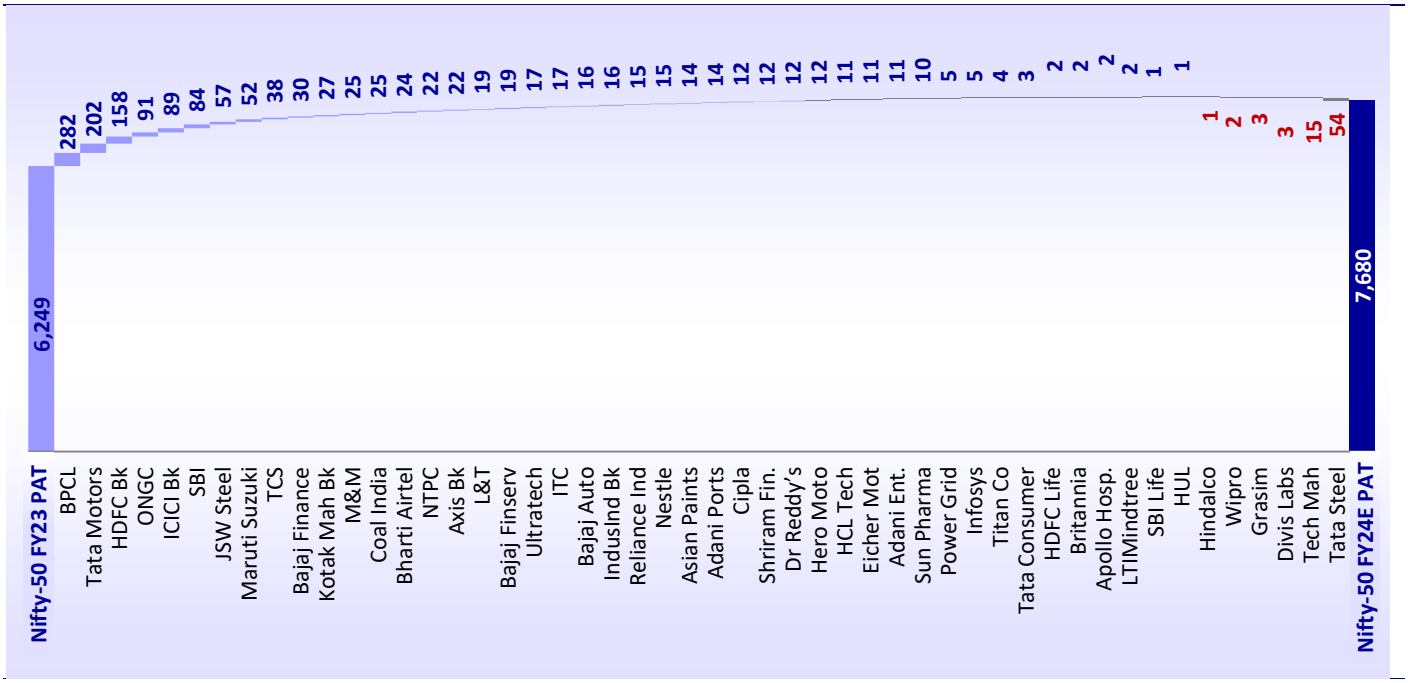


Exhibit 24: Absolute change in FY25E PAT for Nifty constituents (INR b)

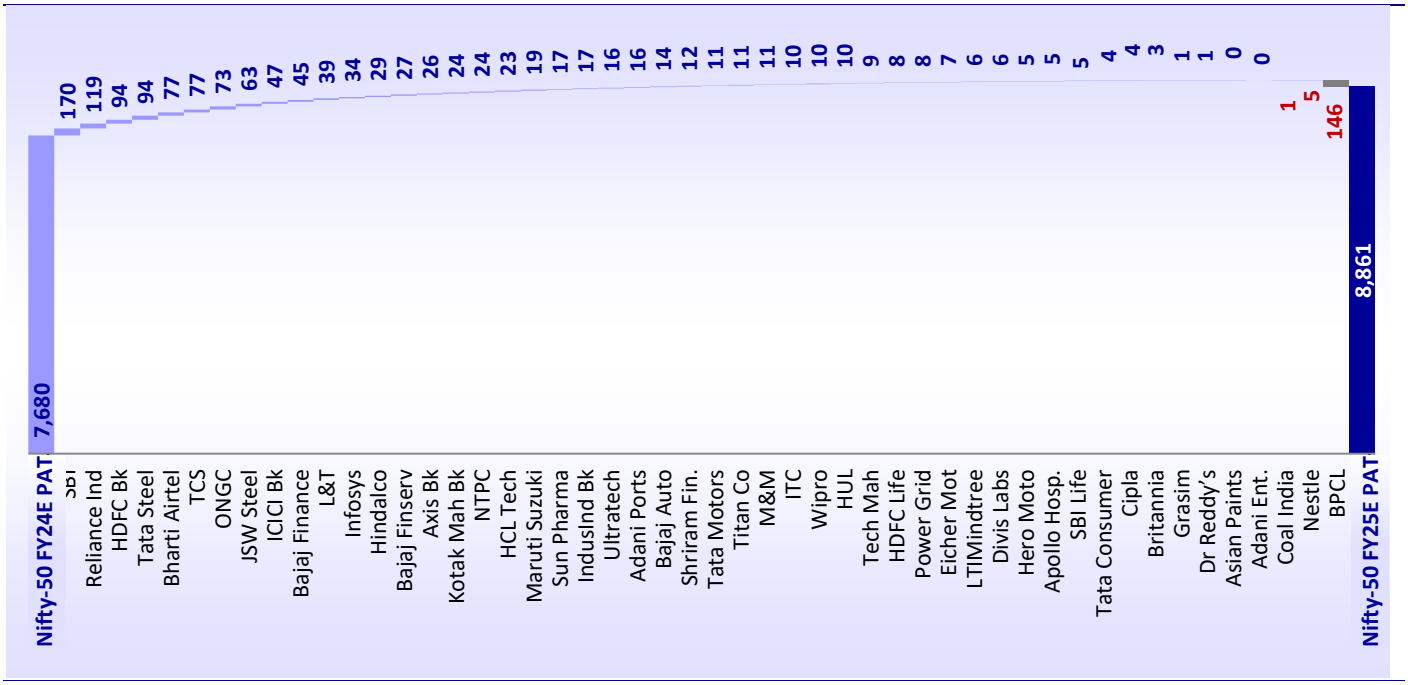


Exhibit 25: Nifty performance – Expect FF PAT CAGR (FY24-26E) of 16%

Company	Sector	Sales (INR b)			Sales CAGR % 24-26	EBITDA Margin (%)			EBITDA CAGR % 24-26	PAT (INR b)			PAT CAGR % 24-26	Contbn to Delta %
		FY24E	FY25E	FY26E		FY24E	FY25E	FY26E		FY24E	FY25E	FY26E		
High PAT Growth (20%+)		**13,030**	**14,790**	**16,609**	**13**	**26**	**28**	**29**	**20**	**1,505**	**2,095**	**2,525**	**30**	**39**
Tata Steel	Metals	2,317	2,594	2,774	9	9	13	14	32	32	126	159	122	5
Apollo Hospitals	Healthcare	190	216	252	15	13	13	14	24	9	14	20	48	0
Bharti Airtel	Telecom	1,512	1,654	1,820	10	52	53	54	11	106	182	227	47	5
JSW Steel	Metals	1,735	1,990	2,164	12	16	19	19	22	92	155	175	38	3
HDFC Life Insur.	Banking	640	762	903	19	5	6	6	24	16	24	30	37	1
Divis Labs	Healthcare	75	86	99	15	27	31	32	25	14	20	24	30	0
Tech Mahindra	Technology	524	560	623	9	11	13	15	26	36	45	60	30	1
Larsen & Toubro	Capital Goods	2,190	2,534	2,887	15	11	11	12	21	123	162	205	29	3
Bajaj Finance	Banking	297	388	492	29	81	80	80	28	145	189	239	29	4
Titan Company	Retail	512	603	705	17	11	11	12	23	36	47	58	26	1
Bajaj Finserv	Banking	372	479	598	27	70	65	62	19	83	110	128	25	2
State Bank	Banking	1,597	1,745	1,964	11	55	63	64	20	641	811	948	22	12
Ultratech Cement	Cement	709	761	851	10	18	20	20	17	68	84	99	21	1
Tata Consumer	Consumer	152	178	194	13	15	16	16	16	14	18	20	20	0
IndusInd Bank	Banking	207	241	282	17	77	77	77	17	90	107	130	20	2
Medium PAT Growth (0-20%)		**43,595**	**47,512**	**51,943**	**9**	**23**	**24**	**25**	**13**	**5,873**	**6,609**	**7,592**	**14**	**66**
SBI Life Insurance	Banking	793	921	1,080	17	7	7	8	21	18	23	26	19	0
Adani Ports	Infrastructure	270	311	351	14	60	60	61	15	89	105	126	19	1
Sun Pharma	Healthcare	482	533	595	11	26	27	28	16	97	114	136	19	2
Shriram Finance	Banking	188	223	266	19	75	76	78	21	72	84	101	18	1
LTIMindtree	Technology	358	393	449	12	18	19	20	17	47	53	65	18	1
Reliance Inds.	Oil & Gas	9,228	10,234	11,183	10	17	18	18	13	683	802	940	17	10
HDFC Bank	Banking	1,086	1,273	1,485	17	82	83	84	18	600	693	813	16	8
Bajaj Auto	Automobiles	442	503	570	14	20	20	20	16	77	91	104	16	1
TCS	Technology	2,417	2,684	2,998	11	27	28	29	15	461	538	622	16	6
Hindalco	Metals	2,132	2,333	2,454	7	11	11	11	8	99	128	134	16	1
Kotak Mahindra Bank	Banking	258	287	339	15	74	73	74	14	178	202	239	16	2
Hero MotoCorp	Automobiles	372	426	486	14	14	14	14	16	41	46	55	16	1
Infosys	Technology	1,546	1,672	1,863	10	24	25	26	14	246	280	328	15	3
Eicher Motors	Automobiles	163	181	206	13	26	27	27	14	40	47	53	15	1
HCL Technologies	Technology	1,101	1,218	1,376	12	22	23	23	14	160	183	211	15	2
Axis Bank	Banking	495	545	637	13	72	75	78	18	241	267	317	15	3
Wipro	Technology	896	951	1,056	9	19	19	20	13	111	121	143	13	1
ICICI Bank	Banking	744	845	975	14	78	78	79	16	408	455	524	13	4
Maruti Suzuki	Automobiles	1,417	1,566	1,731	11	12	12	13	15	134	154	172	13	1
ONGC	Oil & Gas	6,199	6,522	6,775	5	16	17	17	7	481	554	614	13	5
Britannia	Consumer	168	183	200	9	19	19	19	10	22	24	27	12	0
NTPC	Utilities	1,806	1,923	2,067	7	28	29	30	10	191	215	239	12	2
Tata Motors	Automobiles	4,364	4,692	5,068	8	14	14	15	12	211	222	260	11	2
Mahindra & Mahindra	Automobiles	972	1,103	1,246	13	13	13	13	15	105	115	129	11	1
Cipla	Healthcare	257	279	306	9	25	25	25	9	43	47	52	10	0
Hind. Unilever	Consumer	624	669	727	8	24	24	24	9	103	113	124	10	1
Coal India	Utilities	1,425	1,497	1,694	9	27	27	30	14	307	306	366	9	2
ITC	Consumer	716	778	845	9	37	36	36	7	204	214	230	6	1
Grasim Industries	Cement	255	290	310	10	9	9	11	23	62	63	70	6	0
Power Grid Corp.	Utilities	465	496	519	6	88	86	85	4	159	167	177	6	1
Asian Paints	Consumer	359	389	433	10	22	21	20	6	57	57	62	4	0
Dr Reddy' s Labs	Healthcare	279	306	340	10	29	27	26	6	53	54	56	3	0
Nestle	Consumer	244	211	235	-2	24	25	25	0	39	35	39	0	0
Adani Enterprises	Others	1,076	1,076	1,076	0	11	11	11	0	38	38	38	0	0
PAT de-growth (<0%)		**4,497**	**4,218**	**4,348**	**-2**	**10**	**6**	**6**	**-24**	**302**	**156**	**158**	**-28**	**-6**
BPCL	Oil & Gas	4,497	4,218	4,348	-2	10	6	6	-24	302	156	158	-28	-6
Nifty (PAT free float)		**61,122**	**66,519**	**72,900**	**9**	**23**	**24**	**25**	**13**	**4,336**	**5,012**	**5,828**	**16**	**100**

Valuations below the LPA for Nifty

- Nifty is trading at a 12-month forward P/E of 19.7x, at a 3% discount to its own long period average (LPA). Notably, Nifty-50's EPS CAGR of 15% (to INR980 in FY24E) has converged with the index CAGR of ~14% during the last five years (ended Mar'24).
- India's market capitalization-to-GDP ratio has been volatile, plummeting to 56% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 112% in FY22; the ratio moderated to 96% in FY23 though. The ratio is now at 132% (of FY24E GDP), above its long-term average of 80%. We expect the nominal GDP to increase 9.1% YoY in FY24.

Exhibit 26: Markets scaling new highs; valuations at a 3% discount to the LPA

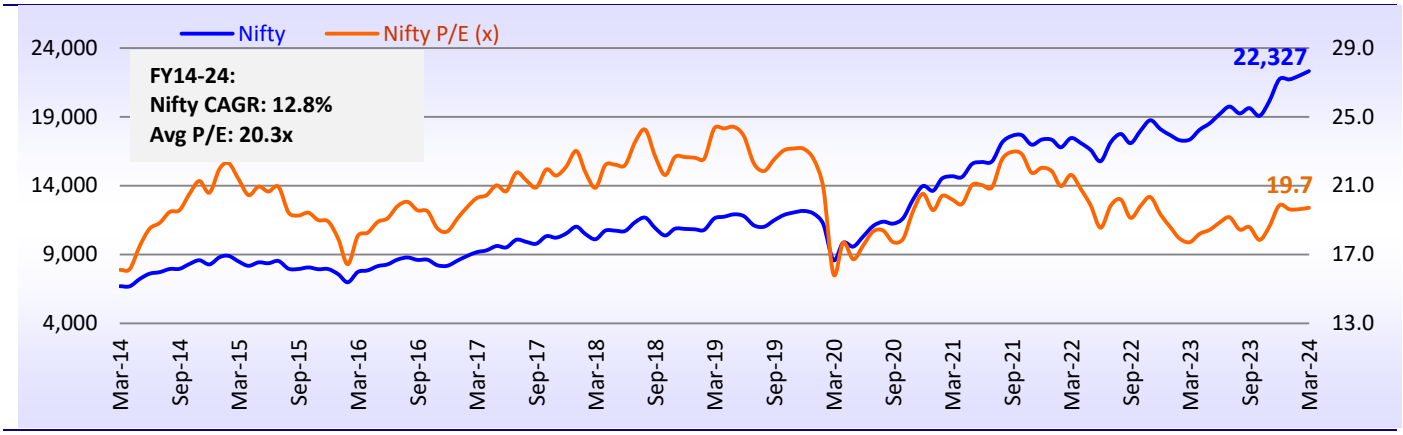


Exhibit 27: 12-month forward Nifty P/B (x)

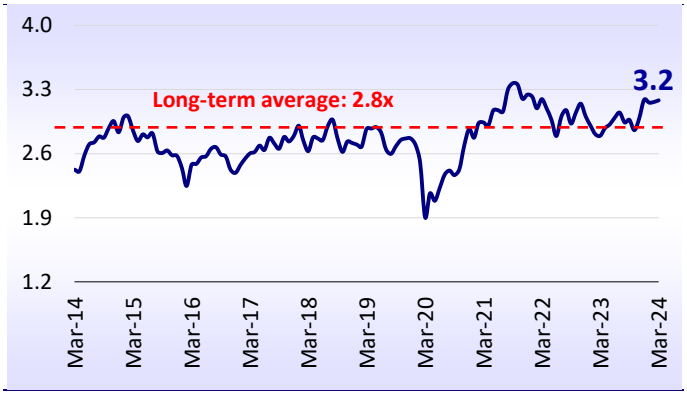


Exhibit 28: 12-month forward Nifty RoE (%)

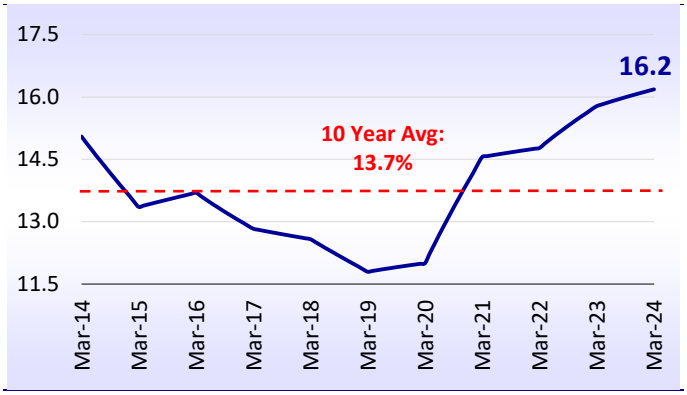
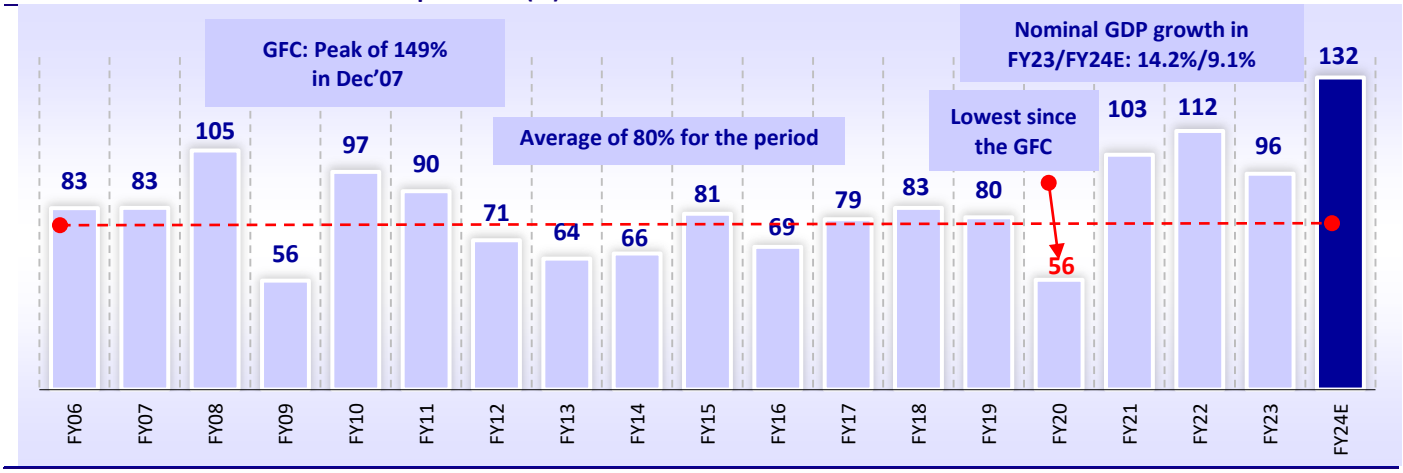


Exhibit 29: Trend in India's market-cap-to-GDP (%)



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BSE Sensex: 74,015 **Nifty 50: 22,462** **April 2024**

MOFSL Universe: 4QFY24 Highlights & Ready Reckoner

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 1 April 2024, unless otherwise stated.**

MOFSL Universe: 4QFY24 aggregate performance highlights

Exhibit 30: Quarterly Performance - MOFSL Universe (INR b)

Sector	Sales			EBITDA			PAT		
(Nos of Cos)	Mar-24	Var. % YoY	Var. % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Automobiles (25)	2,963	12.3	4.7	416	26.3	6.4	223	20.0	-1.1
Capital Goods (11)	1,023	14.8	22.2	122	11.8	29.0	72	4.8	26.9
Cement (11)	575	6.1	12.4	97	24.2	4.6	48	32.1	2.1
Chemicals-Specialty (12)	153	-9.0	1.9	27	-25.3	0.6	16	-38.3	2.6
Consumer (19)	808	5.6	2.0	193	6.2	-1.1	141	7.4	-5.7
EMS (5)	24	35.6	27.5	3	27.0	55.7	2	21.6	54.9
Financials (49)	2,879	12.8	8.1	1,499	8.4	5.4	931	14.9	6.1
Banks-Private (13)	883	15.5	2.7	659	13.8	2.4	426	13.7	1.5
Banks-PSU (6)	881	5.1	2.9	560	-1.1	8.0	336	11.9	9.9
Insurance (6)	786	14.8	24.4	40	-11.0	20.6	24	17.5	34.1
NBFC - Lending (19)	301	21.7	3.8	227	22.5	4.6	134	23.5	7.1
NBFC - Non Lending (5)	28	50.4	8.6	13	69.0	26.6	10	76.5	23.1
Healthcare (23)	781	12.0	2.3	175	24.7	4.2	105	32.7	4.7
Infrastructure (3)	53	11.0	13.7	14	8.2	9.6	5	9.4	17.5
Logistics (8)	154	15.4	3.5	58	24.5	3.1	32	12.3	0.4
Media (3)	41	0.0	-9.2	6	-0.6	-35.0	3	-30.2	-42.0
Metals (10)	2,875	-5.0	5.4	473	-7.0	-7.3	200	-12.4	-12.8
Oil & Gas (15)	7,929	3.1	1.9	969	2.9	4.3	496	-6.1	6.9
Oil Ex OMCs (12)	3,790	11.5	7.7	685	7.0	-0.8	339	6.2	-1.4
Real Estate (10)	138	6.1	30.5	40	23.4	24.6	29	-2.3	34.6
Retail (18)	430	19.1	-8.7	51	22.7	-17.1	21	13.9	-23.6
Staffing (4)	116	15.4	5.2	4	28.2	10.2	3	71.8	63.8
Technology (12)	1,883	3.6	1.3	433	3.0	1.9	297	3.9	4.5
Telecom (4)	627	8.3	2.1	296	8.2	2.5	-37	Loss	Loss
Others (17)	601	0.1	-0.8	89	5.2	1.5	37	6.6	-11.9
MOFSL Universe (259)	**24,053**	**5.5**	**4.2**	**4,966**	**7.2**	**3.2**	**2,623**	**5.7**	**2.9**
Nifty (49)	**14,929**	**9.3**	**7.5**	**3,530**	**9.1**	**5.4**	**1,904**	**6.0**	**2.7**
Sensex (30)	**11,222**	**11.6**	**9.0**	**2,854**	**8.8**	**5.7**	**1,512**	**3.3**	**3.1**

For Banks: Sales = Net Interest Income, EBITDA = Operating Profits; For Life Insurance: Sales = Net Premium, EBITDA = VNB

Exhibit 31: Quarter-wise sales growth (% YoY)

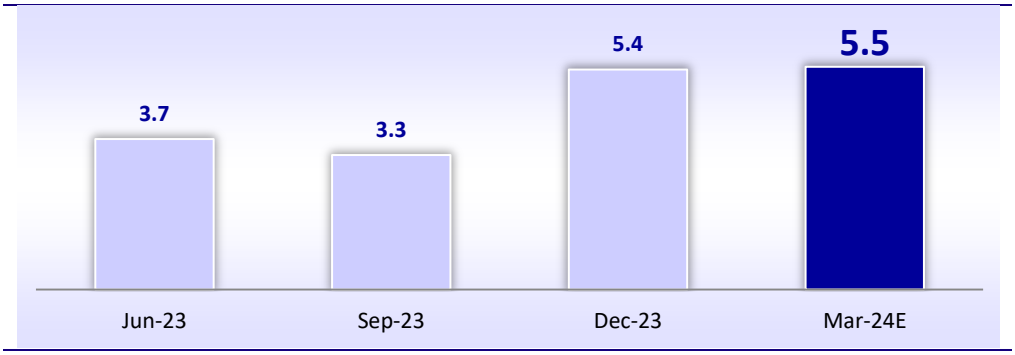
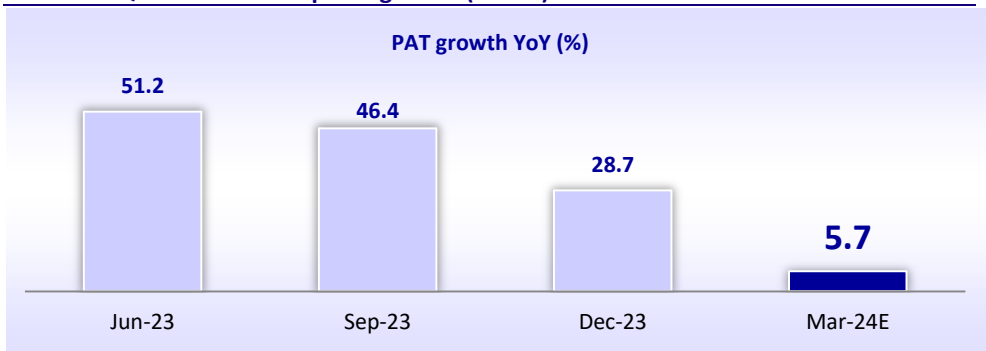


Exhibit 32: Quarter-wise net profit growth (% YoY)



Annual performance - MOFSL universe (INR Billion)

	Sales (INR b)			Chg. YoY (%)			EBIDTA (INR b)			Chg. YoY (%)			PAT (INR b)			Chg. YoY (%)		
Sector	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**
Auto (25)	11,338	12,498	13,755	19.2	10.2	10.1	1,534	1,754	1,981	51.0	14.3	12.9	835	962	1,114	90.4	15.2	15.7
Capital Goods (11)	3,360	3,935	4,540	18.7	17.1	15.4	384	476	569	18.9	24.1	19.5	230	297	370	25.7	29.0	24.6
Cement (11)	2,105	2,286	2,509	4.7	8.6	9.8	345	415	482	22.8	20.2	16.1	222	260	302	26.1	16.9	16.3
Chem.-Specialty (12)	616	703	790	-8.6	14.0	12.4	119	142	168	-18.3	20.0	18.1	69	83	102	-28.1	19.9	23.2
Consumer (19)	3,316	3,593	3,959	6.5	8.3	10.2	819	885	976	13.1	8.0	10.3	588	635	703	16.1	7.9	10.8
EMS (5)	74	102	137	37.2	38.0	33.7	9	13	19	18.7	48.9	44.7	6	9	13	31.9	55.5	50.6
Financials (53)	15,207	17,070	19,405	9.9	12.3	13.7	6,085	7,152	8,447	13.0	17.5	18.1	3,936	4,687	5,525	19.8	19.1	17.9
Banks-PVT (13)	3,355	3,884	4,557	20.6	15.8	17.3	2,504	2,925	3,499	19.8	16.8	19.6	1,678	1,929	2,285	25.5	15.0	18.5
Banks-PSU (6)	3,403	3,696	4,129	11.5	8.6	11.7	2,187	2,530	2,872	8.5	15.7	13.5	1,266	1,560	1,822	31.1	23.1	16.8
Insurance (7)	7,136	7,875	8,760	2.7	10.4	11.2	423	498	605	-16.5	17.8	21.4	448	489	546	4.0	9.2	11.7
NBFC-Lending (22)	1,214	1,496	1,823	23.8	23.2	21.9	919	1,130	1,391	24.9	22.9	23.1	507	664	818	-3.7	30.9	23.3
NBFC-Non Lending (5)	98	119	137	35.0	20.9	15.2	51	68	80	37.6	33.1	17.0	37	45	53	51.4	23.3	17.7
Healthcare (23)	3,031	3,381	3,792	13.4	11.5	12.2	672	786	897	21.2	16.8	14.1	405	495	581	23.3	22.3	17.3
Infrastructure (3)	190	206	237	3.7	8.7	15.0	50	57	67	-4.4	13.9	16.8	17	22	28	-15.3	30.3	28.5
Logistics (8)	582	677	785	16.1	16.3	15.9	217	255	301	19.2	17.7	17.8	122	148	182	13.3	21.8	23.0
Media (3)	186	205	229	20.0	9.9	11.9	41	49	58	9.4	18.6	18.9	23	28	34	12.0	21.2	21.1
Metals (10)	11,130	12,306	13,404	-2.5	10.6	8.9	1,775	2,166	2,480	-2.5	22.0	14.5	811	1,087	1,292	-2.7	34.0	18.9
Oil & Gas (15)	35,137	39,376	41,812	-5.2	12.1	6.2	4,542	4,278	4,647	51.8	-5.8	8.6	2,388	2,135	2,364	75.1	-10.6	10.7
Ex OMCs (12)	18,843	20,483	21,897	-3.5	8.7	6.9	3,048	3,345	3,701	14.4	9.7	10.6	1,462	1,644	1,881	12.7	12.4	14.4
Real Estate (10)	435	552	648	7.9	26.9	17.4	126	175	220	15.4	38.4	25.7	89	130	162	11.4	46.4	25.3
Retail (18)	1,733	2,083	2,489	18.8	20.2	19.5	208	265	327	9.9	27.4	23.3	86	123	161	-1.5	42.1	30.9
Staffing (4)	436	506	596	13.3	16.0	17.8	16	21	27	21.7	33.6	26.2	8	13	18	17.2	58.1	34.5
Technology (12)	7,382	8,088	9,070	5.5	9.6	12.1	1,661	1,873	2,190	4.8	12.8	17.0	1,122	1,294	1,520	4.3	15.3	17.4
Telecom (4)	2,438	2,659	2,926	7.1	9.1	10.0	1,150	1,284	1,440	12.6	11.7	12.1	-147	-39	42	Loss	Loss	LP
Others (17)	2,337	2,646	3,016	3.8	13.3	14.0	341	412	511	27.3	21.0	23.9	150	192	262	72.4	27.7	36.4
MOFSL (263)	**1,01,033**	**1,12,870**	**1,24,099**	**3.3**	**11.7**	**9.9**	**20,094**	**22,459**	**25,806**	**20.3**	**11.8**	**14.9**	**10,961**	**12,560**	**14,774**	**28.5**	**14.6**	**17.6**
MOFSL Ex OMCs (260)	**84,738**	**93,977**	**1,04,184**	**5.6**	**10.9**	**10.9**	**18,600**	**21,526**	**24,860**	**13.6**	**15.7**	**15.5**	**10,035**	**12,068**	**14,291**	**18.6**	**20.3**	**18.4**

For Banks: Sales = Net Interest Income, EBIDTA = Operating Profits.

Valuations - MOFSL universe

	PE (x)			PB (x)			EV/EBIDTA (x)			ROE (%)			EARN. CAGR
Sector	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**(FY23-FY25)**
Auto (25)	27.0	23.2	20.1	5.5	4.6	3.9	14.0	11.8	10.1	20.5	19.6	19.4	15.5
Capital Goods (11)	53.0	41.9	33.6	8.2	7.4	6.4	32.7	26.7	22.1	15.5	17.6	18.9	26.8
Cement (11)	36.5	31.7	27.3	3.7	3.3	3.0	24.0	19.9	17.0	10.2	10.4	11.1	16.6
Chemicals-Specialty (12)	41.4	35.1	28.5	4.5	4.2	3.7	24.6	20.7	17.4	11.0	11.9	13.1	21.5
Consumer (19)	47.1	43.5	39.3	12.2	11.2	10.4	33.2	30.6	27.6	25.8	25.7	26.5	9.3
EMS (5)	88.1	55.5	36.8	8.7	7.4	6.2	55.3	36.3	24.8	9.9	13.3	16.7	53.1
Financials (53)	16.2	13.8	11.7	2.6	2.3	1.9	N.M	N.M	N.M	16.0	16.4	16.7	18.5
Banks-PVT (13)	17.4	15.2	12.8	2.6	2.3	2.0	N.M	N.M	N.M	15.2	15.2	15.7	16.7
Banks-PSU (6)	9.8	7.9	6.8	1.5	1.3	1.1	N.M	N.M	N.M	15.2	16.3	16.6	19.9
Insurance (7)	24.6	23.3	20.8	7.6	6.0	4.7	N.M	N.M	N.M	31.1	25.8	22.7	10.4
NBFC - Lending (22)	20.1	15.6	12.6	2.7	2.4	2.1	N.M	N.M	N.M	13.7	15.5	16.4	27.0
NBFC - Non Lending (5)	30.8	25.7	21.8	9.7	8.9	8.0	N.M	N.M	N.M	31.5	34.8	36.6	20.5
Healthcare (23)	38.5	31.7	27.0	5.1	4.5	3.9	23.1	19.6	16.9	13.1	14.2	14.6	19.8
Infrastructure (3)	32.6	26.3	20.4	2.4	2.3	2.1	12.2	10.9	8.9	7.4	8.9	10.3	29.4
Logistics (8)	35.2	29.5	24.0	5.5	4.9	4.3	21.4	18.2	15.2	15.6	16.7	17.9	22.4
Media (3)	21.5	18.3	15.1	1.8	1.7	1.6	12.5	11.7	9.7	8.2	9.5	10.7	21.2
Metals (10)	15.3	11.8	9.9	2.4	2.2	1.9	8.2	6.9	5.9	15.4	18.4	19.4	26.2
Oil & Gas (15)	13.3	15.1	13.7	1.9	1.8	1.6	8.5	8.9	7.9	14.6	11.8	11.9	-0.5
Ex OMCs (12)	18.8	17.0	14.9	2.0	1.9	1.7	10.5	9.4	8.2	10.7	11.0	11.4	13.4
Real Estate (10)	67.7	48.0	38.3	5.5	5.2	4.6	49.2	36.7	28.8	8.2	10.8	12.0	35.4
Retail (18)	114.9	80.1	61.2	17.0	14.1	11.8	48.6	37.6	30.3	14.8	17.6	19.4	36.4
Staffing (4)	24.3	15.9	11.8	2.9	2.6	2.2	13.0	9.8	7.3	11.8	16.2	18.3	45.8
Technology (12)	28.5	25.9	22.0	8.5	8.8	8.6	18.6	17.3	14.8	29.7	34.0	39.2	16.4
Telecom (4)	-63.2	-231.4	212.7	31.6	36.0	31.1	10.8	9.0	7.4	-50.1	-15.5	14.6	LP
Others (17)	53.0	41.9	30.8	6.7	5.9	5.1	24.6	20.3	16.2	12.6	14.2	16.7	31.9
MOFSL (263)	**24.5**	**21.6**	**18.4**	**3.9**	**3.5**	**3.1**	**10.7**	**9.6**	**8.2**	**16.0**	**16.3**	**17.0**	**16.1**
MOFSL Ex OMCs (260)	**26.3**	**22.2**	**18.7**	**4.0**	**3.6**	**3.2**	**11.2**	**9.7**	**8.2**	**15.3**	**16.3**	**17.1**	**19.3**

N.M.: Not Meaningful

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Amara Raja Energy	795	Neutral	27,997	15.3	-2.8	4,127	22.4	0.7	2,341	35.4	-2.3
Apollo Tyres	465	Buy	62,659	0.3	-5.0	11,009	10.3	-8.9	4,377	11.4	-13.7
Ashok Leyland	175	Buy	1,11,859	-3.8	20.6	14,768	15.8	32.6	8,118	13.6	39.9
Bajaj Auto	9041	Neutral	1,09,588	23.1	-9.5	21,597	25.8	-11.1	18,175	26.8	-11.0
Balkrishna Inds	2284	Neutral	23,547	1.3	1.7	5,664	14.6	-3.5	2,986	15.9	-3.2
Bharat Forge	1149	Buy	23,689	18.6	4.7	6,761	29.4	4.7	3,895	41.4	3.1
Bosch	30290	Neutral	45,712	12.5	8.7	6,212	18.9	7.4	4,841	21.3	2.3
CEAT	2653	Buy	31,280	8.8	5.6	4,316	17.4	3.4	1,644	17.6	-9.4
CIE Automotive	472	Buy	23,623	-3.2	5.4	3,529	-7.3	7.8	1,878	-14.7	6.1
Craftsman Auto	4368	Buy	11,944	21.8	5.7	2,419	28.4	9.9	863	7.6	18.1
Eicher Motors	3948	Neutral	42,082	10.6	0.7	11,049	18.3	1.3	10,843	19.7	8.9
Endurance Tech.	1828	Buy	27,391	22.6	7.0	3,463	21.3	16	1,835	34.5	20.5
Escorts Kubota	2859	Neutral	21,363	-2.1	-7.9	2,760	17.0	-11.7	2,528	24.0	-8.8
Exide Inds.	311	Neutral	40,737	15.0	6.1	4,869	32.6	10.7	2,763	33.0	15.0
Happy Forgings	928	Buy	3,503	15.8	2.4	980	14.1	3.0	607	19.7	4.8
Hero Motocorp	4683	Buy	92,920	11.9	-4.4	13,039	20.4	-4.3	10,204	18.8	-4.9
Mahindra & Mahindra	1915	Buy	2,35,660	4.4	-6.8	28,078	0.4	-13.2	18,013	-8.8	-26.6
Maruti Suzuki	12570	Buy	3,89,479	21.5	16.9	49,868	48.8	27.6	39,734	51.4	26.9
Samvardhana Motherson	120	Buy	2,59,159	15.3	0.8	24,894	23.2	5.1	6,609	1.0	21.9
Motherson Wiring	67	Buy	22,894	22.8	8.1	3,051	45.8	16.4	1,991	43.8	18.6
MRF	135789	Sell	62,282	8.8	3.0	10,618	25.9	2.2	5,125	44.9	0.9
Sona BLW Precis.	684	Neutral	8,388	12.7	8.0	2,392	18.8	5.2	1,356	10.1	1.5
Tata Motors	992	Neutral	11,84,685	11.8	7.1	1,68,605	31.6	10.0	63,990	13.8	-9.8
Tube Investments	3723	Buy	19,975	20.1	5.2	2,530	20.2	5.7	3,011	10.3	91.2
TVS Motor	2140	Neutral	80,313	21.6	-2.6	9,018	32.7	-2.4	5,156	41.7	-13.1
Automobiles			**29,62,730**	**12.3**	**4.7**	**4,15,616**	**26.3**	**6.4**	**2,22,883**	**20.0**	**-1.1**
ABB India	6508	Buy	29,639	22.9	7.5	4,279	50.0	2.6	3,594	46.6	4.1
Bharat Electronics	211	Neutral	85,306	32.1	106.2	20,440	12.0	94.8	14,978	9.7	67.7
Cummins India	3005	Buy	21,084	9.5	-16.8	3,788	16.2	-29.6	3,471	9.0	-24.0
Hitachi Energy	7010	Sell	15,271	14.5	19.8	1,099	15.6	61.6	546	7.5	137.9
KEC International	718	Neutral	62,986	14.0	25.8	4,086	44.1	32.7	1,583	119.3	63.4
Kalpataru Proj.	1117	Buy	54,972	25.1	32.6	4,416	42.0	28.4	1,822	58.9	26.5
Kirloskar Oil	889	Buy	13,561	17.7	19.5	1,677	69.1	26.2	1,085	67.2	32.0
Larsen & Toubro	3837	Buy	6,50,127	11.4	17.9	72,251	5.7	25.5	37,066	-7.0	25.8
Siemens	5462	Buy	57,165	17.7	18.5	7,269	17.0	21.9	5,884	24.7	16.3
Thermax	4287	Neutral	27,879	20.6	19.9	2,193	9.7	17.0	1,683	7.8	20.0
Triveni Turbine	573	Buy	4,569	23.6	5.8	867	30.7	3.6	647	16.2	-5.3
Capital Goods			**10,22,560**	**14.8**	**22.2**	**1,22,364**	**11.8**	**29.0**	**72,360**	**4.8**	**26.9**
ACC	2544	Neutral	51,223	6.9	4.1	8,150	74.8	-9.8	4,736	65.8	-10.2
Ambuja Cements	621	Neutral	47,121	10.7	6.1	9,330	18.4	9.6	6,348	12.8	23.6
Birla Corporation	1478	Buy	26,487	7.6	14.6	3,981	45.1	5.2	1,442	102.5	32.1
Dalmia Bharat	1997	Buy	41,676	6.5	15.8	8,007	13.2	3.3	2,560	-1.9	-4.8
Grasim Industries	2291	Buy	64,301	-3.2	0.5	5,127	20.3	-1.9	1,683	80.0	-28.8
India Cements	220	Sell	14,244	-2.5	31.7	475	LP	-3.1	-489	Loss	Loss
J K Cements	4277	Buy	31,599	13.8	7.7	6,075	73.8	-2.8	2,442	117.5	-14.0
JK Lakshmi Cem.	883	Buy	19,296	3.6	13.3	2,951	26.8	-2.3	1,408	22.6	-0.3
Ramco Cements	845	Neutral	24,850	-3.3	18.0	4,003	-3.0	1.2	1,060	-30.4	13.6
Shree Cement	26487	Neutral	49,755	4.0	1.5	11,463	28.4	-7.1	5,697	45.4	-22.4
Ultratech Cement	9956	Buy	2,04,406	9.5	22.1	37,637	13.3	15.6	20,616	23.7	16.0
Cement			**5,74,959**	**6.1**	**12.4**	**97,198**	**24.2**	**4.6**	**47,502**	**32.1**	**2.1**
Alkyl Amines	1902	Neutral	3,292	-20.0	2.2	576	-25.1	-3.3	314	-35.5	-6.1
Atul	5798	Neutral	11,548	-3.4	1.5	1,397	-6.4	-7.9	718	-22.2	-0.4
Clean Science	1347	Neutral	1,912	-11.8	-1.8	813	-22.6	-6.1	568	-29.4	-9.2
Deepak Nitrite	2141	Neutral	20,326	3.6	1.2	3,186	-8.4	4.6	2,107	-9.9	4.3
Fine Organic	4212	Sell	3,888	-44.3	-8.7	771	-58.8	-16.5	590	-57.2	-15.2
Galaxy Surfactants	2356	Buy	9,575	-1.7	1.8	1,356	0.8	20.6	869	-4.0	21.8
Navin Fluorine	3129	Neutral	5,322	-23.7	6.0	976	-51.6	29.0	497	-63.6	37.4
NOCIL	259	Neutral	3,085	-21.4	-9.4	405	-17.4	-15.2	257	-9.4	-13.6
P I Industries	3891	Buy	19,441	24.2	2.5	4,546	32.6	-17.9	3,417	21.8	-23.8
SRF	2619	Neutral	34,803	-7.9	14.0	6,843	-28.7	17.2	3,574	-39.5	31.6
Tata Chemicals	1087	Neutral	35,426	-19.6	-5.0	5,585	-42.1	3.0	2,176	-69.4	37.7

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Vinati Organics	1470	Buy	4,246	-15.6	-5.2	958	-37.1	-16.5	630	-45.4	-18.1
Chemicals-Specialty			**1,52,865**	**-9.0**	**1.9**	**27,412**	**-25.3**	**0.6**	**15,720**	**-38.3**	**2.6**
Asian Paints	2871	Neutral	90,993	3.6	0.0	19,840	6.4	-3.5	13,971	8.9	-5.3
Britannia	4891	Neutral	41,316	2.7	-2.9	8,071	0.8	-1.7	5,648	2.0	0.9
Colgate	2714	Neutral	15,002	11.1	7.5	5,149	13.9	9.9	3,669	15.5	11.1
Dabur	529	Buy	28,453	6.3	-12.6	4,478	9.3	-32.9	3,246	0.5	-37.9
Emami	440	Buy	8,663	3.6	-13.1	2,055	2.9	-34.7	2,060	39.5	-27.1
Godrej Consumer	1227	Buy	32,988	3.1	-9.9	7,368	10.8	-18.6	5,087	8.2	-13.2
Hind. Unilever	2287	Buy	1,54,887	4.0	2.0	36,708	5.8	3.7	25,682	3.9	1.1
Indigo Paints	1317	Buy	3,990	22.6	12.8	888	23.8	42.7	574	17.9	52.8
ITC	427	Buy	1,73,529	5.8	5.3	59,284	-4.5	-1.6	48,625	-3.0	-12.8
Jyothy Labs	444	Neutral	6,837	10.8	0.9	1,170	28.2	-1.3	851	43.6	-6.4
Marico	496	Buy	22,749	1.6	-6.1	4,478	13.9	-12.7	3,739	23.8	-2.4
Nestle	2586	Neutral	52,425	8.5	14.0	12,789	13.8	13.3	8,694	15.8	11.4
P&G Hygiene	16599	Neutral	9,361	6.0	-17.4	2,011	34.7	-35.1	1,454	35.3	-36.5
Page Industries	34729	Neutral	10,645	9.8	-13.4	1,933	43.9	-15.8	1,262	61.1	-17.1
Pidilite Inds.	3049	Neutral	28,211	4.9	-9.9	6,626	44.3	-10.8	4,467	55.5	-12.5
Tata Consumer	1087	Buy	39,564	9.3	4.0	6,088	19.0	6.4	3,864	41.3	11.2
United Breweries	1786	Sell	19,721	11.8	8.2	1,763	229.8	21.1	1,051	980.3	23.9
United Spirits	1158	Neutral	25,911	3.9	-13.3	3,628	7.3	-26.2	2,412	13.6	-30.7
Varun Beverages	1397	Buy	42,280	8.6	58.5	8,847	10.9	111.5	4,794	11.7	263.8
Consumer			**8,07,524**	**5.6**	**2.0**	**1,93,174**	**6.2**	**-1.1**	**1,41,151**	**7.4**	**-5.7**
Avalon Tech	506	Buy	2,174	-20.0	1.5	181	-56.0	9.3	77	-66.0	17.5
Cyient DLM	705	Buy	3,802	37.1	18.4	398	24.6	35.1	238	88.8	28.8
Data Pattern	2561	Neutral	2,304	24.5	65.2	1,029	40.3	71.4	746	34.8	46.4
Kaynes Tech	2793	Buy	5,978	64.0	17.4	888	49.8	27.0	560	35.8	23.8
Syrma SGS Tech.	488	Buy	9,853	45.0	39.4	847	47.3	118.3	497	17.6	220.5
EMS			**24,111**	**35.6**	**27.5**	**3,342**	**27.0**	**55.7**	**2,118**	**21.6**	**54.9**
Ajanta Pharma	2237	Buy	10,621	20.4	-3.9	3,039	77.6	-5.5	2,182	81.9	2.7
Alembic Pharma	1005	Neutral	15,382	9.4	-5.7	2,451	9.8	-8.1	1,315	27.2	-27.3
Alkem Lab	5005	Neutral	31,372	8.1	-5.6	5,244	48.4	-25.9	3,574	21.6	-44.4
Apollo Hospitals	6453	Buy	48,698	13.2	0.4	6,229	27.6	1.5	2,509	45.4	2.3
Aurobindo Pharma	1113	Neutral	73,052	12.9	-0.6	15,032	50.0	-6.1	7,219	40.3	-20.0
Biocon	270	Neutral	37,713	3.4	4.6	6,976	-20.0	21.0	1,309	-12.5	LP
Cipla	1496	Buy	61,108	6.5	-7.5	14,295	21.8	-18.2	9,129	28.9	-23.7
Divis Labs	3568	Neutral	19,250	-1.3	3.8	5,166	5.0	5.6	3,829	18.2	11.0
Dr Reddy' s Labs	6251	Neutral	70,550	16.9	-2.2	19,329	46.6	-4.7	12,246	51.7	-11.1
Eris Lifescience	850	Neutral	5,139	27.6	5.7	1,777	49.4	1.2	974	48.9	-5.1
Gland Pharma	1815	Buy	16,057	104.6	3.9	3,952	134.7	5.6	2,610	120.1	28.0
Glenmark Pharma	981	Neutral	32,187	-4.6	28.4	4,297	-29.0	LP	1,415	-38.6	LP
Global Health	1330	Buy	8,610	22.4	3.4	2,304	38.9	5.8	1,427	41.2	15.5
Granules India	438	Buy	12,185	1.9	5.4	2,612	10.6	4.3	1,445	15.2	15.0
GSK Pharma	1987	Neutral	8,698	10.5	8.0	2,056	21.1	-5.7	1,489	21.0	-28.8
IPCA Labs.	1239	Neutral	19,976	32.2	-2.7	2,725	50.6	-17.7	1,276	82.1	14.4
Laurus Labs	405	Buy	13,835	0.2	15.8	2,865	0.3	57.9	1,142	8.6	393.6
Lupin	1623	Neutral	52,021	17.4	0.1	10,120	67.5	-1.0	5,464	109.7	-8.9
Max Healthcare	815	Buy	17,802	14.9	5.8	4,861	12.0	4.5	3,532	11.3	3.5
Piramal Pharma	130	Buy	24,302	12.3	24.1	4,760	35.5	77.4	2,316	362.1	561.6
Sun Pharma	1631	Buy	1,22,401	14.7	0.7	30,824	20.0	-1.5	24,883	17.8	0.5
Torrent Pharma	2678	Neutral	27,772	11.5	1.7	8,937	21.3	2.8	4,929	65.8	29.3
Zydus Lifesciences	999	Neutral	52,701	5.2	17.0	15,092	14.8	39.5	9,198	19.1	22.3
Healthcare			**7,81,432**	**12.0**	**2.3**	**1,74,943**	**24.7**	**4.2**	**1,05,412**	**32.7**	**4.7**
G R Infraproject	1384	Buy	21,609	8.3	19.6	2,791	-3.7	22.4	1,886	-1.9	28.2
IRB Infra	61	Neutral	20,312	25.4	3.2	8,891	17.2	2.3	1,830	40.5	-2.3
KNR Constructions	254	Buy	11,272	-4.1	24.5	1,963	-7.4	33.2	1,221	-5.1	42.8
Infrastructure			**53,194**	**11.0**	**13.7**	**13,645**	**8.2**	**9.6**	**4,937**	**9.4**	**17.5**
Adani Ports	1376	Buy	71,554	23.4	3.4	42,668	30.4	1.9	23,020	14.6	-2.2
Blue Dart Express	6147	Buy	13,896	14.2	0.5	1,437	12.2	7.0	813	15.6	-0.3
Concor	903	Buy	22,844	5.5	3.6	5,295	19.1	3.5	3,439	23.5	2.8
JSW Infra	247	Buy	9,816	8.7	4.4	5,171	13.0	7.7	3,263	7.5	6.0
Mahindra Logistics	427	Neutral	14,504	14.0	3.8	584	-8.3	11.8	-6	Loss	Loss

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
TCI Express	1065	Buy	3,255	-0.2	4.4	470	-13.2	3.1	328	-14.7	1.9
Transport Corp.	822	Buy	10,530	7.5	5.1	1,121	3.8	12.2	873	2.9	10.0
VRL Logistics	558	Buy	7,733	10.8	5.0	1,028	-9.9	8.9	218	-64.3	58.9
Logistics			**1,54,132**	**15.4**	**3.5**	**57,774**	**24.5**	**3.1**	**31,947**	**12.3**	**0.4**
PVR Inox	1385	Neutral	12,477	9.2	-19.3	303	471.8	-85.0	-967	PL	PL
Sun TV	611	Buy	8,105	-0.4	-8.5	4,931	1.1	-14.1	3,780	3.3	-13.6
Zee Entertainment	147	Neutral	20,090	-4.9	-1.8	1,172	-22.8	-44.0	496	-25.9	-46.4
Media			**40,673**	**0.0**	**-9.2**	**6,405**	**-0.6**	**-35.0**	**3,309**	**-30.2**	**-42.0**
Coal India	442	Buy	3,75,552	-1.6	3.9	95,335	10.3	-20.1	68,263	23.4	-24.7
Hindalco	568	Buy	5,32,082	-4.7	0.8	63,238	18.7	7.8	29,474	22.2	26.4
Hindustan Zinc	306	Neutral	79,633	-6.4	8.9	35,930	-15.6	2.0	19,428	-24.8	-4.2
JSPL	868	Buy	1,22,073	-10.8	4.3	25,818	18.0	-9.2	12,479	102.6	-35.3
JSW Steel	871	Neutral	4,47,906	-4.6	6.8	58,794	-25.9	-18.1	15,349	-58.1	-32.7
Nalco	161	Neutral	39,237	6.9	17.2	8,433	10.0	9.1	5,367	8.4	14.0
NMDC	213	Buy	63,528	8.6	17.4	23,326	7.9	16.2	18,942	20.5	13.1
SAIL	141	Neutral	2,60,639	-10.5	11.6	18,597	-36.4	-13.2	1,670	-86.1	-51.8
Tata Steel	163	Neutral	6,12,287	-2.8	10.7	59,513	-17.6	-5.0	10,542	-37.7	24.4
Vedanta	287	Neutral	3,41,865	-9.9	-3.8	84,336	-10.8	-1.1	18,876	-39.4	-6.2
Metals			**28,74,803**	**-5.0**	**5.4**	**4,73,319**	**-7.0**	**-7.3**	**2,00,391**	**-12.4**	**-12.8**
Aegis Logistics	437	Neutral	20,609	-4.3	10.0	2,405	18.8	13.6	1,449	2.9	11.3
BPCL	601	Neutral	11,81,783	0.1	2.3	1,02,683	-7.9	63.5	63,622	-15.9	87.3
Castrol India	201	Buy	13,276	2.6	5.0	3,250	10.2	-1.2	2,389	18.0	-1.2
GAIL	182	Buy	3,12,208	-5.0	-8.9	36,913	1,101.7	-3.4	27,040	348.0	-4.9
Gujarat Gas	547	Buy	40,133	2.2	2.1	4,664	-16.8	16.4	2,665	-27.8	20.9
Gujarat State Petronet	367	Buy	4,622	23.6	1.5	3,820	29.6	0.6	2,726	21.5	4.0
HPCL	469	Buy	10,25,797	-5.0	-7.8	41,007	-11.9	92.8	22,050	-31.6	316.8
Indraprastha Gas	439	Sell	30,476	-17.3	-14.3	5,779	23.9	-2.4	3,785	14.8	-10.0
IOC	169	Buy	19,31,374	-4.9	-3.0	1,40,664	-2.0	-9.2	70,989	-29.4	-12.0
Mahanagar Gas	1383	Buy	15,018	-6.7	-4.3	4,102	5.3	-8.6	2,862	6.5	-9.8
MRPL	229	Sell	2,42,365	-4.6	-1.8	15,051	-55.7	27.1	6,161	-67.7	59.2
Oil India	593	Buy	57,086	1.1	-1.8	29,468	25.5	39.9	19,666	10.0	24.1
ONGC	270	Buy	3,48,831	-3.9	0.3	1,80,061	10.2	4.9	87,012	40.8	-8.8
Petronet LNG	265	Neutral	1,23,774	-10.8	-16.1	10,986	16.5	-35.6	7,386	20.2	-38.0
Reliance Inds.	2970	Buy	25,82,070	21.3	14.7	3,88,189	1.0	-4.5	1,75,864	-8.9	1.9
Oil & Gas			**79,29,421**	**3.1**	**1.9**	**9,69,043**	**2.9**	**4.3**	**4,95,666**	**-6.1**	**6.9**
Oil Ex OMCs			**37,90,467**	**11.5**	**7.7**	**6,84,689**	**7.0**	**-0.8**	**3,39,005**	**6.2**	**-1.4**
Brigade Enterpr.	956	Buy	10,509	24.7	-10.5	2,541	25.7	-3.0	547	3.3	-25.6
DLF	948	Neutral	22,758	56.3	49.6	7,242	81.8	41.7	8,279	45.3	26.3
Godrej Properties	2391	Buy	5,213	-68.3	57.8	574	-83.4	LP	3,749	-17.5	497.8
Macrotech Developers	1169	Buy	37,262	14.5	27.1	9,273	20.2	5.0	5,934	-20.9	4.1
Mahindra Lifespace	620	Neutral	905	-64.6	10.3	-259	Loss	Loss	-42	PL	PL
Oberoi Realty	1504	Neutral	10,256	6.7	-2.7	5,152	39.7	1.1	3,416	-28.9	-5.2
Phoenix Mills	2845	Neutral	10,722	47.1	8.7	6,000	39.3	8.7	3,061	48.8	9.6
Prestige Estates	1264	Buy	22,470	-14.6	25.1	6,377	-6.5	15.6	1,932	-57.9	66.1
Sobha	1546	Buy	12,222	1.0	78.4	1,407	21.7	89.8	737	51.6	388.5
Sunteck Realty	426	Buy	5,990	1,125.7	1,311.2	2,163	LP	LP	1,635	LP	LP
Real Estate			**1,38,308**	**6.1**	**30.5**	**40,470**	**23.4**	**24.6**	**29,248**	**-2.3**	**34.6**
Aditya Birla Fashion	212	Neutral	32,976	14.5	-20.9	2,227	15.5	-59.7	-2,376	Loss	Loss
Avenue Supermarts	4481	Buy	1,27,285	20.1	-6.2	9,982	29.4	-10.9	5,912	28.5	-14.5
Barbeque Nation	522	Neutral	2,995	6.9	-9.5	536	34.3	-19.2	-16	Loss	PL
Bata India	1369	Neutral	8,033	3.2	-11.1	1,907	4.8	4.6	678	3.3	16.9
Campus Activewear	227	Buy	3,666	5.4	-22.3	557	-1.5	-1.0	257	12.2	3.4
Devyani Intl.	155	Buy	8,120	7.5	-3.7	1,414	-6.6	-3.4	35	-94.2	-30.4
Jubilant Foodworks	455	Neutral	13,260	5.9	-2.1	2,761	9.5	-2.4	511	-17.6	-16.1
Metro Brands	1130	Buy	5,950	9.4	-6.4	1,448	0.9	-27.2	569	-17.3	-42.0
Raymond	1822	Buy	24,643	14.6	3.3	4,221	25.3	16.6	2,333	-14.8	24.3
Relaxo Footwear	824	Neutral	8,218	7.4	15.3	1,382	17.1	58.5	775	22.4	100.8
Restaurant Brands	104	Buy	4,598	26.0	3.2	847	100.5	19.8	64	LP	LP
Sapphire Foods	1598	Buy	6,352	13.4	-4.6	1,098	11.9	-9.8	66	-42.5	-33.2
Shoppers Stop	777	Neutral	9,696	5.8	-19.7	1,741	10.8	-19.2	120	-26.5	-66.4
Titan Company	3738	Buy	1,25,691	21.3	-11.3	13,311	22.2	-14.9	8,998	22.3	-14.6

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Trent	3886	Buy	32,692	57.4	-1.3	4,297	102.7	-31.0	1,897	80.4	-44.8
V-Mart Retail	2173	Neutral	6,680	12.5	-24.9	263	14.7	-78.0	-410	Loss	PL
Vedant Fashions	962	Neutral	3,561	4.2	-25.0	1,754	4.5	-27.5	1,079	-0.9	-31.6
Westlife Foodworld	798	Neutral	5,765	3.6	-4.0	867	-5.7	-9.7	91	-54.8	-47.4
Retail			**4,30,180**	**19.1**	**-8.7**	**50,614**	**22.7**	**-17.1**	**20,581**	**13.9**	**-23.6**
Quess Corp	521	Neutral	50,391	13.5	4.1	1,990	30.9	10.0	1,017	207.1	21.4
SIS	436	Buy	33,471	11.7	8.9	1,670	24.0	10.3	1,163	24.9	214.9
Team Lease Serv.	2812	Buy	24,976	23.2	2.1	387	15.0	7.4	362	48.5	31.7
Updater Services	330	Buy	6,956	22.0	8.5	448	47.7	13.9	334	99.1	21.9
Staffing			**1,15,795**	**15.4**	**5.2**	**4,495**	**28.2**	**10.2**	**2,876**	**71.8**	**63.8**
Coforge	5491	Neutral	24,206	11.5	4.2	4,672	14.6	16.4	2,787	19.8	17.1
Cyient	2007	Buy	18,943	8.2	4.0	3,637	12.9	11.5	2,167	23.0	16.6
HCL Technologies	1556	Buy	2,87,123	7.9	0.9	64,116	8.2	-4.4	42,515	6.8	-2.3
Infosys	1496	Buy	3,88,160	3.7	0.0	97,337	-0.6	-0.1	62,994	2.8	3.2
LTIMindtree	4882	Neutral	91,448	5.2	1.4	16,411	2.3	3.5	11,907	6.9	1.8
L&T Technology	5602	Buy	25,519	21.7	5.4	5,251	16.9	7.7	3,616	16.8	7.6
MphasiS	2462	Neutral	33,769	0.5	1.2	6,129	2.4	2.0	4,010	-1.1	7.3
Persistent Systems	3992	Neutral	25,732	14.1	3.0	4,683	12.5	6.0	2,991	18.9	4.5
TCS	3915	Buy	6,20,620	4.9	2.4	1,68,110	7.1	2.5	1,23,630	8.1	5.0
Tech Mahindra	1245	Neutral	1,32,320	-3.5	1.0	15,595	-22.8	15.1	9,232	-30.6	28.5
Wipro	485	Neutral	2,22,622	-4.0	0.3	44,715	-2.9	6.0	29,464	-4.2	9.4
Zensar Tech	610	Neutral	12,246	1.0	1.7	1,974	12.2	-4.9	1,307	9.5	-19.1
Technology			**18,82,707**	**3.6**	**1.3**	**4,32,630**	**3.0**	**1.9**	**2,96,620**	**3.9**	**4.5**
Bharti Airtel	1218	Buy	3,88,607	7.9	2.5	2,03,981	9.1	2.9	21,994	-15.2	-11.7
Indus Towers	315	Neutral	73,433	8.7	2.0	36,519	6.4	1.9	13,148	-6.0	-14.6
Tata Comm	2037	Neutral	57,689	26.3	2.4	11,551	11.7	1.8	4,951	51.8	114.9
Vodafone Idea	14	Neutral	1,07,159	1.7	0.4	44,053	4.6	1.3	-76,798	Loss	Loss
Telecom			**6,26,889**	**8.3**	**2.1**	**2,96,104**	**8.2**	**2.5**	**-36,705**	**Loss**	**Loss**
APL Apollo Tubes	1504	Buy	42,112	-5.0	0.8	3,145	-2.6	12.5	1,957	-3.0	18.3
Cello World	785	Buy	5,700	NA	8.1	1,365	NA	3.3	912	NA	7.5
Coromandel International	1114	Buy	48,182	-12.0	-11.8	2,445	-39.4	-31.7	1,355	-45.0	-41.3
Dreamfolks Services	497	Buy	3,032	27.5	-0.6	281	-16.7	2.6	215	-14.9	7.5
EPL	183	Buy	10,606	9.4	8.8	1,901	23.0	3.7	677	-19.6	-21.3
Godrej Agrovet	502	Neutral	22,377	6.8	-4.6	1,132	51.8	-28.8	532	71.4	-42.1
Havells India	1514	Buy	54,526	12.2	23.5	5,590	6.0	29.2	3,856	7.7	33.9
Indiamart Inter.	2711	Buy	3,218	19.7	5.4	833	26.0	-2.4	776	39.1	-3.8
Indian Hotels	602	Buy	18,692	15.0	-4.8	6,602	23.3	-9.9	4,049	23.3	-10.4
Info Edge	5708	Neutral	6,024	6.8	1.2	2,343	6.3	-2.7	2,009	1.6	-5.9
Interglobe Aviation	3548	Neutral	1,65,218	16.7	-15.1	46,886	62.2	-13.9	23,683	158.5	-21.0
Kajaria Ceramics	1225	Buy	13,118	8.9	13.9	2,114	20.1	18.2	1,233	17.6	18.3
Lemon Tree Hotel	138	Buy	3,260	29.0	12.9	1,614	15.4	15.5	483	9.9	36.5
One 97 Comm.	406	Neutral	18,338	-21.5	-35.7	-4,321	Loss	Loss	-4,693	Loss	Loss
UPL	466	Neutral	1,14,742	-30.7	16.1	13,215	-56.2	217.7	-4,030	PL	Loss
Voltas	1153	Buy	37,487	26.8	42.8	2,289	4.9	705.4	1,713	19.1	LP
Zomato	185	Buy	34,758	69.1	5.7	1,178	LP	131.0	1,800	LP	30.4
Others			**6,01,391**	**0.1**	**-0.8**	**88,612**	**5.2**	**1.5**	**36,529**	**6.6**	**-11.9**

PL: Profit to Loss; LP: Loss to Profit

Ready reckoner: Quarterly performance

	CMP (INR)	RECO	NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Financials											
AU Small Finance	589	Buy	13,720	13.1	3.6	6,697	17.3	1.9	3,842	-9.5	2.4
Axis Bank	1053	Neutral	1,27,193	8.3	1.5	92,158	0.5	0.8	63,525	-4.1	4.6
Bandhan Bank	188	Neutral	26,673	7.9	5.6	18,067	0.6	9.1	8,514	5.3	16.2
DCB Bank	126	Neutral	4,885	0.5	3.1	2,289	-6.1	8.2	1,316	-7.5	4.0
Equitas Small Fin.	94	Buy	7,962	12.6	1.4	3,680	-4.8	2.1	2,111	11.1	4.5
Federal Bank	153	Buy	21,999	15.2	3.6	13,227	-0.9	-8.0	8,974	-0.6	-10.9
HDFC Bank	1470	Buy	2,91,442	24.8	2.4	2,42,589	30.3	2.6	1,56,538	29.9	-4.4
ICICI Bank	1099	Buy	1,91,778	8.6	2.7	1,47,187	6.5	0.0	1,06,289	16.5	3.5
IDFC First Bank	77	Neutral	44,872	24.8	4.7	16,545	6.1	5.9	7,502	-6.5	4.8
IndusInd Bank	1541	Buy	54,883	17.5	3.6	41,611	10.7	2.9	24,156	18.2	5.0
Kotak Mahindra Bank	1790	Neutral	66,999	9.8	2.2	50,291	8.2	10.1	34,197	-2.2	13.8
RBL Bank	247	Neutral	16,140	18.9	4.4	8,157	37.4	6.6	3,354	23.7	43.9
SBI Cards	689	Neutral	14,485	24.3	4.4	17,001	18.9	4.9	5,637	-5.5	2.7
Banks-Private			**8,83,031**	**15.5**	**2.7**	**6,59,500**	**13.8**	**2.4**	**4,25,955**	**13.7**	**1.5**
Bank of Baroda	267	Buy	1,13,946	-1.1	2.6	75,234	-6.8	7.2	48,156	0.8	5.2
Canara Bank	589	Buy	93,875	8.9	-0.3	70,425	-2.9	3.5	37,344	17.6	2.1
Indian Bank	530	Buy	59,465	8.0	2.3	42,018	4.6	2.6	21,961	51.7	3.6
Punjab National Bank	126	Neutral	1,04,546	10.1	1.6	70,996	21.0	12.1	28,563	146.5	28.5
State Bank	758	Buy	4,14,605	2.6	4.1	2,29,106	-6.9	12.7	1,61,277	-3.4	12.0
Union Bank	157	Buy	94,413	14.4	3.0	72,262	5.9	-0.7	38,694	39.1	7.8
Banks-PSU			**8,80,849**	**5.1**	**2.9**	**5,60,040**	**-1.1**	**8.0**	**3,35,995**	**11.9**	**9.9**
HDFC Life Insur.	634	Neutral	2,27,412	15.9	46.5	12,236	-19.0	42.9	4,394	22.5	20.4
ICICI Lombard	1696	Buy	42,103	13.0	-2.2	-2,802	Loss	Loss	5,221	19.5	21.0
ICICI Pru Life	616	Buy	1,36,987	5.4	33.2	9,556	-9.4	119.2	2,859	21.7	25.7
Max Financial	1017	Neutral	1,07,847	17.8	47.8	6,944	-9.8	42.0	2,804	117.3	85.7
SBI Life Insurance	1490	Buy	2,37,730	18.8	5.9	14,795	2.7	-11.9	7,239	-6.8	125.0
Star Health	557	Buy	33,736	15.8	2.4	-1,018	Loss	PL	1,434	40.9	-50.5
Insurance			**7,85,816**	**14.8**	**24.4**	**39,711**	**-11.0**	**20.6**	**23,950**	**17.5**	**34.1**
AAVAS Financiers	1418	Neutral	2,365	7.0	7.1	1,713	3.9	8.6	1,302	2.7	11.6
Bajaj Finance	7249	Buy	80,980	29.5	5.8	65,194	27.4	6.1	38,613	22.3	6.2
Can Fin Homes	790	Neutral	3,310	26.7	0.7	2,900	30.7	1.2	2,198	32.6	9.8
Chola. Inv & Fin.	1186	Buy	23,187	31.4	6.8	16,365	28.5	8.0	9,744	14.3	11.2
CreditAccess	1409	Buy	8,559	38.2	6.6	6,821	35.6	13.3	3,960	33.5	12.1
Fusion Micro	482	Buy	3,666	32.6	8.3	2,728	23.4	4.8	1,466	28.0	15.9
Home First Fin.	920	Buy	1,410	26.1	4.9	1,115	22.6	1.6	828	29.4	5.1
IIFL Finance	346	Buy	14,288	20.6	-9.3	10,289	28.2	7.3	4,798	16.2	-2.2
L&T Finance	163	Buy	20,392	15.5	4.4	14,201	11.8	6.1	6,777	35.3	5.9
LIC Housing Fin	637	Buy	20,571	3.4	-1.9	18,184	3.8	-3.5	11,903	0.8	2.4
M & M Financial	287	Buy	17,896	11.8	5.4	11,078	17.3	4.3	7,306	6.8	32.2
Manappuram Finance	182	Buy	15,325	36.2	5.5	9,659	57.3	3.2	5,958	43.5	3.6
MAS Financial	294	Buy	1,710	34.9	5.5	1,161	31.0	5.3	663	19.4	6.2
Muthoot Finance	1564	Neutral	19,648	6.0	3.1	13,794	6.8	-1.1	10,303	14.1	0.3
PNB Housing	750	Buy	5,963	2.6	0.6	4,993	3.4	0.0	3,671	31.5	8.5
Poonawalla Fincorp	475	Buy	5,366	41.3	9.3	3,980	97.4	13.6	3,054	69.0	15.2
Repco Home Fin	448	Neutral	1,606	9.0	-1.8	1,368	13.7	-0.2	1,000	21.8	0.6
Shriram Finance	2433	Buy	51,058	22.1	4.0	38,573	25.2	4.6	19,537	49.3	7.4
Spandana Sphoorty	882	Buy	3,526	30.4	11.5	2,606	-0.1	8.4	1,357	28.6	6.5
NBFC - Lending			**3,00,825**	**21.7**	**3.8**	**2,26,721**	**22.5**	**4.6**	**1,34,440**	**23.5**	**7.1**
360 One WAM	688	Buy	4,585	16.7	4.2	2,205	6.1	5.5	1,931	24.3	0.0
BSE	2710	Neutral	5,203	129.2	40.0	1,996	92.6	113.0	1,754	85.6	63.0
Cams Services	2993	Buy	2,993	20.1	3.3	1,341	22.9	3.6	928	24.7	4.8
ICICI Securities	724	UR	13,527	52.8	2.2	6,264	77.3	0.4	4,779	81.9	2.6
MCX	3564	Neutral	2,091	56.3	9.2	1,310	6,227.8	LP	1,063	1,850.5	LP
NBFC - Non Lending			**28,399**	**50.4**	**8.6**	**13,115**	**69.0**	**26.6**	**10,455**	**76.5**	**23.1**

PL: Profit to Loss; LP: Loss to Profit; For Banks: Sales = Net Interest Income, EBITDA = Operating Profits; For Life Insurance: Sales = Net Premium, EBITDA = Operating Profits

Ready reckoner: Full year valuations

Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
Automobiles						**27.0**	**23.2**	**20.1**	**5.5**	**4.6**	**3.9**	**20.5**	**19.6**	**19.4**
Amara Raja Energy	795	Neutral	51.1	57.7	60.9	14.9	13.8	13.0	2.2	2.0	1.8	15.6	15.7	14.8
Apollo Tyres	465	Buy	28.9	32.1	34.7	16.1	14.5	13.4	1.7	1.5	1.3	13.5	13.4	13.0
Ashok Leyland	175	Buy	8.7	10.5	11.8	20	17	14.9	4.8	4.0	3.3	27.1	26.5	24.2
Bajaj Auto	9,041	Neutral	271.7	321.5	367.3	33.7	28.1	24.6	9.3	8.3	7.4	28.9	31.0	31.9
Balkrishna Inds	2,284	Neutral	63.9	81.5	102.4	36.3	28.0	22.3	5.5	4.8	4.2	15.7	18.2	20.3
Bharat Forge	1,149	Buy	21.4	38.3	47.5	52.7	30.0	24.2	7.1	6.0	5.0	14.1	21.9	22.7
Bosch	30,290	Neutral	599.8	778.1	921.2	50.1	38.9	32.9	7.1	6.5	5.7	15.0	17.4	18.5
CEAT	2,653	Buy	172.7	176.5	205.1	15.5	15.0	12.9	2.7	2.3	2.0	18.6	16.2	16.3
CIE Automotive	472	Buy	21.1	24.2	29.6	21.9	19.5	16.0	2.9	2.7	2.3	14.4	14.4	15.6
Craftsman Auto	4,368	Buy	155.5	185.0	242.4	27.8	23.6	18.0	5.4	4.5	3.7	21.5	21.1	22.6
Eicher Motors	3,948	Neutral	146.8	170.6	195.4	27.4	23.1	20.2	6.2	5.1	4.4	24.5	24.1	23.4
Endurance Tech.	1,828	Buy	46.5	57.6	71.1	39.4	31.7	25.7	5.2	4.6	4.0	14.0	15.4	16.7
Escorts Kubota	2,859	Neutral	84.9	95.0	107.8	32.7	30.1	26.5	3.7	3.4	3.1	12.0	12.1	12.3
Exide Inds.	311	Neutral	12.3	14.9	16.6	24.8	20.8	18.7	2.2	2.0	1.9	8.7	9.8	10.0
Happy Forgings	928	Buy	25.3	33.6	42.9	35.2	27.7	21.6	5.2	4.7	4.0	18.4	18.3	19.9
Hero Motocorp	4,683	Buy	204.4	230.5	273.7	23.1	20.3	17.1	5.2	4.7	4.2	23.4	24.0	25.9
Mahindra & Mahindra	1,915	Buy	87.5	96.3	107.9	22.0	19.9	17.8	4.5	3.8	3.3	22.1	20.7	19.8
Maruti Suzuki	12,570	Buy	444.8	489.4	546.4	28.4	25.7	23.0	5.4	4.1	3.6	18.7	15.9	15.6
Motherson Wiring	67	Buy	1.5	1.9	2.2	45.1	35.2	30.3	17.3	13.9	11.4	42.8	44.1	41.2
MRF	135,789	Sell	5,140.0	5,191.2	5,672.9	25.9	26.2	23.9	3.4	3.1	2.8	13.9	12.5	12.2
Samvardhana M	120	Buy	3.3	5.5	7.3	35.2	21.8	16.6	3.3	3.0	2.7	9.7	14.7	17.3
Sona BLW Precis.	684	Neutral	8.7	11.8	14.3	80.7	57.8	47.9	15.6	12.8	10.8	20.7	24.0	24.5
Tata Motors	992	Neutral	55.0	60.3	70.7	18.1	16.4	14.0	5.9	4.3	3.3	38.3	29.6	26.7
Tube Investments	3,723	Buy	51.0	67.7	82.6	73.2	55.0	45.1	15.1	12.2	9.9	22.6	24.5	24.3
TVS Motor	2,140	Neutral	44.5	55.4	65.3	48.4	38.6	32.8	13.0	10.0	8.0	30.4	29.3	27.1
Capital Goods						**53.0**	**41.9**	**33.6**	**8.2**	**7.4**	**6.4**	**15.5**	**17.6**	**18.9**
ABB India	6,508	Buy	58.9	73.4	90.1	108.0	88.7	72.2	22.7	18.8	15.2	22.9	23.4	23.2
Bharat Electronics	211	Neutral	5.1	5.8	6.6	39.4	36.1	32.2	9.3	8.4	7.3	23.6	23.3	22.7
Cummins India	3,005	Buy	55.5	65.1	77.6	54.2	46.1	38.7	14.0	12.5	11.1	27.2	28.6	30.5
Hitachi Energy	7,010	Sell	24.7	66.0	116.9	281.9	106.2	60.0	22.4	18.6	14.2	7.9	17.5	23.6
Kalpataru Proj.	1,117	Buy	34.6	53.4	74.7	30.8	20.9	15.0	3.0	2.8	2.4	10.2	14.2	17.2
KEC International	718	Neutral	13.7	28.3	41.6	50.5	25.4	17.3	4.4	3.9	3.2	9.0	16.5	20.5
Kirloskar Oil	889	Buy	24.7	32.8	42.0	34.8	27.1	21.2	4.8	4.4	3.8	14.5	17.1	19.2
Larsen & Toubro	3,837	Buy	89.5	118.0	149.5	42.1	32.5	25.7	5.9	5.3	4.6	13.9	17.2	19.2
Siemens	5,462	Buy	55.1	68.0	81.2	97.6	80.3	67.3	14.6	13.1	11.4	15.9	17.3	18.1
Thermax	4,287	Neutral	50.4	62.7	73.7	83.2	68.3	58.2	10.8	9.8	8.7	13.8	15.3	15.9
Triveni Turbine	573	Buy	8.3	10.6	14.2	64.7	53.9	40.4	18.0	15.3	12.0	30.9	31.5	33.3
Cement						**36.5**	**31.7**	**27.3**	**3.7**	**3.3**	**3.0**	**10.2**	**10.4**	**11.1**
ACC	2,544	Neutral	98.4	120.3	132.4	25.3	21.1	19.2	3.0	2.7	2.4	12.4	13.5	13.2
Ambuja Cements	621	Neutral	12.3	11.4	13.3	49.9	54.6	46.9	4.0	3.3	3.1	13.8	10.4	9.0
Birla Corporation	1,478	Buy	48.3	70.0	86.8	29.5	21.1	17.0	1.7	1.7	1.6	6.1	8.3	9.5
Dalmia Bharat	1,997	Buy	41.0	57.4	76.1	47.4	34.8	26.2	2.2	2.2	2.1	4.8	6.5	8.1
Grasim Industries	2,291	Buy	94.2	96.1	105.7	24.3	23.8	21.7	3.1	3.0	2.9	4.6	3.0	3.9
India Cements	220	Sell	-7.9	3.4	6.6	-26.9	64.5	33.6	1.2	1.2	1.2	-4.4	1.9	3.6
J K Cements	4,277	Buy	108.1	139.2	174.7	37.7	30.7	24.5	5.9	5.3	4.5	16.7	18.5	19.8
JK Lakshmi Cem.	883	Buy	35.8	43.6	52.6	24.4	20.3	16.8	3.2	2.9	2.5	14.1	15.1	16.0
Ramco Cements	845	Neutral	16.1	26.0	35.1	50.5	32.5	24.1	2.7	2.6	2.4	5.5	8.4	10.4
Shree Cement	26,487	Neutral	658.6	625.4	671.4	39.0	42.4	39.4	4.6	4.3	4.0	12.3	10.6	10.5
Ultratech Cement	9,956	Buy	235.6	290.5	344.6	41.4	34.3	28.9	4.7	4.3	3.8	11.9	13.2	14.0
Chemicals-Specialty						**41.4**	**35.1**	**28.5**	**4.5**	**4.2**	**3.7**	**11.0**	**11.9**	**13.1**
Alkyl Amines	1,902	Neutral	27.7	37.7	58.1	65.4	50.4	32.7	7.3	6.8	5.9	11.6	14.3	19.2
Atul	5,798	Neutral	108.3	138.3	181.1	53.0	41.9	32.0	3.4	3.2	3.0	6.6	8.0	9.6
Clean Science	1,347	Neutral	21.4	27.0	33.1	62.0	50.0	40.7	11.8	10.0	8.3	20.6	21.8	22.3
Deepak Nitrite	2,141	Neutral	56.3	75.1	87.8	37.7	28.5	24.4	6.1	5.2	4.3	17.3	19.6	19.3
Fine Organic	4,212	Sell	105.1	100.6	96.0	38.3	41.9	43.9	6.8	6.1	5.4	19.2	15.6	13.0
Galaxy Surfactants	2,356	Buy	87.7	103.0	120.4	25.9	22.9	19.6	3.8	3.5	3.0	15.5	16.0	16.5
Navin Fluorine	3,129	Neutral	42.2	63.9	87.2	73.8	48.9	35.9	6.4	5.8	5.1	9.1	12.5	15.2
NOCIL	259	Neutral	7.0	10.2	13.3	35.8	25.3	19.5	2.6	2.5	2.3	7.3	10.2	12.3
P I Industries	3,891	Buy	108.8	119.9	138.4	35.6	32.5	28.1	6.8	5.7	4.8	20.8	19.1	18.6
SRF	2,619	Neutral	44.8	68.7	85.7	57.1	38.1	30.6	6.8	6.1	5.2	12.4	17.0	18.4
Tata Chemicals	1,087	Neutral	48.1	38.2	51.4	22.5	28.4	21.1	1.3	1.3	1.3	6.1	4.7	6.1

Ready reckoner: Full year valuations

Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
Vinati Organics	1,470	Buy	28.8	37.5	49.2	51.1	39.2	29.9	6.1	5.4	4.7	12.6	14.7	16.9
Consumer						**47.1**	**43.5**	**39.3**	**12.2**	**11.2**	**10.4**	**25.8**	**25.7**	**26.5**
Asian Paints	2,871	Neutral	59.2	59.3	64.3	48.1	48.4	44.7	15.7	14.5	13.1	34.1	31.3	30.8
Britannia	4,891	Neutral	89.9	101.6	113.4	54.7	48.1	43.1	30.2	26.0	21.9	58.1	58.0	55.2
Colgate	2,714	Neutral	48.9	51.5	56.1	55.4	52.7	48.4	38.0	33.2	28.3	72.8	67.3	63.1
Dabur	529	Buy	10.5	12.2	13.5	50.0	43.3	39.3	9.5	8.8	8.2	19.8	21.2	21.5
Emami	440	Buy	18.7	20.5	21.0	22.9	21.5	20.9	7.2	6.6	6.0	33.6	32.4	29.9
Godrej Consumer	1,227	Buy	20.2	22.6	26.5	62.0	54.3	46.4	8.5	7.6	6.9	14.3	14.6	15.5
Hind. Unilever	2,287	Buy	43.8	48.0	52.7	51.8	47.6	43.4	10.4	10.3	10.0	20.3	21.9	23.4
Indigo Paints	1,317	Buy	31.9	35.9	40.1	39.4	36.7	32.8	6.7	6.1	5.3	18.1	17.7	17.3
ITC	427	Buy	16.4	17.2	18.5	26.1	24.8	23.1	7.6	7.5	7.3	29.4	30.4	31.9
Jyothy Labs	444	Neutral	10.0	11.0	12.1	44.0	40.5	36.6	9.3	8.6	7.8	22.4	22.2	22.3
Marico	496	Buy	11.5	12.5	13.7	43.0	39.7	36.1	16.3	15.8	15.2	38.5	40.3	42.8
Nestle	2,586	Neutral	40.5	35.8	40.9	64.7	72.2	63.3	86.7	74.5	65.0	145.3	110.3	109.8
P&G Hygiene	16,599	Neutral	241.7	271.3	310.0	69.9	61.2	53.5	53.5	44.9	38.4	79.7	79.2	77.4
Page Industries	34,729	Neutral	526.5	636.0	737.9	65.4	54.6	47.1	23.9	20.5	17.4	36.5	37.5	37.0
Pidilite Inds.	3,049	Neutral	37.2	42.6	49.6	81.0	71.5	61.5	18.5	16.4	14.4	24.4	24.5	25.0
Tata Consumer	1,087	Buy	14.7	18.4	20.5	74.4	58.9	53.0	5.9	4.5	4.2	8.3	9.1	8.8
United Breweries	1,786	Sell	16.4	26.2	32.3	106	68	55.3	10.9	10.3	9.4	10.6	15.8	17.8
United Spirits	1,158	Neutral	16.0	18.3	20.4	71	63	56.7	11.6	9.9	8.5	16.3	15.7	14.9
Varun Beverages	1,397	Buy	15.8	20.2	26.3	88.4	69.1	53.2	26.2	19.6	14.7	34.2	32.5	31.6
EMS						**88.1**	**55.5**	**36.8**	**8.7**	**7.4**	**6.2**	**9.9**	**13.3**	**16.7**
Avalon Tech	506	Buy	4.4	10.4	17.1	112.4	48.9	29.6	5.7	5.2	4.4	5.2	11.3	16.2
Cyient DLM	705	Buy	7.8	14.0	22.9	91.8	50.4	30.8	5.9	5.2	4.5	10.7	10.9	15.6
Data Pattern	2,561	Neutral	33.1	43.5	58.1	73.2	58.9	44.1	10.1	9.0	7.5	14.7	16.6	18.6
Kaynes Tech	2,793	Buy	27.2	44.4	63.4	105.5	62.8	44.1	14.9	11.8	9.3	15.2	20.7	23.6
Syrma SGS Tech.	488	Buy	7.0	10.6	18.1	66.6	46.3	27.0	4.9	4.7	4.0	7.7	10.6	15.9
Financials														
Banks-Private						**17.4**	**15.2**	**12.8**	**2.6**	**2.3**	**2.0**	**15.2**	**15.2**	**15.7**
AU Small Finance	589	Buy	23.2	29.1	37.9	24.4	20.3	15.5	3.1	2.6	2.2	13.4	14.2	15.5
Axis Bank	1,053	Neutral	78.2	86.6	102.8	13.4	12.2	10.2	2.2	1.9	1.6	17.7	16.8	17.1
Bandhan Bank	188	Neutral	18.8	23.0	27.0	9.6	8.2	6.9	1.3	1.2	1.1	14.7	16.1	16.9
DCB Bank	126	Neutral	16.4	19.6	23.7	7.2	6.4	5.3	0.8	0.7	0.7	11.4	12.3	13.3
Equitas Small Fin.	94	Buy	7.2	8.3	10.9	12.9	11.3	8.6	1.8	1.6	1.4	14.6	15.1	17.3
Federal Bank	153	Buy	16.5	18.2	21.9	9.1	8.4	7.0	1.3	1.1	1.0	14.9	14.3	15.1
HDFC Bank	1,470	Buy	78.9	91.3	107.0	18.3	16.1	13.7	2.5	2.3	2.0	14.5	15.1	15.6
ICICI Bank	1,099	Buy	58.4	65.2	75.0	18.8	16.9	14.7	3.3	2.8	2.4	19.0	18.1	17.8
IDFC First Bank	77	Neutral	4.4	5.7	7.9	16.9	13.6	9.9	1.6	1.5	1.3	10.3	11.4	13.8
IndusInd Bank	1,541	Buy	116.6	138.4	167.7	13.3	11.1	9.2	1.9	1.7	1.4	15.4	16.0	16.7
Kotak Mahindra Bank	1,790	Neutral	89.6	101.9	120.5	19.9	17.6	14.9	2.7	2.4	2.1	14.6	14.1	14.4
RBL Bank	247	Neutral	19.2	25.6	34.9	12.5	9.7	7.1	1.0	1.0	0.9	8.2	10.2	12.9
SBI Cards	689	Neutral	24.4	34.1	46.1	28.0	20.2	14.9	5.4	4.4	3.4	21.2	24.1	25.8
Banks-PSU						**9.8**	**7.9**	**6.8**	**1.5**	**1.3**	**1.1**	**15.2**	**16.3**	**16.6**
Bank of Baroda	267	Buy	34.2	38.7	43.8	7.7	6.9	6.1	1.2	1.1	0.9	17.8	17.3	16.9
Canara Bank	589	Buy	80.1	91.5	103.3	7.3	6.4	5.7	1.3	1.1	0.9	19.9	19.0	18.0
Indian Bank	530	Buy	61.8	70.6	82.6	8.4	7.5	6.4	1.3	1.1	1.0	16.9	16.7	16.9
Punjab National Bank	126	Neutral	7.3	11.4	14.9	16.9	11.1	8.4	1.3	1.2	1.1	8.4	11.8	13.8
State Bank	758	Buy	71.8	90.9	106.2	10.5	8.3	7.1	1.7	1.4	1.2	17.6	18.9	18.4
Union Bank	157	Buy	19.9	21.9	24.9	7.7	7.2	6.3	1.2	1.1	1.0	17.7	17.1	17.0
Insurance						**24.6**	**23.3**	**20.8**	**7.6**	**6.0**	**4.7**	**31.1**	**25.8**	**22.7**
HDFC Life Insur.	634	Neutral	7.4	11.3	14.0	85.1	56.2	45.2	2.9	2.5	2.1	17.7	17.4	17.3
ICICI Lombard	1,696	Buy	37.5	47.7	57.0	45.0	35.5	29.8	7.2	6.4	5.5	16.8	19.0	19.9
ICICI Pru Life	616	Buy	7.0	7.0	7.8	87.6	87.9	78.9	2.1	1.8	1.5	17.2	17.5	17.9
Life Insurance Corp.	970	Buy	58.5	61.4	67.3	15.6	15.8	14.4	0.8	0.8	0.7	20.3	12.6	12.4
Max Financial	1,017	Neutral	16.0	21.6	26.4	62.5	47.0	38.6	2.2	1.9	1.6	20.4	19.7	19.4
SBI Life Insurance	1,490	Buy	18.2	22.7	25.9	82.3	65.6	57.5	2.7	2.2	1.8	21.8	20.8	20.4
Star Health	557	Buy	14.5	19.2	24.4	37.4	29.0	22.8	4.3	3.8	3.3	12.1	14.0	15.4
NBFC - Lending						**20.1**	**15.6**	**12.6**	**2.7**	**2.4**	**2.1**	**13.7**	**15.5**	**16.4**
AAVAS Financiers	1,418	Neutral	60.5	75.4	94.6	21.7	18.8	15.0	2.8	2.6	2.2	13.6	14.7	15.9
Aditya Birla Cap	182	Buy	10.7	13.6	17.1	16.4	13.4	10.6	1.8	1.7	1.5	12.2	13.2	14.7
Bajaj Finance	7,249	Buy	235.3	307.0	388.2	30.8	23.6	18.7	5.9	4.8	3.9	22.3	22.4	23.1
Can Fin Homes	790	Neutral	57.2	63.9	71.7	13.2	12.4	11.0	2.3	2.0	1.7	19.0	17.9	17.1

Ready reckoner: Full year valuations

Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
Chola. Inv & Fin.	1,186	Buy	39.8	56.4	69.8	29.1	21.0	17.0	5.0	4.2	3.2	19.8	21.8	21.5
CreditAccess	1,409	Buy	90.9	109.8	129.5	15.8	12.8	10.9	3.5	2.7	2.2	24.8	23.5	22.1
Fusion Micro	482	Buy	51.7	68.8	85.6	8.9	7.0	5.6	1.6	1.4	1.1	20.1	21.7	21.7
Home First Fin.	920	Buy	34.4	42.1	53.5	26.1	21.8	17.2	3.8	3.3	2.8	15.6	16.4	17.8
IIFL Finance	346	Buy	49.1	54.6	68.1	6.9	6.3	5.1	1.2	1.1	0.9	19.1	18.1	19.0
Indostar Capital	196	Buy	7.8	17.3	28.1	23.9	11.3	7.0	0.8	0.8	0.7	3.4	7.0	10.5
L&T Finance	163	Buy	9.8	12.0	15.8	16.1	13.5	10.3	1.7	1.6	1.5	10.9	12.2	14.8
LIC Housing Fin	637	Buy	88.4	87.3	94.1	6.9	7.3	6.8	1.1	1.0	0.9	16.8	14.8	14.4
M & M Financial	287	Buy	15.2	22.9	28.4	18.4	12.5	10.1	2.0	1.8	1.6	11.1	15.4	17.2
Manappuram Finance	182	Buy	26.3	30.0	35.7	6.6	6.0	5.1	1.3	1.1	0.9	21.0	20.0	20.0
MAS Financial	294	Buy	15.0	19.7	24.2	19.0	14.9	12.2	2.8	2.4	2.1	15.6	17.6	18.3
Muthoot Finance	1,564	Neutral	100.2	115.8	132.1	14.7	13.5	11.8	2.5	2.3	2.0	17.8	17.8	17.7
Piramal Enterprises	860	Buy	-70.1	77.7	109.2	-12.1	11.1	7.9	0.7	0.7	0.6	-5.4	6.2	8.1
PNB Housing	750	Buy	55.3	70.0	87.3	11.4	10.7	8.6	1.1	1.2	1.1	11.1	11.5	13.0
Poonawalla Fincorp	475	Buy	13.0	18.6	26.0	35.7	25.5	18.2	4.3	3.8	3.3	13.6	16.0	19.4
Repco Home Fin	448	Neutral	61.8	65.9	71.8	6.5	6.8	6.2	0.9	0.9	0.8	14.3	13.4	12.9
Shriram Finance	2,433	Buy	192.2	225.4	269.3	12.3	10.8	9.0	1.8	1.6	1.4	15.6	16.1	16.8
Spandana Sphoorty	882	Buy	71.5	91.2	114.1	11.8	9.7	7.7	1.7	1.5	1.2	15.1	16.5	17.4
NBFC - Non Lending						**30.8**	**25.7**	**21.8**	**9.7**	**8.9**	**8.0**	**31.5**	**34.8**	**36.6**
360 ONE WAM	688	Buy	21.3	25.3	30.5	31.7	27.2	22.6	7.4	7.1	6.7	23.8	26.9	30.6
BSE	2,710	Neutral	64.3	70.0	82.1	39.1	38.7	33.0	12.8	12.4	11.2	32.6	32.1	33.8
Cams Services	2,993	Buy	69.6	84.8	102.5	41.9	35.3	29.2	15.9	14.0	12.0	40.5	42.7	44.3
ICICI Securities	724	UR	50.7	56.0	63.8	14.3	12.9	11.3	6.8	5.8	4.9	52.2	48.3	46.6
MCX	3,564	Neutral	17.8	95.0	117.9	187.7	37.5	30.2	11.4	11.4	10.6	6.1	31.3	36.3
Healthcare						**38.5**	**31.7**	**27.0**	**5.1**	**4.5**	**3.9**	**13.1**	**14.2**	**14.6**
Ajanta Pharma	2,237	Buy	64.6	79.1	92.5	34.6	28.3	24.2	7.1	6.0	5.1	22.2	23.0	22.7
Alembic Pharma	1,005	Neutral	29.0	34.8	39.5	33.9	28.9	25.4	4.0	3.7	3.3	12.3	13.2	13.4
Alkem Lab	5,005	Neutral	164.0	180.9	196.0	30.1	27.7	25.5	5.6	4.9	4.3	20.1	19.1	17.9
Apollo Hospitals	6,453	Buy	62.2	96.4	136.1	102.1	66.9	47.4	12.6	10.8	8.8	13.5	18.1	21.2
Aurobindo Pharma	1,113	Neutral	51.2	60.3	69.4	21.3	18.4	16.0	2.1	2.0	1.8	10.6	11.3	11.6
Biocon	270	Neutral	2.1	8.5	13.6	123.7	31.7	19.8	1.7	1.7	1.6	1.4	5.4	8.2
Cipla	1,496	Buy	53.0	57.7	64.4	28.2	25.9	23.2	4.5	3.9	3.4	16.1	15.2	14.7
Divis Labs	3,568	Neutral	54.2	75.7	91.8	63.4	47.1	38.9	6.6	6.3	5.6	10.9	13.9	15.2
Dr Reddy' s Labs	6,251	Neutral	317.8	322.9	338.8	19.4	19.4	18.4	3.7	3.2	2.7	20.7	17.7	15.9
Eris Lifescience	850	Neutral	30.4	31.7	42.4	27.6	26.8	20.0	4.6	4.1	3.5	17.8	16.4	19.0
Gland Pharma	1,815	Buy	51.8	65.3	74.5	35.6	27.8	24.4	3.4	3.0	2.7	10.2	11.5	11.7
Glenmark Pharma	981	Neutral	1.5	37.7	45.9	619.7	26.1	21.4	2.8	2.6	2.3	0.5	10.3	11.4
Global Health	1,330	Buy	18.4	24.0	28.0	72.0	55.5	47.5	12.5	10.6	9.0	18.8	20.8	20.5
Granules India	438	Buy	18.0	25.4	32.8	23.9	17.3	13.4	3.2	2.8	2.3	14.3	17.4	18.8
GSK Pharma	1,987	Neutral	40.8	43.4	47.1	47.7	45.8	42.2	16.6	15.0	13.1	34.9	32.7	31.0
IPCA Labs.	1,239	Neutral	22.2	35.5	46.9	55.9	34.9	26.4	4.9	4.4	3.9	9.2	13.3	15.6
Laurus Labs	405	Buy	3.7	11.7	15.2	104.9	34.6	26.7	5.0	4.6	4.0	4.9	14.1	16.1
Lupin	1,623	Neutral	42.4	47.2	55.2	38.2	34.4	29.4	5.1	4.5	3.9	14.3	13.9	14.2
Max Healthcare	815	Buy	13.9	17.9	21.8	58.8	45.5	37.3	8.5	7.1	6.0	15.5	16.9	17.4
Piramal Pharma	130	Buy	1.3	3.0	4.7	98.6	43.6	27.7	1.9	1.8	1.7	2.3	4.8	7.1
Sun Pharma	1,631	Buy	40.1	47.3	56.6	40.4	34.5	28.8	6.1	5.3	4.6	16.1	16.5	17.1
Torrent Pharma	2,678	Neutral	48.4	65.4	81.6	53.7	41.0	32.8	10.6	5.5	5.5	22.6	26.7	33.3
Zydus Lifesciences	999	Neutral	34.5	36.2	36.8	29.1	27.6	27.1	4.8	4.2	3.7	18.2	16.3	14.6
Infrastructure						**32.6**	**26.3**	**20.4**	**2.4**	**2.3**	**2.1**	**7.4**	**8.9**	**10.3**
G R Infraproject	1,384	Buy	69.0	76.4	97.6	19.0	18.1	14.2	2.1	2.0	1.8	12.0	11.8	13.3
IRB Infra	61	Neutral	1.0	1.6	2.2	58.9	37.9	28.3	2.6	2.6	2.4	4.4	6.9	8.7
KNR Constructions	254	Buy	14.8	16.9	20.0	16.7	15.1	12.7	2.2	2.0	1.7	14.2	14.1	14.5
Logistics						**35.2**	**29.5**	**24.0**	**5.5**	**4.9**	**4.3**	**15.6**	**16.7**	**17.9**
Adani Ports	1,376	Buy	41.3	48.6	58.3	32.5	28.3	23.6	5.5	4.9	4.3	18.2	18.6	19.3
Blue Dart Express	6,147	Buy	123.9	189.1	242.9	49.9	32.5	25.3	10.4	8.5	6.8	22.0	28.7	29.8
Concor	903	Buy	21.0	25.1	31.0	42.0	36.0	29.1	4.5	4.3	4.0	11.0	12.4	14.3
JSW Infra	247	Buy	5.4	7.5	10.3	45.2	33.0	24.0	6.8	5.9	5.0	19.6	19.2	22.5
Mahindra Logistics	427	Neutral	-6.5	7.1	17.1	-63.2	60.3	25.0	5.8	5.7	4.8	-8.7	9.8	20.9
TCI Express	1,065	Buy	34.7	40.5	44.5	29.5	26.3	23.9	5.6	5.0	4.2	20.5	20.4	19.1
Transport Corp.	822	Buy	43.6	51.1	60.3	18.5	16.1	13.6	3.1	2.7	2.3	17.8	17.7	17.7
VRL Logistics	558	Buy	10.1	18.0	25.1	54.3	30.9	22.3	4.8	4.5	4.0	8.9	15.2	19.2
Media						**21.5**	**18.3**	**15.1**	**1.8**	**1.7**	**1.6**	**8.2**	**9.5**	**10.7**

Ready reckoner: Full year valuations

Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
PVR Inox	1,385	Neutral	11.0	25.9	47.5	120.6	53.5	29.1	1.7	1.8	1.7	1.5	3.4	5.9
Sun TV	611	Buy	47.1	49.4	51.2	12.8	12.4	11.9	2.4	2.2	2.0	18.6	17.9	17.2
Zee Entertainment	147	Neutral	3.8	6.5	9.7	36.6	22.8	15.1	1.2	1.3	1.2	3.4	5.6	8.0
Metals						**15.3**	**11.8**	**9.9**	**2.4**	**2.2**	**1.9**	**15.4**	**18.4**	**19.4**
Coal India	442	Buy	49.8	49.6	59.3	8.7	8.9	7.5	3.7	3.1	2.6	42.5	35.1	34.9
Hindalco	568	Buy	44.6	57.8	60.2	12.6	9.8	9.4	1.6	1.4	1.2	13.4	15.2	13.9
Hindustan Zinc	306	Neutral	18.1	22.5	26.6	16.1	13.6	11.5	8.7	6.9	5.2	56.4	57.6	51.6
JSPL	868	Buy	61.3	61.2	92.6	13.9	14.2	9.4	1.9	1.8	1.5	14.8	13.1	17.2
JSW Steel	871	Neutral	38.1	64.2	72.6	21.8	13.6	12.0	2.8	2.5	2.1	13.3	19.6	19.0
Nalco	161	Neutral	8.3	10.0	12.6	18.3	16.2	12.8	2.0	2.0	1.8	11.3	12.6	14.5
NMDC	213	Buy	21.3	23.0	26.0	9.5	9.2	8.2	2.2	2.1	1.8	25.6	23.9	23.4
SAIL	141	Neutral	2.8	10.8	13.1	48.3	13.0	10.7	1.0	1.0	0.9	2.1	7.7	8.9
Tata Steel	163	Neutral	2.6	10.3	13.0	59.0	15.8	12.5	2.1	2.1	1.9	3.5	13.6	16.0
Vedanta	287	Neutral	14.1	22.6	26.4	19.3	12.7	10.9	3.7	3.9	3.7	15.8	30.9	35.2
Oil & Gas						**13.3**	**15.1**	**13.7**	**1.9**	**1.8**	**1.6**	**14.6**	**11.8**	**11.9**
Aegis Logistics	437	Neutral	14.8	16.0	17.2	30.2	27.2	25.4	4.0	3.6	3.3	14.0	13.9	13.6
BPCL	601	Neutral	144.3	74.5	75.3	4.2	8.1	8.0	1.8	1.6	1.5	49.2	21.2	19.2
Castrol India	201	Buy	8.7	9.7	10.4	21.3	20.8	19.3	8.7	8.8	8.3	43.1	43.8	44.3
GAIL	182	Buy	14.2	13.1	16.6	12.7	13.9	11.0	1.8	1.6	1.5	15.9	13.2	15.2
Gujarat Gas	547	Buy	14.5	21.9	24.8	37.5	24.9	22.1	4.9	4.3	3.8	13.6	18.4	18.3
Gujarat State Petronet	367	Buy	23.0	19.0	20.0	15.5	19.3	18.3	2.0	1.9	1.8	13.3	10.2	10.0
HPCL	469	Buy	105.7	79.5	80.0	4.5	5.9	5.9	1.6	1.3	1.1	39.8	23.9	20.5
Indraprastha Gas	439	Sell	25.9	24.1	25.9	16.7	18.2	16.9	3.6	3.2	2.8	23.4	18.9	17.8
IOC	169	Buy	34.4	16.2	15.4	4.9	10.5	11.0	1.4	1.3	1.2	31.0	12.9	11.4
Mahanagar Gas	1,383	Buy	132.6	118.2	124.3	10.3	11.7	11.1	2.7	2.4	2.1	28.9	22.2	20.5
MRPL	229	Sell	17.5	14.2	13.8	12.5	16.2	16.6	3.1	2.8	2.5	27.9	18.9	16.1
Oil India	593	Buy	65.2	67.0	74.0	9.2	8.9	8.0	1.7	1.5	1.3	21.4	17.6	17.5
ONGC	270	Buy	37.5	43.2	47.9	7.1	6.3	5.6	1.1	1.0	0.9	16.3	16.9	16.7
Petronet LNG	265	Neutral	23.7	23.2	25.0	11.1	11.5	10.6	2.3	2.1	1.9	22.4	19.5	19.0
Reliance Inds.	2,970	Buy	100.9	118.5	138.9	29.5	25.1	21.4	2.2	2.0	1.8	8.0	8.7	9.4
Real Estate						**67.7**	**48.0**	**38.3**	**5.5**	**5.2**	**4.6**	**8.2**	**10.8**	**12.0**
Brigade Enterpr.	956	Buy	14.7	36.9	41.5	63.7	25.9	23.0	5.5	4.6	3.9	8.9	19.5	18.4
DLF	948	Neutral	10.6	16.2	17.6	84.5	58.4	54.0	4.0	3.9	3.6	6.8	9.8	9.7
Godrej Properties	2,391	Buy	27.1	46.2	47.4	84.9	51.7	50.5	6.4	5.9	5.3	7.8	12.2	11.1
Macrotech Developers	1,169	Buy	16.2	24.8	36.0	70.0	47.2	32.4	7.8	7.0	5.9	11.7	15.9	19.8
Mahindra Lifespace	620	Neutral	1.5	8.2	6.9	400.3	75.3	90.3	5.0	4.9	4.7	1.2	6.7	5.3
Oberoi Realty	1,504	Neutral	40.7	45.1	60.6	36.2	33.3	24.8	3.9	3.6	3.2	11.5	11.4	13.6
Phoenix Mills	2,845	Neutral	60.9	73.6	101.1	45.5	38.6	28.1	5.3	4.8	4.1	12.2	13.1	15.6
Prestige Estates	1,264	Buy	20.6	21.1	26.5	56.8	59.8	47.8	3.9	3.9	3.6	7.2	6.8	7.9
Sobha	1,546	Buy	12.0	40.8	83.6	120.1	37.9	18.5	5.4	5.1	4.0	4.6	14.3	24.2
Sunteck Realty	426	Buy	9.1	16.6	22.9	42.8	25.7	18.6	2.0	2.0	1.8	4.7	8.1	10.2
Retail						**114.9**	**80.1**	**61.2**	**17.0**	**14.1**	**11.8**	**14.8**	**17.6**	**19.4**
Aditya Birla Fashion	212	Neutral	-7.5	-6.4	-6.7	-27.3	-33.1	-31.6	7.4	5.8	7.1	-23.9	-19.8	-20.1
Avenue Supermarts	4,481	Buy	39.4	55.7	73.8	114.9	80.4	60.7	15.8	13.1	10.7	14.7	17.7	19.4
Barbeque Nation	522	Neutral	-3.3	-0.1	1.9	-152.9	-7,590.3	276.5	5.0	5.2	5.1	-3.3	-0.1	1.9
Bata India	1,369	Neutral	23.1	30.3	41.7	59.1	45.1	32.9	10.3	8.4	6.7	18.9	20.5	22.7
Campus Activewear	227	Buy	2.7	4.0	5.2	79.8	57.4	43.5	10.4	9.2	7.6	13.0	16.0	17.5
Devyani Intl.	155	Buy	0.8	1.4	2.2	194.6	112.0	69.6	22.2	24.1	23.1	10.4	21.0	33.8
Jubilant Foodworks	455	Neutral	4.2	5.2	6.7	107.6	87.4	68.0	14.5	14.7	14.3	13.5	16.8	21.1
Metro Brands	1,130	Buy	11.6	15.3	19.6	99.2	73.7	57.7	17.5	14.9	12.8	19.1	22.2	24.5
Raymond	1,822	Buy	103.2	117.0	144.9	17.5	15.6	12.6	2.7	2.3	1.9	18.5	15.8	16.6
Relaxo Footwear	824	Neutral	8.7	11.4	15.1	93.8	72.1	54.6	10.1	9.2	8.2	11.2	13.4	15.8
Restaurant Brands	104	Buy	-3.4	-0.9	0.8	-29.9	-111.2	128.4	7.4	8.1	7.6	-22.1	-7.0	6.1
Sapphire Foods	1,598	Buy	8.9	15.3	25.3	176.6	104.8	63.1	7.4	6.6	5.7	4.3	6.7	9.7
Shoppers Stop	777	Neutral	8.3	15.1	14.3	90.8	51.5	54.5	21.2	15.4	12.0	26.2	35.1	24.7
Titan Company	3,738	Buy	40.7	52.8	65.2	93.4	70.7	57.4	23.6	18.8	15.4	27.6	29.4	29.5
Trent	3,886	Buy	24.4	35.0	45.4	162	111	85.5	37.9	27.4	20.4	28.6	30.5	29.3
V-Mart Retail	2,173	Neutral	-54.6	-3.6	28.6	-39	-607	76.0	5.2	5.3	4.9	NM	NM	6.7
Vedant Fashions	962	Neutral	16.7	21.2	26.1	55	45	36.9	14.1	12.3	10.3	26.7	28.6	27.1
Westlife Foodworld	798	Neutral	5.0	7.9	12.5	161.8	100.8	63.8	18.3	16.3	13.3	12.4	17.1	23.0
Staffing						**24.3**	**15.9**	**11.8**	**2.9**	**2.6**	**2.2**	**11.8**	**16.2**	**18.3**
Quess Corp	521	Neutral	20.6	33.6	46.4	25.4	15.5	11.2	2.2	2.0	1.7	11.8	17.9	21.7

Ready reckoner: Full year valuations

Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
SIS	436	Buy	21.4	34.5	45.1	19.1	12.6	9.7	1.1	0.9	0.8	12.8	17.9	19.1
Team Lease Serv.	2,812	Buy	70.0	104.1	150.9	39.1	27.0	18.6	5.0	4.3	3.5	13.3	16.9	20.3
Updater Services	330	Buy	10.6	16.1	21.8	30.2	20.6	15.2	2.4	2.2	1.9	11.2	11.6	13.8
Technology						**28.5**	**25.9**	**22.0**	**8.5**	**8.8**	**8.6**	**29.7**	**34.0**	**39.2**
Coforge	5,491	Neutral	140.6	190.3	225.2	39.1	28.9	24.4	9.8	8.4	7.2	26.3	31.1	31.6
Cyient	2,007	Buy	69.4	86.0	112.0	28.7	23.3	17.9	5.9	5.4	4.8	21.2	24.2	28.4
HCL Technologies	1,556	Buy	58.9	67.3	77.9	26.2	23.1	20.0	6.5	6.6	6.7	24.6	28.5	33.5
Infosys	1,496	Buy	59.3	67.6	79.1	25.3	22.1	18.9	8.2	8.2	8.1	32.5	37.0	43.1
LTIMindtree	4,882	Neutral	157.9	179.2	220.0	31.3	27.2	22.2	7.5	6.4	5.5	26.0	25.3	26.5
L&T Technology	5,602	Buy	125.0	151.1	177.7	43.8	37.1	31.5	11.0	9.7	8.4	25.9	28.2	28.6
MphasiS	2,462	Neutral	82.2	94.5	112.7	29.1	26.1	21.9	5.3	5.0	4.6	18.9	20.1	22.1
Persistent Systems	3,992	Neutral	73.2	88.8	109.6	54.5	45.0	36.4	13.5	11.7	10.1	26.7	28.3	30.2
TCS	3,915	Buy	125.7	146.8	170.1	30.9	26.7	23.0	16.1	16.8	17.5	51.5	61.9	74.4
Tech Mahindra	1,245	Neutral	40.4	50.9	68.0	31.0	24.5	18.3	3.9	3.8	3.7	12.7	15.6	20.3
Wipro	485	Neutral	20.6	22.9	27.3	23.3	21.1	17.7	3.5	3.5	3.4	14.7	16.7	19.7
Zensar Tech	610	Neutral	27.3	24.6	28.5	22.2	24.8	21.4	4.1	3.7	3.3	19.6	15.8	16.5
Telecom						**-63**	**-231**	**212.7**	**31.6**	**36.0**	**31.1**	**-50.1**	**-15.5**	**14.6**
Bharti Airtel	1,218	Buy	18.9	32.6	40.6	65.1	37.3	30.0	6.5	5.5	4.6	11.5	15.8	16.7
Indus Towers	315	Neutral	20.4	20.7	21.4	14.3	15.2	14.8	2.9	2.6	2.2	23.0	19.0	16.4
Tata Comm	2,037	Neutral	44.6	54.6	78.2	45.1	37.3	26.1	24.6	16.3	10.6	66.1	52.9	49
Vodafone Idea	14	Neutral	-11.1	-10.2	-9.2	-1.2	-1.4	-1.5	-0.4	-0.3	-0.3	NM	NM	NM
Others						**53.0**	**41.9**	**30.8**	**6.7**	**5.9**	**5.1**	**12.6**	**14.2**	**16.7**
APL Apollo Tubes	1,504	Buy	27.3	41.4	57.0	54.7	36.3	26.4	11.4	9.1	6.9	22.9	27.9	29.7
Cello World	785	Buy	15.7	19.6	24.2	49.3	40.0	32.4	24.2	15.2	10.3	49.1	38.1	31.9
Coromandel Int.	1,114	Buy	55.0	67.1	71.4	19.6	16.6	15.6	3.5	3.1	2.7	19.0	20.0	18.4
Dreamfolks Services	497	Buy	13.2	16.6	21.6	37.0	30.0	23.0	11.3	8.2	6.0	37.4	33.0	31.2
EPL	183	Buy	8.2	11.2	13.8	21.8	16.3	13.3	2.7	2.5	2.3	12.7	16.2	17.9
Godrej Agrovet	502	Neutral	18.6	21.7	24.2	26.1	23.1	20.8	3.7	3.6	3.2	14.8	16.0	16.3
Havells India	1,514	Buy	19.3	25.2	30.7	78.5	60.1	49.3	12.8	11.3	9.8	16.3	18.7	19.9
Indiamart Inter.	2,711	Buy	51.9	65.6	86.2	51.0	41.3	31.4	6.9	6.2	5.6	14.3	15.9	18.7
Indian Hotels	602	Buy	8.8	11.3	13.3	67.4	53.2	45.1	9.2	8.1	6.9	14.6	16.3	16.5
Info Edge	5,708	Neutral	63.6	68.4	81.6	88.0	83.4	70.0	6.1	5.8	5.7	0.0	0.0	0.0
Interglobe Aviation	3,548	Neutral	224.1	187.1	187.3	15.8	19.0	18.9	58.3	14.3	8.1	-436.0	121.3	54.9
Kajaria Ceramics	1,225	Buy	28.7	34.8	41.2	40.3	35.2	29.7	7.3	7.1	6.3	18.2	20.4	22.0
Lemon Tree Hotel	138	Buy	1.7	3.1	4.2	78.7	44.7	33	10.4	8.8	6.9	14.1	21.8	23.5
One 97 Comm.	406	Neutral	-20.8	-15.0	8.5	-19.4	-27.1	48	2.0	2.1	2.1	-10.3	-7.8	4.5
UPL	466	Neutral	-6.4	23.0	46.7	-71.5	20.2	10.0	0.9	0.9	0.8	-1.8	6.6	12.7
Voltas	1,153	Buy	9.3	18.8	29.7	119.0	61.2	38.9	6.5	6.2	5.5	5.5	10.1	14.1
Zomato	185	Buy	0.4	1.1	2.7	441.0	166.4	69.3	7.9	7.6	6.9	1.8	4.7	10.5

Sectors & Companies

BSE Sensex: 74,015 **Nifty 50: 22,462** **April 2024**

Sector and Companies Preview Compendium

- Automobiles
- Capital Goods
- Cement
- Chemicals-Specialty
- Consumer
- EMS
- Financials – Banks
- Financials – NBFC: Lending
- Financials – NBFC: Non Lending
- Healthcare
- Infrastructure
- Logistics
- Metals
- Oil & Gas
- Real Estate
- Retail
- Technology
- Telecom
- Others

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 1 April 2024, unless otherwise stated.**

Automobiles

Company
Amara Raja Energy Mobility
Ashok Leyland
Bajaj Auto
Bharat Forge
BOSCH
Ceat
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Happy Forgings
Hero MotoCorp
CIE India
Mahindra & Mahindra
Maruti Suzuki
Motherson Sumi Systems
Sona BLW Precision Ltd
Tata Motors
TVS Motor Company
Tube Investments

PV and CV OEMs likely to see healthy margin expansion QoQ

PVs continue to see steady demand, demand weakness visible in others

- **The fourth quarter is usually seasonally the best quarter on YoY and QoQ basis. However, in 4QFY24, only the PV segment posted healthy growth of 19% /20% both on YoY and QoQ basis, whereas other segments saw a slowdown in demand. The 2W segment is estimated to have posted 14% YoY growth owing to a low base, but, on a QoQ basis, volumes are likely to have declined 12%, as per our estimates. Also, CV wholesales may fall ~3% YoY over a high base of last year and also due to lower demand before elections. Overall volume growth is expected to be ~14% YoY (excluding tractors).**
- **While we expect input costs to remain stable QoQ in 4Q, we expect gross margin to improve ~310bp YoY for our OEM coverage universe in 4QFY24 led by improved product mix (especially in 2Ws and PVs) and lower input costs.**
- **We estimate EBITDA margin to remain stable sequentially, with ~80bp YoY gain for our Auto OEM Universe (excluding JLR). This will be driven by better gross margins and cost efficiencies. The benefit of healthy growth in underlying industries, coupled with cost efficiencies, should result in strong earnings growth for our ancillary coverage during the quarter.**
- **There have been a few notable changes in FY25/FY26 earnings estimates for our coverage universe. We are positive on the PV segment, anticipating improved earnings growth, led by a better product mix amid steady demand for SUVs. Although the 2W segment is expected to witness high-single-digit volume growth in FY25E, this seems to have been already priced into the recent stock price movements.**

PVs stand out, other segments see demand weakness

The fourth quarter is usually seasonally the best quarter on YoY and QoQ basis. However, in 4QFY24, only the PV segment posted healthy growth of 19% /20% both on YoY and QoQ basis, whereas other segments saw a slowdown in demand. Dispatches for SUVs remained healthy, led by order book execution and consistent traction for new model launches. However, the car segment continued to witness subdued demand. While we expect UV volumes to grow by ~37% YoY, passenger car volumes could decline 2% YoY. The 2W segment is estimated to have posted 14% YoY growth owing to a low base, but, on a QoQ basis, volumes are likely to have declined 12%, as per our estimates. CV wholesales may fall ~3% YoY over a high base of last year and also due to lower demand before elections. In CVs, MHCV volumes could decline 6% YoY, while LCV volumes are expected to remain flat. Tractor wholesales may decline 19% YoY due to weak demand sentiment and a high base of last year. 3W volumes are expected to grow 10% YoY but decline 9% QoQ. Overall exports are anticipated to recover gradually, with demand picking up in regions like Latin America and ASEAN while demand remains moderate in Africa. Overall volume growth is expected to be ~14% YoY (excluding tractors).

PV and CV OEMs to see healthy margin expansion QoQ

On a YoY basis, margins for our Auto OEM universe (excluding JLR) are expected to be higher (+80bp YoY) at 12.5%, driven by lower input costs and operating leverage benefit. However, we expect EBITDA margin to remain stable sequentially. Costs for

Aniket Mhatre – Research Analyst (Aniket.Mhatre@MotilalOswal.com)

Research Analyst: Amber Shukla (Amber.Shukla@MotilalOswal.com) | **Aniket Desai** (Aniket.Desai@MotilalOswal.com)

key commodities such as steel, aluminum and copper were largely stable sequentially in 3QFY24. However, in 4QFY24, steel prices declined ~5% QoQ, while copper prices increased ~3% and aluminum remained flat. We expect CV OEMs to see the best margin improvement on a QoQ basis, largely driven by operating leverage benefits. PVs should see steady margin improvement, led by improved volumes QoQ and an improved product mix. However, 2W OEMs are expected to see largely stable margins as lower volumes QoQ are likely to be offset by improved mix. We are now modeling a slender increase in key commodity prices in the coming quarter. The benefit of a healthy growth in underlying industries, coupled with cost efficiencies, should result in strong earnings growth for our ancillary coverage in 4Q.

Prefer PVs as we estimate stable earnings growth

We are positive on the PV segment, anticipating improved earnings growth, led by a better product mix amid steady demand for SUVs. Although the 2W segment is expected to witness high-single-digit volume growth in FY25E, this seems to have been already priced into the recent stock price movements. While we expect CV growth to moderate up to 1HFY25 largely due to a slowdown in industrial activity ahead of elections, we expect demand to revive in 2HFY25. We expect a volume CAGR of 8%/6%/ 5% for 2Ws/PVs/Tractors over FY24-26. For 3Ws/CVs, we anticipate a volume CAGR of 8%/7% over the same period.

Valuation and view

We have made notable changes in few of our coverage companies (refer Exhibit 8). Within the auto OEM segment, we remain positive on MM and AL. Among auto ancillaries, we like Craftsman and SAMIL.

Exhibit 1: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Amara Raja Energy	795	Neutral	27,997	15.3	-2.8	4,127	22.4	0.7	2,341	35.4	-2.3
Apollo Tyres	465	Buy	62,659	0.3	-5.0	11,009	10.3	-8.9	4,377	11.4	-13.7
Ashok Leyland	175	Buy	1,11,859	-3.8	20.6	14,768	15.8	32.6	8,118	13.6	39.9
Bajaj Auto	9041	Neutral	1,09,588	23.1	-9.5	21,597	25.8	-11.1	18,175	26.8	-11.0
Balkrishna Inds	2284	Neutral	23,547	1.3	1.7	5,664	14.6	-3.5	2,986	15.9	-3.2
Bharat Forge	1149	Buy	23,689	18.6	4.7	6,761	29.4	4.7	3,895	41.4	3.1
Bosch	30290	Neutral	45,712	12.5	8.7	6,212	18.9	7.4	4,841	21.3	2.3
CEAT	2653	Buy	31,280	8.8	5.6	4,316	17.4	3.4	1,644	17.6	-9.4
CIE Automotive	472	Buy	23,623	-3.2	5.4	3,529	-7.3	7.8	1,878	-14.7	6.1
Craftsman Auto	4368	Buy	11,944	21.8	5.7	2,419	28.4	9.9	863	7.6	18.1
Eicher Motors	3948	Neutral	42,082	10.6	0.7	11,049	18.3	1.3	10,843	19.7	8.9
Endurance Tech.	1828	Buy	27,391	22.6	7.0	3,463	21.3	16	1,835	34.5	20.5
Escorts Kubota	2859	Neutral	21,363	-2.1	-7.9	2,760	17.0	-11.7	2,528	24.0	-8.8
Exide Inds.	311	Neutral	40,737	15.0	6.1	4,869	32.6	10.7	2,763	33.0	15.0
Happy Forgings	928	Buy	3,503	15.8	2.4	980	14.1	3.0	607	19.7	4.8
Hero Motocorp	4683	Buy	92,920	11.9	-4.4	13,039	20.4	-4.3	10,204	18.8	-4.9
Mahindra & Mahindra	1915	Buy	2,35,660	4.4	-6.8	28,078	0.4	-13.2	18,013	-8.8	-26.6
Maruti Suzuki	12570	Buy	3,89,479	21.5	16.9	49,868	48.8	27.6	39,734	51.4	26.9
Samvardhana Motherson	120	Buy	2,59,167	15.3	0.9	24,899	23.2	5.1	6,629	1.0	22.3
Motherson Wiring	67	Buy	22,894	22.8	8.1	3,051	45.8	16.4	1,991	43.8	18.6
MRF	135789	Sell	62,282	8.8	3.0	10,618	25.9	2.2	5,125	44.9	0.9
Sona BLW Precis.	684	Neutral	8,388	12.7	8.0	2,392	18.8	5.2	1,356	10.1	1.5
Tata Motors	992	Neutral	11,84,685	11.8	7.1	1,68,605	31.6	10.0	63,990	13.8	-9.8
Tube Investments	3723	Buy	19,975	20.1	5.2	2,530	20.2	5.7	3,011	10.3	91.2
TVS Motor	2140	Neutral	80,313	21.6	-2.6	9,018	32.7	-2.4	5,156	41.7	-13.1
Automobiles			**29,62,730**	**12.3**	**4.7**	**4,15,616**	**26.3**	**6.4**	**2,22,883**	**20.0**	**-1.1**

Exhibit 2: Volume snapshot 4QFY24 ('000 units)

	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	FY24E	FY23	YoY (%)
Two wheelers	4,904	4,312	14	5,591	-12	20,919	19,533	7
Three wheelers	237	216	10	262	-9	994	870	14
Passenger cars	532	545	-2	459	16	2,017	2,161	-7
UVs & MPVs	883	645	37	723	22	2,989	2,392	25
Total PVs	1,415	1,190	19	1,182	20	5,006	4,553	10
M&HCV	115	123	-6	97	19	392	381	3
LCV	173	174	0	158	10	646	659	-2
Total CVs	288	297	-3	254	13	1,038	1,040	0
Tractors	176	217	-19	243	-28	972	986	-1
Total (ex Tractor)	**6,844**	**6,014**	**14**	**7,289**	**-6**	**27,957**	**25,997**	**8**

Exhibit 3: Commodity prices inched up sequentially

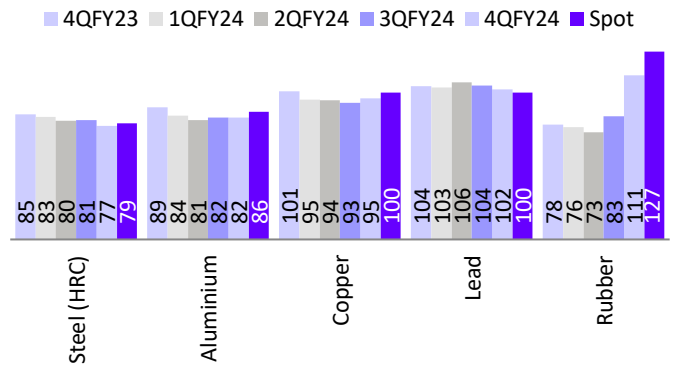


Exhibit 4: Trends in key currencies vs. INR (average, indexed)

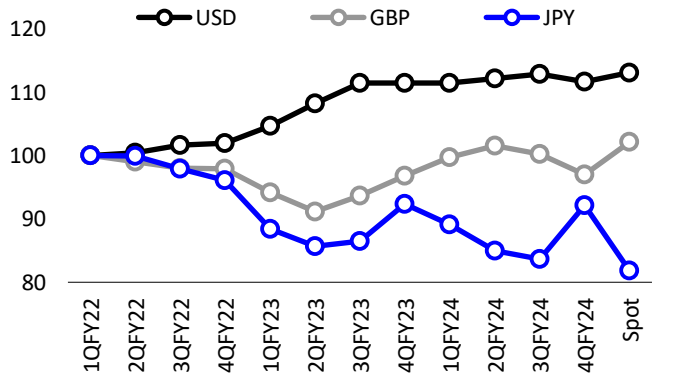
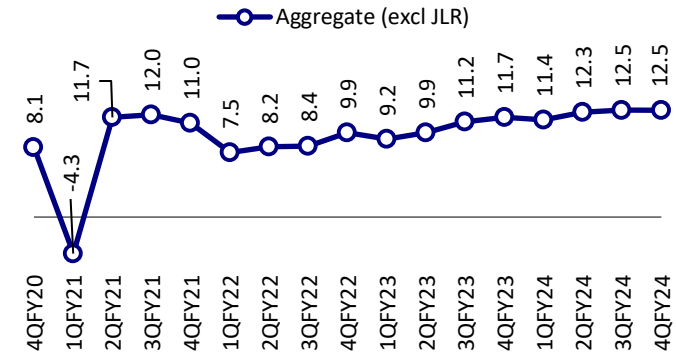
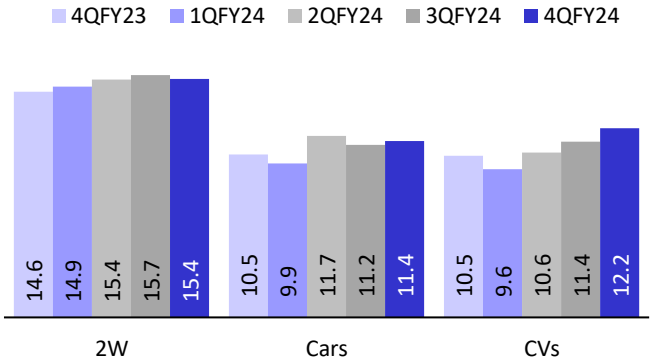


Exhibit 5: EBITDA margin expected to improve ~80bp YoY



Source: MOFSL

Exhibit 6: Trends in segment-wise EBITDA margins (%)



Source: MOFSL

Exhibit 7: Our Auto OEM coverage universe (excl.JLR) is expected to witness earnings growth of 21% YoY

	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 (%)
BJAUT	1,069	860	24	1,201	-11.0	19.7	19.3	40	20.1	-40	18,175	14,329	27	20,419	-11
HMCL	1,392	1270	10	1,460	-4.6	14.0	13.0	100	14.0	0	10,204	8,589	19	10,734	-5
TVS Motor	1,063	868	22	1,101	-3.5	11.2	10.3	90	11.2	0	5,156	3,640	42	5,934	-13
MSIL	584	515	13	501	16.5	12.8	10.5	230	11.7	110	39,734	26,236	51	31,300	27
MM	287	279	3	313	-8.4	11.9	12.4	-50	12.8	-90	18,013	19,750	-9	24,540	-27
TTMT India CV**	108	119	-9	99	8.9	11.7	10.2	160	11.1	60	19,586	17,040	15	16,560	18
TTMT India PV**	155	136	15	139	12.1	6.9	7.3	-30	6.5	40	5,228	2,340	123	4,060	29
TTMT (JLR) *	126	107	17	114	10.3	16.6	14.8	180	16.2	40	544	263	107	592	-8
TTMT (Cons)						14.2	12.1	210	13.9	40	63,990	56,231	14	70,912	-10
Ashok Leyland	56	60	-6	47	19.1	13.2	11.0	220	12.0	120	8,118	7,145	14	5,804	40
Eicher (RE)	228	219	4	228	-0.2	27.5	24.7	290	27.5	0	9,356	7,469	25	9,137	2
Eicher (VECV)	26	26	-2	21	24.3	9.5	9.9	-40	8.0	150	3,754	3,154	19	2,104	78
Agg. (ex JLR)	**5,021**	**4409**	**13.9**	**5,167**	**-2.8**	**12.5**	**11.7**	**80**	**12.5**	**0**	**1,30,718**	**1,08,125**	**21**	**1,26,940**	**3**

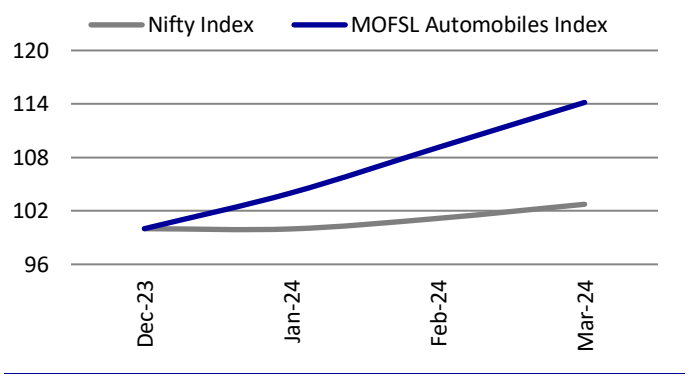
Source: JLR in GBP m, MOFSL

Exhibit 8: Revised estimates

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	321.5	310.9	3.4	368.8	348.5	5.8
HMCL	230.5	236.9	-2.7	273.7	277.2	-1.3
TVSL	55.4	53.8	3.0	65.3	63.1	3.4
EIM *	170.1	167.2	1.7	194.8	195.2	-0.2
MSIL *	489.4	447.4	9.4	546.4	483.0	13.1
MM	96.3	93.8	2.7	107.9	102.3	5.4
TTMT *	60.3	62.3	-3.1	70.7	72.3	-2.1
AL	10.5	10.3	2.1	11.8	11.5	2.1
ESCORTS	95.0	97.1	-2.1	107.8	110.7	-2.6
AMRJ	57.7	55.9	3.3	60.9	58.7	3.7
EXID	14.9	15.9	-6.3	16.6	18.3	-9.2
BOSCH	812	740	9.6	909	823.8	10.4
ENDU	57.6	60.5	-4.8	71.1	75.6	-6.0
MACA	24.2	25.7	-5.7	29.8	29.9	-0.2
BHFC	38.3	40.2	-4.7	47.5	44.6	6.3
MOTHERSO *	6.1	5.1	18.3	7.1	5.7	24.4
SONACOMS	11.8	11.8	0.1	14.3	14.2	0.6
CEAT	176.5	189.5	-6.8	205.1	217.6	-5.7
APTY *	32.1	33.2	-3.4	34.7	38.7	-10.2
BIL	81.5	91.9	-11.4	102.4	112.3	-8.8
MRF	5,191.2	5,360.8	-3.2	5,672.9	5,929.5	-4.3
MSUMI	1.9	1.9	2.1	2.2	2.2	2.7
TIINDIA	67.7	70.5	-3.9	82.6	85.2	-3.1
CRAFTSMA	185.0	198.2	-6.6	242.4	261.0	-7.1
HAPPYFORG	33.6	33.9	-1.1	42.9	43.4	-1.1

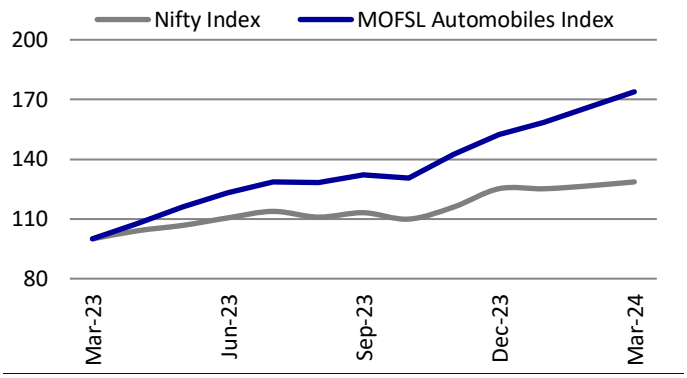
* Consolidated; Source:, MOFSL

Exhibit 9: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 10: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuations

	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
Company Name	**INR**	**Reco**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**
Automobiles						**27.0**	**23.2**	**20.1**	**5.5**	**4.6**	**3.9**	**20.5**	**19.6**	**19.4**
Amara Raja Energy	795	Neutral	51.1	57.7	60.9	14.9	13.8	13.0	2.2	2.0	1.8	15.6	15.7	14.8
Apollo Tyres	465	Buy	28.9	32.1	34.7	16.1	14.5	13.4	1.7	1.5	1.3	13.5	13.4	13.0
Ashok Leyland	175	Buy	8.7	10.5	11.8	20	17	14.9	4.8	4.0	3.3	27.1	26.5	24.2
Bajaj Auto	9,041	Neutral	271.7	321.5	368.8	33.7	28.1	24.5	9.3	8.3	7.4	28.9	31.0	32.0
Balkrishna Inds	2,284	Neutral	63.9	81.5	102.4	36.3	28.0	22.3	5.5	4.8	4.2	15.7	18.2	20.3
Bharat Forge	1,149	Buy	21.4	38.3	47.5	52.7	30.0	24.2	7.1	6.0	5.0	14.1	21.9	22.7
Bosch	30,290	Neutral	599.8	811.6	909.3	50.5	37.3	33.3	7.1	6.4	5.7	15.0	18.1	18.2
CEAT	2,653	Buy	172.7	176.5	205.1	15.5	15.0	12.9	2.7	2.3	2.0	18.6	16.2	16.3
CIE Automotive	472	Buy	21.1	24.2	29.8	21.9	19.5	15.8	2.9	2.7	2.3	14.4	14.4	15.7
Craftsman Auto	4,368	Buy	155.5	185.0	242.4	27.8	23.6	18.0	5.4	4.5	3.7	21.5	21.1	22.6
Eicher Motors	3,948	Neutral	146.8	170.6	195.4	27.4	23.1	20.2	6.2	5.1	4.4	24.5	24.1	23.4
Endurance Tech.	1,828	Buy	46.5	57.6	71.1	39.4	31.7	25.7	5.2	4.6	4.0	14.0	15.4	16.7
Escorts Kubota	2,859	Neutral	84.9	95.0	107.8	32.7	30.1	26.5	3.7	3.4	3.1	12.0	12.1	12.3
Exide Inds.	311	Neutral	12.3	14.9	16.6	24.8	20.8	18.7	2.2	2.0	1.9	8.7	9.8	10.0
Happy Forgings	928	Buy	25.3	33.6	42.9	35.2	27.7	21.6	5.2	4.7	4.0	18.4	18.3	19.9
Hero Motocorp	4,683	Buy	204.4	230.5	273.7	23.1	20.3	17.1	5.2	4.7	4.2	23.4	24.0	25.9
Mahindra & Mahindra	1,915	Buy	87.5	96.3	107.9	22.0	19.9	17.8	4.5	3.8	3.3	22.1	20.7	19.8
Maruti Suzuki	12,570	Buy	444.8	489.4	546.4	28.4	25.7	23.0	5.4	4.1	3.6	18.7	15.9	15.6
Motherson Wiring	67	Buy	1.5	1.9	2.2	45.1	35.2	30.3	17.3	13.9	11.4	42.8	44.1	41.2
MRF	135,789	Sell	5,140.0	5,191.2	5,672.9	25.9	26.2	23.9	3.4	3.1	2.8	13.9	12.5	12.2
Samvardhana M	120	Buy	3.3	6.1	7.1	36.1	19.7	16.9	3.4	3.0	2.7	9.7	16.1	16.8
Sona BLW Precis.	684	Neutral	8.7	11.8	14.3	80.7	57.8	47.9	15.6	12.8	10.8	20.7	24.0	24.5
Tata Motors	992	Neutral	55.0	60.3	70.7	18.1	16.4	14.0	5.9	4.3	3.3	38.3	29.6	26.7
Tube Investments	3,723	Buy	51.0	67.7	82.6	73.2	55.0	45.1	15.1	12.2	9.9	22.6	24.5	24.3
TVS Motor	2,140	Neutral	44.5	55.4	65.3	48.4	38.6	32.8	13.0	10.0	8.0	30.4	29.3	27.1

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Amara Raja Energy Mobility — Neutral

CMP: INR795 | TP: INR850 (-7%) — **EPS CHANGE (%): FY25E|FY26E: 3|4**

- Revenue growth of 15% YoY to be driven by OEM demand in 2Ws/4Ws, aftermarket division and trading. Industrial division would see an uptick due to the 5G expansion by telecom players.
- EBITDA margin should see a sequential expansion due to a lag effect of softening in lead prices in 3Q/4Q, combined with operating leverage benefits.

Quarterly Performance (INR m)

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**26,200**	**26,995**	**26,372**	**24,292**	**27,699**	**28,108**	**28,811**	**27,997**	**1,03,859**	**1,12,615**
YoY Change (%)	38.9	19.2	11.5	11.4	5.7	4.1	9.2	15.3	19.4	8.4
RM Cost (% of sales)	73.4	69.5	66.6	67.0	71.1	68.4	67.9	67.5	69.2	68.7
Staff Cost (% of sales)	5.1	5.6	6.1	6.0	5.8	5.8	5.7	5.8	5.7	5.8
Other Exp (% of sales)	11.5	11.6	12.2	13.1	10.3	12.1	12.2	12.0	12.1	11.7
EBITDA	**2,609**	**3,602**	**3,969**	**3,373**	**3,535**	**3,870**	**4,099**	**4,127**	**13,552**	**15,631**
Margins (%)	10.0	13.3	15.0	13.9	12.8	13.8	14.2	14.7	13.0	13.9
Depreciation	963	1,019	1,145	1,145	1,111	1,148	1,144	1,196	4,272	4,599
Interest	46	54	58	62	56	62	59	63	221	240
Other Income	170	237	261	226	216	275	237	232	893	960
PBT before EO expense	**1,770**	**2,765**	**3,026**	**2,392**	**2,584**	**2,935**	**3,133**	**3,101**	**9,952**	**11,752**
Extra-Ord expense	0	0	0	477	0	0	0	0	477	0
PBT after EO	**1,770**	**2,765**	**3,026**	**1,915**	**2,584**	**2,935**	**3,133**	**3,101**	**9,476**	**11,752**
Tax	455	744	798	535	659	791	737	760	2,532	3,026
Tax Rate (%)	25.7	26.9	26.4	28.0	25.5	27.0	23.5	24.5	26.7	25.8
Adj PAT	**1,315**	**2,022**	**2,228**	**1,729**	**1,925**	**2,143**	**2,396**	**2,341**	**7,293**	**8,726**
YoY Change (%)	6.1	40.3	54.0	75.5	46.4	6.0	7.6	35.4	42.7	19.6

E: MOSL Estimates

Apollo Tyres — Buy

CMP: INR465 | TP: INR555 (+19%) — **EPS CHANGE (%): FY25E|FY26E: -3|-10**

- Overall revenue growth is expected to remain flat YoY. A marginal growth in the standalone business is likely to be offset by a slight decline in EU, led by weakness in the PCR segment.
- Increase in input costs and some pricing pressure could drive a 70bp contraction QoQ in consol. EBITDA margin to 17.6%. Rubber prices in 4Q remained at high (+34% QoQ) and spot prices also started inching up, which could lead to further margin pressure in subsequent quarters, unless players are able to pass on the impact to consumers.

Consolidated: Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**59,420**	**59,560**	**64,228**	**62,473**	**62,446**	**62,797**	**65,954**	**62,659**	**2,45,681**	**2,53,856**
YoY Change (%)	29.6	17.3	12.5	12.0	5.1	5.4	2.7	0.3	17.3	3.3
Total Expenditure	52,522	52,440	55,094	52,489	51,931	51,198	53,873	51,650	2,12,545	2,08,652
EBITDA	**6,898**	**7,120**	**9,134**	**9,985**	**10,515**	**11,599**	**12,081**	**11,009**	**33,137**	**45,204**
Margins (%)	11.6	12.0	14.2	16.0	16.8	18.5	18.3	17.6	13.5	17.8
Depreciation	3,437	3,485	3,544	3,724	3,620	3,603	3,676	3,723	14,191	14,621
Interest	1,182	1,320	1,420	1,390	1,355	1,328	1,230	1,203	5,312	5,116
Other Income	106	69	67	169	355	253	184	187	411	979
PBT before EO expense	**2,384**	**2,383**	**4,237**	**5,039**	**5,896**	**6,922**	**7,358**	**6,270**	**14,044**	**26,446**
Extra-Ord expense	0	0	0	-226	132	122	151	0	-226	405
PBT	**2,384**	**2,383**	**4,237**	**5,265**	**5,764**	**6,800**	**7,207**	**6,270**	**14,269**	**26,041**
Tax Rate (%)	20.0	24.8	34.2	22.1	31.1	30.3	31.1	30.2	22.6	30.7
Reported PAT	**1,907**	**1,794**	**2,788**	**4,103**	**3,969**	**4,744**	**4,965**	**4,377**	**11,046**	**18,055**
Adj PAT	**1,907**	**1,794**	**2,788**	**3,928**	**4,060**	**4,827**	**5,070**	**4,377**	**10,872**	**18,360**
YoY Change (%)	48.4	1.6	24.5	245.9	112.9	169.1	81.9	11.4	69.0	68.9
Margins (%)	3.2	3.0	4.3	6.3	6.5	7.7	7.7	7.0	4.4	7.2

E: MOFSL Estimates

Ashok Leyland — Buy

CMP: INR175 | TP: INR210 (+20%) — **EPS CHANGE (%): FY25E|FY26E:2|2**

- Overall volumes declined 6% YoY (+19% QoQ) in 4Q due to a high base of last year and upcoming general elections.
- Net price realization is likely to improve led by higher contribution of MHCVs.
- EBITDA margin is expected to improve by 220bp YoY to 13.2% due to reduction in input costs and healthy pricing discipline in the industry.

Quarterly Performance (S/A) — **(INR m)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Volumes (nos)	39,651	45,295	47,562	59,697	41,329	49,846	47,241	56,267	1,92,205	1,94,683
Growth %	120.4	64.5	39.6	22.5	4.2	10.0	-0.7	-5.7	49.8	1.3
Realizations (INR '000)	1,822	1,825	1,899	1,947	1,981	1,934	1,963	1,988	1,880	1,967
Change (%)	11.0	12.8	16.9	8.5	8.8	6.0	3.4	2.1	11.3	4.6
Net operating revenues	**72,229**	**82,660**	**90,297**	**1,16,257**	**81,893**	**96,380**	**92,730**	**1,11,859**	**3,61,441**	**3,82,863**
Change (%)	144.8	85.4	63.1	33.0	13.4	16.6	2.7	-3.8	66.7	5.9
RM/sales %	79.3	78.0	76.3	75.6	73.7	73.5	72.2	72.3	77.1	72.9
Staff/sales %	6.2	6.4	6.1	5.1	6.6	5.9	6.1	5.6	5.8	6.0
Other exp/sales %	10.1	9.1	8.8	8.3	9.7	9.3	9.6	8.9	9.0	9.4
EBITDA	**3,203**	**5,373**	**7,973**	**12,757**	**8,208**	**10,798**	**11,139**	**14,768**	**29,307**	**44,912**
EBITDA Margins(%)	4.4	6.5	8.8	11.0	10.0	11.2	12.0	13.2	8.1	11.7
Interest	689	771	804	628	699	587	616	758	2,891	2,660
Other Income	256	200	316	389	512	475	300	353	1,161	1,640
Depreciation	1,824	1,768	1,890	1,838	1,794	1,803	1,785	1,800	7,320	7,181
PBT before EO Item	**946**	**3,035**	**5,596**	**10,681**	**6,227**	**8,883**	**9,039**	**12,563**	**20,258**	**36,711**
EO Exp/(Inc)	-130	-82	-69	-564	6	229	6	0	-846	241
PBT after EO	**1,077**	**3,117**	**5,665**	**11,245**	**6,221**	**8,654**	**9,033**	**12,563**	**21,104**	**36,470**
Effective Tax Rate (%)	36.8	36.1	36.2	33.2	7.3	35.2	35.8	35.4	34.6	30.7
Adj PAT	**595**	**1,939**	**3,568**	**7,145**	**5,768**	**5,769**	**5,804**	**8,118**	**13,248**	**25,449**
Change (%)	-121.2	-333.0	-1,054.2	70.8	868.8	197.5	62.7	13.6	7,587.8	92.1

E: MOFSL Estimates

Bajaj Auto — Neutral

CMP: INR9,041 | TP: INR8,115 (-10%) — **EPS CHANGE (%): FY25|26E: 3|6**

- While domestic volumes grew 28% YoY, exports were up 19% YoY, both on a low base of last year. Bajaj continues to enjoy the benefit of a rich mix in domestic motorcycles, while recovery in export markets is gradual.
- Margin to expand 100bp YoY led by lower input costs, improved mix and operating leverage benefits.

Quarterly Performance — **(INR m)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volumes ('000 units)	934	1,151	983	860	1,027	1,054	1,201	1,069	3,928	4,351
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-8.4	22.1	24.3	(8.8)	10.8
Realization (INR/unit)	85,739	88,642	94,720	1,03,573	1,00,347	1,02,256	1,00,862	1,02,555	92,742	1,01,494
Growth YoY (%)	16.8	17.7	24.0	26.8	17.0	15.4	6.5	-1.0	21.1	9.4
Net Sales	**80,050**	**1,02,028**	**93,151**	**89,047**	**1,03,098**	**1,07,773**	**1,21,135**	**1,09,588**	**3,64,276**	**4,41,593**
Change (%)	8.4	18.4	3.3	11.7	28.8	5.6	30.0	23.1	10.4	21.2
EBITDA	**12,970**	**17,587**	**17,768**	**17,166**	**19,539**	**21,329**	**24,299**	**21,597**	**65,491**	**86,764**
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.0	19.8	20.1	19.7	18.0	19.6
Other Income	3,193	3,332	2,691	2,598	3,463	3,614	3,461	3,571	11,814	14,109
Interest	43	109	85	157	121	65	121	113	395	420
Depreciation	673	670	740	742	835	876	881	884	2,824	3,477
PBT after EO	**15,447**	**20,140**	**19,635**	**18,865**	**22,046**	**24,000**	**26,758**	**24,171**	**74,086**	**96,976**
Effective Tax Rate (%)	24.0	24.0	24.0	24.0	24.5	23.5	23.7	24.8	24.0	24.1
Adj. PAT	**11,733**	**15,300**	**14,914**	**14,329**	**16,648**	**18,361**	**20,419**	**18,175**	**56,276**	**73,603**
Change (%)	10.6	31.3	22.8	16.9	41.9	20.0	36.9	26.8	20.6	30.8

E: MOFSL Estimates

Balkrishna Industries — Neutral

CMP: INR2,284 | TP: INR2,260 (-1%) — **EPS CHANGE (%): FY25E|FY26E: -11|-9**

- Revenue is expected to marginally grow by 1% YoY. We expect India market to remain the key growth driver even as demand in Europe is likely to remain weak.
- EBITDA margins are expected to decline 120bp QoQ due to a rise in freight costs owing to the Red Sea crisis.
- We have lowered our FY25E EPS by 11% to factor in slower-than-expected recovery in EU/US.

Quarterly Earning Model (Standalone) — **(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volumes (Ton)	**83,153**	**78,872**	**66,480**	**72,676**	**67,209**	**70,585**	**72,749**	**73,948**	**3,01,181**	**2,84,491**
YoY Change (%)	21.2	8.4	-5.5	-5.8	-19.2	-10.5	9.4	1.8	4.3	-5.5
Realizations (INR '000/ton)	**327.9**	**355.8**	**333.2**	**319.9**	**314.7**	**318.3**	**318.3**	**318.4**	**334.4**	**317.5**
YoY Change (%)	23.0	24.5	12.7	1.4	-4.0	-10.5	-4.5	-0.5	14.7	-5.1
Net Revenues	**27,263**	**28,063**	**22,153**	**23,246**	**21,150**	**22,468**	**23,158**	**23,547**	**1,00,725**	**90,323**
YoY Change (%)	49.1	34.9	6.6	-4.4	-22.4	-19.9	4.5	1.3	19.6	-10.3
EBITDA	**5,470**	**5,640**	**4,233**	**4,942**	**4,863**	**5,480**	**5,868**	**5,664**	**20,284**	**21,875**
Margins (%)	20.1	20.1	19.1	21.3	23.0	24.4	25.3	24.1	20.1	24.2
Depreciation	1,262	1,341	1,449	1,515	1,537	1,586	1,591	1,594	5,566	6,308
Interest	27	43	136	250	208	229	354	357	456	1,147
Forex loss/(gain)	-260	-490	1,660	-30	-330	-250	520	460	880	400
Other Income	-150	580	430	280	660	520	700	712	1,140	2,592
PBT before EI	**4,290**	**5,327**	**1,417**	**3,487**	**4,108**	**4,435**	**4,104**	**3,965**	**14,521**	**16,611**
Extra-Ord expense	0	0	0	23	0	0	0	0	23	0
PBT	**4,290**	**5,327**	**1,417**	**3,465**	**4,108**	**4,435**	**4,104**	**3,965**	**14,499**	**16,611**
Rate (%)	25.4	24.1	29.8	26.1	23.9	24.5	24.8	24.7	25.7	24.5
Reported PAT	**3,199**	**4,043**	**995**	**2,559**	**3,125**	**3,350**	**3,084**	**2,986**	**10,774**	**12,545**
Adj PAT	**3,199**	**4,043**	**995**	**2,576**	**3,125**	**3,350**	**3,084**	**2,986**	**10,791**	**12,545**
YoY Change (%)	-10.5	1.2	-69.7	-30.5	-2.3	-17.1	209.9	15.9	-25.9	16.3

E: MOFSL Estimates

Bharat Forge — Buy

CMP: INR1149 | TP: INR1330 (+16%) — **EPS CHANGE (%): FY25E|FY26E: -5|-6**

- Revenue growth is expected to be at 19% YoY in 4Q. Domestic/export business is expected to grow 38%/6% YoY in 4Q. Revenue growth is likely to be driven by continued ramp-up of defense orders and in PV exports.
- EBITDA margin is expected to remain flat QoQ at 28.5%.
- We reduce FY25E EPS by 5% to factor in slower-than-expected recover in its overseas subsidiaries.

S/A Quarterly — **(INR m)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Tonnage	**57,915**	**61,149**	**62,755**	**64,648**	**67,780**	**70,316**	**67,232**	**69,483**	**2,46,467**	**2,74,811**
Change (%)	8.2	7.1	17.6	12.3	17.0	15.0	7.1	7.5	11.3	11.5
Realization (INR '000/ton)	**303.8**	**304.8**	**311.1**	**308.9**	**313.9**	**319.9**	**336.7**	**340.9**	**307.3**	**327.8**
Change (%)	18.5	9.1	3.6	6.2	3.3	4.9	8.2	10.4	9.0	6.7
Net operating income	**17,594**	**18,639**	**19,521**	**19,973**	**21,273**	**22,494**	**22,634**	**23,689**	**75,727**	**90,090**
Change (%)	28.2	16.8	21.8	19.3	20.9	20.7	15.9	18.6	21.3	19.0
EBITDA	**4,600**	**4,522**	**4,936**	**5,226**	**5,530**	**6,163**	**6,455**	**6,761**	**19,284**	**24,908**
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	27.4	28.5	28.5	25.5	27.6
Non-Operating Income	259	477	377	391	472	424	346	360	1,505	1,602
Interest	263	357	849	658	705	726	809	857	2,127	3,097
Depreciation	1064	1066	1079	1051	1089	1128	1124	1132	4,260	4,473
Fx loss/(gain)	250	-8	-415	347	43	95	-177	0	173	-39
PBT after EO items	**3,252**	**3,579**	**3,844**	**3,154**	**4,165**	**4,616**	**5,044**	**5,132**	**13,827**	**18,957**
Eff. Tax Rate (%)	25.1	25.1	24.8	22.5	25.2	25.0	25.1	24.1	24.4	24.8
Rep. PAT	**2,436**	**2,681**	**2,892**	**2,445**	**3,115**	**3,460**	**3,778**	**3,895**	**10,454**	**14,248**
Change (%)	46.2	-14.0	-14.3	-6.7	27.9	29.0	30.6	59.3	-3.0	36.3
Adj. PAT	**2,460**	**2,686**	**2,859**	**2,754**	**3,115**	**3,476**	**3,778**	**3,895**	**10,776**	**14,265**
Change (%)	14.8	-11.5	8.6	4.4	26.7	29.4	32.1	41.4	3.1	32.4

E: MOFSL Estimates

Bosch — Neutral

CMP: INR30,290 | TP: INR27,280 (-10%) — **EPS CHANGE (%): FY25|26E: 10|10**

- We expect ~12.5% YoY revenue growth led by steady growth in the mobility division.
- EBITDA margin likely to expand by 70bp to 13.6%, driven by benefit of low other costs and gradual localization benefits.
- As a result, we expect Bosch to post a strong 21% YoY growth in PAT in 4Q.

Quarterly performance (S/A) (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**35,444**	**36,616**	**36,599**	**40,634**	**41,584**	**41,301**	**42,052**	**45,712**	**1,49,293**	**1,70,649**
YoY Change (%)	45.1	25.5	17.7	22.7	17.3	12.8	14.9	12.5	26.7	14.3
RM Cost (% of sales)	64.6	64.9	60.0	64.0	64.5	66.8	62.3	63.0	63.4	64.1
Staff Cost (% of sales)	7.6	7.5	7.4	8.1	7.4	8.1	7.9	7.7	7.7	7.8
Other Expenses (% of sales)	15.6	16.4	23.3	15.9	17.9	13.2	16.0	15.8	16.8	15.4
EBITDA	**4,495**	**4,311**	**4,037**	**5,224**	**4,679**	**4,913**	**5,784**	**6,212**	**18,067**	**21,588**
Margins (%)	12.7	11.8	11.0	12.9	11.3	11.9	13.8	13.6	12.1	12.7
Depreciation	648	919	1,083	1,206	921	1,013	1,173	1,245	3,856	4,352
Interest	36	19	20	46	308	122	39	51	121	520
Other Income	566	1,497	1,312	1,359	1,875	1,542	1,548	1,593	4,734	6,558
PBT before EO expense	**4,377**	**4,870**	**4,246**	**5,331**	**5,325**	**5,320**	**6,120**	**6,509**	**18,824**	**23,274**
Extra-Ord expense	0	0	0	0	0	-7,850	-588	0	0	-8,438
PBT after EO Expense	**4,377**	**4,870**	**4,246**	**5,331**	**5,325**	**13,170**	**6,708**	**6,509**	**18,824**	**31,712**
Tax	1,035	1,146	1,057	1,341	1,235	3,181	1,527	1,668	4,579	7,611
Tax Rate (%)	23.6	23.5	24.9	25.2	23.2	24.2	22.8	25.6	24.3	24.0
Reported PAT	**3,342**	**3,724**	**3,189**	**3,990**	**4,090**	**9,989**	**5,181**	**4,841**	**14,245**	**24,101**
Adj PAT	**3,342**	**3,724**	**3,189**	**3,990**	**4,090**	**4,023**	**4,734**	**4,841**	**14,245**	**17,254**
YoY Change (%)	28.7	0.1	35.7	13.8	22.4	8.0	48.5	21.3	17.0	21.1

E: MOFSL Estimates

Ceat — Buy

CMP: INR2,653| TP: INR3,075 (+16%) — **EPS CHANGE (%): FY25E|FY26E: -7|-6**

- Revenues are expected to grow 9% YoY, led by 2W and PV OEM segments and stable replacement demand.
- Expect EBITDA margin to decline 30bp QoQ to 13.8% largely due to increase in input costs
- We cut FY25E EPS by 7% to factor in higher RM costs.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**28,184**	**28,945**	**27,272**	**28,748**	**29,352**	**30,533**	**29,631**	**31,280**	**1,13,149**	**1,20,796**
YoY Change (%)	47.8	18.1	13.0	10.9	4.1	5.5	8.7	8.8	20.8	6.8
RM cost (%)	68.3	67.5	65.5	59.9	58.9	56.7	58.7	59.0	65.3	58.3
Employee cost (%)	6.1	5.8	6.7	7.4	6.7	7.1	7.3	7.2	6.5	7.1
Other expenses (%)	19.7	19.7	19.2	19.9	21.2	21.3	19.9	20.0	19.6	20.6
EBITDA	**1,653**	**2,031**	**2,376**	**3,678**	**3,871**	**4,561**	**4,175**	**4,316**	**9,738**	**16,924**
Margins (%)	5.9	7.0	8.7	12.8	13.2	14.9	14.1	13.8	8.6	14.0
Depreciation	1,114	1,151	1,175	1,253	1,209	1,245	1,273	1,291	4,693	5,018
Interest	521	577	657	666	701	717	656	684	2,421	2,758
Other Income	28	98	20	24	33	105	29	58	169	225
PBT before EO expense	**45**	**401**	**565**	**1,783**	**1,993**	**2,704**	**2,276**	**2,401**	**2,793**	**9,373**
Exceptional item	7	237	5	86	0	0	0	0	334	0
PBT	**38**	**164**	**560**	**1,698**	**1,993**	**2,704**	**2,276**	**2,401**	**2,459**	**9,373**
Tax Rate (%)	31.0	64.6	26.7	26.5	26.5	25.3	23.9	24.5	29.2	25.0
MI. & Profit of Asso. Cos.	-67	-20	57	-90	18	-59	-84	170	-120	45
Reported PAT	**92**	**78**	**354**	**1,337**	**1,446**	**2,080**	**1,815**	**1,644**	**1,862**	**6,985**
Adj PAT	**98**	**246**	**357**	**1,398**	**1,446**	**2,080**	**1,815**	**1,644**	**2,098**	**6,985**
YoY Change (%)	-59	-42	-325	382	1,383	745	408	18	164	233

CIE Automotive — Buy

CMP: INR472 | TP: INR555 (+18%) — **EPS CHANGE (%): CY24E|25E: -6|0**

- We expect India business to post 7% YoY growth in revenues, led by an uptick in key clients like MM, TTMT and BAL. However, the EU business is expected to remain impacted by a business slowdown seen at Metalcastello. Overall, consol revenues are expected to decline 3% YoY.
- EBITDA margins are expected to decline 70bp YoY to 14.9%, largely due to a slowdown in Europe.
- We have reduced our CY24E EPS by 6% to factor in muted Europe business outlook.

Quarterly performance (Consol.) (INR m)

	CY23				CY24E				CY24	CY25E
Y/E December	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	**24,402**	**23,203**	**22,794**	**22,404**	**23,623**	**24,339**	**25,510**	**25,740**	**99,212**	**1,10,256**
YoY Change (%)	18.4	4.7	2.2	-0.3	-3.2	4.9	11.9	14.9	6.9	11.1
EBITDA	**3,806**	**3,704**	**3,454**	**3,274**	**3,529**	**3,751**	**3,994**	**4,042**	**15,316**	**17,674**
Margins (%)	15.6	16.0	15.2	14.6	14.9	15.4	15.7	15.7	15.4	16.0
Depreciation	825	833	783	781	790	810	835	851	3,286	3,511
Interest	240	221	310	303	225	220	215	227	887	612
Other Income	160	195	200	265	225	240	250	296	1,011	1,362
Share of profit from associates	3	-3	-2	-3	0	0	0	0	15	15
PBT before EO expense	**2,901**	**2,846**	**2,561**	**2,455**	**2,739**	**2,961**	**3,194**	**3,260**	**12,153**	**14,912**
EO Exp/(Inc)	0	0	0	0	0	0	0	0	0	0
PBT after EO exp	**2,901**	**2,846**	**2,561**	**2,455**	**2,739**	**2,961**	**3,194**	**3,260**	**12,153**	**14,912**
Tax Rate (%)	24.2	24.9	27.0	27.8	31.4	31.4	31.4	6.9	24.8	24.4
Adj. PAT	**2,203**	**2,136**	**1,867**	**1,770**	**1,878**	**2,031**	**2,190**	**3,035**	**9,149**	**11,284**
YoY Change (%)	34.1	15.7	11.4	6.4	-14.7	-4.9	17.3	71.4	14.7	23.3

Craftsman Auto — Buy

CMP: INR4,368 | TP: INR5,330 (+22%) — **EPS CHANGE (%): FY25E|FY26E: -7|-7**

- Standalone revenue likely to grow ~9% YoY, led by 23%/9% growth in AL products/industrial segments. DR Axion to grow 5% QoQ led by good PV OEM demand.
- We expect margins to improve 100bp to 20.3% led by operating leverage benefits.
- We have reduced our FY25E EPS by 7% to factor in weakness in CVs/tractors.

Quarterly (Consol) (INR m)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net operating income	**6,758**	**7,713**	**7,490**	**9,804**	**10,376**	**11,791**	**11,297**	**11,944**	**31,826**	**45,408**
Change (%)	56.6	35.6	35.8	49.8	53.5	52.9	50.8	21.8	44.2	42.7
RM/Sales (%)	47.8	51.2	50.4	54.3	52.5	53.2	53.2	52.7	51.2	52.9
Staff Cost (% of Sales)	8.4	7.4	7.8	6.2	6.5	6.1	6.8	6.6	7.3	6.5
Other Exp. (% of Sales)	19.6	19.3	20.6	20.3	20.4	20.6	20.6	20.4	20.0	20.5
EBITDA	**1,634**	**1,701**	**1,583**	**1,884**	**2,142**	**2,375**	**2,202**	**2,419**	**6,836**	**9,139**
EBITDA Margins (%)	24.2	22.1	21.1	19.2	20.6	20.1	19.5	20.3	21.5	20.1
Non-Operating Income	13	17	46	49	37	47	35	36	125	156
Interest	254	233	296	419	424	416	442	466	1202	1748
Depreciation	532	547	538	599	683	668	703	711	2216	2765
Minority Int/Share of Profit	0	0	-2	-1	62	97	82	95	21	336
PBT after EO items	**861**	**939**	**797**	**916**	**1,011**	**1,241**	**1,010**	**1,184**	**3,522**	**4,446**
Eff. Tax Rate (%)	35.5	35.4	35.3	12.4	26.3	23.8	27.6	27.1	29.5	26.1
Rep. PAT	**556**	**606**	**516**	**802**	**745**	**945**	**731**	**863**	**2,484**	**3,285**
Change (%)	143.3	22.7	40.2	56.2	34.0	56.0	41.7	7.6	54.8	32.2
Adj. PAT	**556**	**606**	**516**	**802**	**745**	**945**	**731**	**863**	**2,484**	**3,285**
Change (%)	143.3	22.7	40.2	56.2	34.0	56.0	41.7	7.6	54.8	32.2

E: MOFSL Estimates

Eicher Motors — Neutral

CMP: INR3,948 | TP: INR3,900 (-1%) — **EPS CHANGE (%): FY25E|FY26E: 2|0**

- Overall RE volumes inched up 4% YoY (flat QoQ). Domestic volumes grew 6% YoY, but export volumes declined 12% YoY. There was a sequential recovery in export volumes.
- RE margins are expected to remain stable sequentially.
- VECV margins likely to improve sequentially led by higher CV volumes and better realizations.

Quarterly performance (Consolidated)

INR m	FY23				FY24E				FY23	FY24E
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Operating income	**33,975**	**35,194**	**37,210**	**38,043**	**39,864**	**41,145**	**41,788**	**42,082**	**1,44,422**	**1,64,880**
Growth (%)	72.1	56.4	29.2	19.1	17.3	16.9	12.3	10.6	40.2	14.2
EBITDA	**8,311**	**8,216**	**8,572**	**9,337**	**10,208**	**10,872**	**10,903**	**11,049**	**34,436**	**43,031**
EBITDA Margins (%)	24.5	23.3	23.0	24.5	25.6	26.4	26.1	26.3	23.8	26.1
PAT	**5,769**	**6,127**	**6,770**	**7,322**	**8,179**	**9,146**	**8,821**	**8,680**	**25,988**	**34,826**
Share of JV Loss/(PAT)/ Min. Int.	-338	-441	-639	-1,734	-1,004	-1,016	-1,139	-2,164	-3,152	-5,323
Recurring PAT	**6,107**	**6,569**	**7,408**	**9,056**	**9,183**	**10,163**	**9,960**	**10,843**	**29,139**	**40,149**
Growth (%)	157.5	76.0	62.4	48.4	50.4	54.7	34.4	19.7	73.8	37.8
Standalone (Royal Enfield)										
Royal Enfield ('000 units)	**187**	**208**	**221**	**219**	**228**	**229**	**228**	**228**	**835**	**913**
Growth (%)	51.4	68.3	30.6	17.7	21.6	10.4	3.0	4.2	38.6	9.3
Net Realn (INR '000/unit)	173	164	162	175	171	171	178	181	168	175
Change - YoY (%)	12.4	-7.5	-3.1	1.9	-1.3	4.8	9.6	3.5	0.2	4.2
Net operating income	**32,479**	**33,972**	**35,902**	**38,314**	**39,012**	**39,307**	**40,542**	**41,308**	**1,40,666**	**1,60,169**
Growth (%)	70.2	55.7	26.5	19.9	20.1	15.7	12.9	7.8	73.7	42.3
EBITDA	**7,882**	**8,036**	**8,569**	**9,448**	**10,127**	**10,974**	**11,148**	**11,372**	**33,935**	**43,621**
EBITDA Margins (%)	24.3	23.7	23.9	24.7	26.0	27.9	27.5	27.5	24.1	27.2
Recurring PAT	**5,802**	**6,149**	**6,807**	**7,469**	**9,139**	**9,385**	**9,137**	**9,356**	**26,226**	**37,017**
Growth (%)	117.1	79.1	61.2	35.0	57.5	52.6	34.2	25.3	65.3	41.1

Endurance Technologies — Buy

CMP: INR1,828 | TP: INR2,135 (+17%) — **EPS CHANGE (%): FY25E|FY26E: -5|-6**

- Consolidated revenue growth of 23% YoY to be driven by 28% YoY growth in the S/A business on the back of good growth in 2Ws. However, the EU business is likely to see muted offtake given the slowdown in the market.
- Expect QoQ EBITDA margin expansion by 90bp to be driven by operating leverage.
- We reduce FY25E EPS by 5% to factor in weak demand in Europe.

Consolidated - Quarterly

Y/E March	FY23				FY24E				FY23	FY24E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**21,138**	**23,606**	**20,952**	**22,343**	**24,500**	**25,450**	**25,611**	**27,391**	**88,040**	**1,02,952**
YoY Change (%)	24.8	25.1	10.9	7.5	15.9	7.8	22.2	22.6	16.6	16.9
RM Cost (% of sales)	60.4	62.3	59.9	59.3	59.1	60.2	60.1	60.2	60.5	59.9
Staff Cost (% of sales)	8.8	7.4	9.2	9.4	8.9	8.3	8.7	8.7	8.7	8.7
Other Exp. (% of sales)	19.4	18.8	19.4	18.5	18.8	19.0	19.6	18.5	19.0	19.0
EBITDA	**2,398**	**2,716**	**2,395**	**2,854**	**3,213**	**3,183**	**2,990**	**3,463**	**10,363**	**12,849**
Margins (%)	11.3	11.5	11.4	12.8	13.1	12.5	11.7	12.6	11.8	12.5
Depreciation	991	993	1,016	1,216	1,129	1,184	1,144	1,163	4,216	4,620
Interest	19	61	46	80	90	98	109	108	206	406
Other Income	47	84	115	208	166	155	270	227	454	818
PBT before EO expense	**1,434**	**1,747**	**1,448**	**1,767**	**2,159**	**2,056**	**2,006**	**2,419**	**6,395**	**8,641**
Exceptional Item	103	0	0	0	0	0	0	0	103	0
PBT after EO	**1,331**	**1,747**	**1,448**	**1,767**	**2,159**	**2,056**	**2,006**	**2,419**	**6,293**	**8,641**
Eff. Tax Rate (%)	22.3	24.7	25.3	22.8	24.3	24.8	24.1	24.1	23.8	24.3
Rep. PAT	**1,034**	**1,315**	**1,082**	**1,365**	**1,635**	**1,546**	**1,523**	**1,835**	**4,796**	**6,538**
Adj. PAT	**1,112**	**1,315**	**1,082**	**1,365**	**1,635**	**1,546**	**1,523**	**1,835**	**4,875**	**6,538**
YoY Change (%)	-8.3	-1.4	14.4	0.2	47.0	17.5	40.7	34.5	0.4	34.1

Escorts — Neutral

CMP: INR2,859 | TP: INR2695 (-6%) — **EPS CHANGE (%): FY25E|FY26E: -2|-3**

- 4Q witnessed ~14% YoY decline in tractor volumes led by weak agri demand and festival mismatch.
- EBITDA margin is likely to contract 60bp QoQ to 12.9% due to weak demand in tractors.

Standalone Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**20,149**	**18,835**	**22,637**	**21,830**	**23,277**	**20,462**	**23,204**	**21,363**	**83,450**	**88,305**
YoY Change (%)	20.5	12.2	15.6	16.8	15.5	8.6	2.5	-2.1	16.0	5.8
Total Expenditure	18,133	17,308	20,733	19,471	20,008	17,829	20,077	18,603	75,645	76,517
EBITDA	**2,016**	**1,527**	**1,903**	**2,358**	**3,269**	**2,633**	**3,127**	**2,760**	**7,804**	**11,789**
Margins (%)	10.0	8.1	8.4	10.8	14.0	12.9	13.5	12.9	9.4	13.4
Depreciation	364	365	376	380	402	407	415	424	1,484	1,648
Interest	26	23	26	28	27	24	24	26	103	100
Other Income	354	776	913	763	945	950	1,035	1,058	2,806	3,988
PBT	**1,981**	**1,187**	**2,414**	**2,470**	**3,786**	**3,152**	**3,723**	**3,368**	**8,051**	**14,028**
Rate (%)	25.6	26.1	22.8	24.9	25.3	25.4	25.5	24.9	24.6	25.3
Adj. PAT	**1,475**	**1,425**	**1,864**	**2,039**	**2,828**	**2,350**	**2,773**	**2,528**	**6,802**	**10,479**
YoY Change (%)	-20.4	-19.4	-7.5	0.8	91.8	64.9	48.7	24.0	-11.2	54.1
Margins (%)	7.3	7.6	8.2	9.3	12.1	11.5	11.9	11.8	8.2	11.9

E: MOFSL Estimates

Exide Industries — Neutral

CMP: INR311 | TP: INR320 (+3%) — **EPS CHANGE (%): FY25E|FY26E: -6|-9**

- Expect revenue growth of 15% YoY to be driven by recovery in OE demand in both 2Ws/4Ws.
- EBITDA margin should see a QoQ expansion due to a lag effect of softening in lead prices in 3Q and 4Q.
- FY25E EPS cut to factor in weaker realizations and slower ramp-up in the industrial segment.

S/A Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**38,994**	**37,189**	**34,121**	**35,430**	**40,726**	**41,067**	**38,405**	**40,737**	**1,45,919**	**1,60,935**
Growth YoY (%)	56.8	13.0	6.7	3.7	4.4	10.4	12.6	15.0	17.6	10.3
Gross operating income	**38,994**	**37,189**	**34,121**	**35,430**	**40,726**	**41,067**	**38,405**	**40,737**	**1,45,919**	**1,60,935**
Growth YoY (%)	56.8	13.0	6.7	3.7	4.4	10.4	12.6	15.0	17.6	10.3
RM(%)	72.1	69.5	67.7	70.2	71.7	68.9	68.5	68.2	69.9	69.4
Employee cost (%)	5.5	5.9	6.3	6.2	5.8	6.2	6.4	6.3	6.0	6.2
Other Exp(%)	12.5	13.5	14.3	13.3	11.8	13.1	13.6	13.5	13.4	13.0
Total Cost	35,127	33,065	30,111	31,758	36,404	36,235	34,006	35,868	1,30,239	1,42,514
EBITDA	**3,866**	**4,124**	**4,010**	**3,672**	**4,322**	**4,831**	**4,399**	**4,869**	**15,680**	**18,421**
EBITDA Margin(%)	9.9	11.1	11.8	10.4	10.6	11.8	11.5	12.0	10.7	11.4
Change (%)	48.4	-0.2	7.6	4.9	11.8	17.1	9.7	32.6	12.1	17.5
Non-Operating Income	322	356	234	412	192	392	227	232	1,324	1,043
Interest	64	62	82	83	98	115	145	142	295	500
Depreciation	1,091	1,120	1,153	1,193	1,194	1,259	1,274	1,279	4,558	5,005
PBT after EO Exp	**3,034**	**3,298**	**3,009**	**2,808**	**3,222**	**3,849**	**3,208**	**3,679**	**12,151**	**13,958**
Effective Tax Rate (%)	25.4	25.3	25.8	26.0	24.9	25.4	25.1	24.9	25.6	25.1
Adj. PAT	**2,263**	**2,462**	**2,232**	**2,078**	**2,419**	**2,870**	**2,403**	**2,763**	**9,036**	**10,455**
Change (%)	80.5	5.1	9.4	-24.7	6.9	16.6	7.7	33.0	7.5	15.7

Happy Forgings — Buy

CMP: INR922 | TP: INR1,115 (+21%) — **EPS CHANGE (%): FY25|26E: -1|-1**

- Revenue is expected to grow ~2% QoQ, led by growth in CV volumes and execution of new orders especially in industrials.
- Increased revenue mix of industrials should result in better product mix, aiding overall EBITDA margin at 28%, +20bp QoQ.

Quarterly (Standalone) — **(INR m)**

	FY24E				FY23	FY24E
	1Q	2Q	3Q	4QE		
Net operating income	**3,298**	**3,431**	**3,420**	**3,503**	**11,965**	**13,651**
Change (%)			16.2			
RM/Sales (%)	43.0	44.7	44.5	44.6	46.3	44.2
Staff Cost	249	293	307	311	878	1,160
Staff Cost (% of Sales)	7.5	8.5	9.0	8.9	7.3	8.5
Other Expenditure	617	668	639	650	2,168	2,573
Other Exp. (% of Sales)	18.7	19.5	18.7	18.5	18.1	18.8
EBITDA	**1,015**	**938**	**952**	**980**	**3,376**	**3,884**
EBITDA Margins (%)	30.8	27.3	27.8	28.0	28.2	28.5
Change (%)			11.9			
Non-Operating Income	22	7	33	43	57	105
Interest	27	44	38	25	125	134
Depreciation	155	162	171	175	542	662
EO Exp						
Minority Int/Share of Profit						
PBT after EO items	**855**	**738**	**777**	**824**	**2,767**	**3,194**
Tax	214	185	198	263	713	814
Eff. Tax Rate (%)	25.1	25.1	25.5	31.9	25.8	25.5
Rep. PAT	**641**	**553**	**579**	**561**	**2,054**	**2,379**
Change (%)			39.2			
Adj. PAT	**641**	**553**	**579**	**607**	**2,087**	**2,379**
Change (%)						

E: MOFSL Estimates

Hero MotoCorp — Buy

CMP: INR4,683 | TP: INR5,390 (+15%) — **EPS CHANGE (%): FY25E|FY26E: -3 |1**

- Volumes grew ~10% YoY on a low base of last year. Overall, we expect HMCL to post 12% YoY growth in revenues in 4Q
- Margins to remain stable QoQ at 14% (+100bp YoY).
- Overall, we expect HMCL to post a strong 19% YoY growth in earnings in 4Q.

Quarterly Performance (S/A)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Volumes ('000 nos)	1,390	1,428	1,240	1,270	1,353	1,417	1,460	1,392	5,329	5,621
Growth YoY (%)	35.7	-0.7	-4.1	6.9	-2.7	-0.8	17.8	9.6	7.8	5.5
Net Realization	60,370	63,545	64,782	65,382	64,819	66,680	66,604	66,733	63,443	66,226
Growth YoY (%)	12.7	8.1	6.2	4.7	7.4	4.9	2.8	2.1	7.3	4.4
Net Op Revenues	**83,925**	**90,754**	**80,310**	**83,068**	**87,673**	**94,454**	**97,237**	**92,920**	**3,38,057**	**3,72,285**
Growth YoY (%)	53.0	7.4	1.9	11.9	4.5	4.1	21.1	11.9	15.6	10.1
RM Cost (% sales)	72.8	72.0	69.4	68.0	69.4	68.6	67.3	67.3	70.6	68.1
Staff Cost (% sales)	6.4	6.0	6.8	6.7	6.6	6.1	6.2	6.5	6.5	6.3
Other Exp (% sales)	9.6	10.6	12.3	12.3	10.3	11.2	12.5	12.2	11.2	11.6
EBITDA	**9,408**	**10,383**	**9,241**	**10,830**	**12,063**	**13,283**	**13,620**	**13,039**	**39,862**	**52,004**
EBITDA Margins (%)	11.2	11.4	11.5	13.0	13.8	14.1	14.0	14.0	11.8	14.0
Other Income	530	921	1,832	2,369	2,222	2,483	2,420	2,475	5,652	9,600
Interest	70	33	49	47	47	48	45	41	199	180
Depreciation	1,630	1,634	1,620	1,686	1,690	1,749	1,825	1,824	6,570	7,088
PBT before EO Exp/(Inc)	**8,238**	**9,637**	**9,404**	**11,467**	**12,548**	**13,970**	**14,170**	**13,649**	**38,746**	**54,336**
Effective Tax Rate (%)	24.2	25.7	24.4	25.1	24.7	24.6	24.3	25.2	24.9	24.7
Adj. PAT	**6,245**	**7,161**	**7,111**	**8,589**	**9,452**	**10,538**	**10,734**	**10,204**	**29,106**	**40,928**
Growth (%)	70.9	-9.9	3.6	37.0	51.4	47.2	51.0	18.8	17.7	40.6

MRF

Sell

CMP: INR1,35,789 | TP: INR1,02,110 (-25%)

EPS CHANGE (%): FY25E|FY26E: -3 |-4

- Expect revenue growth of 9% YoY led by steady growth in OEM and replacement demand.
- EBITDA margin to contract marginally QoQ led by rise in RM costs.
- We cut FY25E EPS by 3% to account for higher RM costs.

Standalone - Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**55,989**	**57,190**	**55,349**	**57,254**	**63,233**	**60,876**	**60,478**	**62,282**	**2,25,782**	**2,46,868**
YoY Change (%)	35.6	18.4	14.6	10.1	12.9	6.4	9.3	8.8	18.9	9.3
Total Expenditure	51,207	52,517	49,863	48,823	52,091	49,589	50,084	51,664	2,02,409	2,03,427
EBITDA	**4,783**	**4,673**	**5,486**	**8,431**	**11,142**	**11,286**	**10,394**	**10,618**	**23,373**	**43,441**
Margins (%)	8.5	8.2	9.9	14.7	17.6	18.5	17.2	17.0	10.4	17.6
Depreciation	2,969	3,083	3,149	3,285	3,317	3,500	3,591	3,620	12,486	13,984
Interest	635	704	802	839	780	749	776	747	2,981	2,843
Other Income	341	764	700	678	739	696	766	764	2,482	2,921
PBT before EO expense	**1,519**	**1,650**	**2,235**	**4,985**	**7,783**	**7,734**	**6,792**	**7,015**	**10,389**	**29,536**
Extra-Ord expense	0	0	0	-803	0	0	0	0	-803	0
PBT	**1,519**	**1,650**	**2,235**	**5,788**	**7,783**	**7,734**	**6,792**	**7,015**	**11,192**	**29,536**
Tax	395	410	543	1,682	1,969	2,015	1,712	1,890	3,030	7,586
Rate (%)	26.0	24.9	24.3	29.1	25.3	26.1	25.2	26.9	27.1	25.7
Reported PAT	**1,123**	**1,240**	**1,692**	**4,106**	**5,814**	**5,719**	**5,080**	**5,125**	**8,162**	**21,949**
Adj PAT	**1,123**	**1,240**	**1,692**	**3,537**	**5,814**	**5,719**	**5,080**	**5,125**	**7,576**	**21,949**
YoY Change (%)	-30.4	-32.4	16.0	125.6	417.6	361.3	200.2	44.9	17.0	189.7
Margins (%)	2.0	2.2	3.1	6.2	9.2	9.4	8.4	8.2	3.4	8.9

Mahindra & Mahindra

Buy

CMP: INR1,915 | TP: INR2,155 (+13%)

EPS CHANGE (%): FY25E|FY26E: 3|5

- There was a volume growth of 13% YoY in autos but tractors declined 20% YoY on the back of weak demand and festival mismatch.
- We expect a QoQ decline of 90bp in EBITDA margin due to weak mix. PBIT margin is likely to contract 30bp QoQ to 8% for autos due to slight rise in discounts. FES margin is likely to contract 30bp QoQ to 15.2% due to lower volumes.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Volumes (nos)	2,71,971	2,73,223	2,81,859	2,78,948	3,01,147	3,02,139	3,13,115	2,86,927	11,05,375	12,03,096
Growth YoY (%)	45.6	43.3	31.6	21.9	10.7	10.6	11.1	2.9	34.8	8.8
Net Realization	7,25,262	7,68,974	7,68,247	8,09,160	7,98,814	8,04,593	8,07,643	8,21,324	7,68,610	8,08,086
Growth YoY (%)	15.2	10.2	7.2	7.4	10.1	4.6	5.1	1.5	9.1	5.1
Revenue from Operations	**1,97,250**	**2,10,101**	**2,16,537**	**2,25,714**	**2,40,561**	**2,43,099**	**2,52,885**	**2,35,660**	**8,49,603**	**9,72,204**
Growth YoY (%)	67.7	57.9	41.1	30.9	22.0	15.7	16.8	4.4	47.0	14.4
RM Cost (% of sales)	76.6	76.5	76.0	75.0	75.3	75.6	75.4	75.7	76.0	75.5
Staff (% of sales)	4.3	4.4	4.3	4.2	4.3	4.6	4.5	4.7	4.3	4.6
Oth. Exp. (% of Sales)	7.3	7.2	6.7	8.4	6.9	7.2	7.3	7.6	7.4	7.3
EBITDA	**23,335**	**24,973**	**28,142**	**27,974**	**32,351**	**30,660**	**32,364**	**28,078**	**1,04,424**	**1,23,453**
EBITDA Margins (%)	11.8	11.9	13.0	12.4	13.4	12.6	12.8	11.9	12.3	12.7
Other inc. (incl Inc. from Invest)	2,279	13,134	6,700	3,339	9,699	21,500	7,370	3,524	25,452	42,093
Interest	703	641	686	698	323	329	348	376	2,728	1,377
Depreciation	6,955	7,913	8,292	8,385	8,281	8,158	8,179	8,212	31,545	32,830
EBIT	**16,381**	**17,060**	**19,851**	**19,589**	**24,070**	**22,502**	**24,186**	**19,866**	**72,879**	**90,623**
EO Income/(Exp)	-410	-2,479	-6,289	-5,118	0	0	0	0	-14,295	0
PBT after EO	**17,547**	**27,074**	**19,576**	**17,111**	**33,445**	**43,672**	**31,207**	**23,014**	**81,308**	**1,31,339**
Tax	3,511	6,394	4,296	1,621	5,708	9,153	6,668	5,002	15,821	26,530
Effective Tax Rate (%)	20.0	23.6	21.9	9.5	17.1	21.0	21.4	21.7	19.5	20.2
Reported PAT	**14,036**	**20,680**	**15,281**	**15,490**	**27,737**	**34,519**	**24,540**	**18,013**	**65,486**	**1,04,808**
Change (%)	64.0	44.4	14.4	22.1	97.6	66.9	60.6	16.3	34.5	60.0
Adj PAT	**14,040**	**23,380**	**22,160**	**19,750**	**27,737**	**34,519**	**24,540**	**18,013**	**79,330**	**1,04,808**
Change (%)	50.3	38.6	66.0	66.7	97.6	47.6	10.7	-8.8	54.9	32.1

E: MOFSL Estimates

Maruti Suzuki — Buy

CMP: INR12,570 | TP: INR14,205 (+13%) — **EPS CHANGE (%): FY25E|FY26E: 9|13**

- Volume growth of 13% YoY was driven by visible traction in UVs (71% YoY growth) even as entry-level models declined 28% YoY.
- EBITDA margin likely to expand 110bp QoQ to 12.8%, due to stable RM costs, improved mix and operating leverage benefit.
- We have raised FY25E EPS by 9% to account for higher volumes and better mix.

S/A Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	552.1	501.2	584.0	1,966.2	2,135.3
Change (%)	32.3	36.3	8.2	5.4	6.4	6.7	7.6	13.4	19.0	8.6
Realizations (INR/car)	5,66,319	5,78,490	6,23,387	6,22,379	6,49,095	6,71,348	6,64,570	6,66,879	5,97,727	6,63,345
Change (%)	12.7	6.9	15.5	13.7	14.6	16.1	6.6	7.1	11.9	11.0
Net operating revenues	**2,64,998**	**2,99,308**	**2,90,443**	**3,20,480**	**3,23,269**	**3,70,621**	**3,33,087**	**3,89,479**	**11,75,229**	**14,16,456**
Change (%)	49.1	45.7	24.9	19.9	22.0	23.8	14.7	21.5	33.1	20.5
RM Cost (% of sales)	74.6	73.1	72.7	73.3	72.8	70.6	70.9	70.9	73.4	71.3
Staff Cost (% of sales)	4.4	3.8	4.1	3.5	4.5	3.5	4.0	3.7	3.9	3.9
Other Cost (% of sales)	13.8	13.9	13.4	12.8	13.5	12.9	13.3	12.6	13.3	13.1
EBITDA	**19,121**	**27,689**	**28,331**	**33,503**	**29,830**	**47,842**	**39,079**	**49,868**	**1,10,077**	**1,66,619**
EBITDA Margins (%)	7.2	9.3	9.8	10.5	9.2	12.9	11.7	12.8	9.4	11.8
Depreciation	6,514	7,226	7,101	7,392	7,475	7,941	7,517	7,605	28,233	30,538
EBIT	**12,607**	**20,463**	**21,230**	**26,111**	**22,355**	**39,901**	**31,562**	**42,263**	**81,844**	**1,36,081**
EBIT Margins (%)	4.8	6.8	7.3	8.1	6.9	10.8	9.5	10.9	7.0	9.6
Interest	274	305	296	991	465	351	354	350	1,866	1,520
Non-Operating Income	885	6,125	8,608	7,428	10,012	8,436	9,330	9,365	21,613	37,143
PBT	**13,218**	**26,283**	**29,542**	**32,548**	**31,902**	**47,986**	**40,538**	**51,278**	**1,01,591**	**1,71,704**
Effective Tax Rate (%)	23.4	21.6	20.4	19.4	22.1	22.6	22.8	22.5	20.8	22.5
Adjusted PAT	**10,128**	**20,615**	**23,513**	**26,236**	**24,851**	**37,165**	**31,300**	**39,734**	**80,492**	**1,33,050**
Change (%)	129.8	333.7	132.5	42.7	145.4	80.3	33.1	51.4	113.7	65.3

Motherson Wiring India — Buy

CMP: INR67| TP: INR78 (+16%) — **EPS CHANGE (%): FY25E|FY26E: 2|3**

- Revenue growth of 23% YoY driven by healthy volume growth YoY across key segments and increase in content.
- EBITDA margin expansion of 210bp YoY aided by ramp-up of new facilities, lower input costs and operating leverage.

MSUMI: Quarterly performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**16,709**	**18,352**	**16,868**	**18,644**	**18,588**	**21,046**	**21,173**	**22,894**	**70,574**	**83,701**
YoY Change (%)	50.0	31.1	15.6	12.2	11.2	14.7	25.5	22.8	25.2	18.6
RM Cost (% of sales)	64.9	66.2	64.3	66.9	65.7	66.2	65.5	65.3	65.6	65.7
Staff Cost (% of sales)	16.4	17.3	17.8	15.6	17.6	16.3	16.1	15.5	16.8	16.3
Other Expenses (% of sales)	6.6	6.6	7.3	6.2	6.3	5.7	6.1	5.8	6.5	6.0
EBITDA	**2,028**	**1,808**	**1,790**	**2,093**	**1,941**	**2,481**	**2,620**	**3,051**	**7,814**	**10,093**
Margins (%)	12.1	9.9	10.6	11.2	10.4	11.8	12.4	13.3	11.1	12.1
Depreciation	277	295	317	348	338	364	377	395	1,237	1,474
Interest	69	59	65	86	77	74	64	65	278	280
Other Income	77	107	7	127	136	56	11	119	223	321
PBT before EO expense	**1,759**	**1,562**	**1,415**	**1,786**	**1,661**	**2,100**	**2,190**	**2,709**	**6,522**	**8,660**
PBT after EO Expense	**1,759**	**1,562**	**1,415**	**1,786**	**1,661**	**2,100**	**2,190**	**2,709**	**6,522**	**8,660**
Tax Rate (%)	28	25	25	22	26	26	23	26	25	25
Reported PAT	**1,260**	**1,165**	**1,062**	**1,385**	**1,231**	**1,559**	**1,679**	**1,991**	**4,871**	**6,460**
Adj PAT	**1,260**	**1,165**	**1,062**	**1,385**	**1,231**	**1,559**	**1,679**	**1,991**	**4,871**	**6,460**
YoY Change (%)	106.5	2.1	-19.6	-13.2	-2.2	33.9	58.1	43.8	4.3	32.6

E: MOFSL Estimates

Samvardhana Motherson Sumi — Buy

CMP: INR120| TP: INR140 (+17%) — **EPS CHANGE (%): FY25E|FY26E: 18|24**

- Execution of healthy order book, along with contribution from recent acquisitions, should drive revenue growth of 15% YoY.
- EBITDA margin to expand by 40bp QoQ to 9.6% mainly due to operating leverage benefits.
- Overall, we expect just 1% YoY growth in earnings for SAMIL due to higher interest burden due to debt taken for its recent acquisitions.
- We raise FY25E estimates by 18% as we now include the impact of inorganic acquisitions in P&L

Quarterly performance (Consol.) (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**1,76,545**	**1,82,608**	**2,02,672**	**2,24,769**	**2,24,622**	**2,34,738**	**2,56,976**	**2,59,167**	**7,87,007**	**9,75,502**
YoY Change (%)	7.6	26.7	23.3	31.0	27.2	28.5	26.8	15.3	22.2	24.0
EBITDA	**11,166**	**14,031**	**16,163**	**20,205**	**19,246**	**18,888**	**23,696**	**24,899**	**62,077**	**86,729**
Margins (%)	6.3	7.7	8.0	9.0	8.6	8.0	9.2	9.6	7.9	8.9
Depreciation	7,324	7,487	8,150	8,397	8,389	8,674	10,164	10,252	31,358	37,478
Interest	1,694	1,837	1,494	2,784	2,526	4,879	6,203	5,991	7,809	19,599
Other income	581	940	811	751	529	1,654	547	1,070	2,570	3,800
PBT after EO Expense	**2,729**	**4,663**	**7,320**	**9,773**	**8,860**	**4,495**	**7,868**	**9,727**	**24,485**	**30,949**
Tax Rate (%)	34.0	30.3	29.6	26.0	29.5	32.8	27.6	29.1	28.9	29.6
Min. Int & Share of profit	389	485	609	695	241	188	272	271	2,178	972
Reported PAT	**1,412**	**2,464**	**4,539**	**6,540**	**6,009**	**2,015**	**5,420**	**6,629**	**14,956**	**20,073**
Adj PAT	**1,412**	**3,153**	**4,546**	**6,540**	**6,009**	**4,509**	**5,420**	**6,629**	**15,652**	**22,568**
YoY Change (%)	-55.1	123.6	100.3	362.1	325.5	43.0	19.2	1.4	90.0	44.2

E: MOFSL Estimates

Sona Comstar — Neutral

CMP: INR684| TP: INR645 (-6%) — **EPS CHANGE (%): FY25E|FY26E: 0|1**

- Revenue growth of 13% YoY expected to be driven by ramp-up of new orders.
- We expect EBITDA margin to improve 140bp YoY to 28.5%, led by lower input costs.

Consol. Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net operating revenues	**5,892**	**6,574**	**6,850**	**7,440**	**7,322**	**7,908**	**7,766**	**8,388**	**26,756**	**31,384**
Change (%)	17.7	12.2	38.6	35.3	24.3	20.3	13.4	12.7	25.6	17.3
EBITDA	**1,425**	**1,657**	**1,862**	**2,014**	**2,034**	**2,233**	**2,273**	**2,392**	**6,958**	**8,932**
EBITDA Margins (%)	24.2	25.2	27.2	27.1	27.8	28.2	29.3	28.5	26.0	28.5
Depreciation	400	429	470	481	511	534	559	562	1,780	2,166
EBIT	**1,025**	**1,228**	**1,392**	**1,533**	**1,523**	**1,699**	**1,714**	**1,830**	**5,178**	**6,766**
EBIT Margins (%)	17.4	18.7	20.3	20.6	20.8	21.5	22.1	21.8	19.4	21.6
Interest	29	43	51	46	53	60	73	59	169	245
Non-Operating Income	10	28	33	45	54	61	50	50	116	215
PBT	**1,006**	**1,213**	**1,373**	**1,498**	**1,495**	**1,641**	**1,690**	**1,822**	**5,091**	**6,649**
Effective Tax Rate (%)	24.6	23.7	22.0	20.0	25.1	24.4	21.0	25.6	22.4	24.0
Adjusted PAT	**758**	**925**	**1,071**	**1,232**	**1,142**	**1,286**	**1,336**	**1,356**	**3,979**	**5,119**
Change (%)	5.4	4.9	23.9	35.1	50.6	39.0	24.7	10.1	17.1	28.7

Tata Motors — Neutral

CMP: INR992 | TP: INR970 (-2%) — **EPS CHANGE (%): FY25E|FY26E: -3|-2**

- India business performance was a mixed bag as CV volumes declined 6% YoY and PVs grew 15% YoY.
- CV/PV EBIT margin likely to expand 80bp/90bp QoQ due to operating leverage benefits.
- JLR volumes are expected to see 17% YoY growth. We estimate an EBIT margin of 9.6% (+80bp QoQ) for JLR, led largely by operating leverage.
- Overall, we expect the consolidated entity to post 14% YoY growth in 4Q earnings, led by performance improvement across key segments.

Quarterly Performance [Consol] (INR b)

INR b	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
JLR Volumes (incl JV; '000 units)	82.6	89.9	92.3	107.4	106.3	109.1	113.9	125.7	372.2	455.0
JLR Realizations (GBP/unit)	61,352	69,847	75,901	75,035	74,024	70,824	72,989	73,143	70,976	72,750
JLR EBITDA Margins (%)	6.7	10.3	12.1	14.8	16.3	14.9	16.2	16.6	11.3	16.0
India CV Volumes ('000 units)	103.7	100.5	95.0	118.7	88.6	106.8	98.8	107.6	417.9	401.8
India CV Realizations (INR '000/unit)	1575.7	1642.6	1784.5	1798.4	1925.4	1887.2	2042.9	2032.0	1721.9	1980.2
India CV EBITDA Margins (%)	5.4	5.1	8.5	10.2	9.4	10.4	11.1	11.7	7.5	10.7
India PV Volumes ('000 units)	130.4	142.8	132.3	135.5	140.4	139.0	138.6	155.3	541.0	573.3
India PV Realizations (INR '000/unit)	894.6	885.7	893.0	898.2	921.8	880.9	938.1	938.8	892.8	920.4
India PV EBITDA Margins (%)	6.2	5.7	7.0	7.3	5.2	6.4	6.5	6.9	6.5	6.3
Net Consol. Op Income	**719.3**	**796.1**	**884.9**	**1059.3**	**1022.4**	**1051.3**	**1105.8**	**1184.7**	**3459.7**	**4364.1**
Growth (%)	8.3	29.7	22.5	35.1	42.1	32.1	25.0	11.8	24.2	26.1
Consol. EBITDA	**31.8**	**62.0**	**96.4**	**128.1**	**135.6**	**137.2**	**153.3**	**168.6**	**318.3**	**594.8**
EBITDA Margins (%)	4.4	7.8	10.9	12.1	13.3	13.1	13.9	14.2	9.2	13.6
Depreciation	58.4	59.0	60.7	70.5	66.3	66.4	68.5	75.3	248.6	276.4
Other Income	8.9	10.4	11.3	15.8	13.6	16.3	15.0	18.1	46.3	63.0
Interest Expenses	24.2	24.9	26.8	26.6	26.2	27.0	24.8	24.1	102.4	102.1
PBT before EO	**-49.6**	**-17.7**	**32.0**	**50.0**	**53.3**	**61.1**	**75.8**	**88.2**	**14.7**	**278.4**
EO Exp/(Inc)	-14.9	-3.1	0.0	2.2	6.8	1.2	0.9	0.0	-15.91	8.89
PBT after EO Exp	**-34.7**	**-14.6**	**32.0**	**47.8**	**46.5**	**59.9**	**74.9**	**88.2**	**30.6**	**269.5**
Tax rate (%)	-43.8	31.3	8.2	-13.0	33.6	36.8	7.2	28.1	23.0	25.2
PAT	**-49.9**	**-10.0**	**29.4**	**54.0**	**30.9**	**37.8**	**69.5**	**63.4**	**23.5**	**201.6**
Minority Interest	-0.6	-0.5	-0.9	-0.9	-1.0	-0.7	-1.2	-1.3	-2.8	-4.2
Share in profit of Associate	0.4	1.1	1.0	0.9	2.1	0.5	1.9	1.9	3.4	6.5
Adj PAT	**-65.0**	**-12.6**	**29.6**	**56.2**	**37.1**	**38.6**	**70.9**	**64.0**	**8.2**	**210.6**
Growth (%)	46.0	-71.7	-284.6	-1862.6	-157.1	-406.7	139.7	13.8	-107.6	2456.1

Tube Investments — Buy

CMP: INR3,723 | TP: INR4,245 (+14%) — **EPS CHANGE (%): FY25E|FY26E: -4|-3**

- Sequential recovery in 2W business and diversification in other segments and exports to drive QoQ growth in engineering business.
- Metal formed business to see 12% YoY growth on the anticipation of winning new tenders, though margin pressure would persist due to increased competition.
- EBIT margin for the mobility business is likely to expand to 1% (vs. -5.6% in 3QFY24); engineering business to see 120bp QoQ growth to 13.6% while metal- formed business/other business margins likely to see a decline of 130bp/240bp QoQ to 10.8%/11%.
- FY25E EPS cut to factor in margin pressure.

Quarterly performance (S/A) (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**19,570**	**19,059**	**17,097**	**16,634**	**17,801**	**19,696**	**18,983**	**19,975**	**72,360**	**76,456**
YoY Change (%)	55.7	14.4	0.5	-4.1	-9.0	3.3	11.0	20.1	13.8	5.7
EBITDA	**2,040**	**2,512**	**2,144**	**2,106**	**2,160**	**2,514**	**2,395**	**2,530**	**8,803**	**9,598**
Margins (%)	10.4	13.2	12.5	12.7	12.1	12.8	12.6	12.7	12.2	12.6
Depreciation	325	346	337	448	331	346	361	374	1,456	1,412
Interest	36	52	60	68	70	77	74	70	216	291
Other Income	120	145	171	1,717	219	358	137	1,948	2,152	2,662
PBT before EO expense	**1,800**	**2,258**	**1,919**	**3,306**	**1,979**	**2,448**	**2,096**	**4,034**	**9,283**	**10,558**
Tax	457	599	542	507	502	634	521	1,023	2,104	2,680
Tax Rate (%)	25.4	29.6	28.2	16.8	25.4	25.9	24.9	25.4	24.0	25.4
Adj PAT	**1,343**	**1,603**	**1,377**	**2,729**	**1,477**	**1,814**	**1,575**	**3,011**	**7,053**	**7,877**
YoY Change (%)	38.5	32.0	14.3	100.2	10.0	13.2	14.4	10.3	46.7	11.7

TVS Motor Company

Neutral

CMP: INR2,140 | TP: INR1,940 (-9%)

EPS CHANGE (%): FY25E|FY26E: 3|3

- In 4Q, domestic 2W volumes grew 17% YoY, while exports jumped 47% YoY on a low base. EV volumes grew 19% YoY.
- We expect EBITDA margin to remain stable QoQ at 11.2%.
- Overall, we expect TVSL to post 42% YoY growth in earnings in 4Q.

S/A Quarterly Performance

Y/E March (INR m)	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Vols ('000 units)	**906.8**	**1,027.4**	**879.4**	**868.4**	**953.2**	**1,074.4**	**1,100.8**	**1,062.5**	**3,682**	**4,191**
Growth (%)	37.9	12.1	0.1	1.4	5.1	4.6	25.2	22.4	11.3	13.8
Realn (INR '000/unit)	**66.3**	**70.3**	**74.4**	**76.1**	**75.7**	**75.8**	**74.9**	**75.6**	**71.6**	**75.5**
Growth (%)	10.8	15.1	14.6	17.8	14.3	7.9	0.6	(0.6)	14.2	5.4
Net Sales	**60,087**	**72,192**	**65,454**	**66,048**	**72,179**	**81,446**	**82,450**	**80,313**	**2,63,781**	**3,16,388**
Growth (%)	52.7	29.0	14.7	19.4	20.1	12.8	26.0	21.6	27.0	19.9
RM (% of sales)	76.1	76.2	75.5	75.4	74.6	74.0	73.7	73.6	75.8	74.0
Emp cost (% of sales)	5.3	4.8	5.2	5.1	5.2	4.8	4.9	4.9	5.1	5.0
Other exp (% of sales)	8.6	8.9	9.2	9.2	9.6	10.1	10.2	10.2	9.0	10.1
EBITDA	**5,995**	**7,365**	**6,589**	**6,798**	**7,638**	**8,998**	**9,244**	**9,018**	**26,747**	**34,898**
EBITDA Margin(%)	10.0	10.2	10.1	10.3	10.6	11.0	11.2	11.2	10.1	11.0
Interest	376	352	316	363	474	523	448	486	1,407	1,930
Depreciation	1,520	1,535	1,583	1,674	1,636	1,701	1,781	1,725	6,312	6,841
Other Income	222	14	65	88	576	462	734	128	389	1,900
PBT before EO Exp	**4,321**	**5,492**	**4,755**	**4,849**	**6,104**	**7,237**	**7,750**	**6,935**	**19,417**	**28,026**
EO Exp	0	0	0	-617	0	0	0	0	-617	
PBT after EO Exp	**4,321**	**5,492**	**4,755**	**5,466**	**6,104**	**7,237**	**7,750**	**6,935**	**20,034**	**28,026**
Tax rate (%)	25.8	25.8	25.8	24.9	23.4	25.9	23.4	25.7	25.6	24.6
Reported PAT	**3,205**	**4,075**	**3,528**	**4,103**	**4,677**	**5,366**	**5,934**	**5,156**	**14,910**	**21,131**
Adjusted PAT	**3,205**	**4,075**	**3,527**	**3,640**	**4,677**	**5,366**	**5,934**	**5,156**	**14,451**	**21,131**
Growth (%)	325.3	56.1	22.4	32.6	45.9	31.7	68.2	41.7	60.7	46.2

Capital Goods

Company
ABB India
Bharat Electronics
Cummins India
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Thermax
Triveni Turbine

Execution and margin to be key monitorables

There has been a moderation in order inflows in 4QFY24 owing to the impending election cycle. However, for key verticals such as renewable energy, power T&D, defense, railways, metro and water, order inflows have been steady overall in FY24 thanks to the government's continued thrust on capex. On the private side, investment activity has been selective, primarily in areas such as data centers, real estate, cement, metals & mining, industrial automation, and PLI-led capex. Green shoots are visible and the ordering momentum is expected to gather steam in the post-election period and is resulting in valuation re-rating for the entire sector. We believe that strong order books of the companies should provide healthy revenue visibility. We expect 15% YoY growth in execution in 4QFY24. Supply chain issues that had affected previous quarters may continue to weigh on execution over the next couple of quarters, with the Red Sea crisis being a key monitorable. We expect EPC companies – LT, KECI, and KPIL – to see a gradual margin expansion as their low-margin legacy projects are near completion. We expect product companies to pass on lower RM price benefits to end-users. As a result, we expect a ~32bp YoY contraction in EBITDA margin for our coverage universe. In 4QFY24, we estimate our coverage companies to report revenue growth of 15% YoY, EBITDA growth of 12% YoY, and PAT growth of 5% YoY.

Domestic ordering momentum sees moderation in 4QFY24

With elections around the corner, order upfronting was seen in 9MFY24. Consequently, 4QFY24 saw some moderation in domestic ordering. During the quarter, LT announced orders worth ~INR652b, BHE won ~INR78b, KECI secured ~INR58b, and KPIL acquired ~INR45b. Notably, BHE has outperformed its initial FY24 order inflow guidance of ~INR200b, with ~INR350b. Similarly, LT's 9MFY24 domestic order inflows declined ~11% YoY, but it was because of a high base created by large hydrocarbon orders in 9MFY23. As per our interactions with management teams, ordering momentum is set for a healthy uptick after 1QFY25. In 4Q, order activity was mainly driven by areas such as defense, B&F, T&D, hydrocarbon, etc. Private investments have been taking place selectively in areas such as data centers, real estate, cement, metals & mining, industrial automation, and PLI-led capex, which is positive for ABB, SIEM, KKC, TMX, TRIV. The strong enquiry pipeline seen in 3QFY24 should start materializing in 4QFY24. For our coverage universe, we estimate 15% YoY growth in execution in 4QFY24.

Margin trajectory to be mixed in 4QFY24

EPC companies, LT, KECI and KPIL, had guided for a better margin performance in 2HFY24, given the delay in completion of legacy projects; however, they lowered the initial FY24 margin guidance by ~25-50bp. LT and KECI should witness a material improvement in margins in 2HFY25. On the other hand, we expect product companies to witness a mixed impact of strong demand and lower RM prices and hence expect them to pass on some RM price benefits to end-users.

Teena Virmani - Research Analyst (Teena.Virmani@MotilalOswal.com)
Harsh Tewaney - Research Analyst (Harsh.Tewaney@MotilalOswal.com)

Export weakness seems to have bottomed out

Product exports have been sluggish in most geographies, except the GCC region, due to factors such as inflation, geopolitical worries, and economic slowdown. As a result, export growth stood lower than expected for KKC, ABB, and SIEM during 9MFY24. However, we believe that weakness seems to have bottomed out, with India's overall engineering exports growing by ~8% YoY in the Dec'23-Jan'24 period. Moreover, demand is expected to see a gradual improvement as these challenges ease going ahead. For EPC players, international ordering activity, especially in GCC, has been robust, with LT, KPIL and KECI bagging oil & gas, hydrocarbon and civil-related orders from Saudi Arabia and UAE. The outlook for these geographies is sanguine as crude oil continues to trade above USD70/bbl. Governments in these countries have laid out a roadmap to pivot away from their dependence on oil, which augurs well for these companies in terms of opportunity pipeline.

Election schedule can have a near-term impact on inflows and working capital

We expect the election schedule to have an impact on inflows and working capital during 4QFY24-1QFY25 for companies focused on government capex, particularly in the EPC and defense areas. With the order upfronting and the geographical diversification seen for most of the EPC and defense players such as LT and BHE, we expect companies to focus on execution. We expect normalization in order inflows and working capital from 2QFY25 onward.

We remain positive on long-term prospects for the sector

We believe that there are enough levers for the capex cycle to sustain over the long term, despite near-term election-related disruptions. Consequently, a couple of quarters of moderation in government ordering activity cannot be ruled out. However, we are seeing green shoots in private sector capex, particularly from auto, cement, metals and PLI-led capex. Companies' order books are already quite buoyant, which provides visibility for a healthy revenue CAGR. Strong demand and RM tailwinds are positive catalysts, some of which will have to be passed on by the companies. Exports have seemingly bottomed out, and we expect a gradual pickup from 4QFY24 onward. Higher oil prices and GCC infra spending augur well for EPC companies, which have a presence in the MENA region. We thus increase our estimates to bake in 4QFY24 inflows and lower RM prices and also revise our valuation multiples upwards to bake in expected improvement in private capex post elections.

Our top picks

ABB, LT, and KOEL remain our top picks in the sector. We expect ABB to be the key beneficiary of an improved addressable market for short-cycle orders from the private sector as well as transmission, railways, data center, and PLI-led spending. We expect LT to continue to benefit from both domestic and international spending, along with control over its working capital. We like KOEL because of its attractive valuations and as it has further scope of re-rating from current levels.

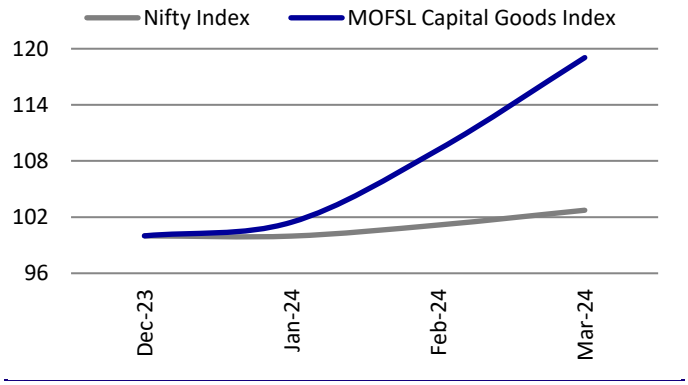
Exhibit 1: Expected quarterly performance summary

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
ABB India	6508	Buy	29,639	22.9	7.5	4,279	50.0	2.6	3,594	46.6	4.1
Bharat Electronics	211	Neutral	85,306	32.1	106.2	20,440	12.0	94.8	14,978	9.7	67.7
Cummins India	3005	Buy	21,084	9.5	-16.8	3,788	16.2	-29.6	3,471	9.0	-24.0
Hitachi Energy	7010	Sell	15,271	14.5	19.8	1,099	15.6	61.6	546	7.5	137.9
KEC International	718	Neutral	62,986	14.0	25.8	4,086	44.1	32.7	1,583	119.3	63.4
Kalpataru Proj.	1117	Buy	54,972	25.1	32.6	4,416	42.0	28.4	1,822	58.9	26.5
Kirloskar Oil	889	Buy	13,561	17.7	19.5	1,677	69.1	26.2	1,085	67.2	32.0
Larsen & Toubro	3837	Buy	6,50,127	11.4	17.9	72,251	5.7	25.5	37,066	-7.0	25.8
Siemens	5462	Buy	57,165	17.7	18.5	7,269	17.0	21.9	5,884	24.7	16.3
Thermax	4287	Neutral	27,879	20.6	19.9	2,193	9.7	17.0	1,683	7.8	20.0
Triveni Turbine	573	Buy	4,569	23.6	5.8	867	30.7	3.6	647	16.2	-5.3
Capital Goods			**10,22,560**	**14.8**	**22.2**	**1,22,364**	**11.8**	**29.0**	**72,360**	**4.8**	**26.9**

Exhibit 2: Comparative valuations

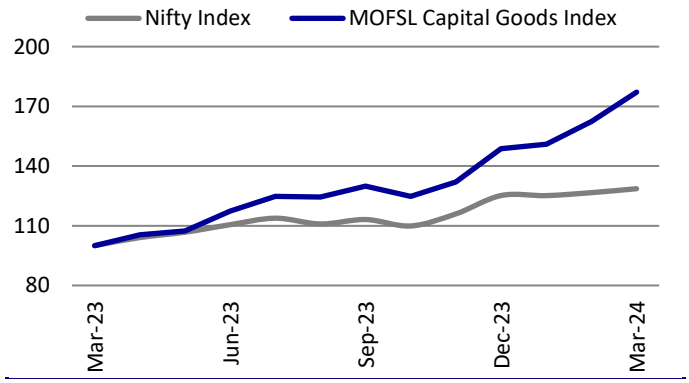
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Capital Goods						**53.0**	**41.9**	**33.6**	**8.2**	**7.4**	**6.4**	**15.5**	**17.6**	**18.9**
ABB India	6,508	Buy	58.9	73.4	90.1	108.0	88.7	72.2	22.7	18.8	15.2	22.9	23.4	23.2
Bharat Electronics	211	Neutral	5.1	5.8	6.6	39.4	36.1	32.2	9.3	8.4	7.3	23.6	23.3	22.7
Cummins India	3,005	Buy	55.5	65.1	77.6	54.2	46.1	38.7	14.0	12.5	11.1	27.2	28.6	30.5
Hitachi Energy	7,010	Sell	24.7	66.0	116.9	281.9	106.2	60.0	22.4	18.6	14.2	7.9	17.5	23.6
Kalpataru Proj.	1,117	Buy	34.6	53.4	74.7	30.8	20.9	15.0	3.0	2.8	2.4	10.2	14.2	17.2
KEC International	718	Neutral	13.7	28.3	41.6	50.5	25.4	17.3	4.4	3.9	3.2	9.0	16.5	20.5
Kirloskar Oil	889	Buy	24.7	32.8	42.0	34.8	27.1	21.2	4.8	4.4	3.8	14.5	17.1	19.2
Larsen & Toubro	3,837	Buy	89.5	118.0	149.5	42.1	32.5	25.7	5.9	5.3	4.6	13.9	17.2	19.2
Siemens	5,462	Buy	55.1	68.0	81.2	97.6	80.3	67.3	14.6	13.1	11.4	15.9	17.3	18.1
Thermax	4,287	Neutral	50.4	62.7	73.7	83.2	68.3	58.2	10.8	9.8	8.7	13.8	15.3	15.9
Triveni Turbine	573	Buy	8.3	10.6	14.2	64.7	53.9	40.4	18.0	15.3	12.0	30.9	31.5	33.3

Exhibit 3: Relative performance – three-months (%)



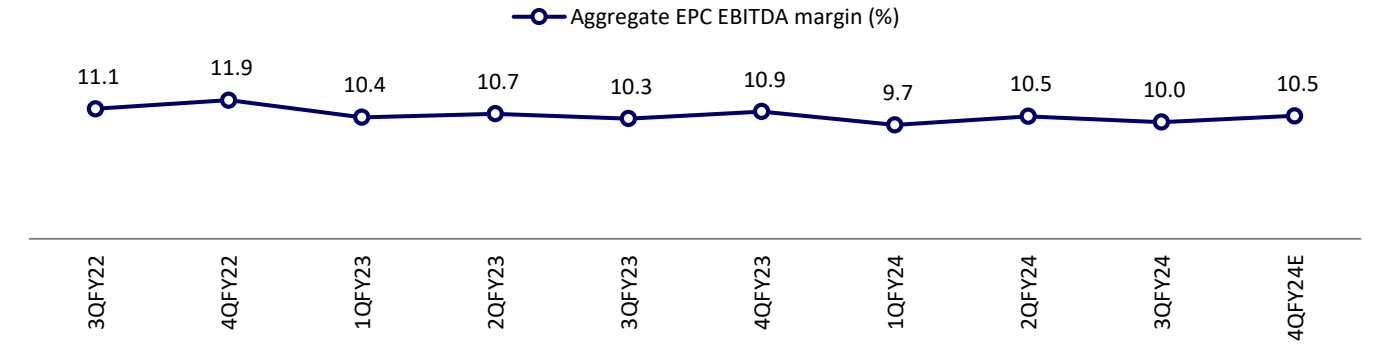
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



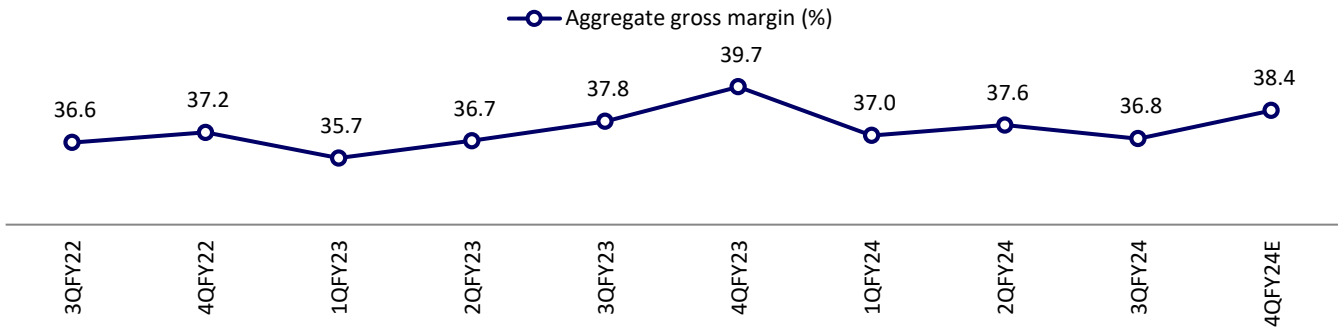
Source: Bloomberg, MOFSL

Exhibit 5: EBITDA margin snapshot for EPC companies under our coverage



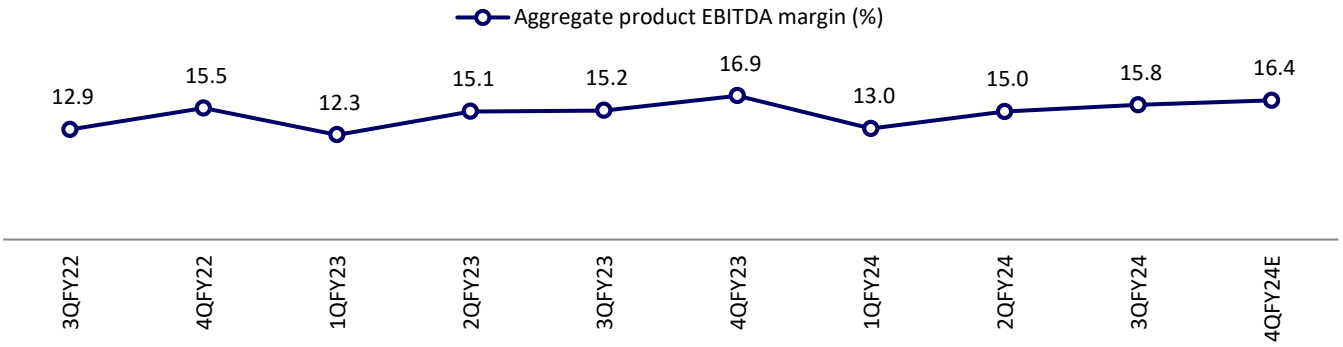
Source: Company, MOFSL

Exhibit 6: Gross margin snapshot for product companies under our coverage



Source: Company, MOFSL

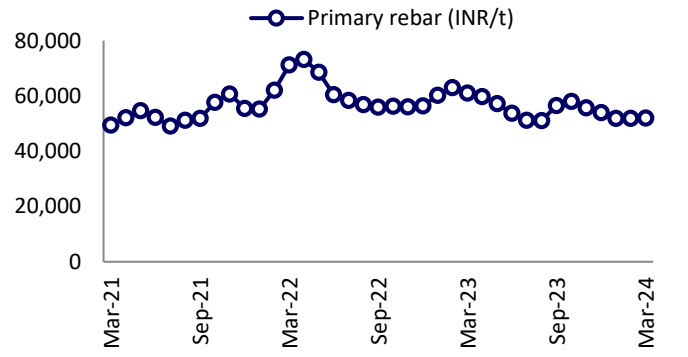
Exhibit 7: EBITDA margin snapshot for product companies under our coverage



Source: Company, MOFSL

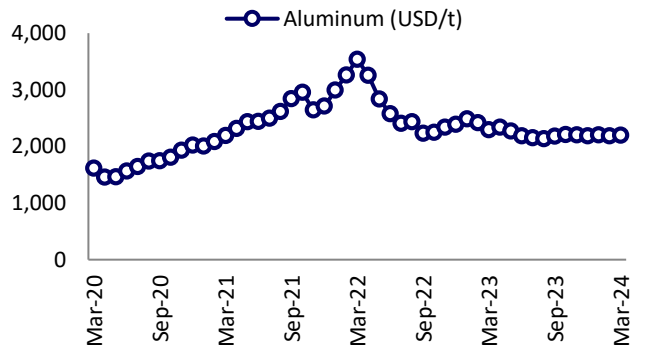
Input prices have remained largely stable in recent quarters

Exhibit 8: Primary rebar price trend (INR/t)



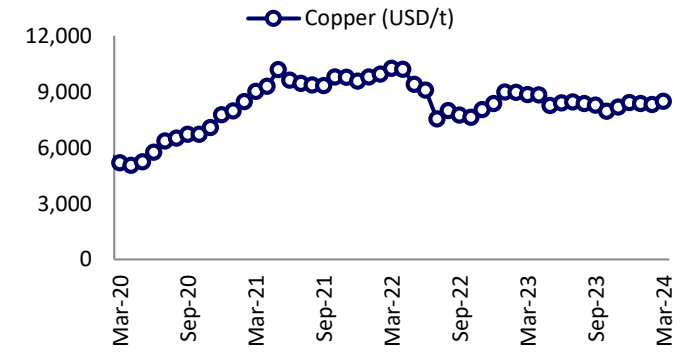
Source: Bloomberg, MOFSL

Exhibit 9: Aluminum price trend (USD/t)



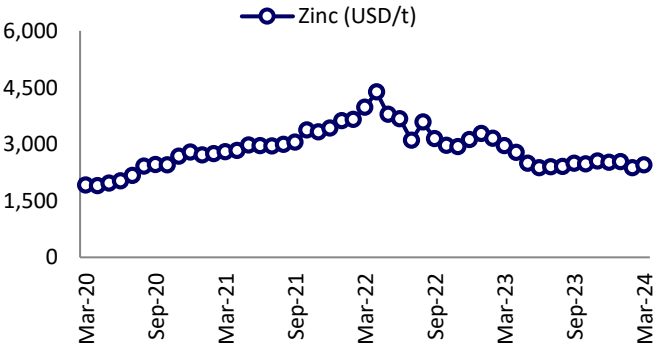
Source: Bloomberg, MOFSL

Exhibit 10: Copper price trend (USD/t)



Source: Bloomberg, MOFSL

Exhibit 11: Zinc price trend (USD/t)



Source: Bloomberg, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ABB India — Buy

CMP: INR6,508 | TP: INR7,305 (+12%) — **EPS CHANGE (%): CY24|CY25: +5|+6**

- Expect revenue to grow 23% YoY driven by strong order book. Demand for ABB's products remains healthy, which will reflect in order inflows.
- We would watch out for incremental inflows from transmission, railways, data center, and private capex for improvement in inflows from the current levels.
- We expect moderation in margins as we expect the company to pass on RM price corrections to end-users.
- Key monitorables: sustainability of inflows and margins, outlook on exports, and localization levels

Standalone - Quarterly Snapshot (INR m)

Y/E December	CY23				CY24E				CY23	CY24E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	**24,112**	**25,086**	**27,692**	**27,575**	**29,639**	**31,205**	**33,806**	**35,106**	**1,04,465**	**1,30,022**
YoY Change (%)	22.5	22.2	30.6	13.6	22.9	24.4	22.1	27.3	21.9	24.5
Total Expenditure	21,259	21,599	23,307	23,403	25,361	26,688	28,912	30,024	89,567	1,11,334
EBITDA	**2,853**	**3,487**	**4,385**	**4,172**	**4,279**	**4,517**	**4,894**	**5,082**	14,898	18,687
Margins (%)	11.8	13.9	15.8	15.1	14.4	14.5	14.5	14.5	14.3	14.4
Depreciation	274	292	303	329	323	323	323	323	1,199	1,293
Interest	22	14	9	82	28	28	28	28	127	113
Other Income	723	750	768	776	878	878	878	878	3,017	3,510
PBT before EO expense	**3,279**	**3,931**	**4,842**	**4,537**	**4,805**	**5,043**	**5,420**	**5,608**	**16,589**	**20,792**
PBT	**3,279**	**3,931**	**4,842**	**4,537**	**4,805**	**5,043**	**5,420**	**5,608**	**16,589**	**20,792**
Tax	827	972	1,222	1,085	1,211	1,271	1,366	1,413	4,106	5,240
Rate (%)	25.2	24.7	25.2	23.9	25.2	25.2	25.2	25.2	24.8	25.2
Reported PAT	**2,452**	**2,959**	**3,620**	**3,452**	**3,594**	**3,772**	**4,054**	**4,195**	**12,483**	**15,552**
Adj PAT	**2,452**	**2,959**	**3,620**	**3,452**	**3,594**	**3,772**	**4,054**	**4,195**	**12,483**	**15,552**
YoY Change (%)	-34.3	110.9	84	13.1	46.6	27.5	12	21.5	79.5	25.2
Margins (%)	10.2	11.8	13.1	12.5	12.1	12.1	12	11.9	11.9	12

Bharat Electronics — Neutral

CMP: INR211 | TP: INR210 (-1%) — **EPS CHANGE (%): FY25|FY26: +6|+6**

- Expect revenue growth of 32% YoY led by better execution of OB and strong inflows during FY24.
- Key monitorables: Update on order inflows after elections, update on QRSAM/MRSAM, share of exports, and working capital cycle.
- We expect margins to contract ~430bp YoY to 24% on a high base of 4QFY23 (in line with guidance).
- FY24 order inflows have already surpassed the initial guidance; their execution will be in focus.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**31,128**	**39,458**	**41,310**	**64,566**	**35,108**	**39,933**	**41,367**	**85,306**	**1,76,462**	**2,01,714**
Change (%)	90.4	7.8	11.8	2.1	12.8	1.2	0.1	32.1	15.2	14.3
EBITDA	**5,134**	**8,558**	**8,535**	**18,248**	**6,644**	**10,044**	**10,494**	**20,440**	**40,475**	**47,622**
Change (%)	716.8	(0.1)	3.8	16.4	29.4	17.4	23.0	12.0	22.3	17.7
Margin (%)	16.5	21.7	20.7	28.3	18.9	25.2	25.4	24.0	22.9	23.6
Depreciation	941	1,042	1,008	1,088	1,013	1,004	998	1,555	4,079	4,570
Interest	10	17	97	23	11	15	5	117	148	148
Other Income	1,597	750	575	678	1,417	1,705	2,232	1,647	3,600	7,000
PBT	**5,781**	**8,249**	**8,004**	**17,815**	**7,038**	**10,729**	**11,723**	**20,414**	**39,849**	**49,904**
Tax	1,466	2,138	2,017	4,161	1,729	2,606	2,790	5,436	9,782	12,561
Effective Tax Rate (%)	25.4	25.9	25.2	23.4	24.6	24.3	23.8	26.6	24.5	25.2
Reported PAT	**4,315**	**6,111**	**5,987**	**13,654**	**5,308**	**8,123**	**8,933**	**14,978**	**30,067**	**37,343**
Change (%)	3,769.5	(0.2)	2.6	19.6	23.0	32.9	49.2	9.7	28.0	24.2
Adj PAT	**4,315**	**6,111**	**5,987**	**13,654**	**5,308**	**8,123**	**8,933**	**14,978**	**30,067**	**37,343**
Change (%)	**3,769.5**	**(0.2)**	**2.6**	**19.6**	**23.0**	**32.9**	**49.2**	**9.7**	28.0	24.2

Cummins India — Buy

CMP: INR3,005 | TP: INR3,300 (+10%) — **EPS CHANGE (%): FY25|FY26: +6|+6**

- We expect 9% YoY revenue growth, led by continued strong demand in powergen segment. Exports are expected to see a gradual recovery on a sequential basis.
- Key monitorables – Demand outlook across segments, particularly in powergen for CPCB 4+ products and exports.
- Expect EBITDA margin expansion of ~110bp YoY. We expect a sequential ~320bp correction as 3QFY24 saw the execution of a large data center order.
- Election impact on demand and pricing discipline after the CPCB4+ implementation will be closely watched.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**16,867**	**19,513**	**21,805**	**19,260**	**22,087**	**18,997**	**25,341**	**21,084**	**77,444**	**87,509**
YoY Change (%)	42.4	13.0	25.7	29.0	31.0	-2.6	16.2	9.5	26.1	15.0
Total Expenditure	14,728	16,607	17,683	16,000	18,681	15,611	19,961	17,296	65,018	71,550
EBITDA	**2,138**	**2,905**	**4,122**	**3,261**	**3,406**	**3,386**	**5,379**	**3,788**	**12,426**	**15,959**
Margins (%)	12.7	14.9	18.9	16.9	15.4	17.8	21.2	18.0	16.0	18.2
Depreciation	337	353	343	372	358	379	419	296	1,405	1,452
Interest	19	46	27	66	77	67	63	78	158	284
Other Income	1,001	855	1,038	1,306	1,175	1,322	1,136	1,208	4,200	4,841
PBT before EO expense	**2,784**	**3,362**	**4,790**	**4,129**	**4,146**	**4,263**	**6,034**	**4,622**	**15,064**	**19,064**
Extra-Ord expense	143								143	
PBT	**2,641**	**3,362**	**4,790**	**4,129**	**4,146**	**4,263**	**6,034**	**4,622**	**14,921**	**19,064**
Tax	653	838	1,188	944	989	978	1,467	1,150	3,623	4,584
Rate (%)	24.7	24.9	24.8	22.9	23.9	22.9	24.3	24.9	24.3	24.0
Reported PAT	**1,988**	**2,524**	**3,601**	**3,185**	**3,157**	**3,285**	**4,566**	**3,471**	**11,298**	**14,479**
Adj PAT	**2,096**	**2,524**	**3,601**	**3,185**	**3,157**	**3,285**	**4,566**	**3,471**	**11,406**	**14,479**
YoY Change (%)	43.4	14.8	49.5	68.4	50.6	30.2	26.8	9.0	258.1	28.2
Margins (%)	12.4	12.9	16.5	16.5	14.3	17.3	18.0	16.5	14.7	16.5

Hitachi Energy India — Sell

CMP: INR7,010 | TP: INR5,466 (-22%) — **EPS CHANGE (%): FY25|FY26: -|+11**

- Expect revenue growth of 14% YoY at INR15.3b, led by easing of supply chain issues and healthy opening OB.
- Key monitorables: further ramp-up in margins, reduction in fees paid to ABB, and HVDC and STATCOM order finalization.
- We expect EBITDA margin to largely remain flat YoY and see a ~190bp QoQ expansion.
- Mumbai HVDC project to provide near-term support to revenue.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**9,860**	**11,146**	**10,339**	**13,340**	**10,401**	**12,280**	**12,742**	**15,271**	**44,685**	**50,693**
Change (%)	25.8	31.3	-7.9	19.8	5.5	10.2	23.2	14.5	NA	13.4
EBITDA	**256**	**757**	**395**	**951**	**337**	**653**	**680**	**1,099**	**2,359**	**2,769**
Change (%)	-28.1	3.5	-36.1	43.5	31.3	-13.7	72.4	15.6	-24.1	17.4
Margins (%)	2.6	6.8	3.8	7.1	3.2	5.3	5.3	7.2	5.3	5.5
Depreciation	205	184	202	211	223	225	227	216	802	890
Interest	84	75	130	112	110	107	137	142	401	495
Other Income	53	4	71	23	29	2	22	22	151	76
PBT	**21**	**502**	**134**	**651**	**34**	**324**	**338**	**764**	**1,308**	**1,460**
Tax	8	131	88	143	10	76	108	218	369	412
Effective Tax Rate (%)	36.5	26.0	65.8	21.9	28.7	23.6	32.0	28.5	28.2	28.2
Extra-ordinary Items										
Reported PAT	**13**	**371**	**46**	**508**	**24**	**247**	**230**	**546**	**939**	**1,048**
Change (%)	-91.8	8.1	-92.6	-1.6	-44.0	79.9	401.5	7.5	-6.4	11.6
Adj PAT	**13**	**371**	**46**	**508**	**24**	**247**	**230**	**546**	**939**	**1,048**
Change (%)	-91.8	8.1	-92.6	-1.6	79.9	-33.3	402	8	-44.0	11.6

Kalpataru Projects International — Buy

CMP: INR1,117 | TP: INR1,200 (+7%) — **EPS CHANGE (%): FY25|FY26: -|-**

- Expect revenue growth of 25% YoY led by execution of OB
- Key monitorables: Further uptick in T&D order inflows, outlook on urban infra and B&F division.
- We expect EBITDA margin of 8% (+90bp YoY) and gradual improvement in next year on lower RM prices.
- We would also watch out for working capital cycle.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23			FY24					FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**31,390**	**32,930**	**35,090**	**43,960**	**36,220**	**38,440**	**41,470**	**54,972**	**1,43,370**	**1,71,102**
YoY Change (%)					15.4	16.7	18.2	25.1	15.6	19.3
Total Expenditure	28,700	30,170	32,040	40,850	33,080	35,360	38,030	50,556	1,31,760	1,57,026
EBITDA	**2,690**	**2,760**	**3,050**	**3,110**	**3,140**	**3,080**	**3,440**	**4,416**	**11,610**	**14,076**
Margins (%)	8.6	8.4	8.7	7.1	8.7	8.0	8.3	8.0	8.1	8.2
Depreciation	660	710	750	830	930	880	940	932	2,950	3,682
Interest	610	750	740	840	750	850	830	1,075	2,940	3,505
Other Income	660	150	90	220	290	250	270	407	1,120	1,217
PBT before EO expense	**2,080**	**1,450**	**1,650**	**1,660**	**1,750**	**1,600**	**1,940**	**2,815**	**6,840**	**8,105**
Extra-Ord expense	0	0	0	-540	0	0	0	0	540	0
PBT	**2,080**	**1,450**	**1,650**	**2,200**	**1,750**	**1,600**	**1,940**	**2,815**	**6,300**	**8,105**
Tax	440	410	540	680	490	470	500	993	2,070	2,453
Rate (%)	21.2	28.3	32.7	30.9	28.0	29.4	25.8	35.3	32.9	30.3
Reported PAT	**1,640**	**1,040**	**1,110**	**1,520**	**1,260**	**1,130**	**1,440**	**1,822**	**4,230**	**5,652**
Adj PAT	**1,640**	**1,040**	**1,110**	**1,147**	**1,260**	**1,130**	**1,440**	**1,822**	**4,593**	**5,652**
YoY Change (%)					-23.2	8.7	29.7	58.9	-7.3	23.1
Margins (%)	5.2	3.2	3.2	2.6	3.5	2.9	3.5	3.3	3.2	3.3

KEC International — Neutral

CMP: INR718 | TP: INR710 (-1%) — **EPS CHANGE (%): FY25|FY26: -|-**

- Expect 14% YoY revenue growth driven by strong order book
- Key monitorables – Order pipeline in both T&D and civil, margin improvement, and NWC levels
- We expect EBITDA margin to expand both YoY and QoQ; in-line with guidance and completion of legacy projects
- We would watch out for the payment cycle, particularly, from railways and pending proceeds from Afghanistan.

Consolidated - Quarterly Snapshot (INR m)

Y/E March - INR m	FY23			FY24					FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**33,181**	**40,640**	**43,746**	**55,250**	**42,436**	**44,990**	**50,067**	**62,986**	**1,72,817**	**2,00,479**
YoY Change (%)	30.6	13.3	31.0	29.2	27.9	10.7	14.4	14.0	25.8	16.0
Total Expenditure	31,497	38,861	41,747	52,415	39,992	42,247	46,988	58,900	1,64,520	1,88,127
EBITDA	**1,684**	**1,779**	**1,999**	**2,835**	**2,444**	**2,743**	**3,079**	**4,086**	**8,298**	**12,352**
Margins (%)	5.1	4.4	4.6	5.1	5.8	6.1	6.1	6.5	4.8	6.2
Depreciation	393	399	408	415	418	465	488	437	1,615	1,808
Interest	1,000	1,277	1,493	1,616	1,587	1,778	1,644	1,477	5,386	6,485
Other Income	80	161	17	55	28	158	260	144	313	590
PBT before EO expense	**371**	**266**	**115**	**859**	**467**	**658**	**1,207**	**2,316**	**1,610**	**4,649**
Extra-Ord expense										
PBT	**371**	**266**	**115**	**859**	**467**	**658**	**1,207**	**2,316**	**1,610**	**4,649**
Tax	62	-287	-62	137	44	100	239	733	-151	1,116
Rate (%)	16.6	-107.9	-53.8	15.9	9.4	15.2	19.8	31.7	-9.4	24.0
Reported PAT	**309**	**552**	**176**	**722**	**423**	**558**	**969**	**1,583**	**1,761**	**3,533**
Adj PAT	**309**	**552**	**176**	**722**	**423**	**558**	**969**	**1,583**	**1,761**	**3,533**
YoY Change (%)	-32.9	-52.0	-81.2	-35.6	36.8	1.0	449.5	119.3	-53.1	100.7
Margins (%)	0.9	1.4	0.4	1.3	1.0	1.2	1.9	2.5	1.0	1.8

Kirloskar Oil Engines — Buy

CMP: INR889 | TP: INR1020 (+15%) — **EPS CHANGE (%): FY25|26: -|-**

- We expect revenue to grow 18% YoY on the back of healthy demand and incrementally higher share of HHP in the revenue mix.
- Key monitorables – Outlook on demand for gensets, pricing environment, and export ramp-up.
- We expect EBITDA margin to improve 380bp YoY/70bp QoQ on ramp-up expected in exports and incremental sales of HHP products.
- Update on CPCB4+ rollout and export outlook will be observed closely in the coming quarters.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**9,530**	**10,104**	**10,001**	**11,526**	**12,647**	**10,590**	**11,352**	**13,561**	**41,161**	**48,150**
YoY Change (%)	NA	22.4	19.5	16.4	26.5	4.8	13.5	17.7	24.7	17.0
Total Expenditure	8,496	8,950	8,913	10,534	11,102	9,603	10,023	11,884	36,892	42,612
EBITDA	**1,034**	**1,154**	**1,089**	**992**	**1,545**	**986**	**1,329**	**1,677**	**4,269**	**5,537**
Margins (%)	10.8	11.4	10.9	8.6	12.2	9.3	11.7	12.4	10.4	11.5
Depreciation	205	213	212	217	213	243	257	219	848	932
Interest	11	10	19	13	14	16	20	5	54	54
Other Income	54	47	60	114	70	64	57	75	273	265
PBT before EO expense	**871**	**978**	**917**	**875**	**1,388**	**791**	**1,109**	**1,528**	**3,641**	**4,816**
PBT	**871**	**978**	**917**	**875**	**1,388**	**791**	**1,109**	**1,528**	**3,641**	**4,816**
Tax	225	252	236	226	355	205	287	444	939	1,242
Rate (%)	25.9	25.7	25.7	25.9	25.6	25.9	25.9	29.0	25.8	25.8
Reported PAT	**646**	**726**	**682**	**649**	**1,032**	**586**	**822**	**1,085**	**2,703**	**3,574**
Adj PAT	**646**	**726**	**682**	**649**	**1,032**	**586**	**822**	**1,085**	**2,703**	**3,574**
YoY Change (%)	163.9	80.3	169.8	-40.6	59.9	-19.3	20.5	67.2	29.9	32.3
Margins (%)	6.8	7.2	6.8	5.6	8.2	5.5	7.2	8.0	6.6	7.4

Larsen & Toubro — Buy

CMP: INR3,837 | TP: INR4,400 (+15%) — **EPS CHANGE (%): FY25|26: -3|-**

- Expect consolidated revenue growth of 11% YoY, led by 12% YoY Core E&C revenue growth.
- Key monitorables – Domestic tender pipeline, margin performance as well as working capital cycle.
- We expect Core E&C EBITDA margin of 9%, up 50bp YoY/130bp QoQ, as legacy orders are near the completion.
- We would also look out for execution ramp-up in Saudi projects and expected pipeline in the Middle East.

Consolidated - Quarterly Snapshot (INR m)

Y/E March - INR m	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**3,58,532**	**4,27,626**	**4,63,897**	**5,83,352**	**4,78,824**	**5,10,240**	**551,278**	**650,127**	**1833,407**	**2190,469**
YoY Change (%)	22.2	23.0	17.3	10.4	33.6	19.3	18.8	11.4	17.1	19.5
Total Expenditure	3,18,965	3,78,632	4,13,166	5,15,022	4,30,137	4,53,921	4,93,688	5,77,876	1625,785	1955,622
EBITDA	**39,567**	**48,994**	**50,731**	**68,330**	**48,686**	**56,320**	**57,590**	**72,251**	**2,07,621**	**2,34,847**
Margins (%)	11.0	11.5	10.9	11.7	10.2	11.0	10.4	11.1	11.3	10.7
Depreciation	9,634	8,602	8,252	8,535	8,305	9,099	9,208	9,932	35,023	36,543
Interest	7,561	8,357	8,025	8,130	8,514	8,640	9,042	8,165	32,072	34,360
Other Income	6,947	7,385	7,550	7,409	11,456	11,330	8,378	6,077	29,292	37,240
PBT before EO expense	**29,319**	**39,421**	**42,005**	**59,074**	**43,324**	**49,911**	**47,718**	**60,231**	**169,819**	**201,184**
Extra-Ord expense			-1,360			0	0	0	-1,360	0
PBT	**29,319**	**39,421**	**43,365**	**59,074**	**43,324**	**49,911**	**47,718**	**60,231**	**1,71,179**	**2,01,184**
Tax	6,389	11,229	12,705	14,606	12,163	11,355	11,773	17,651	44,930	52,942
Rate (%)	21.8	28.5	29.3	24.7	28.1	22.8	24.7	29.3	26.2	26.3
MI & P/L of Asso. Cos.	5,909	5,902	5,130	4,600	6,231	6,329	6,472	5,514	21,541	24,546
Reported PAT	**17,021**	**22,289**	**25,529**	**39,868**	**24,930**	**32,226**	**29,474**	**37,066**	**1,04,708**	**1,23,696**
Adj PAT	**17,021**	**22,289**	**24,568**	**39,868**	**24,930**	**32,226**	**29,474**	**37,066**	**1,03,705**	**1,23,696**
YoY Change (%)	44.9	27.4	19.6	10.1	46.5	44.6	20.0	-7.0	19.6	19.3
Margins (%)	4.7	5.2	5.3	6.8	5.2	6.3	5.3	5.7	5.7	5.6

Siemens — Buy

CMP: INR5,462 | TP: INR6,050 (+11%) — **EPS CHANGE (%): FY25|26: -|-**

- We expect 18% YoY revenue growth on healthy execution of the order book.
- Key monitorable – Margin trajectory amid significant costs incurred upfront for the locomotive order, tendering pipeline in energy segment and supply chain.
- Expect EBITDAM to be largely flat both YoY and QoQ as the mobility division currently has lower margins.
- Demand outlook from both government and private sector, and export outlook to be the key monitorables.

Consolidated - Quarterly Snapshot (INR m)

Y/E September	FY23				FY24				FY23	FY24E
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**40,151**	**48,578**	**48,732**	**58,077**	**48,252**	**57,165**	**58,698**	**68,699**	**1,95,538**	**2,32,814**
YoY Change (%)	17.4	22.8	14.4	24.7	20.2	17.7	20.4	18.3	21.2	19.1
Total Expenditure	34,159	42,366	43,067	51,075	42,291	49,897	51,107	59,703	1,70,667	2,02,998
EBITDA	**5,992**	**6,212**	**5,665**	**7,002**	**5,961**	**7,269**	**7,591**	**8,995**	**24,871**	**29,816**
Margins (%)	14.9	12.8	11.6	12.1	12.4	12.7	12.9	13.1	12.7	12.8
Depreciation	761	785	876	786	785	851	851	851	3,208	3,338
Interest	37	99	43	49	34	65	65	65	228	228
Other Income	1,017	1,166	1,324	1,455	1,641	1,566	1,566	1,566	4,962	6,338
PBT before EO expense	**6,211**	**6,494**	**6,070**	**7,622**	**6,783**	**7,919**	**8,241**	**9,646**	**26,397**	**32,588**
Extra-Ord expense	0	0	0	0	0	0	0	0	-1	0
PBT	**6,211**	**6,494**	**6,070**	**7,622**	**6,783**	**7,919**	**8,241**	**9,646**	**26,398**	**32,588**
Tax	1,584	1,776	1,513	1,905	1,726	2,035	2,118	2,489	6,778	8,368
Rate (%)	25.5	27.3	24.9	25.0	25.4	25.7	25.7	25.8	25.7	25.7
Reported PAT	**4,627**	**4,718**	**4,557**	**5,717**	**5,057**	**5,884**	**6,123**	**7,157**	**19,620**	**24,220**
Adj PAT	**4,627**	**4,718**	**4,557**	**5,717**	**5,057**	**5,884**	**6,123**	**7,157**	**19,619**	**24,220**
YoY Change (%)	86.8	38.8	50.6	49.8	9.3	24.7	34.4	25.2	55.5	23.5
Margins (%)	11.5	9.7	9.4	9.8	10.5	10.3	10.4	10.4	10.0	10.4

Thermax — Neutral

CMP: INR4,287 | TP: INR3,680 (-14%) — **EPS CHANGE (%): FY25|26: -|-**

- Expect revenue to grow 21% YoY and EBITDA margin to contract 80bp YoY to 7.9%.
- Key monitorables – large order pipeline, margin guidance and subsidiary performance.
- We expect a sequential decline in margins as 3QFY24 had margin benefits in few projects in the Industrial division.
- Additional investments (if any) in FEPL, TOESL and other subsidiaries to be monitored closely

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**16,545**	**20,753**	**20,493**	**23,108**	**19,330**	**23,025**	**23,244**	**27,879**	**80,898**	**93,477**
YoY Change (%)	57.2	41.2	26.9	16.0	16.8	10.9	13.4	20.6	32.0	15.5
Total Expenditure	15,585	19,347	18,882	21,109	18,008	20,978	21,369	25,686	74,923	86,041
EBITDA	**960**	**1,406**	**1,611**	**1,999**	**1,322**	**2,046**	**1,874**	**2,193**	**5,976**	**7,436**
Margins (%)	5.8	6.8	7.9	8.7	6.8	8.9	8.1	7.9	7.4	8.0
Depreciation	286	298	291	294	294	330	358	325	1,169	1,307
Interest	66	80	91	139	134	198	266	267	376	864
Other Income	205	398	423	575	531	659	584	580	1,602	2,353
PBT before EO expense	**815**	**1,426**	**1,652**	**2,140**	**1,425**	**2,177**	**1,834**	**2,181**	**6,033**	**7,617**
Extra-Ord expense	0	0	0	0	-506	0	-1,261		0	-755
PBT	**815**	**1,426**	**1,652**	**2,140**	**1,931**	**2,177**	**3,095**	**2,181**	**6,033**	**8,372**
Tax	224	332	386	581	315	589	721	508	1,524	2,133
Rate (%)	27.5	23.3	23.3	27.2	16.3	27.0	23.3	23.3	25.3	25.5
Reported PAT	**590**	**1,094**	**1,267**	**1,559**	**1,616**	**1,589**	**2,371**	**1,683**	**4,509**	**6,239**
Adj PAT	**590**	**1,094**	**1,267**	**1,559**	**1,192**	**1,589**	**1,403**	**1,683**	**4,509**	**5,677**
YoY Change (%)	39.2	24.4	59.4	52.2	102.0	45.3	11.0	7.8	44.4	25.9
Margins (%)	3.6	5.3	6.2	6.7	6.2	6.9	6.0	6.0	5.6	6.1

Triveni Turbine

Buy

CMP: INR573 | TP: INR640 (+11%)

EPS CHANGE (%): FY25|26: -|-

- Expect healthy revenue growth of 24% YoY on account of robust momentum in exports and aftermarket
- Key monitorables – Domestic order inflow, inquiry pipeline and updates on US market foray.
- We expect EBITDA margin to improve ~110bp YoY, led by higher aftermarket and exports share.
- Sustainability of demand, update on API turbines and performance of 30-100MW segment need to be observed

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**2,590**	**2,930**	**3,258**	**3,698**	**3,764**	**3,878**	**4,317**	**4,569**	**12,476**	**16,528**
YoY Change (%)	40.7	41.9	44.7	56.3	45.3	32.4	32.5	23.6	46.4	32.5
Total Expenditure	2,104	2,373	2,627	3,034	3,055	3,134	3,480	3,702	10,138	13,371
EBITDA	**487**	**557**	**631**	**663**	**709**	**744**	**837**	**867**	**2,338**	**3,157**
Margins (%)	18.8	19.0	19.4	17.9	18.8	19.2	19.4	19.0	18.7	19.1
Depreciation	51	49	49	50	49	51	55	77	199	232
Interest	2	2	1	5	7	6	6	4	10	23
Other Income	75	108	119	125	133	144	171	174	426	625
PBT before EO expense	**508**	**614**	**700**	**733**	**786**	**830**	**947**	**960**	**2,555**	**3,527**
PBT	**508**	**614**	**700**	**733**	**786**	**830**	**947**	**960**	**2,555**	**3,527**
Tax	124	151	174	177	177	190	264	313	626	944
Rate (%)	24.5	24.5	24.9	24.2	22.5	22.9	27.9	32.6	24.5	26.8
MI & Profit/Loss of Asso. Cos.									3	
Reported PAT	**383**	**463**	**526**	**556**	**610**	**640**	**683**	**647**	**1,925**	**2,583**
Adj PAT	**383**	**463**	**526**	**556**	**610**	**640**	**683**	**647**	**1,925**	**2,583**
YoY Change (%)	18.0	66.0	24.8	68.4	59.0	38.2	29.8	16.2	167.4	33.9
Margins (%)	14.8	15.8	16.1	15.0	16.2	16.5	15.8	14.1	15.4	15.6

Cement

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

Robust volume growth; weak cement prices led to earnings cut

Estimate volume growth of ~10% YoY for coverage universe in 4QFY24

- We estimate our coverage universe to report strong volume growth of 10% YoY (three-year CAGR at ~8%) in 4QFY24. Further, we estimate average capacity utilization of ~93% vs. ~91%/79% in 4QFY23/3QFY24. However, cement price corrected across regions in 4Q and the all-India average cement price was down ~7% (down INR25 per 50-kg bag) QoQ. We estimate blended realization for our coverage universe to decline ~3%/4% YoY/QoQ.
- Given the sharp price correction in 4QFY24, we estimate average EBITDA/t to decline ~12% QoQ to INR990 (vs. our earlier estimate of INR1,100), which would partly be offset by positive operating leverage and favorable fuel prices. Aggregate EBITDA is estimated to increase 24% YoY, while OPM is expected to improve by 2.6pp YoY to 18.2%.
- GRASIM's revenue is estimated to decline 3% YoY. VSF volume is estimated to increase 5% YoY, while realization is estimated to decline 6% YoY (up ~1% QoQ). Chemical segment volume is estimated to increase 6% YoY, while realization could decline by 20% YoY. We expect the company's EBITDA to increase 20% YoY and EBITDA margin to improve 1.6pp YoY to 8%. Adjusted PAT is estimated to grow 80% YoY.

Volume strong; however, weak pricing drive EBITDA/t reduction QoQ

- Following a moderate growth in 3QFY24, cement volumes experienced a significant surge in 4QFY24, driven by robust demand from infrastructure, real-estate, and a pick-up in private capex. We estimate a ~15% YoY volume growth for JKCE, followed by ~11-12% for ACC, ACEM, BCORP, DALBHARA, and UTCEM, ~7-8% for SRCM, TRCL, and JKLC while, ICEM's volume is estimated to remain flat.
- However, cement prices have undergone a correction across regions in 4QFY24. The East and South regions witnessed the highest decline of ~8-9% QoQ, followed by the North and West regions with a ~7% and Central India with ~3% decline. We estimate the blended realization for our coverage universe to decline by ~3%/4% YoY/QoQ.
- Average Opex/t for our coverage universe is estimated to decline 6% YoY (down 3% QoQ), supported by reduction in input material cost. We estimate average variable cost/t to decline INR314/t YoY (a decline of INR67/t QoQ).
- ACC and JKCE are estimated to report strong YoY EBITDA growth at ~74-75%. EBITDA is estimated to grow 45% YoY for BCORP, 27-28% YoY for JKLC and SRCM, and 13-18% for ACEM, DALBHARA, and UTCEM. EBITDA is likely to decline 3% YoY for TRCL. ICEM is likely to report EBITDA of INR475m vs. operating loss of INR445m in 4QFY23.
- We expect EBITDA/t of INR1,218 for SRCM (the highest in our coverage universe), followed by INR1,133 for JKCE and INR1,069/INR1,038 for UTCEM/ACEM. EBITDA/t is estimated to fall within the range of INR790-970 for ACC, BCORP, DALBHARA, JKLC, and TRCL, with INR171 for ICEM.

Sanjeev Kumar Singh - Research analyst (Sanjeev.Singh@MotilalOswal.com)
Mudit Agarwal - Research analyst (Mudit.Agarwal@MotilalOswal.com)

Reduce earnings estimates to factor in sharp price correction

- Despite higher capacity utilizations (over 90%) during the quarter, cement prices corrected sharply across regions. This has led to lower profitability in 4Q and risk to our FY25/FY26 earnings estimate.
- Demand in 1HFY25 is estimated to be moderate due to the general elections till May'24-end, followed by the monsoon season. Further, continuous capacity expansions by leading industry players (UTCEM commissioned cement capacity of 11.4mtpa and SRCM commissioned 6.3mtpa in CY24-till date), and ramping-up of acquired assets are likely to keep prices under check.
- Given the lower exit prices of Mar'24 and increased competitive intensity, we do not foresee a sustainable price hike in the near term. Hence, we cut our aggregate EBITDA estimate by 3.7%/3.5% (including recent earnings cut for DALBHARA and SRCM in our company update notes) for FY25/FY26. This, in turn, led to 3.8%/5.0% reduction in aggregate profit for companies in our cement universe in FY25/FY26.

Earnings sensitivity to remain higher on price hikes

- We estimate cement demand to register a CAGR of ~7% over FY24-26, higher than our estimate for clinker capacity additions (~6% CAGR over FY24-26). Further, the industry's clinker utilization increased to ~79% in FY24 vs. ~76% in FY23. We estimate clinker utilization to further increase to 80%/81% in FY25/FY26.
- Fuel prices remain stable in the last few months, and we believe earnings sensitivity to remain higher, largely due to the pricing behaviors of industry players. **Key risk to our estimate are:** 1) substantial sustainable price hikes by the industry players to protect margins in an expected low demand environment till 1HFY25; and 2) increase in fuel prices.
- We continue to prefer UTCEM in the large-cap space. We prefer DALBHARA and JKCE in the mid-cap space.

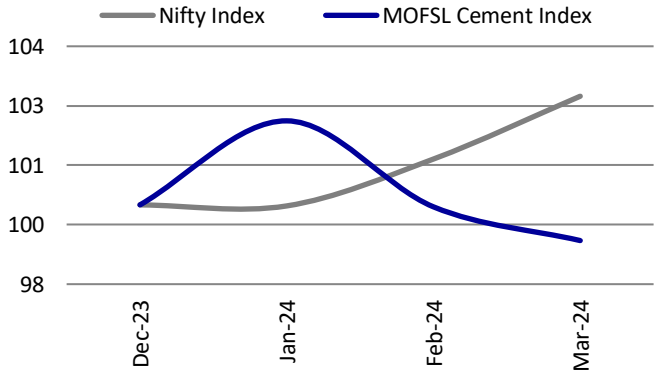
Exhibit 1: Summary of 4QFY24 estimates

Companies	CMP (INR)	Rating	Sales (INR m)			EBITDA (INR m)			PAT (INR m)		
			Mar'24	YoY (%)	QoQ (%)	Mar'24	YoY (%)	QoQ (%)	Mar'24	YoY (%)	QoQ (%)
ACC	2544	Neutral	51,223	6.9	4.1	8,150	74.8	-9.8	4,736	65.8	-10.2
Ambuja Cements	621	Neutral	47,121	10.7	6.1	9,330	18.4	9.6	6,348	12.8	23.6
Birla Corporation	1478	Buy	26,487	7.6	14.6	3,981	45.1	5.2	1,442	102.5	32.1
Dalmia Bharat	1997	Buy	41,676	6.5	15.8	8,007	13.2	3.3	2,560	-1.9	-4.8
Grasim Industries	2291	Buy	64,301	-3.2	0.5	5,127	20.3	-1.9	1,683	80.0	-28.8
India Cements	220	Sell	14,244	-2.5	31.7	475	LP	-3.1	-489	Loss	Loss
JK Cement	4277	Buy	31,599	13.8	7.7	6,075	73.8	-2.8	2,442	117.5	-14.0
JK Lakshmi Cem.	883	Buy	19,296	3.6	13.3	2,951	26.8	-2.3	1,408	22.6	-0.3
Ramco Cements	845	Neutral	24,850	-3.3	18.0	4,003	-3.0	1.2	1,060	-30.4	13.6
Shree Cement	26487	Neutral	49,755	4.0	1.5	11,463	28.4	-7.1	5,697	45.4	-22.4
Ultratech Cement	9956	Buy	2,04,406	9.5	22.1	37,637	13.3	15.6	20,616	23.7	16.0
Cement			**5,74,959**	**6.1**	**12.4**	**97,198**	**24.2**	**4.6**	**47,502**	**32.1**	**2.1**

Exhibit 2: Comparative valuations

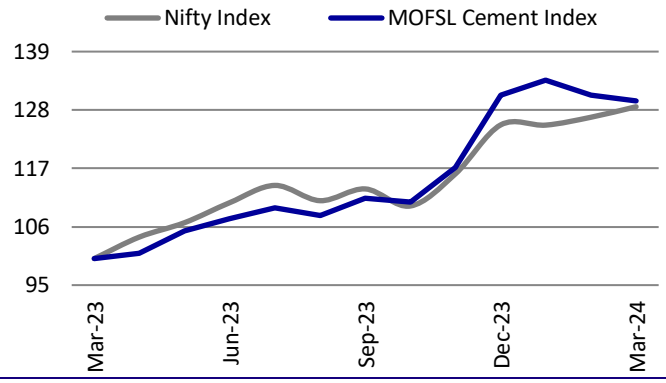
Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
Cement						**36.5**	**31.7**	**27.3**	**3.7**	**3.3**	**3.0**	**10.2**	**10.4**	**11.1**
ACC	2,544	Neutral	98.4	120.3	132.4	25.3	21.1	19.2	3.0	2.7	2.4	12.4	13.5	13.2
Ambuja Cements	621	Neutral	12.3	11.4	13.3	49.9	54.6	46.9	4.0	3.3	3.1	13.8	10.4	9.0
Birla Corporation	1,478	Buy	48.3	70.0	86.8	29.5	21.1	17.0	1.7	1.7	1.6	6.1	8.3	9.5
Dalmia Bharat	1,997	Buy	41.0	57.4	76.1	47.4	34.8	26.2	2.2	2.2	2.1	4.8	6.5	8.1
Grasim Industries	2,291	Buy	94.2	96.1	105.7	24.3	23.8	21.7	3.1	3.0	2.9	4.6	3.0	3.9
India Cements	220	Sell	-7.9	3.4	6.6	-26.9	64.5	33.6	1.2	1.2	1.2	-4.4	1.9	3.6
JK Cement	4,277	Buy	108.1	139.2	174.7	37.7	30.7	24.5	5.9	5.3	4.5	16.7	18.5	19.8
JK Lakshmi Cement	883	Buy	35.8	43.6	52.6	24.4	20.3	16.8	3.2	2.9	2.5	14.1	15.1	16.0
Ramco Cements	845	Neutral	16.1	26.0	35.1	50.5	32.5	24.1	2.7	2.6	2.4	5.5	8.4	10.4
Shree Cement	26,487	Neutral	658.6	625.4	671.4	39.0	42.4	39.4	4.6	4.3	4.0	12.3	10.6	10.5
Ultratech Cement	9,956	Buy	235.6	290.5	344.6	41.4	34.3	28.9	4.7	4.3	3.8	11.9	13.2	14.0

Exhibit 3: Relative performance – three-months (%)



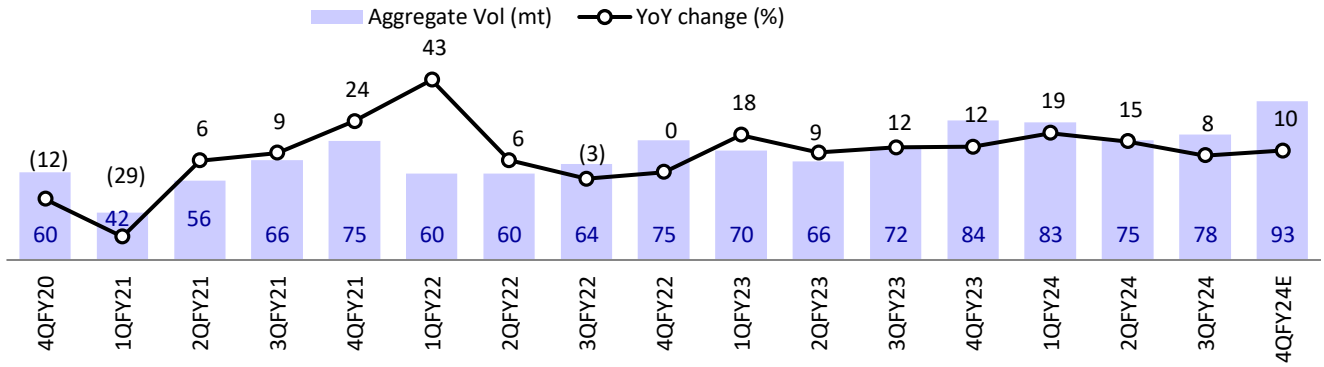
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



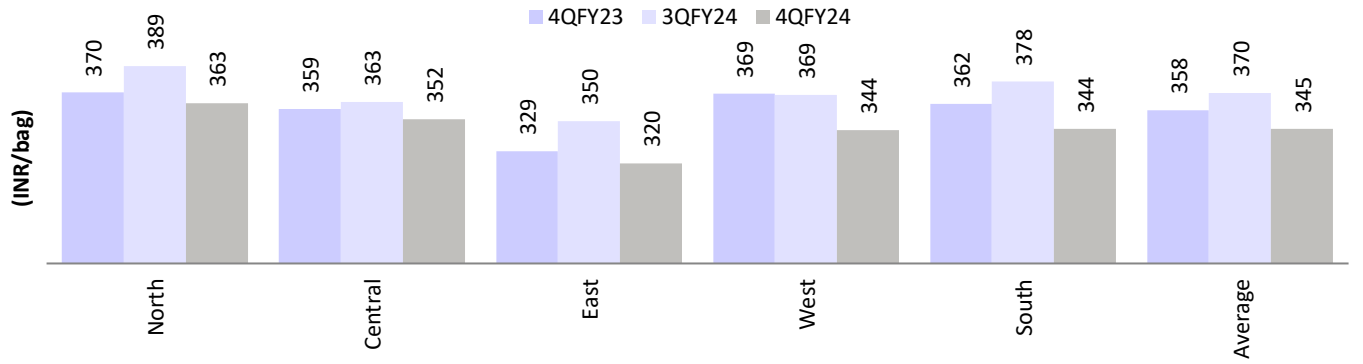
Source: Bloomberg, MOFSL

Exhibit 5: Expect 10% YoY growth in aggregate sales volume for our coverage universe



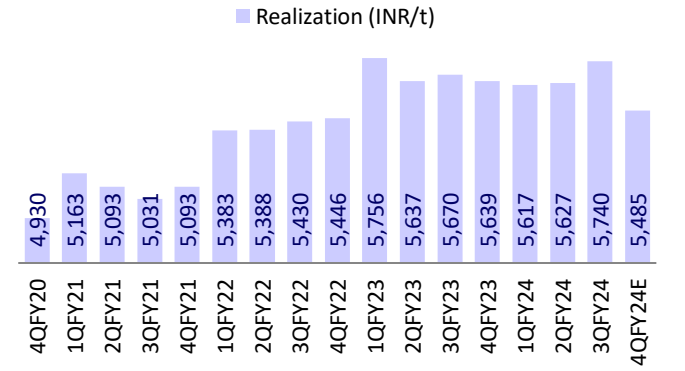
Source: MOFSL, Company, E: MOFSL estimate

Exhibit 6: Pan-India average cement price down 4%/7% YoY/QoQ



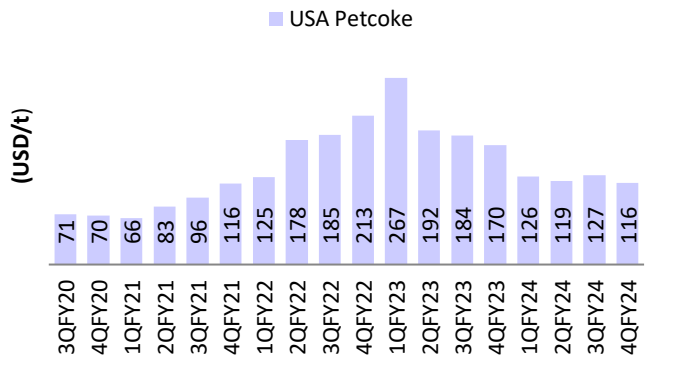
Source: MOFSL, Industry

Exhibit 7: Expect realization to decline 3%/4% YoY/QoQ



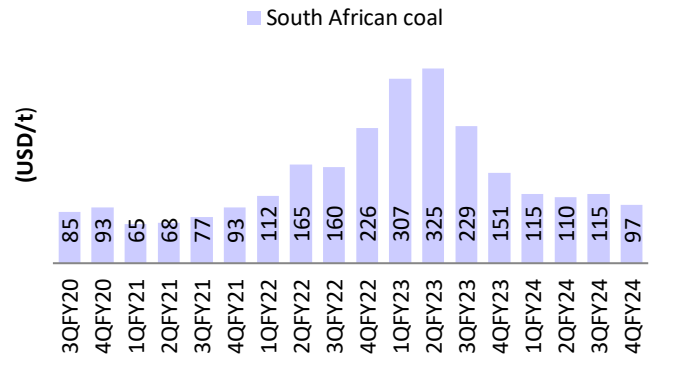
Source: MOFSL; E: MOFSL estimate

Exhibit 8: Average USA Petcoke price down 9% QoQ in 4Q



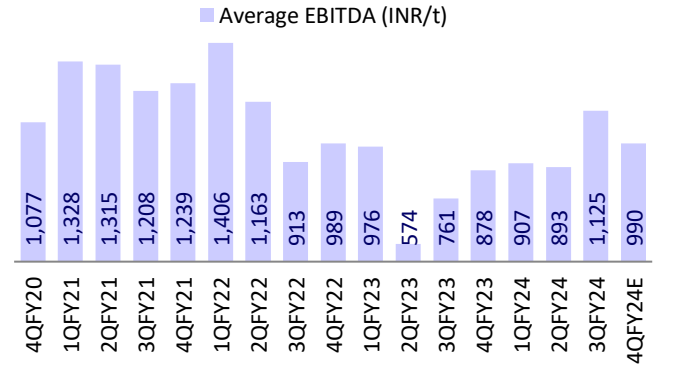
Source: MOFSL, Industry

Exhibit 9: Average South African coal price down 15% QoQ



Source: Bloomberg, MOFSL

Exhibit 10: Expect average EBITDA/t to increase 13% YoY



Source: Company, MOFSL; E: MOFSL estimate

Exhibit 11: Key operating parameters

Companies	Volume (mt)			Realization (INR/t)			EBITDA (INR/t)		
	4QFY24E	YoY (%)	QoQ (%)	4QFY24E	YoY (INR)	QoQ (INR)	4QFY24E	YoY (INR)	QoQ (INR)
ACC	9.6	12.4	7.6	5,359	(277)	(179)	853	304	(164)
Ambuja Cements	9.0	11.3	9.6	5,243	(30)	(171)	1,038	62	0
Birla Corporation	5.0	11.9	18.3	5,329	(217)	(175)	801	183	(100)
Dalmia Bharat	8.3	12.2	22.1	5,021	(265)	(273)	965	9	(175)
India Cements	2.8	(0.4)	39.7	5,137	(107)	(314)	171	331	(76)
JK Cement	5.4	14.8	13.9	5,894	(53)	(343)	1,133	385	(195)
JK Lakshmi Cement	3.5	7.8	17.8	5,534	(223)	(218)	846	127	(174)
The Ramco Cements	5.0	7.2	26.0	4,932	(536)	(334)	794	(84)	(194)
Shree Cement	9.4	6.6	5.9	5,287	(133)	(226)	1,218	207	(170)
UltraTech Cement	35.2	11.2	28.9	5,804	(88)	(323)	1,069	20	(123)
Sector aggregate/avg.	**93.1**	**10.4**	**19.5**	**5,485**	**(154)**	**(255)**	**990**	**111**	**(136)**

Exhibit 12: Summary of changes in our earnings estimates

	EBITDA (INR b)						EPS (INR)					
	Revised		Earlier		Change (%)		Revised		Earlier		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
UTCEM	149.7	172.8	154.7	180.8	-3.2	-4.5	290	345	305	366	-4.8	-6.0
ACEM	44.2	51.2	45.8	52.4	-3.5	-2.2	11	13	12	14	-4.1	-2.5
SRCM*	47.5	53.8	47.5	53.8	0.0	0.0	625	671	625	671	0.0	0.0
ACC	36.4	39.9	36.5	39.9	-0.2	0.1	120	132	121	132	-0.2	0.2
DALBHARA*	32.5	39.7	32.5	39.7	0.0	0.0	57	76	57	76	0.0	0.0
JKCE	25.3	28.9	24.3	27.3	4.5	5.7	139	175	130	161	7.2	8.3
TRCL	19.2	22.3	20.8	23.0	-7.3	-2.9	26	35	31	37	-15.5	-5.8
BCORP	16.0	17.7	16.9	18.4	-5.4	-3.4	70	87	74	88	-5.4	-1.5
ICEM	5.6	6.8	6.8	7.3	-17.3	-6.8	3	7	6	8	-45.3	-15.4
JKLC	11.8	14.0	12.2	14.4	-3.2	-2.5	44	53	45	54	-4.1	-3.0

*Note: We cut earnings estimate for SRCM and DALBHARA in our recent company updates

Exhibit 13: Revision to our target prices

(INR)	New TP	Old TP	Change (%)
UTCEM	11,300	12,000	-6
ACEM	590	550	7
SRCM	27,700	27,700	0
ACC	2,550	2,550	0
DALBHARA*	2,500	2,500	0
JKCE	5,350	5,050	6
TRCL	940	970	-3
BCORP	1700	1800	-6
ICEM	160	185	-14
JKLC	1,000	1,030	-3

Note: *We cut TP for DALBHARA in our recent company update

Exhibit 14: Valuation summary

	M-cap (USD b)	CMP (INR)	Rating	EV/EBITDA (x)		EV/t (USD)		Net debt/ EBITDA (x)	
				FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
ACC	6.4	2,544	Neutral	11.3	9.8	149	133	(1.6)	(2.0)
Ambuja Cements	16.5	621	Neutral	24.3	21.0	341	309	(4.6)	(3.9)
Birla Corporation	1.5	1,478	Buy	8.9	7.5	95	83	2.0	1.6
Dalmia Bharat	5.0	1,997	Buy	11.3	9.5	104	102	0.4	0.3
Grasim Industries	20.9	2,291	Buy	10.1	7.7	N/A	N/A	2.4	1.7
India Cements	0.9	220	Sell	17.0	13.6	80	78	5.0	3.9
JK Cement	4.4	4,277	Buy	14.3	12.1	193	172	1.7	1.4
JK Lakshmi Cement	1.4	883	Buy	8.4	6.8	67	57	1.2	1.5
Ramco Cements	2.7	845	Neutral	12.8	11.0	142	135	2.8	2.2
Shree Cement	12.8	26,487	Neutral	18.8	16.6	212	183	(0.9)	(0.7)
UltraTech Cement	38.5	9,956	Buy	19.0	16.2	250	234	0.1	(0.3)

Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ACC — Neutral

CMP: INR2,544 | TP: INR2,550 (+0.2%) — **EPS CHANGE (%): FY25|26: -0.2|+0.2**

- We expect sales volume to grow 12% YoY, whereas cement realization could decline 5% YoY and 4% QoQ.
- We expect EBITDA/t at INR853 vs. INR549/INR1,017 in 4QFY23/3QFY24.
- Variable cost/t to decline 17% YoY (up 2% QoQ). Opex/t is estimated to decline 11% YoY (flat QoQ).
- Depreciation cost is estimated to increase 37% YoY. Adj. PAT is likely to increase 66% YoY.

Standalone quarterly performance (INR b)

Y/E March	FY23*				FY24					FY23*	FY24E
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3Q	4QE		
Cement Sales (mt)	7.90	7.59	6.85	7.70	8.50	9.40	8.10	8.88	9.56	38.6	35.9
Change (YoY %)	(0.9)	11.0	4.3	2.8	7.6	23.8	18.2	15.3	12.4	31.3	16.4
Net Sales	**44.3**	**44.7**	**39.9**	**45.4**	**47.9**	**52.0**	**44.3**	**49.2**	**51.2**	**222.1**	**196.8**
Change (YoY %)	3.1	15.0	6.4	7.4	8.2	16.4	11.2	8.4	6.9	37.5	(11.4)
EBITDA	**6.3**	**4.3**	**0.2**	**3.8**	**4.7**	**7.7**	**5.5**	**9.0**	**8.1**	**19.2**	**30.4**
Margin (%)	14.3	9.5	0.4	8.3	9.7	14.8	12.4	18.4	15.9	8.6	15.4
Depreciation	1.5	1.6	1.7	1.7	1.7	2.0	2.1	2.3	2.4	8.4	8.8
Interest	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.8	1.2
Other Income	0.6	0.5	0.7	0.4	1.2	0.8	2.1	0.8	0.9	3.4	4.6
PBT before EO Item	**5.3**	**3.0**	**-1.0**	**2.3**	**3.9**	**6.2**	**5.2**	**7.2**	**6.3**	**13.4**	**24.9**
EO Income/(Expense)	0.0	0.0	-0.2	-0.8	-0.7	0.0	0.0	0.0	0.0	-1.6	0.0
PBT after EO Item	**5.3**	**3.0**	**-1.2**	**1.5**	**3.3**	**6.2**	**5.2**	**7.2**	**6.3**	**11.8**	**24.9**
Tax	1.4	0.8	-0.3	0.4	0.9	1.6	1.3	1.9	1.5	3.1	6.4
Rate (%)	25.9	25.8	26.0	26.1	27.8	25.5	25.5	26.6	24.6	26.4	25.6
Reported PAT	**3.9**	**2.2**	**-0.9**	**1.1**	**2.4**	**4.6**	**3.8**	**5.3**	**4.7**	**8.7**	**18.5**
Adjusted PAT	**3.9**	**2.2**	**-0.8**	**1.7**	**2.9**	**4.6**	**3.8**	**5.3**	**4.7**	**9.9**	**18.5**
Margin (%)	8.8	5.0	-1.9	3.7	6.0	8.9	8.7	10.7	9.2	4.5	9.4
Change (YoY %)	(30.1)	(60.5)	NM	(47.4)	(26.6)	108.8	NM	212.1	65.8	(47.6)	86.9

*Note: FY23 was 15-month period as the company changed its accounting year-end from December to March

Ambuja Cements — Neutral

CMP: INR621 | TP: INR590 (-5%) — **EPS CHANGE (%): FY25|26: -4.1|-2.5**

- Sales volume to increase 11% YoY, while realization is estimated to decline 1% YoY and 3% QoQ.
- EBITDA/t is expected to be at INR1,038 vs. INR977/INR1,038 in 4QFY23/3QFY24.
- We expect variable cost/t to decline 5% YoY and 7% QoQ. Opex/t is expected to decline 2% YoY and 4% QoQ.
- Other income to increase 7%/72% YoY/QoQ due to higher cash balance. Adjusted PAT is likely to increase 16% YoY.

Standalone quarterly performance (INR b)

Y/E December/March	FY23*				FY24					FY23*	FY24E
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3Q	4QE		
Sales Volume (mt)	7.49	7.39	7.04	7.71	8.07	9.08	7.58	8.20	8.99	37.78	33.85
Change (YoY %)	3	15	14	8	8	23	8	6	11	12	12
Realization (INR/t)	5,243	5,404	5,220	5,352	5,273	5,209	5,235	5,414	5,190	5,226	5,221
Change (YoY %)	5	3	(0)	3	1	(4)	0	1	(2)	2	(0)
Net Sales	**39.3**	**39.9**	**36.8**	**41.3**	**42.6**	**47.3**	**39.7**	**44.4**	**47.1**	**199.9**	**178.5**
Change (YoY %)	8.4	18.5	13.5	10.5	8.4	18.4	8.0	7.5	10.7	43.0	-10.7
EBITDA	**7.9**	**6.8**	**3.1**	**6.3**	**7.9**	**9.5**	**7.7**	**8.5**	**9.3**	**32.2**	**35.1**
Margin (%)	20.2	17.1	8.5	15.2	18.5	20.1	19.5	19.2	19.8	16.1	19.6
Depreciation	1.5	1.5	1.6	1.6	2.0	2.3	2.3	2.3	2.4	8.3	9.3
Interest	0.2	0.3	0.2	0.3	0.3	0.4	0.4	0.5	0.3	1.3	1.6
Other Income	0.3	6.3	0.4	0.9	1.7	1.9	3.8	1.1	1.9	9.5	8.6
PBT before EO Item	**6.5**	**11.4**	**1.7**	**5.3**	**7.2**	**8.7**	**8.8**	**6.8**	**8.5**	**32.1**	**32.8**
Extraordinary Inc./(Exp.)	0.0	0.0	-0.2	-0.6	-0.8	0.0	0.0	0.0	0.0	-1.6	0.0
PBT after EO Exp./(Inc.)	**6.5**	**11.4**	**1.6**	**4.6**	**6.4**	**8.7**	**8.8**	**6.8**	**8.5**	**30.6**	**32.8**
Tax	1.6	0.9	0.2	0.9	1.4	2.2	2.4	1.7	2.1	5.0	8.4
Prior period tax adj. and reversal	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0
Rate (%)	24.2	21.1	11.7	20.4	21.9	25.6	26.8	24.5	25.3	21.3	25.6
Reported Profit	**4.9**	**10.5**	**1.4**	**3.7**	**5.0**	**6.4**	**6.4**	**5.1**	**6.3**	**25.5**	**24.4**
Adj. PAT	**4.9**	**9.0**	**1.5**	**4.1**	**5.6**	**6.4**	**6.4**	**5.1**	**6.3**	**25.2**	**24.4**
Change (YoY %)	(25.6)	24.2	(65.9)	37.9	13.8	(28.2)	328.5	23.8	12.8	18.4	(3.3)

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

Birla Corporation — Buy

CMP: INR1,478 | TP: INR1,700 (+15%) — **EPS CHANGE (%): FY25|26: -5.4|-1.5**

- We estimate a volume growth of 12% YoY. Realization is expected to decline 4% YoY/QoQ.
- We expect EBITDA/t at INR801 vs. INR618/INR901 in 4QFY23/3QFY24.
- Variable cost/t is estimated to decline 19% YoY and 2% QoQ. Opex/t is estimated to decline 8% YoY and 2% QoQ.
- Depreciation/interest is likely to increase 4%/10% YoY. Adj. PAT is estimated to increase 103% YoY.

Consolidated performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales volume (mt)	3.93	3.64	3.72	4.44	4.41	4.18	4.20	4.97	15.73	17.76
Change (YoY %)	17.3	11.3	11.0	4.7	12.2	14.8	12.9	11.9	10.6	12.9
Cement Realization (INR/t)	5,344	5,151	5,177	5,279	5,229	5,211	5,316	5,090	5,242	5,207
Change (YoY %)	8.1	5.6	4.9	4.1	(2.2)	1.2	2.7	(3.6)	5.7	(0.7)
Net Sales	**22.0**	**20.0**	**20.2**	**24.6**	**24.1**	**22.9**	**23.1**	**26.5**	**86.8**	**96.5**
Change (YoY %)	26.0	17.8	15.2	8.8	9.3	14.3	14.7	7.6	16.4	11.2
EBITDA	**2.6**	**0.9**	**1.4**	**2.7**	**3.0**	**2.9**	**3.8**	**4.0**	**7.7**	**13.6**
Margin (%)	11.8	4.7	7.2	11.1	12.4	12.6	16.4	15.0	8.9	14.1
Depreciation	1.1	1.3	1.3	1.4	1.4	1.4	1.4	1.5	5.1	5.7
Interest	0.7	0.9	0.9	0.9	1.0	1.0	1.0	1.0	3.4	3.9
Other Income	0.1	0.4	0.1	0.5	0.2	0.3	0.2	0.4	1.1	1.0
Profit before Tax	**0.9**	**-0.8**	**-0.6**	**0.9**	**0.8**	**0.8**	**1.5**	**1.9**	**0.4**	**5.0**
EO (Income)/Expense	0.1	-	-	(0.2)	-	0.0	-	-	(0.1)	0.0
Profit before Tax after EO	**0.8**	**-0.8**	**-0.6**	**1.1**	**0.8**	**0.8**	**1.5**	**1.9**	**0.4**	**5.0**
Tax	0.2	-0.3	-0.1	0.3	0.2	0.2	0.4	0.5	0.0	1.3
Rate (%)	19.7	31.5	22.6	24.8	21.7	24.3	28.9	24.8	6.1	25.5
Reported PAT	**0.6**	**-0.6**	**-0.5**	**0.8**	**0.6**	**0.6**	**1.1**	**1.4**	**0.4**	**3.7**
Adj. PAT	**0.7**	**-0.6**	**-0.5**	**0.7**	**0.6**	**0.6**	**1.1**	**1.4**	**0.4**	**3.7**
Margin (%)	3.2	-2.8	-2.5	2.9	2.5	2.6	4.7	5.4	0.4	3.8
Change (YoY %)	(49.6)	NM	NM	(48.5)	(16.2)	NM	NM	102.5	(91.4)	929.7

Dalmia Bharat — Buy

CMP: INR1,997| TP: INR2,500 (+25%) — **EPS CHANGE (%): FY25|26: --|--**

- We estimate sales volume to grow 12% YoY. Realization to decline 5% YoY and QoQ.
- We estimate EBITDA/t to be at INR965 vs. INR955/ INR1,140 in 4QFY23/3QFY24.
- We estimate variable cost/t to decline 9% YoY (flat QoQ). While opex/t is likely to decline 6% YoY and 2% QoQ.
- Depreciation/interest cost is estimated to increase 14%/ 70% YoY. Adj. PAT is estimated to decline 2% YoY.

Consolidated performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales volume (mt)	6.2	5.8	6.3	7.4	7.0	6.2	6.8	8.3	25.7	28.3
Change (YoY %)	26.8	13.7	10.5	12.1	12.4	6.9	7.9	12.2	15.3	10.0
Realization (INR/t)	5,326	5,122	5,325	5,286	5,199	5,079	5,294	5,021	5,268	5,143
Change (YoY %)	0.5	1.2	11.0	3.2	-2.4	-0.8	-0.6	-5.0	4.1	-2.4
Net Sales	**33.0**	**29.7**	**33.6**	**39.1**	**36.2**	**31.5**	**36.0**	**41.7**	**135.4**	**145.4**
Change (YoY %)	27.4	15.1	22.7	15.7	9.8	6.0	7.3	6.5	20.0	7.4
EBITDA	**5.9**	**3.8**	**6.4**	**7.1**	**6.1**	**5.9**	**7.8**	**8.0**	**23.2**	**27.7**
Margin (%)	17.7	12.8	19.2	18.1	16.8	18.7	21.5	19.2	17.1	19.1
Depreciation	3.1	3.3	3.3	3.4	4.0	4.0	3.7	3.8	13.1	15.5
Interest	0.5	0.6	0.7	0.6	0.8	1.0	1.1	1.1	2.3	4.0
Other Income	0.2	0.4	0.4	0.4	0.6	0.9	0.6	0.7	1.4	2.7
PBT before EO Expense	**2.5**	**0.3**	**2.9**	**3.5**	**1.9**	**1.7**	**3.6**	**3.8**	**9.2**	**10.9**
Extra-Ord. expense	0.0	0.0	0.0	-3.9	0.0	0.0	0.0	0.0	-3.9	0.0
PBT after EO Expense	**2.5**	**0.3**	**2.9**	**7.3**	**1.9**	**1.7**	**3.6**	**3.8**	**13.0**	**10.9**
Tax	0.6	-0.2	0.7	1.3	0.4	0.5	1.0	1.0	2.4	2.9
Prior period tax adj.	0.0	-0.3	0.0	0.0	0.0	0.0	0.1	0.0	-0.3	0.1
Rate (%)	25.5	23.3	25.5	36.5	22.2	27.9	24.7	27.1	29.6	26.7
Reported PAT (pre-minority)	**1.9**	**0.5**	**2.1**	**6.1**	**1.4**	**1.2**	**2.7**	**2.7**	**10.6**	**8.1**
Minority + associate	-0.1	-0.1	0.1	0.2	0.1	0.1	0.0	0.2	0.2	0.4
PAT Adj. for EO items	**2.0**	**0.3**	**2.0**	**2.6**	**1.3**	**1.2**	**2.7**	**2.6**	**6.9**	**7.7**
Change (YoY %)	-30.4	-87.4	286.5	-1.9	-33.3	325.0	33.8	-1.9	-16.5	13.0

Grasim Industries — Buy

CMP: INR2,291 | TP: INR2,650 (+16%) — **EPS CHANGE (%): FY25|26: -0.4|+0.1**

- We expect revenue for the VSF segments to decline 1% YoY, while for the Chemical segment it is expected to drop 15% YoY.
- EBITDA for the VSF segment is expected to grow 166% YoY and OPM is expected to increase 6.5pp YoY to 10.3%.
- Chemical segment's EBITDA is expected to decline 19% YoY, and OPM should contract 80bp YoY to 14.6%.
- We expect blended EBITDA/kg of INR17.9 for the VSF segment vs. INR13.6/INR18.7 in 4QFY23/3QFY24.
- Standalone EBITDA is expected to grow 20% YoY to INR5b and OPM is estimated to increase 1.6pp YoY to 8%.
- Adjusted profit to increase 80% YoY to INR1.7b (down 29% QoQ due to higher tax).

Standalone performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**72.5**	**67.5**	**62.0**	**66.5**	**62.4**	**64.4**	**64.0**	**64.3**	**268.4**	**255.1**
Change (YoY %)	92.8	36.7	7.1	4.2	(14.0)	(4.5)	3.3	(3.2)	28.7	(5.0)
EBITDA	**13.2**	**9.6**	**4.8**	**4.3**	**6.7**	**5.9**	**5.2**	**5.1**	**31.8**	**23.0**
Margin (%)	18.2	14.2	7.7	6.4	10.8	9.2	8.2	8.0	11.8	9.0
Depreciation	2.6	2.7	2.8	3.0	2.9	2.9	3.0	3.1	11.0	11.9
Interest	0.9	0.9	0.9	1.1	1.1	1.1	1.1	1.1	3.7	4.3
Other Income	0.4	7.6	1.0	1.2	1.2	7.6	1.2	1.3	10.2	11.2
PBT before EO Items	**10.2**	**13.6**	**2.2**	**1.4**	**4.0**	**9.6**	**2.4**	**2.2**	**27.3**	**18.1**
Extraordinary Inc./(Exp.)	-	(0.9)	-	-	-	-	-	-	(0.9)	-
PBT after EO Items	**10.2**	**12.7**	**2.2**	**1.4**	**4.0**	**9.6**	**2.4**	**2.2**	**26.5**	**18.1**
Tax	2.1	3.1	-0.4	0.4	0.4	1.6	0.0	0.5	5.2	2.5
Rate (%)	20.9	24.2	(19.7)	30.9	10.2	16.8	1.2	22.7	19.7	14.0
Reported PAT	**8.1**	**9.6**	**2.6**	**0.9**	**3.6**	**7.9**	**2.4**	**1.7**	**21.2**	**15.5**
Prior period tax/DTL reversal	-	-	(1.0)	-	-	-	-	-	(1.0)	-
Adj. PAT	**8.1**	**10.3**	**1.6**	**0.9**	**3.6**	**7.9**	**2.4**	**1.7**	**20.9**	**15.5**
Margin (%)	11.1	15.3	2.6	1.4	5.7	12.3	3.7	2.6	7.8	6.1
Change (YoY %)	81.3	8.8	(67.1)	(73.2)	(56.1)	(22.9)	46.9	80.0	(6.2)	(25.7)

India Cements — Sell

CMP: INR220 | TP: INR160 (-27%) — **EPS CHANGE (%): FY25|26: -45.3|-15.4**

- We expect volume to be flat YoY and blended realization to decline 2% YoY and 6% QoQ.
- We estimate blended EBITDA/t of INR171 vs. operating loss/t at INR160 in 4QFY23.
- We expect variable cost/t to decline 14%/2% YoY/QoQ. Opex/t is estimated to decline 8%/5% YoY/QoQ.
- ICEM should report a net loss of INR489m vs. a loss of INR1.2b/INR345m in 4QFY23/3QFY24.

Standalone performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales volume (mt)	2.7	2.3	2.2	2.8	2.7	2.4	2.0	2.8	9.9	9.8
Change (YoY %)	37.4	(4.5)	3.5	4.8	(0.2)	5.1	(9.0)	(0.4)	9.1	(1.0)
Realization (INR/t)	**5,413**	**5,566**	**5,589**	**5,244**	**5,225**	**5,157**	**5,450**	**5,137**	**5,439**	**5,229**
Change (YoY %)	3.0	10.4	6.3	0.1	(3.5)	(7.4)	(2.5)	(2.0)	4.7	(3.9)
Net Sales	**14.5**	**12.5**	**12.2**	**14.6**	**13.9**	**12.2**	**10.8**	**14.2**	**53.8**	**51.2**
Change (YoY %)	41.4	5.4	10.0	4.9	(3.7)	(2.6)	(11.3)	(2.5)	14.2	(4.8)
EBITDA	**0.3**	**(0.9)**	**(0.7)**	**(0.4)**	**0.1**	**0.1**	**0.5**	**0.5**	**(1.7)**	**1.1**
Margin (%)	2.1	(7.3)	(5.7)	(3.0)	0.4	0.7	4.5	3.3	(3.2)	2.1
Depreciation	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	2.1	2.2
Interest	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.6	2.3	2.4
Other Income	0.1	0.0	0.0	0.2	0.1	0.1	0.2	0.1	0.3	0.4
PBT before EO expense	**(0.7)**	**(2.1)**	**(1.8)**	**(1.3)**	**(1.0)**	**(1.0)**	**(0.5)**	**(0.6)**	**(5.9)**	**(3.0)**
Extra-Ord. expense	-	-	(2.9)	1.1	-	-	(0.3)	-	(1.8)	(0.3)
PBT	**(0.7)**	**(2.1)**	**1.1**	**(2.4)**	**(1.0)**	**(1.0)**	**(0.2)**	**(0.6)**	**(4.1)**	**(2.8)**
Tax	(1.5)	(0.7)	0.2	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(2.2)	(0.6)
Rate (%)	205.7	33.5	20.5	10.1	23.9	17.6	31.3	12.4	53.7	20.0
Reported PAT	**0.8**	**(1.4)**	**0.9**	**(2.2)**	**(0.8)**	**(0.8)**	**(0.2)**	**(0.5)**	**(1.9)**	**(2.2)**
Tax	(1.5)	-	-	(0.2)	-	-	-	-	(1.7)	-
Adj. PAT	**(0.7)**	**(1.4)**	**(1.4)**	**(1.2)**	**(0.8)**	**(0.8)**	**(0.3)**	**(0.5)**	**(4.7)**	**(2.4)**
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	(5.0)	(11.0)	(11.7)	(7.9)	(5.4)	(6.7)	(3.2)	(3.4)	(8.7)	(4.7)

JK Cement

Buy

CMP: INR4,277 | TP: INR5,350 (+25%)

EPS CHANGE (%): FY25|26: +7.2|+8.3

- We estimate JKCE's volume to grow 15% YoY. Blended realization is estimated to decline 1% YoY/6% QoQ.
- We estimate EBITDA/t at INR1,133 vs. INR748/INR1,329 in 4QFY23/3QFY24.
- Opex/t is estimated to decline 8% YoY/3% QoQ. Variable cost/t is likely to decline 17% YoY (decline by 1% QoQ).
- Depreciation/interest cost should increase 13%/14% YoY. Adj. PAT is estimated to increase 118% YoY.

Consolidated performance **(INR b)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales volume (mt)	3.7	3.6	4.1	4.7	4.6	4.5	4.7	5.4	16.23	19.23
Change (YoY %)	22.0	9.4	24.8	15.8	25.4	24.5	13.5	14.8	16.4	18.5
Realization (INR/t)	6,149	6,138	5,879	5,947	5,968	6,068	6,238	5,894	5,988	6,037
Change (YoY %)	8.6	7.9	(3.8)	2.1	(2.9)	(1.1)	6.1	(0.9)	4.5	0.8
Net Sales	**22.7**	**22.4**	**24.4**	**27.8**	**27.6**	**27.5**	**29.3**	**31.6**	**97.2**	**116.1**
Change (YoY %)	32.4	18.0	20.0	18.1	21.7	23.1	20.5	13.8	21.6	19.4
EBITDA	**4.0**	**3.1**	**2.5**	**3.5**	**4.1**	**4.7**	**6.3**	**6.1**	**13.1**	**21.1**
Margin (%)	17.8	14.0	10.2	12.6	14.8	17.0	21.3	19.2	13.5	18.2
Depreciation	1.1	1.1	1.2	1.3	1.3	1.4	1.4	1.5	4.6	5.6
Interest	0.7	0.7	0.8	1.0	1.1	1.2	1.1	1.2	3.1	4.6
Other Income	0.2	0.1	0.2	0.4	0.3	0.3	0.4	0.4	0.9	1.4
PBT before EO expense	**2.5**	**1.5**	**0.7**	**1.6**	**2.0**	**2.4**	**4.1**	**3.8**	**6.3**	**12.3**
Extra-Ord. expense	-	-	-	-	0.2	-	-	-	-	0.2
PBT	**2.5**	**1.5**	**0.7**	**1.6**	**1.8**	**2.4**	**4.1**	**3.8**	**6.3**	**12.1**
Tax	0.9	0.4	0.3	0.5	0.7	0.7	1.3	1.3	2.1	3.9
Profit from associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	(0.1)	(0.0)
Rate (%)	35.8	27.6	46.2	30.5	37.2	26.9	30.6	35.6	32.5	32.2
Reported PAT	**1.6**	**1.1**	**0.4**	**1.1**	**1.1**	**1.8**	**2.8**	**2.4**	**4.3**	**8.2**
Adj. PAT	**1.6**	**1.1**	**0.4**	**1.1**	**1.2**	**1.8**	**2.8**	**2.4**	**4.3**	**8.3**
Change (YoY %)	(15.3)	(26.1)	(73.2)	(43.1)	(23.7)	59.8	628.0	117.5	(37.9)	95.1

JK Lakshmi

Buy

CMP: INR883 | TP: INR1,000 (+13%)

EPS CHANGE (%): FY25|26: -4.1|-3.0

- Sales volume is expected to increase 8% YoY. Realization is expected to decline 4% YoY/QoQ.
- EBITDA/t is estimated at INR846 vs. INR719/INR1,021 in 4QFY23/3QFY24.
- We expect Opex/t to decline 7%/1% YoY/QoQ. Variable cost is likely to decline 13% YoY (up 2% QoQ).
- Depreciation/interest cost should increase 20%/30% YoY/QoQ. PAT is estimated to grow 28% YoY.

Consolidated performance **(INR b)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales volume (mt)	3.00	2.43	2.75	3.23	3.04	2.73	2.96	3.49	11.42	12.21
Change (YoY %)	8.3	1.2	7.8	(0.9)	1.2	12.3	7.6	7.8	4	7
Realization (INR/t)	5,514	5,645	5,677	5,758	5,699	5,763	5,753	5,534	5,650	5,679
Change (YoY %)	15.2	12.3	12.7	17.4	3.4	2.1	1.3	(3.9)	14.5	0.5
Net Sales	**16.5**	**13.7**	**15.6**	**18.6**	**17.3**	**15.7**	**17.0**	**19.3**	**64.5**	**69.4**
Change (YoY %)	24.8	13.6	21.5	16.4	4.6	14.6	9.0	3.6	19.0	7.5
EBITDA	**2.6**	**1.6**	**1.9**	**2.3**	**2.0**	**2.2**	**3.0**	**3.0**	**8.4**	**10.1**
Margin (%)	15.5	11.9	11.9	12.5	11.3	13.8	17.7	15.3	13.0	14.6
Depreciation	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	2.3	2.5
Interest	0.4	0.3	0.4	0.3	0.3	0.3	0.4	0.4	1.3	1.4
Other Income	0.1	0.2	0.1	0.2	0.1	0.1	0.2	0.2	0.6	0.6
PBT before EO expense	**1.7**	**0.9**	**1.1**	**1.6**	**1.2**	**1.4**	**2.1**	**2.1**	**5.3**	**6.8**
Extra-Ord. expense	-	-	-	-	-	-	(0.1)	-	-	(0.1)
PBT	**1.7**	**0.9**	**1.1**	**1.6**	**1.2**	**1.4**	**2.2**	**2.1**	**5.3**	**6.9**
Tax	0.6	0.3	0.3	0.5	0.4	0.5	0.7	0.7	1.7	2.2
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	33.1	33.8	27.9	29.0	32.7	32.0	32.7	31.7	30.9	32.2
Reported PAT	**1.2**	**0.6**	**0.8**	**1.1**	**0.8**	**1.0**	**1.5**	**1.4**	**3.7**	**4.7**
Adj. PAT	**1.2**	**0.6**	**0.8**	**1.1**	**0.8**	**1.0**	**1.4**	**1.4**	**3.7**	**4.6**
Change (YoY %)	(15.5)	(29.2)	17.7	(46.7)	(30.7)	55.2	82.3	22.6	(26.9)	24.0

The Ramco Cements — Neutral

CMP: INR845 | TP: INR940 (+11%) — **EPS CHANGE (%): FY25|26: -15.5|-5.8**

- We expect volumes to rise 7% YoY. Realization to decline 6% QoQ, due to significant price correction in the east and south regions.
- EBITDA/t is estimated at INR794 vs. INR878/INR988 in 4QFY23/3QFY24.
- Expect variable cost/t to decline 19% YoY. Opex/t is likely to decline ~10% YoY.
- Depreciation/interest cost to increase 19%/34% YoY. PAT is estimated to decline 30% YoY.

Quarterly performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales Volume (mt)	3.31	3.35	3.64	4.70	4.30	4.61	4.00	5.04	15.02	17.95
Change (YoY %)	54.6	23.5	21.1	45.5	29.9	37.7	9.9	7.2	34.8	19.5
Cement Realization (INR/t)	5,298	5,253	5,515	5,464	5,212	5,053	5,265	4,932	5,384	5,104
Change (YoY %)	(6.2)	(2.5)	7.3	3.4	(1.6)	(3.8)	(4.5)	(9.7)	1.3	(5.2)
Net Sales	**17.7**	**17.8**	**20.1**	**25.7**	**22.4**	**23.3**	**21.1**	**24.9**	**81.4**	**91.6**
Change (YoY %)	44.3	19.5	29.7	50.3	26.4	30.5	4.8	(3.3)	36.0	12.6
EBITDA	**3.0**	**1.8**	**2.8**	**4.1**	**3.4**	**4.0**	**4.0**	**4.0**	**11.8**	**15.4**
Margin (%)	17.0	10.3	14.2	16.1	15.2	17.1	18.8	16.1	14.5	16.8
Depreciation	1.1	1.2	1.4	1.4	1.5	1.6	1.7	1.7	5.0	6.4
Interest	0.5	0.6	0.6	0.8	0.9	1.2	1.0	1.0	2.4	4.2
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.4	0.4
PBT before EO expense	**1.5**	**0.2**	**1.0**	**2.1**	**1.1**	**1.4**	**1.3**	**1.5**	**4.7**	**5.3**
PBT	**1.5**	**0.2**	**1.0**	**2.1**	**1.1**	**1.4**	**1.3**	**1.5**	**4.7**	**5.3**
Tax	0.4	0.0	0.3	0.5	0.3	0.4	0.4	0.4	1.3	1.5
Prior year tax adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	27.0	28.4	30.7	26.3	27.0	26.7	30.8	27.4	27.5	28.0
Reported PAT	**1.1**	**0.1**	**0.7**	**1.5**	**0.8**	**1.0**	**0.9**	**1.1**	**3.4**	**3.8**
Adj. PAT	**1.1**	**0.1**	**0.7**	**1.5**	**0.8**	**1.0**	**0.9**	**1.1**	**3.4**	**3.8**
Change (YoY %)	(33.6)	(94.7)	(18.4)	23.7	(29.7)	783.2	38.6	(30.4)	(41.8)	10.5
Margin (%)	6.3	0.6	3.4	5.9	3.5	4.3	4.4	4.3	4.2	4.1

Shree Cement — Neutral

CMP: INR26,487| TP: INR27,700 (+5%) — **EPS CHANGE (%): FY25|26: --|--**

- We expect volume to increase 7% YoY. Blended realization to decline 2%/4% YoY/QoQ.
- We estimate EBITDA/t at INR1,218 vs. INR1,011/INR1,388 in 4QFY23/3QFY24.
- Variable cost/t is estimated to decline 19% YoY. Opex/t is likely to decline 8% YoY.
- PAT is estimated to increase 45% YoY. Our EPS estimate increase was mainly due to lower depreciation charge vs. earlier guidance by the management.

Standalone quarterly performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales Volume (mt)	7.50	7.46	8.03	8.83	8.92	8.20	8.89	9.41	31.82	35.26
Change (YoY %)	9.7	18.0	22.6	10.0	18.8	9.9	10.7	6.6	14.7	10.8
Blended Realization (INR/t)	5,602	5,071	5,065	5,420	5,607	5,594	5,513	5,287	5,292	5,519
Change (YoY %)	11.1	0.0	-6.6	6.2	0.1	10.3	8.8	-2.5	2.4	4.3
Net Sales	**42.0**	**37.8**	**40.7**	**47.9**	**50.0**	**45.8**	**49.0**	**49.8**	**168.4**	**194.6**
Change (YoY %)	21.8	17.9	14.6	16.7	18.9	21.3	20.4	4.0	17.5	15.6
EBITDA	**8.2**	**5.2**	**7.1**	**8.9**	**9.3**	**8.7**	**12.3**	**11.5**	**29.4**	**41.8**
Margin (%)	19.5	13.8	17.4	18.7	18.7	19.0	25.2	23.0	17.5	21.5
Depreciation	3.3	3.6	4.1	4.4	3.1	3.3	3.5	4.4	15.5	14.3
Interest	0.6	0.7	0.7	0.7	0.8	0.7	0.6	0.8	2.7	2.7
Other Income	-0.2	1.6	1.6	1.4	1.6	1.3	1.4	1.5	4.3	5.7
PBT before EO Exp.	**4.1**	**2.5**	**3.8**	**5.1**	**7.1**	**6.0**	**9.7**	**7.7**	**15.6**	**30.5**
Extra-Ord. Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	**4.1**	**2.5**	**3.8**	**5.1**	**7.1**	**6.0**	**9.7**	**7.7**	**15.6**	**30.5**
Tax	1.0	0.6	1.1	-0.3	1.3	1.1	2.3	2.0	2.3	6.7
Rate (%)	23.4	23.9	28.0	23.6	18.2	17.6	24.0	26.3	14.8	22.0
Reported PAT	**3.2**	**1.9**	**2.8**	**5.5**	**5.8**	**4.9**	**7.3**	**5.7**	**13.3**	**23.8**
Prior period Tax adjustment	0.0	0.0	0.0	-1.5	0.0	0.0	0.0	0.0	-1.5	0.0
Adj. PAT	**3.2**	**1.9**	**2.8**	**3.9**	**5.8**	**4.9**	**7.3**	**5.7**	**11.7**	**23.8**
Change (YoY %)	-52.3	-66.9	-43.7	-28.1	84.2	159.1	165.3	45.4	-48.3	102.4

UltraTech Cement

Buy

CMP: INR9,956 | TP: INR11,300 (+13%)

EPS CHANGE (%): FY25|26: -4.8|-6.0

- Estimate sales volumes (consolidated) to increase 11% YoY and blended realization to decline ~2%/5% YoY/QoQ.
- RMC revenue is expected to increase 22% YoY. White cement revenue is expected to be flat YoY.
- We expect EBITDA/t at INR1,069 vs. INR1,049/INR1,191 in 4QFY23/3QFY24.
- Variable cost per tonne is estimated to decline 8%/2% YoY/QoQ. Expect Opex/t to decline 2%/4% YoY/QoQ.
- EBITDA is estimated to grow 13% YoY and OPM to surge 60bp YoY to 18.4%.
- Interest expense is estimated to increase 46% YoY. Adj. PAT should surge 24% YoY.

Consolidated performance **(INR b)**

	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales Volume (mt)	25.0	23.1	25.9	31.7	30.0	26.7	27.3	35.2	106.2	119.2
Change (YoY %)	16.3	6.7	11.8	14.4	19.6	15.5	5.6	11.2	12.9	12.3
Blended Realn. (INR/t)	6,056	6,014	6,002	5,893	5,920	5,999	6,127	5,804	5,957	5,951
Change (YoY %)	10.2	8.3	6.9	3.5	-2.2	-0.2	2.1	-1.5	6.5	-0.1
Change (QoQ %)	6.4	-0.7	-0.2	-1.8	0.5	1.3	2.1	-5.3		
Net Sales	**151.6**	**138.9**	**155.2**	**186.6**	**177.4**	**160.1**	**167.4**	**204.4**	**632.4**	**709.3**
Change (YoY %)	28.2	15.6	19.5	18.4	17.0	15.3	7.9	9.5	20.2	12.2
Total Expenditure	120.7	120.3	131.9	153.4	146.9	134.6	134.9	166.8	526.2	583.1
EBITDA	**30.9**	**18.7**	**23.4**	**33.2**	**30.5**	**25.5**	**32.5**	**37.6**	**106.2**	**126.2**
Margin (%)	20.4	13.4	15.0	17.8	17.2	15.9	19.4	18.4	16.8	17.8
Depreciation	7.0	7.1	7.2	7.6	7.5	8.0	7.8	7.9	28.9	31.2
Interest	2.2	2.0	2.2	1.9	2.1	2.3	2.6	2.8	8.2	9.9
Other Income	1.1	1.5	1.3	1.2	1.7	1.7	1.4	1.2	5.0	6.0
PBT before EO expense	**22.9**	**11.0**	**15.2**	**24.9**	**22.6**	**16.9**	**23.5**	**28.1**	**74.1**	**91.1**
Extra-Ord. expense	-	-	-	-	-	-	-	-	-	-
PBT after EO Expense	**22.9**	**11.0**	**15.2**	**24.9**	**22.6**	**16.9**	**23.5**	**28.1**	**74.1**	**91.1**
Tax	7.1	3.4	4.6	8.2	5.8	4.1	5.8	7.3	23.4	22.9
Prior period tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	31.0	31.2	30.5	33.0	25.5	24.3	24.7	25.9	31.6	25.2
Reported PAT	**15.8**	**7.6**	**10.6**	**16.7**	**16.9**	**12.8**	**17.7**	**20.8**	**50.7**	**68.2**
Minority Interest	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.2	0.0	0.1
Adj. PAT	**15.9**	**7.6**	**10.6**	**16.7**	**16.9**	**12.8**	**17.8**	**20.6**	**50.7**	**68.1**
Change (YoY %)	-6.7	-42.5	-9.7	12.7	6.3	69.6	67.9	23.7	-10.6	34.3

Specialty Chemicals

Company
Alkyl Amines
Atul
Clean Science
Deepak Nitrite
Fine Organics
Galaxy Surfactants
Navin Fluorine
NOCIL
PI Industries
SRF
Tata Chemicals
Vinati Organics

Weak end to FY24 expected; margins to remain flat

- **Brent crude prices averaged USD83/bbl in 4QFY24, up 2% YoY. However, Brent inched upwards and breached the USD85/bbl level with escalating geopolitical tensions in the Middle East as oil tankers circumventing the Red Sea have disrupted supply flows to global markets. We expect Brent prices to be at USD85/bbl during FY25-26 due to global oil and oil product inventories being at the lower end of the last five-year average and continued production cuts by OPEC+ through CY24.**
- **Prices of organic compounds such as Propylene (Korea)/Butadiene (Korea)/Benzene were flat/up 21%/up 6% QoQ, while prices of Toluene (Korea) increased 3% QoQ. Prices of other key materials, such as Acetic Acid/Aniline/Acetone were up 3%/up 7%/ flat QoQ. Prices of Phenol dipped 3% QoQ, while prices of IPA and ACN were up 8% QoQ each. Blended Phenol and Acetone spread stood at INR81/kg (down 8% QoQ). Ammonia prices rose 32% QoQ in 4QFY24.**
- **We estimate our coverage universe to report: 1) a sales decline of 9% YoY, 2) an EBITDA contraction of 25% YoY, and 3) a PAT decline of 38% YoY in 4QFY24. EBITDAM may contract 390bp YoY (flat QoQ). Margin contraction is anticipated to be the highest for CLEAN, FINEORG, NFIL, SRF, TTCH and VO. PAT margin is likely to dip 490bp YoY during the quarter.**
- The downward trend in realization is expected to continue for most of the companies in 4QFY24 as well, after peaking out in FY22. While moderating RM prices has provided some respite, most of the chemical companies would have to pass on the benefits of this reduction in input costs to customers. 4QFY24 is likely to be yet another muted quarter amid persisting global macro headwinds, a slower-than-expected pick-up in consumption, and aggressive dumping by the Chinese players (both in domestic and international markets).
- Contrary to the optimism that demand is likely to pick up, data depicts that volumes have actually declined in two months of 4Q. We believe that the situation is going to improve (if at all) post-1HCY24E. Managements of various companies have also started to express concerns or hint in one way or another about the prolonged weakness in the industry, which is expected to persist into CY24.
- Capacity expansion plans have been delayed by most of the companies, although none of them have been shelved completely given the promising long-term volume off-take for the products. However, we expect a migration of chemical industries towards the US, the Middle East, and Africa in the long term, where cheaper feedstock is available. The valuation multiples of companies remain elevated, with no real reason for the stocks to run up in the short term. **We have a BUY rating on GALSURF and VO.**

Aman Chowdhary – Research Analyst (Aman.Chowdhary@MotilalOswal.com)
Abhishek Nigam – Research Analyst (Abhishek.Nigam@MotilalOswal.com)

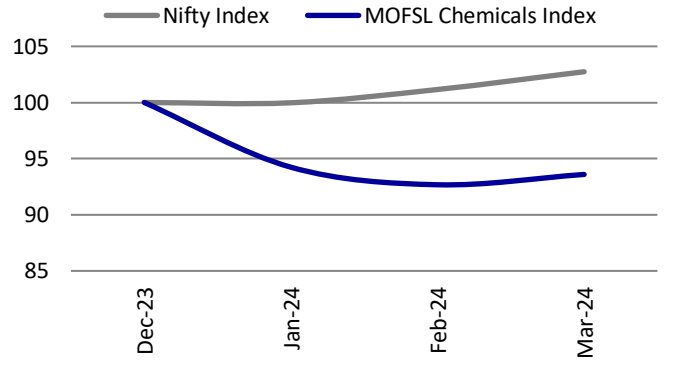
Exhibit 1: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Alkyl Amines	1902	Neutral	3,292	-20.0	2.2	576	-25.1	-3.3	314	-35.5	-6.1
Atul	5798	Neutral	11,548	-3.4	1.5	1,397	-6.4	-7.9	718	-22.2	-0.4
Clean Science	1347	Neutral	1,912	-11.8	-1.8	813	-22.6	-6.1	568	-29.4	-9.2
Deepak Nitrite	2141	Neutral	20,326	3.6	1.2	3,186	-8.4	4.6	2,107	-9.9	4.3
Fine Organic	4212	Sell	3,888	-44.3	-8.7	771	-58.8	-16.5	590	-57.2	-15.2
Galaxy Surfactants	2356	Buy	9,575	-1.7	1.8	1,356	0.8	20.6	869	-4.0	21.8
Navin Fluorine	3129	Neutral	5,322	-23.7	6.0	976	-51.6	29.0	497	-63.6	37.4
NOCIL	259	Neutral	3,085	-21.4	-9.4	405	-17.4	-15.2	257	-9.4	-13.6
P I Industries	3891	Buy	19,441	24.2	2.5	4,546	32.6	-17.9	3,417	21.8	-23.8
SRF	2619	Neutral	34,803	-7.9	14.0	6,843	-28.7	17.2	3,574	-39.5	31.6
Tata Chemicals	1087	Neutral	35,426	-19.6	-5.0	5,585	-42.1	3.0	2,176	-69.4	37.7
Vinati Organics	1470	Buy	4,246	-15.6	-5.2	958	-37.1	-16.5	630	-45.4	-18.1
Chemicals-Specialty			**1,52,865**	**-9.0**	**1.9**	**27,412**	**-25.3**	**0.6**	**15,720**	**-38.3**	**2.6**

Exhibit 2: Comparative valuations

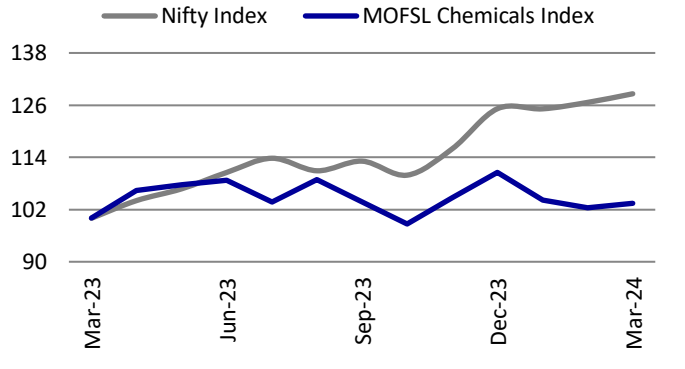
Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Chemicals-Specialty						**41.4**	**35.1**	**28.5**	**4.5**	**4.2**	**3.7**	**11.0**	**11.9**	**13.1**
Alkyl Amines	1,902	Neutral	27.7	37.7	58.1	65.4	50.4	32.7	7.3	6.8	5.9	11.6	14.3	19.2
Atul	5,798	Neutral	108.3	138.3	181.1	53.0	41.9	32.0	3.4	3.2	3.0	6.6	8.0	9.6
Clean Science	1,347	Neutral	21.4	27.0	33.1	62.0	50.0	40.7	11.8	10.0	8.3	20.6	21.8	22.3
Deepak Nitrite	2,141	Neutral	56.3	75.1	87.8	37.7	28.5	24.4	6.1	5.2	4.3	17.3	19.6	19.3
Fine Organic	4,212	Sell	105.1	100.6	96.0	38.3	41.9	43.9	6.8	6.1	5.4	19.2	15.6	13.0
Galaxy Surfactants	2,356	Buy	87.7	103.0	120.4	25.9	22.9	19.6	3.8	3.5	3.0	15.5	16.0	16.5
Navin Fluorine	3,129	Neutral	42.2	63.9	87.2	73.8	48.9	35.9	6.4	5.8	5.1	9.1	12.5	15.2
NOCIL	259	Neutral	7.0	10.2	13.3	35.8	25.3	19.5	2.6	2.5	2.3	7.3	10.2	12.3
P I Industries	3,891	Buy	108.8	119.9	138.4	35.6	32.5	28.1	6.8	5.7	4.8	20.8	19.1	18.6
SRF	2,619	Neutral	44.8	68.7	85.7	57.1	38.1	30.6	6.8	6.1	5.2	12.4	17.0	18.4
Tata Chemicals	1,087	Neutral	48.1	38.2	51.4	22.5	28.4	21.1	1.3	1.3	1.3	6.1	4.7	6.1
Vinati Organics	1,470	Buy	28.8	37.5	49.2	51.1	39.2	29.9	6.1	5.4	4.7	12.6	14.7	16.9

Exhibit 3: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

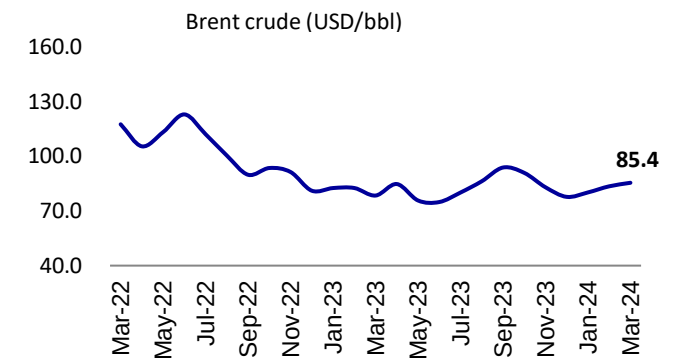
Exhibit 4: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

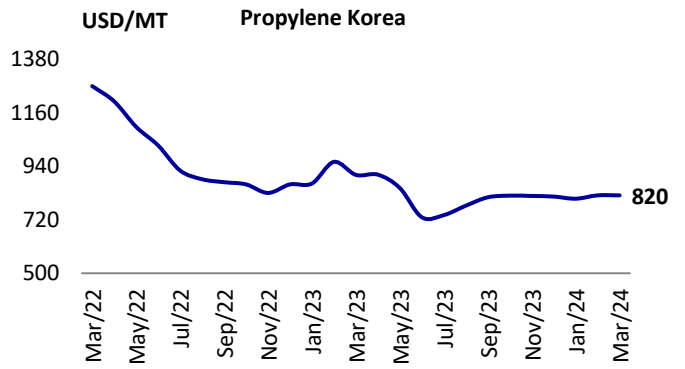
Trends in key RM and product prices

Exhibit 5: Brent crude price up 9% YoY



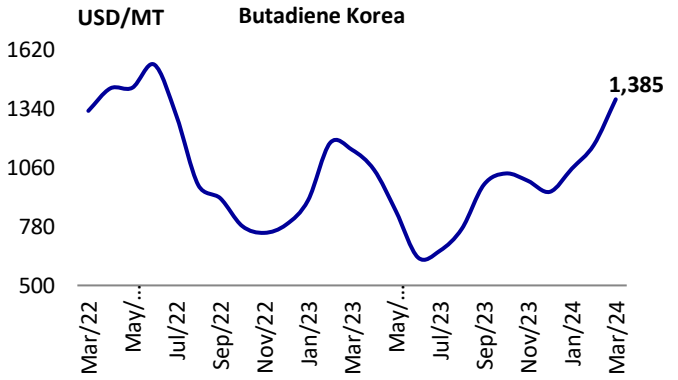
Source: Reuters, MOFSL

Exhibit 6: Propylene price down 11% YoY



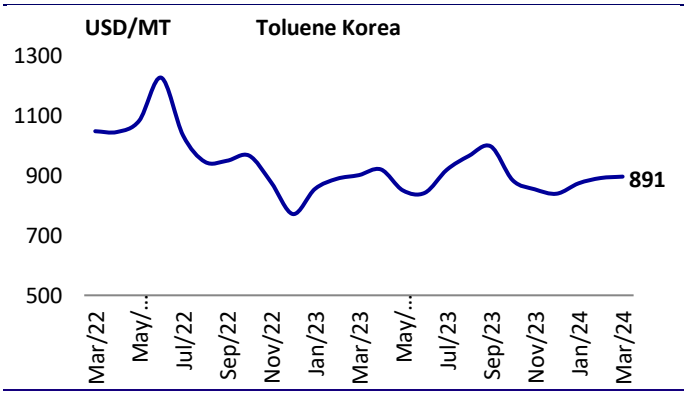
Source: Bloomberg, MOFSL

Exhibit 7: Butadiene price down 2% YoY



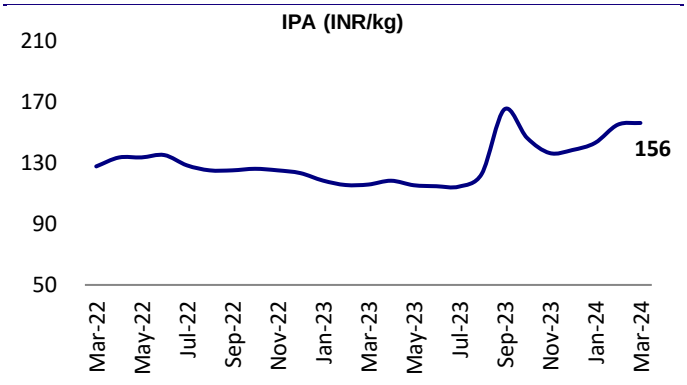
Source: Bloomberg, MOFSL

Exhibit 8: Toluene (Korea) price down 1% YoY



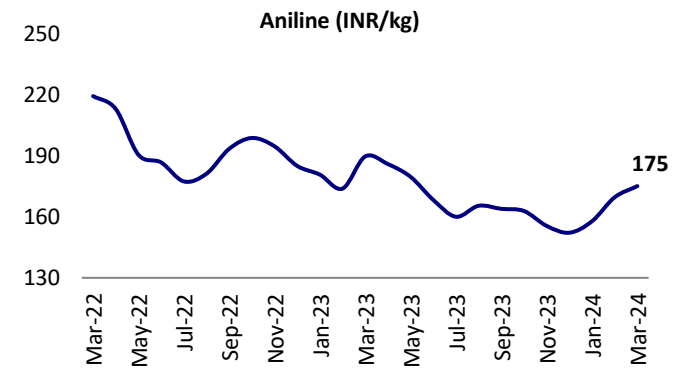
Source: Bloomberg, MOFSL

Exhibit 9: IPA price up 35% YoY



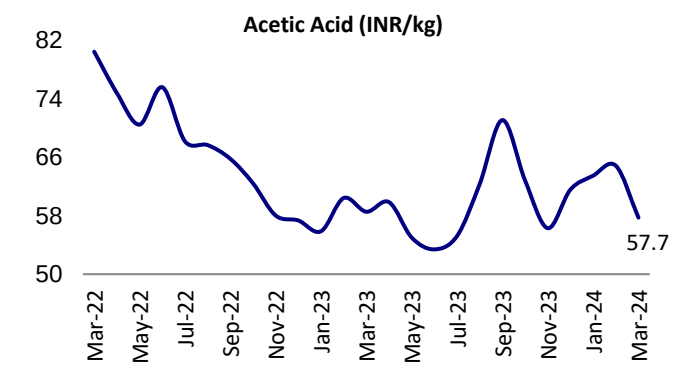
Source: IndiaPetroChem, MOFSL

Exhibit 10: Aniline price down 8% YoY



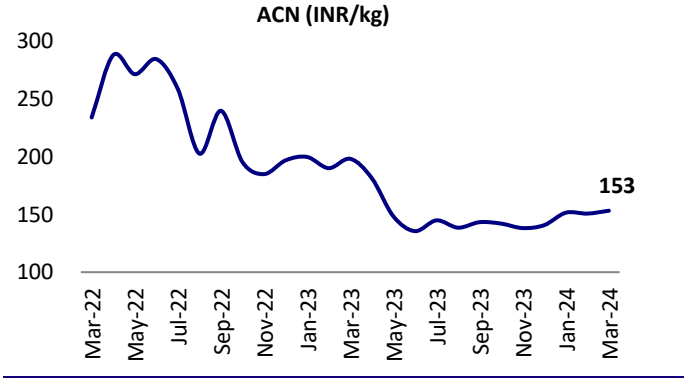
Source: IndiaPetroChem, MOFSL

Exhibit 11: Acetic Acid price down 1% YoY



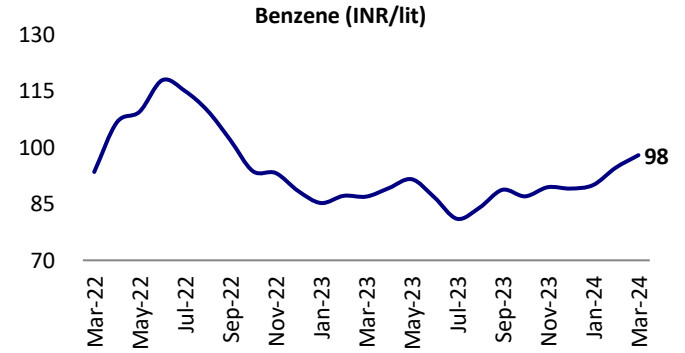
Source: IndiaPetroChem, MOFSL

Exhibit 12: ACN price down 23% YoY



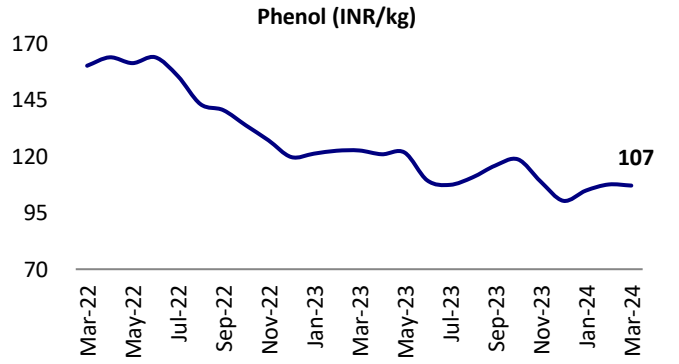
Source: IndiaPetroChem, MOFSL

Exhibit 13: Benzene price up 13% YoY



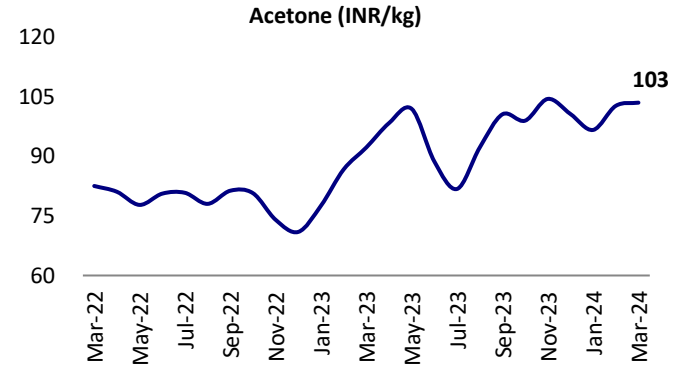
Source: IndiaPetroChem, MOFSL

Exhibit 14: Phenol price down 13% YoY



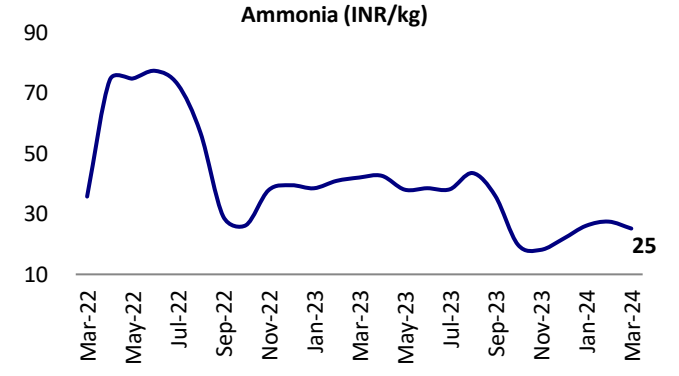
Source: IndiaPetroChem, MOFSL

Exhibit 15: Acetone price up 12% YoY



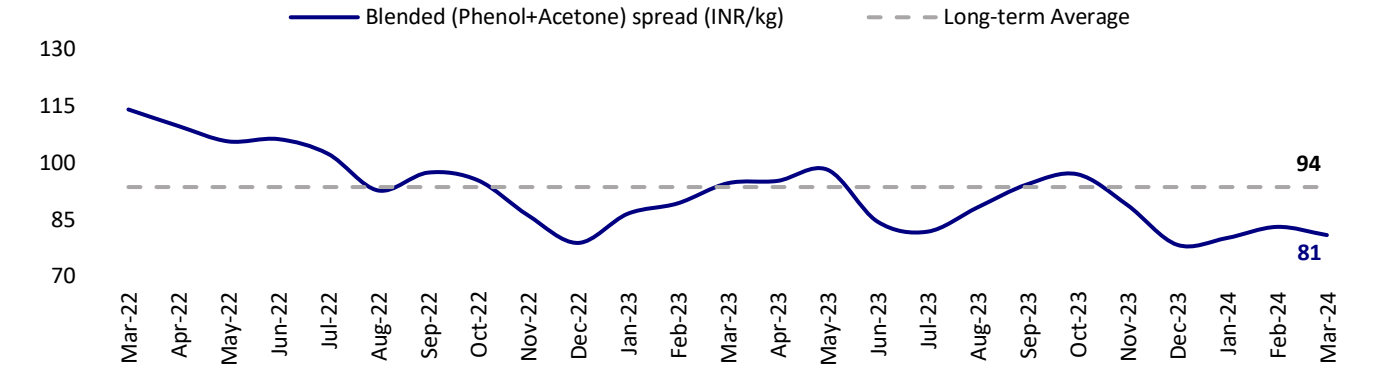
Source: IndiaPetroChem, MOFSL

Exhibit 16: Ammonia price down 35% YoY



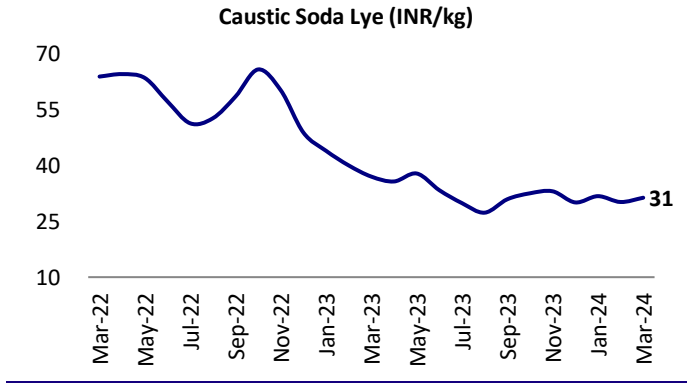
Source: IndiaPetroChem, MOFSL

Exhibit 17: Blended Phenol and Acetone spread down 14% YoY



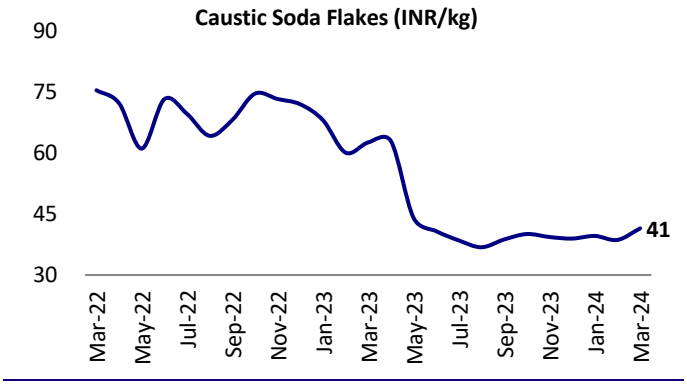
Source: IndiaPetroChem, MOFSL

Exhibit 18: Caustic Soda Lye price down 15% YoY



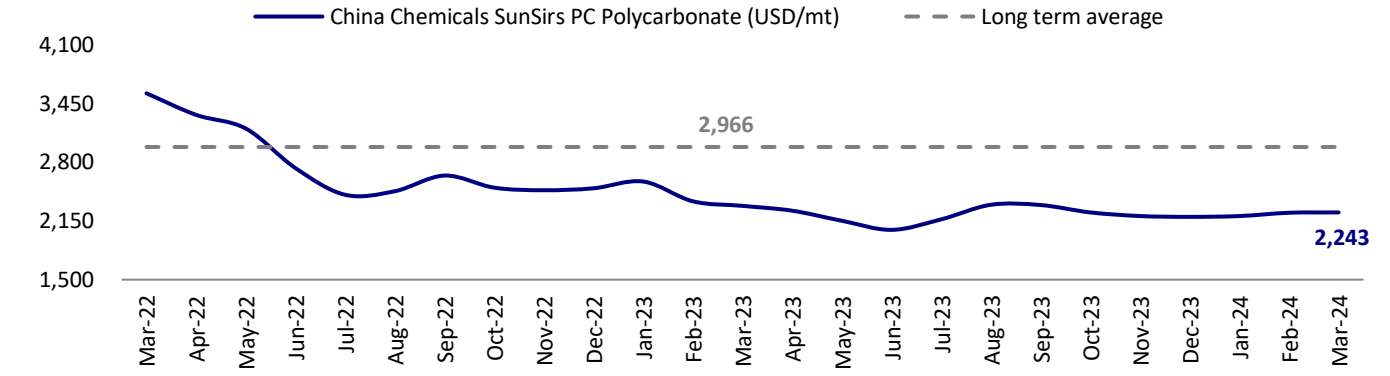
Source: IndiaPetroChem, MOFSL

Exhibit 19: Caustic Soda Flakes price down 34% YoY



Source: IndiaPetroChem, MOFSL

Exhibit 20: Polycarbonate price down 3% YoY



Source: Bloomberg, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Alkyl Amines — Neutral

CMP: INR1,902 | TP: INR2,120 (+11%) — **EPS CHANGE (%): FY24|25: -2|0**

- Expect revenue to decline 20% YoY, with EBITDA declining 25% YoY.
- Key monitorable: stabilization of the Ethylamines plant and update on the weak ACN market conditions.
- Expect EBITDA margin to contract 120bp YoY to 17.5% in 4QFY24.
- Watch out for updates on progress of four new products and ADD probe on other products apart from ACN.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**4,735**	**4,089**	**3,884**	**4,117**	**4,098**	**3,522**	**3,221**	**3,292**	**16,824**	**14,132**
YoY Change (%)	*20.8*	*17.3*	*3.1*	*-3.2*	*-13.5*	*-13.9*	*-17.1*	*-20.0*	*9.1*	*-16.0*
Gross Margin (%)	*50.9%*	*49.0%*	*48.9%*	*46.4%*	*44.7%*	*45.7%*	*47.6%*	*47.4%*	*48.9%*	*46.3%*
EBITDA	**1,158**	**813**	**696**	**769**	**740**	**483**	**596**	**576**	**3,436**	**2,395**
Margin (%)	*24.5*	*19.9*	*17.9*	*18.7*	*18.1*	*13.7*	*18.5*	*17.5*	*20.4*	*16.9*
Depreciation	118	112	107	116	122	125	168	176	452	591
Interest	8	11	7	11	9	17	11	9	37	46
Other Income	42	23	45	28	55	24	46	28	138	152
PBT before EO expense	**1,075**	**714**	**626**	**671**	**664**	**364**	**463**	**419**	**3,085**	**1,910**
PBT	**1,075**	**714**	**626**	**671**	**664**	**364**	**463**	**419**	**3,085**	**1,910**
Tax	256	189	169	185	166	92	129	105	799	492
Rate (%)	*23.8*	*26.5*	*27.0*	*27.5*	*25.0*	*25.2*	*27.8*	*25.0*	*25.9*	*25.8*
Reported PAT	**819**	**524**	**457**	**486**	**498**	**272**	**334**	**314**	**2,286**	**1,418**
YoY Change (%)	*4.3*	*-3.1*	*-0.4*	*4.8*	*-39.2*	*-48.0*	*-26.8*	*-35.5*	*1.6*	*-38.0*
Margin (%)	*17.3*	*12.8*	*11.8*	*11.8*	*12.1*	*7.7*	*10.4*	*9.5*	*13.6*	*10.0*

Atul — Neutral

CMP: INR5,798 | TP: INR5,965 (+3%) — **EPS CHANGE (%): FY24|25: -3|-2**

- Expect revenue to decline 3% YoY, with EBITDA declining 6% YoY.
- Expect revenue for Performance and Other chemicals to marginally improve QoQ
- EBITDA margin likely to contract 40bp YoY amid higher RM and opex.
- Further delay in commissioning and delay in ramp-up of its new capacity expansions may hurt growth in FY25E.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**14,769**	**14,873**	**12,683**	**11,952**	**11,820**	**11,937**	**11,378**	**11,548**	**54,275**	**46,683**
YoY Change (%)	*36.7*	*19.0*	*-8.1*	*-12.8*	*-20.0*	*-19.7*	*-10.3*	*-3.4*	*6.8*	*-14.0*
Gross Margin (%)	*48.5%*	*47.1%*	*47.2%*	*45.8%*	*46.5%*	*44.1%*	*47.1%*	*46.4%*	*47.2%*	*46.0%*
EBITDA	**2,330**	**2,203**	**1,723**	**1,494**	**1,823**	**1,552**	**1,517**	**1,397**	**7,749**	**6,289**
Margin (%)	*15.8*	*14.8*	*13.6*	*12.5*	*15.4*	*13.0*	*13.3*	*12.1*	*14.3*	*13.5*
Depreciation	473	491	504	511	519	540	612	631	1,978	2,302
Interest	16	19	22	22	20	19	21	20	79	80
Other Income	359	319	229	242	82	221	150	177	1,149	630
PBT before EO expense	**2,200**	**2,011**	**1,425**	**1,203**	**1,365**	**1,215**	**1,034**	**924**	**6,840**	**4,537**
PBT	**2,200**	**2,011**	**1,425**	**1,203**	**1,365**	**1,215**	**1,034**	**924**	**6,840**	**4,537**
Tax	577	544	394	297	364	325	334	229	1,812	1,252
Rate (%)	*26.2*	*27.0*	*27.6*	*24.7*	*26.7*	*26.7*	*32.3*	*24.8*	*26.5*	*27.6*
Minority Interest and Profit/Loss of Asso. Cos.	11	13	-3	16	20	22	21	23	38	86
Reported PAT	**1,635**	**1,481**	**1,029**	**922**	**1,021**	**912**	**721**	**718**	**5,066**	**3,371**
YoY change (%)	*1.4*	*3.7*	*-32.1*	*-30.6*	*-37.6*	*-38.4*	*-30.0*	*-22.2*	*-15.2*	*-35.9*
Margin (%)	*11.1*	*10.0*	*8.1*	*7.7*	*8.6*	*7.6*	*6.3*	*6.2*	*9.2*	*6.9*

Clean Science — Neutral

CMP: INR1,347 | TP: INR1,420 (+5%) — **EPS CHANGE (%): FY24|25: -1|0**

- Expect revenue and EBITDA to decline 12% and 23% YoY, respectively.
- Key monitorable: Ramp up of the new HALS plant in the subsidiary and pick up in Guaiacol demand
- Expect EBITDAM to contract 600bp YoY in 4QFY24.
- Watch out for the changing sales mix of the flagship and non-flagship products.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**2,341**	**2,475**	**2,374**	**2,169**	**1,881**	**1,811**	**1,947**	**1,912**	**9,358**	**7,552**
YoY Change (%)	*60.0*	*61.6*	*31.3*	*6.0*	*-19.6*	*-26.8*	*-18.0*	*-11.8*	*36.6*	*-19.3*
Gross Margin (%)	*61.0%*	*62.5%*	*67.2%*	*70.5%*	*61.4%*	*65.9%*	*66.8%*	*66.6%*	*65.2%*	*64.8%*
EBITDA	**913**	**975**	**1,082**	**1,051**	**761**	**748**	**866**	**813**	**4,021**	**3,157**
Margin (%)	*39.0*	*39.4*	*45.6*	*48.5*	*40.5*	*41.3*	*44.5*	*42.5*	*43.0*	*41.8*
Depreciation	85	87	89	101	108	111	113	117	361	449
Interest	0	0	1	1	1	3	1	4	2	8
Other Income	18	28	126	126	134	60	78	68	298	340
PBT before EO expense	**847**	**916**	**1,118**	**1,075**	**787**	**695**	**830**	**759**	**3,956**	**3,039**
PBT	**847**	**916**	**1,118**	**1,075**	**787**	**695**	**830**	**759**	**3,956**	**3,039**
Tax	218	237	280	270	198	173	204	191	1,005	765
Rate (%)	*25.7*	*25.8*	*25.1*	*25.1*	*25.1*	*24.9*	*24.6*	*25.1*	*25.4*	*25.2*
Reported PAT	**629**	**679**	**838**	**805**	**589**	**522**	**626**	**568**	**2,952**	**2,274**
YoY Change (%)	*15.2*	*26.9*	*44.5*	*29.1*	*-6.3*	*-23.2*	*-25.3*	*-29.4*	*29.2*	*-23.0*
Margin (%)	*26.9*	*27.5*	*35.3*	*37.1*	*31.3*	*28.8*	*32.2*	*29.7*	*31.5*	*30.1*

Deepak Nitrite — Neutral

CMP: INR2,141 | TP: INR2,115 (-1%) — **EPS CHANGE (%): FY24|25: -4|-3**

- Expect EBITDA margin of 15.7% in 4QFY24 (vs. 17.7% in 4QFY23), with a likely contraction in the Phenol segment margin.
- Watch out for the update on various capex under implementation.
- Updates on Oman subsidiary and on downstream products announced (MIBK, MIBC and Polycarbonate) to be keenly monitored.
- Key risk: substantial margin fluctuations due to the highly commoditized nature of the products.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**20,580**	**19,617**	**19,911**	**19,614**	**17,683**	**17,781**	**20,092**	**20,326**	**79,721**	**75,882**
YoY Change (%)	34.8	16.7	15.6	4.8	-14.1	-9.4	0.9	3.6	17.2	-4.8
Gross Margin (%)	33.9%	30.2%	32.8%	34.8%	30.8%	34.4%	31.7%	32.4%	32.9%	32.3%
EBITDA	**3,560**	**2,709**	**3,146**	**3,480**	**2,098**	**3,023**	**3,047**	**3,186**	**12,894**	**11,352**
Margin (%)	17.3	13.8	15.8	17.7	11.9	17.0	15.2	15.7	16.2	15.0
Depreciation	419	424	411	409	381	394	417	421	1,663	1,613
Interest	86	59	58	45	18	27	29	48	248	123
Other Income	96	120	134	126	319	170	136	134	476	759
PBT	**3,151**	**2,346**	**2,810**	**3,152**	**2,017**	**2,772**	**2,736**	**2,850**	**11,459**	**10,375**
Tax	805	601	720	813	518	721	715	743	2,939	2,698
Rate (%)	25.5	25.6	25.6	25.8	25.7	26.0	26.1	26.1	25.6	26.0
Reported PAT	**2,346**	**1,745**	**2,091**	**2,339**	**1,499**	**2,051**	**2,020**	**2,107**	**8,520**	**7,677**
YoY Change (%)	-22.5	-31.4	-13.8	-12.5	-36.1	17.5	-3.4	-9.9	-20.1	-9.9
Margin (%)	11.4	8.9	10.5	11.9	8.5	11.5	10.1	10.4	10.7	10.1

Fine Organic — Sell

CMP: INR4,212 | TP: INR3,400 (-19%) — **EPS CHANGE (%): FY24|25: -1|-2**

- Expect revenue to dip 44% YoY and EBITDA margin to contract 700bp YoY to 19.8% in 4QFY24.
- Key monitorable: update on the progress of JV to be set up in Thailand and the new land acquisition (MoU already signed).
- Watch out for escalating freight costs, which have gone up for exports to the US and Europe.
- Key risk: Delay in the addition of new capacities could deter growth with existing capacities running at optimum utilization.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**7,526**	**8,281**	**7,499**	**6,986**	**5,321**	**4,717**	**4,258**	**3,888**	**30,291**	**18,184**
YoY Change (%)	109.1	92.8	60.1	16.3	-29.3	-43.0	-43.2	-44.3	63.0	-40.0
Gross Margin (%)	41.3%	38.2%	35.1%	39.1%	42.9%	41.9%	41.8%	41.1%	38.4%	42.0%
EBITDA	**2,056**	**2,138**	**1,747**	**1,873**	**1,519**	**1,044**	**924**	**771**	**7,813**	**4,257**
Margin (%)	27.3	25.8	23.3	26.8	28.5	22.1	21.7	19.8	25.8	23.4
Depreciation	111	115	123	130	117	144	147	151	479	560
Interest	11	13	11	9	6	7	5	7	44	26
Other Income	166	193	152	130	145	172	174	177	640	667
PBT	**2,099**	**2,203**	**1,764**	**1,863**	**1,540**	**1,064**	**946**	**789**	**7,930**	**4,339**
Tax	526	563	452	483	397	270	249	199	2,024	1,116
Rate (%)	25.1	25.6	25.6	25.9	25.8	25.4	26.4	25.2	25.5	25.7
Reported PAT	**1,573**	**1,640**	**1,313**	**1,381**	**1,142**	**794**	**697**	**590**	**5,906**	**3,223**
YoY Change (%)	350.2	228.2	135.6	25.5	-27.4	-51.6	-46.9	-57.2	135.6	-45.4
Margin (%)	20.9	19.8	17.5	19.8	21.5	16.8	16.4	15.2	19.5	17.7

Galaxy Surfactants — Buy

CMP: INR2,356 | TP: INR3,480 (+48%) — **EPS CHANGE (%): FY24|25: -2|-1**

- Expect revenue to decline 2% YoY due to a decline in realization.
- Watch out for the update on demand recovery in AMET and RoW regions
- Expect EBITDA margin to be at 14.2% with absolute EBITDA/kg declining YoY
- Impact of the ongoing Red Sea issue on sales volume would also be keenly monitored.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**11,589**	**12,365**	**10,851**	**9,745**	**9,418**	**9,831**	**9,405**	**9,575**	**44,549**	**38,229**
YoY Change (%)	40.2	40.9	16.8	-7.5	-18.7	-20.5	-13.3	-1.7	20.9	-14.2
Gross Margin (%)	30.8%	27.2%	31.9%	32.4%	32.4%	31.5%	31.8%	36.8%	30.4%	33.1%
EBITDA	**1,480**	**1,317**	**1,540**	**1,345**	**1,232**	**1,249**	**1,125**	**1,356**	**5,682**	**4,962**
Margin (%)	12.8	10.7	14.2	13.8	13.1	12.7	12.0	14.2	12.8	13.0
Depreciation	189	205	216	225	238	247	251	267	835	1,003
Interest	44	56	56	61	57	54	59	64	217	234
Other Income	-20	11	37	70	25	27	64	57	99	172
PBT	**1,227**	**1,067**	**1,307**	**1,129**	**962**	**975**	**878**	**1,081**	**4,729**	**3,896**
Tax	223	228	245	224	210	201	165	212	920	787
Rate (%)	18.2	21.4	18.7	19.8	21.8	20.6	18.8	19.6	19.4	20.2
Reported PAT	**1,004**	**839**	**1,062**	**905**	**752**	**774**	**714**	**869**	**3,809**	**3,109**
YoY Change (%)	30.7	100.0	132.7	-8.0	-25.1	-7.7	-32.8	-4.0	45.0	-18.4
Margin (%)	8.7	6.8	9.8	9.3	8.0	7.9	7.6	9.1	8.6	8.1

Navin Fluorine — Neutral

CMP: INR3,129 | TP: INR2,850 (-9%) — **EPS CHANGE (%): FY24|25: -12|-6**

- Modeled revenue of INR5.3b due to a decline in Navin Molecular compared to 4QFY23.
- Key monitorable: progress of the upcoming AHF capacity announced in addition to the already existing capacity.
- EBITDA margin to decline 10.6pp YoY to 18.3%
- Watch out for the update on the launch of new molecules.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**3,975**	**4,192**	**5,636**	**6,971**	**4,912**	**4,718**	**5,018**	**5,322**	**20,774**	**19,970**
YoY Change (%)	21.7	23.7	48.7	70.5	23.6	12.5	-11.0	-23.7	42.9	-3.9
Gross Margin (%)	54.1%	56.2%	56.3%	59.3%	58.7%	57.2%	53.9%	58.2%	56.9%	57.0%
EBITDA	**991**	**938**	**1,556**	**2,018**	**1,142**	**983**	**757**	**976**	**5,503**	**3,859**
Margin (%)	24.9	22.4	27.6	28.9	23.3	20.8	15.1	18.3	26.5	19.3
Depreciation	124	177	250	76	213	243	249	260	626	964
Interest	3	40	92	140	194	200	177	181	275	753
Other Income	109	109	99	40	83	231	119	86	357	519
PBT before EO expense	**974**	**831**	**1,313**	**1,842**	**818**	**772**	**450**	**621**	**4,959**	**2,661**
Extra-Ord. expense	0	0	0	0	0	0	521	0	0	521
PBT	**974**	**831**	**1,313**	**1,842**	**818**	**772**	**972**	**621**	**4,959**	**3,183**
Tax	229	252	247	478	202	166	191	124	1,207	684
Rate (%)	23.5	30.4	18.8	26.0	24.8	21.5	19.7	20.0	24.3	21.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**745**	**578**	**1,066**	**1,364**	**615**	**606**	**780**	**497**	**3,752**	**2,498**
Adj. PAT	**745**	**578**	**1,066**	**1,364**	**615**	**606**	**362**	**497**	**3,752**	**2,089**
YoY Change (%)	33.2	-8.6	54.9	81.5	-17.4	4.8	-66.1	-63.6	42.6	-44.3
Margin (%)	18.7	13.8	18.9	19.6	12.5	12.8	7.2	9.3	18.1	10.5

NOCIL — Neutral

CMP: INR259 | TP: INR250 (-3%) — **EPS CHANGE (%): FY24|25: -8|-1**

- Expect revenue to decline 21% YoY to INR3.1b due to lower volumes.
- Key monitorable: further details on the new capex announced recently.
- EBITDAM to improve 60bp YoY to 13.1% in 4QFY24; absolute EBITDA/kg to also improve YoY
- There is a probable risk of higher dumping from China as ADD was rejected by the GoI in FY22.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**5,089**	**3,892**	**3,257**	**3,927**	**3,967**	**3,509**	**3,406**	**3,085**	**16,166**	**13,967**
YoY Change (%)	47.7	3.8	-16.2	-15.1	-22.1	-9.9	4.6	-21.4	2.9	-13.6
Gross Margin (%)	46.4%	47.1%	46.1%	40.6%	42.7%	43.4%	46.3%	42.1%	45.1%	43.6%
EBITDA	**1,019**	**615**	**372**	**490**	**544**	**441**	**477**	**405**	**2,495**	**1,866**
Margin (%)	20.0	15.8	11.4	12.5	13.7	12.6	14.0	13.1	15.4	13.4
Depreciation	134	136	138	136	126	127	132	134	544	519
Interest	3	3	3	3	4	3	5	5	12	17
Other Income	3	12	21	32	48	49	61	78	68	236
PBT before EO expense	**885**	**487**	**251**	**384**	**461**	**360**	**402**	**344**	**2,007**	**1,566**
PBT	**885**	**487**	**251**	**384**	**461**	**360**	**402**	**344**	**2,007**	**1,566**
Tax	229	128	64	100	125	91	104	87	520	407
Rate (%)	25.8	26.2	25.4	26.1	27.2	25.3	25.9	25.2	25.9	26.0
Reported PAT	**656**	**359**	**188**	**284**	**336**	**269**	**298**	**257**	**1,487**	**1,159**
YoY Change (%)	39.4	17.7	-37.2	-58.6	-48.8	-25.2	58.7	-9.4	-15.5	-22.0
Margin (%)	12.9	9.2	5.8	7.2	8.5	7.7	8.7	8.3	9.2	8.3

PI Industries — Buy

CMP INR3,891 | TP: INR4,490 (+15%) — **EPS CHANGE (%): FY25|26: -1|-1**

- The CSM business is likely to grow ~16% YoY.
- Demand scenario and product launches in the domestic and CSM segments will be a key focus area.
- EBITDA margin is likely to expand to ~23.4% in 4QFY24 from 21.9% in 4QFY23 led by better gross margin.
- Update on the Pharma Intermediate segment will be a key monitorable.

Quarterly Earning Model (INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**15,432**	**17,700**	**16,132**	**15,656**	**19,104**	**21,169**	**18,975**	**19,441**	**64,920**	**78,689**
YoY Change (%)	29.3	30.7	18.9	12.2	23.8	19.6	17.6	24.2	22.5	21.2
Total Expenditure	11,976	13,381	11,981	12,228	14,426	15,655	13,439	14,896	49,566	58,416
EBITDA	**3,456**	**4,319**	**4,151**	**3,428**	**4,678**	**5,514**	**5,536**	**4,546**	**15,354**	**20,274**
Margins (%)	22.4	24.4	25.7	21.9	24.5	26.0	29.2	23.4	23.7	25.8
Depreciation	560	560	567	577	697	803	783	820	2,264	3,103
Interest	36	111	89	33	43	78	70	50	269	241
Other Income	241	317	502	495	469	469	561	420	1,555	1,919
PBT before EO expense	**3,101**	**3,965**	**3,997**	**3,313**	**4,407**	**5,102**	**5,244**	**4,096**	**14,376**	**18,849**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**3,101**	**3,965**	**3,997**	**3,313**	**4,407**	**5,102**	**5,244**	**4,096**	**14,376**	**18,849**
Tax	516	629	484	519	625	317	772	696	2,148	2,410
Rate (%)	16.6	15.9	12.1	15.7	14.2	6.2	14.7	17.0	14.9	12.8
Minority Interest & Profit/Loss of Asso. Cos.	-39	-12	-5	-12	-47	-20	-14	-18	-68	-99
Reported PAT	**2,624**	**3,348**	**3,518**	**2,806**	**3,829**	**4,805**	**4,486**	**3,417**	**12,296**	**16,537**
Adj PAT	**2,624**	**3,348**	**3,518**	**2,806**	**3,829**	**4,805**	**4,486**	**3,417**	**12,296**	**16,537**
YoY Change (%)	40.2	45.8	58.0	37.3	45.9	43.5	27.5	21.8	45.7	34.5
Margins (%)	17.0	18.9	21.8	17.9	20.0	22.7	23.6	17.6	18.9	21.0

SRF — Neutral

CMP INR2,523 | TP: INR2,440 (-3%) — **EPS CHANGE (%): FY25|26: -6|-2**

- Expect the Chemicals/Packaging/Technical Textiles segments to decline 15%/decline 4%/grow 10% YoY
- Commissioning and ramp up of Specialty Chemicals and Fluorochemicals plants will be a key focus area.
- Demand scenario and realizations for key chemicals will be the key monitorable.
- Update on the demand-supply scenario of Technical Textile and Packaging businesses will be keenly watched.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**38,947**	**37,278**	**34,697**	**37,781**	**33,384**	**31,774**	**30,530**	**34,803**	**1,48,703**	**1,30,490**
YoY Change (%)	44.3	31.3	3.7	6.4	-14.3	-14.8	-12.0	-7.9	19.6	-12.2
Total Expenditure	28,749	29,226	26,211	28,185	26,184	25,320	24,691	27,959	1,12,371	1,04,155
EBITDA	**10,198**	**8,052**	**8,486**	**9,596**	**7,200**	**6,453**	**5,839**	**6,843**	**36,332**	**26,335**
Margins (%)	26.2	21.6	24.5	25.4	21.6	20.3	19.1	19.7	24.4	20.2
Depreciation	1,307	1,393	1,507	1,546	1,566	1,612	1,689	1,750	5,753	6,617
Interest	325	445	620	659	656	793	674	670	2,048	2,793
Other Income	99	327	100	223	118	291	188	310	749	906
PBT before EO expense	**8,665**	**6,542**	**6,460**	**7,614**	**5,095**	**4,339**	**3,664**	**4,733**	**29,280**	**17,831**
Extra-Ord expense & DO	249	361	150	280	237	191	181	0	1,040	609
PBT	**8,416**	**6,181**	**6,309**	**7,334**	**4,858**	**4,148**	**3,483**	**4,733**	**28,240**	**17,222**
Tax	2,336	1,371	1,200	1,709	1,265	1,140	949	1,159	6,617	4,513
Rate (%)	27.0	21.0	18.6	22.5	24.8	26.3	25.9	24.5	22.6	25.3
Reported PAT	**6,080**	**4,810**	**5,109**	**5,625**	**3,593**	**3,008**	**2,534**	**3,574**	**21,623**	**12,709**
Adj PAT	**6,329**	**5,171**	**5,259**	**5,905**	**3,830**	**3,199**	**2,715**	**3,574**	**22,663**	**13,319**
YoY Change (%)	63.1	42.9	11.4	-0.6	-39.5	-38.1	-48.4	-39.5	24.8	-41.2
Margins (%)	16.2	13.9	15.2	15.6	11.5	10.1	8.9	10.3	15.2	10.2

Tata Chemicals — Neutral

CMP INR1,087 | TP: INR980 (-10%) — **EPS CHANGE (%): FY25|26: 0|0**

- Revenue is likely to decline 20% YoY due to ~32%/22% decline in North America/Kenya.
- The current demand scenario in Soda Ash in TTCH's key markets is a focus area.
- EBITDA margin is likely to contract to ~15.8% from 21.9% in 4QFY23, due to higher employee and power costs.
- Pricing outlook on Soda Ash and contract renewal in TCNA will be the key monitorables.

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**39,950**	**42,390**	**41,480**	**44,070**	**42,180**	**39,980**	**37,300**	**35,426**	**1,67,890**	**1,54,886**
YoY Change (%)	34.2	40.2	32.0	26.6	5.6	-5.7	-10.1	-19.6	33.0	-7.7
Total Expenditure	29,800	33,190	32,260	34,420	31,750	31,790	31,880	29,841	1,29,670	1,25,261
EBITDA	**10,150**	**9,200**	**9,220**	**9,650**	**10,430**	**8,190**	**5,420**	**5,585**	**38,220**	**29,625**
Margins (%)	25.4	21.7	22.2	21.9	24.7	20.5	14.5	15.8	22.8	19.1
Depreciation	2,130	2,180	2,270	2,340	2,290	2,340	2,460	2,500	8,920	9,590
Interest	800	860	1,070	1,330	1,230	1,450	1,320	1,200	4,060	5,200
Other Income	460	600	370	750	490	850	380	745	2,180	2,465
PBT before EO expense	**7,680**	**6,760**	**6,250**	**6,730**	**7,400**	**5,250**	**2,020**	**2,631**	**27,420**	**17,301**
Extra-Ord expense	40	50	70	20	-90	-1,020	0	0	180	-1,110
PBT	**7,640**	**6,710**	**6,180**	**6,710**	**7,490**	**6,270**	**2,020**	**2,631**	**27,240**	**18,411**
Tax	1,560	380	1,020	-80	1,710	1,200	680	645	2,880	4,235
Rate (%)	20.4	5.7	16.5	-1.2	22.8	19.1	33.7	24.5	10.6	23.0
MI & Profit/Loss of Asso. Cos.	190	50	1,250	-300	460	790	-240	-190	1,190	820
Reported PAT	**5,890**	**6,280**	**3,910**	**7,090**	**5,320**	**4,280**	**1,580**	**2,176**	**23,170**	**13,356**
Adj PAT	**5,930**	**6,330**	**3,980**	**7,110**	**5,230**	**3,515**	**1,580**	**2,176**	**23,350**	**12,246**
YoY Change (%)	105.9	198.9	32.2	53.6	-11.8	-44.5	-60.3	-69.4	84.8	-47.6
Margins (%)	14.8	14.9	9.6	16.1	12.4	8.8	4.2	6.1	13.9	7.9

Vinati Organics — Buy

CMP: INR1,470 | TP: INR1,850 (+26%) — **EPS CHANGE (%): FY24|25: -6|-3**

- Expect revenue to decline 16% YoY to INR4.2b due to weak ATBS demand.
- Key driver: ramp-up of Antioxidants plant to aid sales growth in FY25E
- EBITDA margin to be at 22.6% with gross margin at 45.4% in 4QFY24
- Watch out for capex updates (mainly on MEHQ and Guaiacol) and other new product announcements.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**5,063**	**5,663**	**5,165**	**5,034**	**4,310**	**4,629**	**4,480**	**4,246**	**20,926**	**17,666**
YoY Change (%)	31.0	51.4	40.0	3.6	-14.9	-18.3	-13.3	-15.6	29.5	-15.6
Gross Margin (%)	45.5%	45.0%	50.0%	50.3%	47.6%	45.8%	47.2%	45.4%	47.6%	46.5%
EBITDA	**1,309**	**1,485**	**1,480**	**1,523**	**1,090**	**1,048**	**1,147**	**958**	**5,796**	**4,243**
Margin (%)	25.8	26.2	28.6	30.3	25.3	22.6	25.6	22.6	27.7	24.0
Depreciation	128	130	166	130	132	173	193	203	555	701
Interest	5	0	2	1	3	9	10	8	8	29
Other Income	187	200	113	170	153	106	88	93	669	440
PBT before EO expense	**1,363**	**1,554**	**1,424**	**1,561**	**1,109**	**972**	**1,032**	**840**	**5,902**	**3,953**
PBT	**1,363**	**1,554**	**1,424**	**1,561**	**1,109**	**972**	**1,032**	**840**	**5,902**	**3,953**
Tax	351	394	355	407	276	247	262	210	1,507	995
Rate (%)	25.7	25.3	24.9	26.1	24.9	25.4	25.4	24.9	25.5	25.2
Reported PAT	**1,012**	**1,160**	**1,069**	**1,154**	**832**	**725**	**770**	**630**	**4,395**	**2,958**
YoY Change (%)	25.0	42.6	28.4	14.1	-17.7	-37.5	-28.0	-45.4	26.8	-32.7
Margin (%)	20.0	20.5	20.7	22.9	19.3	15.7	17.2	14.8	21.0	16.7

Consumer

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

On the course of volume pickup

MOFSL coverage universe to clock 5.6%/6.2% YoY growth in revenue/EBITDA

Demand trends were steady in 4QFY24, and companies have been focusing on boosting their core portfolios through various initiatives, including distribution expansion, product relaunches, step-up in marketing budgets, etc. Urban markets continued to see improvement, and rural markets have also started witnessing recovery (Dabur's rural growth was better than urban growth). FY24 was an interim phase when price cuts/consumer offer impacted revenue growth, while volume recovery lagged (around 12-15 months). We believe volume growth has bottomed out and expect a better print in FY25 (**our recent sector thematic).** We are seeing select price hikes (HPC categories); hence, we believe that revenue growth could be slightly higher than volume growth for select companies. Our FMCG universe is likely to post low to mid-single digit volume growth in 4QFY24. Paints and adhesive companies are expected to report high single-digit volume growth. The cigarette segment is seeing a moderation in demand and is expected to deliver flat volume growth. Overhead expenses related to distribution and marketing are expected to remain elevated. Still, with gross margin benefits, we expect EBITDA to grow at a higher rate than revenue. The 19 companies under our coverage are expected to deliver revenue growth of ~5.6%, EBITDA growth of ~6.2%, and PAT growth of 7.4% in 4QFY24.

Commodity prices stable; gold keeps shining

As we mentioned in our commodity note in Mar'24, in the **non-agricultural basket,** crude oil prices went up by 2.0% YoY but dropped by 1.8% QoQ in 4QFY24. However, the price has been range-bound for the last 30 days at around USD85/bbl. VAM prices have rebounded to USD1,013/t currently, up 15.1% since Jan'24 compared to the 3QFY24 average of USD 888/t. Despite this increase, VAM prices are still down by 7.7% YoY. Domestic gold prices increased by 10.5% YoY and 3.7% QoQ in 4Q, and they are currently trading at INR65,446 per 10gm, attributed to high US interest rates and inflation concerns. Titanium dioxide (TiO2) prices declined by 13.1% YoY and 2.8% QoQ; now at INR340/kg.

- **In the agricultural basket,** maize prices went up by 3.9% YoY and 4.6% QoQ. Coffee prices rose 15.3% YoY (2.5% QoQ) due to unusual rainfall, labor shortages, and higher demand. Tea prices fell sharply by 10.2% YoY and 21.1% QoQ due to low export demand and slow rural consumption. Wheat prices rose 2.6% YoY, aided by government support to farmers, but dropped 2.4% QoQ. Barley prices fell 25.1% YoY and 3.9% QoQ to INR2,032/quintal. Sugar prices increased by 10.8% YoY but decreased by 3.6% QoQ; now at INR3,800/quintal. Mentha oil prices dropped 18.7% YoY but remained steady QoQ. Malaysian palm oil prices increased by 7.9% QoQ but slightly decreased by 1.2% YoY. Palm fatty acid prices rose 2.7% YoY; now at USD816/MT.
- **Overall commodity cost basket:** The commodity cost basket fell 1.8% YoY but remained flat QoQ. There was an increase of 2.4% YoY/1.7% QoQ in the agricultural basket. The decrease in prices of tea, wheat, barley and sugar was offset by a rise in prices of coffee and maize. Conversely, the non-agricultural commodity basket declined 6.2% YoY and increased 2.4% QoQ, offsetting the rise in agri commodity prices.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@MotilalOswal.com)
Research Analyst: Pratik Prajapati (Pratik.Prajapati@MotilalOswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

4QFY24 – Key earnings outliers and underperformers

- Outliers: GCPL, Marico, Nestle
- Underperformer: HUL, Britannia

Outlook and recommendation

We continue to believe that discretionary categories/companies have better growth potential, driven by factors such as market penetration, deeper distribution reach, GDP multiplier, higher wallet share, etc. However, we do see growth normalization (settling of pent-up demand). We also believe that amid intensifying competition, it will be difficult for many discretionary companies to sustain high margins. Discretionary companies are also facing the risk of earnings cuts, along with a valuation check. However, we anticipate volume growth for staples companies to bottom out, with limited risk of earnings cuts. Given the comfort level in valuation and earnings, we believe that select staple companies offer a better risk-reward compared to several discretionary companies over the next 12-18 months. We recommend increasing portfolio weights for staples companies. We prefer HUL, GCPL, and Dabur in the staples category. In the discretionary category, we continue to favor the jewelry space and prefer Titan.

Top picks

- **HUL:** We expect that the volume growth has bottomed out and anticipate a gradual volume recovery in FY25. HUL 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 oneyear forward earning.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The stock valuation is expensive, but earnings are expected to outperform peers.
- **DABUR:** Recovery in rural markets should support Dabur's 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. The stock currently trades at a P/E of <40x FY26E EPS.

Exhibit 1: Summary of 4QFY24 earnings estimates

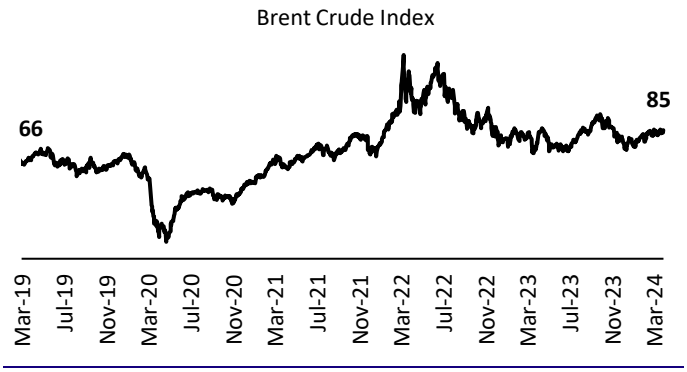
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Asian Paints	2871	Neutral	90,993	3.6	0.0	19,840	6.4	-3.5	13,971	8.9	-5.3
Britannia	4891	Neutral	41,316	2.7	-2.9	8,071	0.8	-1.7	5,648	2.0	0.9
Colgate	2714	Neutral	15,002	11.1	7.5	5,149	13.9	9.9	3,669	15.5	11.1
Dabur	529	Buy	28,453	6.3	-12.6	4,478	9.3	-32.9	3,246	0.5	-37.9
Emami	440	Buy	8,663	3.6	-13.1	2,055	2.9	-34.7	2,060	39.5	-27.1
Godrej Consumer	1227	Buy	33,838	5.7	-7.5	7,706	15.9	-14.8	5,340	13.6	-8.9
Hind. Unilever	2287	Buy	1,53,639	1.0	-1.3	35,420	-0.9	-3.4	25,076	-1.3	-1.3
Indigo Paints	1317	Buy	3,990	22.6	12.8	888	23.8	42.7	574	17.9	52.8
ITC	427	Buy	1,84,221	4.5	2.2	66,246	0.0	1.9	51,216	0.0	2.2
Jyothy Labs	444	Neutral	6,837	10.8	0.9	1,170	28.2	-1.3	851	43.6	-6.4
Marico	496	Buy	22,749	1.6	-6.1	4,478	13.9	-12.7	3,739	23.8	-2.4
Nestle	2586	Neutral	52,425	8.5	14.0	12,789	13.8	13.3	8,694	15.8	11.4
P&G Hygiene	16599	Neutral	9,361	6.0	-17.4	2,011	34.7	-35.1	1,454	35.3	-36.5
Page Industries	34729	Neutral	10,645	9.8	-13.4	1,933	43.9	-15.8	1,262	61.1	-17.1
Pidilite Inds.	3049	Neutral	28,211	4.9	-9.9	6,626	44.3	-10.8	4,467	55.5	-12.5
Tata Consumer	1087	Buy	39,564	9.3	4.0	6,088	19.0	6.4	3,864	41.3	11.2
United Breweries	1786	Sell	19,721	11.8	8.2	1,763	229.8	21.1	1,051	980.3	23.9
United Spirits	1158	Neutral	25,911	3.9	-13.3	3,628	7.3	-26.2	2,412	13.6	-30.7
Varun Beverages	1397	Buy	42,280	8.6	58.5	8,847	10.9	111.5	4,794	11.7	263.8
Consumer			**8,07,523**	**5.6**	**2.0**	**1,93,174**	**6.2**	**-1.1**	**1,41,151**	**7.4**	**-5.7**

Exhibit 2: Expect most of the companies to post low single-digit volume growth in 4QFY24

Quarter ending (gr. %)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E
Asian Paints (Dom. Deco.)	48.0	106.0	34.0	10.0	8.0	37.0	10.0	0.0	16.0	10.0	6.0	12.0	9.0
Britannia (Biscuits)	8.0	1.0	5.0	6.0	4.0	(2.0)	4.0	2.0	3.0	0.0	0.0	3.0	3.5
Colgate (Toothpaste)	16.0	8.0	4.0	1.0	(4.0)	(1.0)	0.0	-2.0	0.0	5.0	-1.0	-1.0	4.0
Dabur	25.4	34.4	10.0	2.0	2.0	5.0	2.0	-3.0	1.0	3.0	3.0	4.0	3.0
Emami	39.0	38.0	6.2	0.0	0.0	9.6	-1	-3.9	2.0	3.0	2.0	-0.9	2.0
Hindustan Unilever	31.0	9.0	4.0	2.0	0.0	6.0	4.0	5.0	4.0	3.0	2.0	2.0	3.0
ITC (Cigarettes)	7.0	31.0	9.0	12.5	9.0	26.0	21.0	15.0	12.0	8.0	4.0	-1.0	0.0
Marico (Dom.)	25.0	21.0	8.0	0.0	1.0	(6.0)	3.0	4.0	5.0	3.0	3.0	2.0	3.0

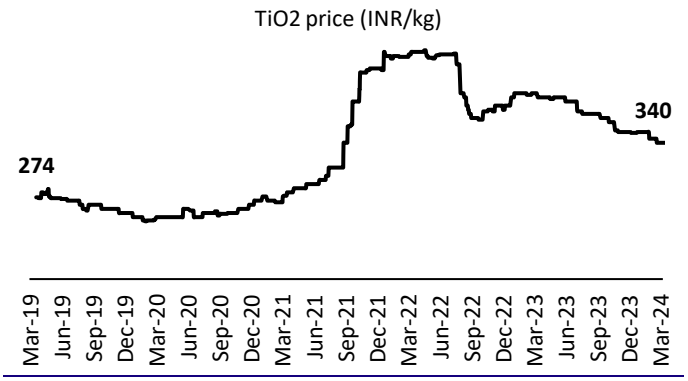
Source: Company, MOFSL

Exhibit 1: Crude prices rose 2.0% YoY/ 1.8% QoQ in Mar'24



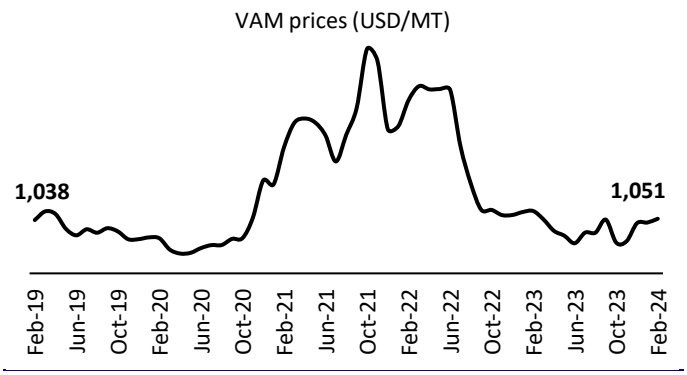
Source: Bloomberg, MOFSL

Exhibit 2: TiO2 prices fell 13.1% YoY/2.8% QoQ in Mar'24



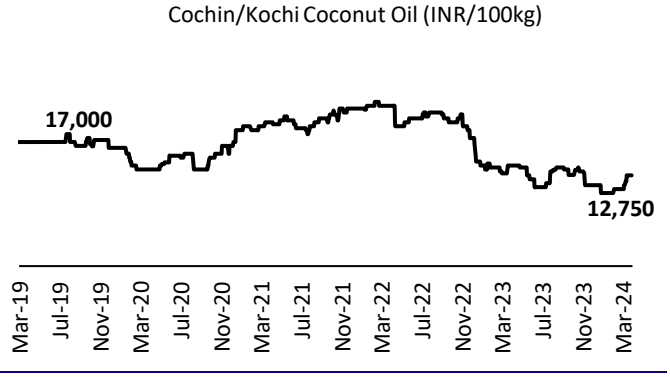
Source: Bloomberg, MOFSL

Exhibit 3: VAM prices down 7.7% YoY/up 15.1% QoQ in Mar'24



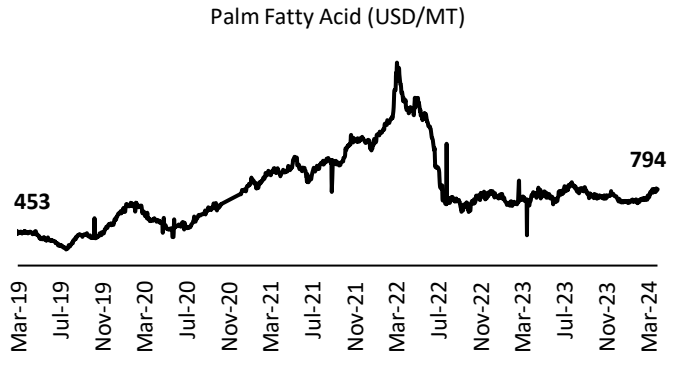
Source: Bloomberg, MOFSL

Exhibit 4: Copra prices fell 19.6% YoY/9.7% QoQ in Mar'24



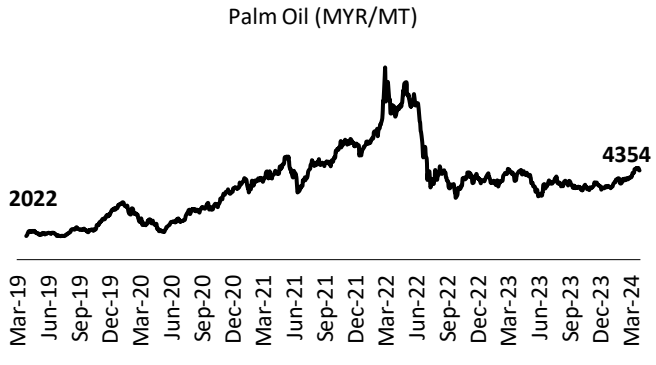
Source: Company, MOFSL

Exhibit 5: PFAD prices rose 2.7% YoY/and flat on QoQ in Mar'24



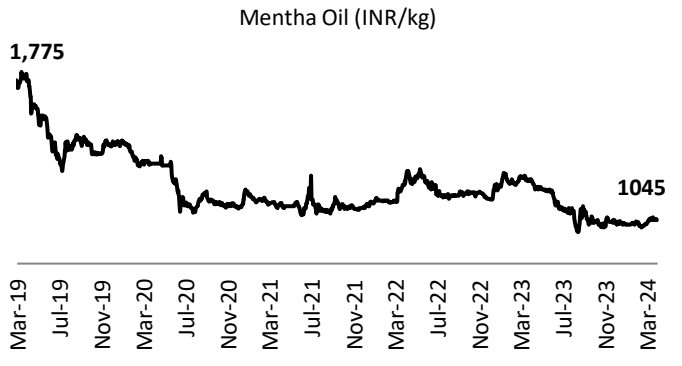
Source: Bloomberg, MOFSL

Exhibit 6: Malaysian palm oil prices flat on YoY/ rose 7.9% QoQ in Mar'24



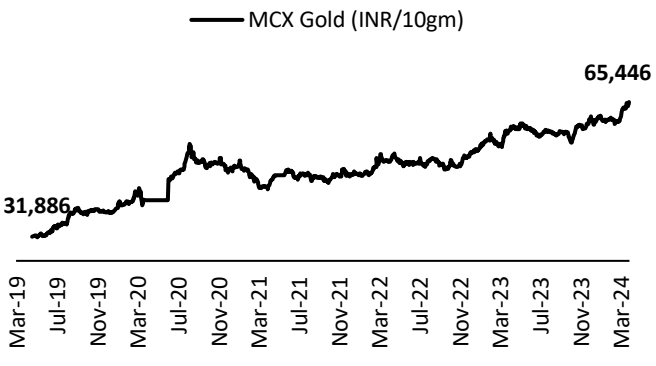
Source: Bloomberg, MOFSL

Exhibit 7: Mentha oil prices fell 18.7% YoY/flat on QoQ in Mar'24



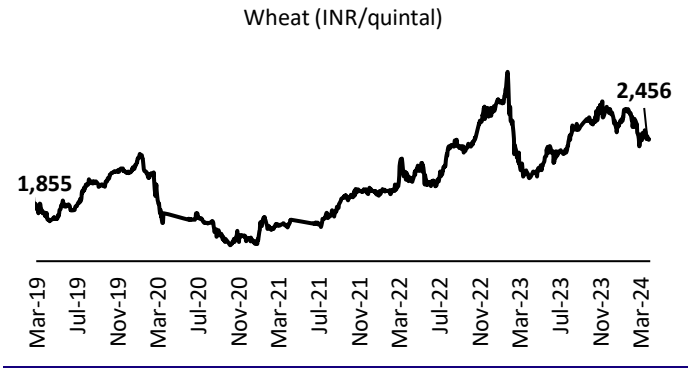
Source: Bloomberg, MOFSL

Exhibit 8: Gold prices rose 10.5% YoY/ 3.7% QoQ in Mar'24



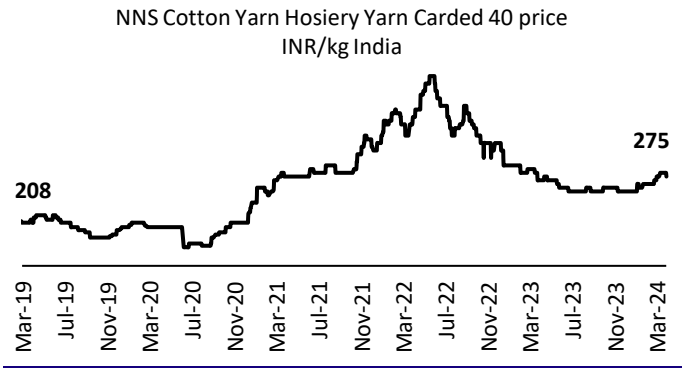
Source: Bloomberg, MOFSL

Exhibit 9: Wheat prices rose 2.6%YoY and fell 2.4% QoQ in Mar'24



Source: Bloomberg, MOFSL

Exhibit 10: Yarn prices down 6.0% YoY/rose 4.0% QoQ in Mar'24

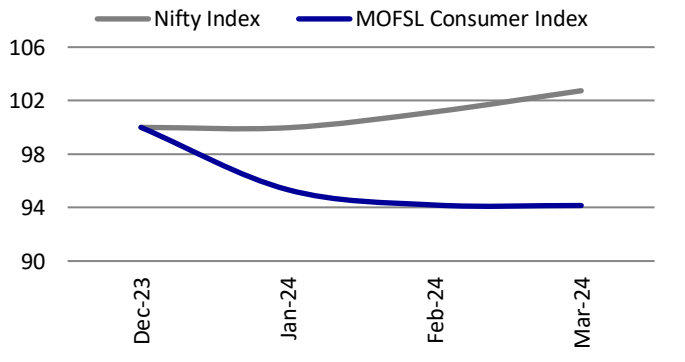


Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuation

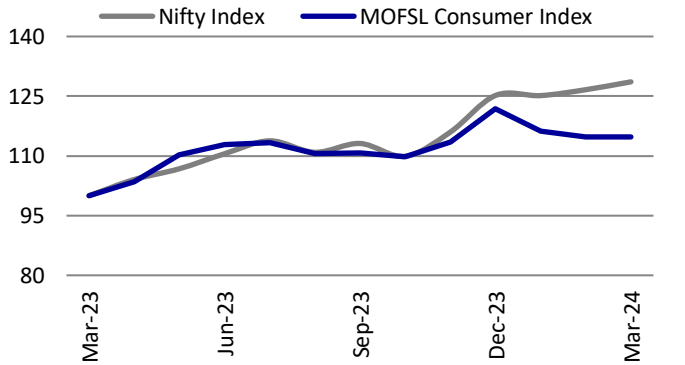
Company Name	CMP INR	Reco	EPS (INR) FY24E	EPS (INR) FY25E	EPS (INR) FY26E	PE (x) FY24E	PE (x) FY25E	PE (x) FY26E	PB (x) FY24E	PB (x) FY25E	PB (x) FY26E	ROE (%) FY24E	ROE (%) FY25E	ROE (%) FY26E
Consumer						**47.1**	**43.5**	**39.3**	**12.2**	**11.2**	**10.4**	**25.8**	**25.7**	**26.5**
Asian Paints	2,871	Neutral	59.2	59.3	64.3	48.1	48.4	44.7	15.7	14.5	13.1	34.1	31.3	30.8
Britannia	4,891	Neutral	89.9	101.6	113.4	54.7	48.1	43.1	30.2	26.0	21.9	58.1	58.0	55.2
Colgate	2,714	Neutral	48.9	51.5	56.1	55.4	52.7	48.4	38.0	33.2	28.3	72.8	67.3	63.1
Dabur	529	Buy	10.5	12.2	13.5	50.0	43.3	39.3	9.5	8.8	8.2	19.8	21.2	21.5
Emami	440	Buy	18.7	20.5	21.0	22.9	21.5	20.9	7.2	6.6	6.0	33.6	32.4	29.9
Godrej Consumer	1,227	Buy	20.2	22.6	26.5	62.0	54.3	46.4	8.5	7.6	6.9	14.3	14.6	15.5
Hind. Unilever	2,287	Buy	43.8	48.0	52.7	51.8	47.6	43.4	10.4	10.3	10.0	20.3	21.9	23.4
Indigo Paints	1,317	Buy	31.9	35.9	40.1	39.4	36.7	32.8	6.7	6.1	5.3	18.1	17.7	17.3
ITC	427	Buy	16.4	17.2	18.5	26.1	24.8	23.1	7.6	7.5	7.3	29.4	30.4	31.9
Jyothy Labs	444	Neutral	10.0	11.0	12.1	44.0	40.5	36.6	9.3	8.6	7.8	22.4	22.2	22.3
Marico	496	Buy	11.5	12.5	13.7	43.0	39.7	36.1	16.3	15.8	15.2	38.5	40.3	42.8
Nestle	2,586	Neutral	40.5	35.8	40.9	64.7	72.2	63.3	86.7	74.5	65.0	145.3	110.3	109.8
P&G Hygiene	16,599	Neutral	241.7	271.3	310.0	69.9	61.2	53.5	53.5	44.9	38.4	79.7	79.2	77.4
Page Industries	34,729	Neutral	526.5	636.0	737.9	65.4	54.6	47.1	23.9	20.5	17.4	36.5	37.5	37.0
Pidilite Inds.	3,049	Neutral	37.2	42.6	49.6	81.0	71.5	61.5	18.5	16.4	14.4	24.4	24.5	25.0
Tata Consumer	1,087	Buy	14.7	18.4	20.5	74.4	58.9	53.0	5.9	4.5	4.2	8.3	9.1	8.8
United Breweries	1,786	Sell	16.4	26.2	32.3	106	68	55.3	10.9	10.3	9.4	10.6	15.8	17.8
United Spirits	1,158	Neutral	16.0	18.3	20.4	71	63	56.7	11.6	9.9	8.5	16.3	15.7	14.9
Varun Beverages	1,397	Buy	15.8	20.2	26.3	88.4	69.1	53.2	26.2	19.6	14.7	34.2	32.5	31.6

Exhibit 12: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 13: One-year relative performance (%)



Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Asian Paints — Neutral

CMP: INR2,871 | TP: INR3,150 (-10%) — **EPS CHANGE (%): FY25|FY26: -3.2|-4.4**

- We expect 9% YoY volume growth in 4QFY24.
- We expect gross margin to expand 100bp YoY/flat on QoQ.
- TiO2 to decline 13.3% YoY/3.0% QoQ in 4QFY24.
- Despite implementing price cuts in 4Q, volume has not recovered. We believe that demand remained subdued throughout the quarter.

Quarterly Performance (Consol.) — **(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Est. Dom. Deco. Vol. growth (%)	**37.0**	**10.0**	**0.0**	**16.0**	**10.0**	**6.0**	**12.0**	**9.0**	**14.0**	**9.3**
Net Sales	**86,069**	**84,576**	**86,367**	**87,873**	**91,823**	**84,786**	**91,031**	**90,993**	**3,44,886**	**3,58,633**
Change (%)	54.1	19.2	1.3	**11.3**	6.7	0.2	5.4	3.6	18.5	4.0
Gross Profit	**32,450**	**30,219**	**33,310**	**37,341**	**39,419**	**36,771**	**39,695**	**39,620**	**1,33,321**	**1,55,505**
Gross Margin (%)	37.7	35.7	38.6	**42.5**	42.9	43.4	43.6	43.5	38.7	43.4
EBITDA	**15,560**	**12,277**	**16,114**	**18,648**	**21,213**	**17,162**	**20,561**	**19,840**	**62,598**	**78,776**
Margin (%)	18.1	14.5	18.7	**21.2**	23.1	20.2	22.6	21.8	18.2	22.0
Change (%)	70.3	35.7	4.5	**29.2**	36.3	39.8	27.6	6.4	30.3	25.8
Interest	288	354	414	**389**	458	509	544	545	1,445	2,056
Depreciation	2,081	2,157	2,141	**2,202**	1,983	2,087	2,204	2,226	8,580	8,499
Other Income	990	955	866	**1,055**	1,971	1,652	1,386	1,458	3,865	6,467
PBT	**14,181**	**10,721**	**14,426**	**17,112**	**20,743**	**16,218**	**19,199**	**18,528**	**56,438**	**74,688**
Tax	3,706	2,903	3,811	**4,514**	5,301	4,186	4,926	4,632	14,935	19,045
Effective Tax Rate (%)	26.1	27.1	26.4	**26.4**	25.6	25.8	25.7	25.0	26.5	25.5
Adjusted PAT	**10,602**	**8,038**	**10,971**	**12,831**	**15,749**	**12,324**	**14,752**	**13,971**	**42,442**	**56,795**
Change (%)	84.6	32.8	6.4	**29.6**	48.5	53.3	34.5	8.9	32.6	33.8

E: MOFSL Estimates

Britannia Industries — Neutral

CMP: INR4,891 | TP: INR 5,200 (6%) — **EPS CHANGE (%): FY25|FY26: 0.5|0.3**

- We expect ~4% volume growth (pack growth) in 4Q.
- We expect gross margin and EBITDA margin decline of 90bp and 40bp YoY.
- The upward surge seen in raw material prices in anticipation of low supply.
- Look out for pack growth; likely to implement grammage addition to remain competitive.

Consol. Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Base business volume growth (%)	**-2.0**	**5.0**	**3.0**	**3.0**	**0.0**	**0.0**	**3.0**	**3.5**	**2.3**	**1.6**
Net Sales	**37,010**	**43,797**	**41,968**	**40,232**	**40,107**	**44,329**	**42,563**	**41,316**	**1,63,006**	**1,68,315**
YoY change (%)	8.7	21.4	17.4	13.3	8.4	1.2	1.4	2.7	15.3	3.3
Gross Profit	**13,648**	**17,051**	**18,321**	**18,073**	**16,820**	**19,011**	**18,673**	**18,208**	**67,093**	**72,712**
Margins (%)	36.9	38.9	43.7	44.9	41.9	42.9	43.9	44.1	41.2	43.2
EBITDA	**5,007**	**7,118**	**8,176**	**8,009**	**6,889**	**8,724**	**8,211**	**8,071**	**28,309**	**31,894**
Margins (%)	13.5	16.3	19.5	19.9	17.2	19.7	19.3	19.5	17.4	18.9
YoY growth (%)	-9.6	27.5	51.5	45.7	37.6	22.6	0.4	0.8	28.6	12.7
Depreciation	510	517	580	653	708	717	781	794	2,259	2,999
Interest	420	541	381	349	531	534	311	320	1,691	1,695
Other Income	555	532	508	564	539	524	506	591	2,159	2,159
PBT	**4,633**	**6,592**	**7,722**	**7,571**	**6,190**	**7,997**	**7,625**	**7,548**	**26,518**	**29,359**
Tax	1,274	1,686	2,169	2,035	1,665	2,121	2,026	1,900	7,165	7,712
Rate (%)	27.5	25.6	28.1	26.9	26.9	26.5	26.6	25.2	27.0	26.3
Adjusted PAT	**3,359**	**4,906**	**5,553**	**5,536**	**4,525**	**5,875**	**5,599**	**5,648**	**19,353**	**21,647**
YoY change (%)	-13.2	28.6	49.7	46.5	34.7	19.8	0.8	2.0	27.6	11.9

Colgate — Neutral

CMP: INR2,714 | TP: INR2,500 (-8%) — **EPS CHANGE (%): FY25|FY26: 1.7|2.3**

- We expect 4.5% volume growth in 4Q.
- We expect gross margin improvements of 370bp YoY.
- We expect EBITDA margin to improve YoY by 90bp.
- Key monitorables: Volume growth, RM costs, A&P spending, and performance of new launch category.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume Gr %	**-4.0**	**-2.5**	**-2.5**	**-4.5**	**3.0**	**-1.0**	**-1.0**	**4.0**	**-3.4**	**1.3**
Net Sales (incldg. OOI)	**11,968**	**13,875**	**12,913**	**13,506**	**13,237**	**14,711**	**13,957**	**15,002**	**52,262**	**56,901**
YoY change (%)	-2.9	8.1	10.7	-0.1	10.6	6.0	8.1	11.1	3.8	8.9
COGS	4,031	5,029	4,407	4,475	4,179	4,594	3,883	4,415	17,942	17,111
Gross Profit	**7,938**	**8,846**	**8,506**	**9,031**	**9,058**	**10,117**	**10,073**	**10,586**	**34,320**	**39,790**
Gross margin (%)	66.3	63.8	65.9	66.9	68.4	68.8	72.2	70.6	65.7	69.9
Other operating Expenses	4,681	4,766	4,891	4,512	4,877	5,295	5,389	5,437	18,850	20,955
% to sales	39.1	34.3	37.9	33.4	36.8	36.0	38.6	36.2	36.1	36.8
EBITDA	**3,257**	**4,080**	**3,615**	**4,519**	**4,181**	**4,821**	**4,684**	**5,149**	**15,470**	**18,836**
Margins (%)	27.2	29.4	28.0	33.5	31.6	32.8	33.6	34.3	29.6	33.1
YoY growth (%)	-12.1	-3.3	1.8	12.8	28.4	18.2	29.6	13.9	-0.1	21.8
Depreciation	442	439	437	431	438	443	414	474	1,748	1,768
Interest	13	13	13	11	11	11	15	14	49	50
Financial other Income	115	113	104	204	150	210	179	162	536	701
PBT	**2,918**	**3,741**	**3,269**	**4,281**	**3,883**	**4,578**	**4,434**	**4,823**	**14,209**	**17,718**
Tax	727	961	837	1,100	951	1,178	1,133	1,154	3,724	4,411
Rate (%)	24.9	25.7	25.6	25.7	24.5	25.7	25.6	23.9	26.2	24.9
Adj PAT	**2,167**	**2,780**	**2,432**	**3,175**	**2,883**	**3,401**	**3,301**	**3,669**	**10,584**	**13,307**
YoY change (%)	-12.8	-11.6	4.3	18.0	33.1	22.3	35.7	15.5	-0.7	25.7

E: MOFSL Estimates

Dabur — Buy

CMP: INR529 | TP: INR650 (+23%) — **EPS CHANGE (%): FY25|FY26: -4.6|-8.0**

- We expect 3% YoY volume growth in 4QFY24
- Growth outlook on Juices portfolio, food and international business.
- We expect gross margin to improve 270bp YoY in 4QFY24.
- Watch out for commentaries on Rural business recovery.

Consol. Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic FMCG vol. growth (%)	**5.0**	**1.0**	**-3.0**	**1.0**	**3.0**	**3.0**	**4.0**	**3.0**	**2.0**	**3.3**
Net sales	**28,224**	**29,865**	**30,512**	**26,778**	**31,305**	**32,038**	**32,551**	**28,453**	**1,15,379**	**1,24,346**
YoY change (%)	8.1	6.0	3.5	6.4	10.9	7.3	6.7	6.3	5.9	7.8
Gross profit	**12,943**	**13,551**	**13,930**	**12,268**	**14,588**	**15,482**	**15,823**	**13,795**	**52,692**	**59,686**
Margin (%)	45.9	45.4	45.7	45.8	46.6	48.3	48.6	48.5	45.7	48.0
EBITDA	**5,437**	**6,007**	**6,179**	**4,098**	**6,047**	**6,609**	**6,678**	**4,478**	**21,721**	**23,812**
Margins (%)	19.3	20.1	20.3	15.3	19.3	20.6	20.5	15.7	18.8	19.2
YoY growth (%)	-1.5	-3.2	-2.7	-9.6	11.2	10.0	8.1	9.3	-3.9	9.6
Depreciation	676	705	709	1,020	856	873	859	850	3,110	3,438
Interest	122	151	189	321	243	281	365	311	782	1,200
Other income	1,006	1,233	1,008	1,207	1,098	1,164	1,274	1,464	4,454	5,000
PBT	**5,645**	**6,385**	**6,289**	**3,964**	**6,046**	**6,618**	**6,728**	**4,782**	**22,283**	**24,174**
Tax	1,231	1,473	1,435	1,035	1,368	1,443	1,550	1,098	5,174	5,458
Rate (%)	21.8	23.1	22.8	26.1	22.6	21.8	23.0	23.0	23.2	22.6
Adjusted PAT	**4,403**	**4,904**	**4,846**	**3,230**	**4,721**	**5,233**	**5,225**	**3,246**	**17,168**	**18,538**
YoY change (%)	0.7	-2.8	-5.1	-9.8	7.2	6.7	7.8	0.5	-6.4	8.0
Reported PAT	**4,403**	**4,904**	**4,846**	**3,008**	**4,639**	**5,151**	**5,142**	**3,166**	**17,184**	**18,538**

E: MOFSL Estimates

Emami

Buy

CMP: INR440 | TP: INR550 (+25%)

EPS CHANGE (%): FY25|FY26: -1.5|-2.0

- We expect 2% YoY volume growth in 4QFY24
- Watch out for commentaries on the outlook of pain management and healthcare products
- We expect gross margin to improve 230bp YoY and EBITDA margin to remain flat YoY.
- Growth outlook on D2C brands like The Man Company and Brillare and performance of MT and e-commerce channels.

Consol. Quarterly performance (INR m)

Y/E MARCH	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic volume growth (%)	9.6	-1.0	-3.9	2.0	3.0	2.0	-0.9	2.0	2.1	1.5
Net Sales	**7,733**	**8,138**	**9,827**	**8,360**	**8,257**	**8,649**	**9,963**	**8,663**	**34,057**	**35,531**
YoY change (%)	17.0	3.4	1.1	8.8	6.8	6.3	1.4	3.6	6.8	4.3
Gross Profit	**4,872**	**5,422**	**6,472**	**5,278**	**5,401**	**6,061**	**6,851**	**5,671**	**22,044**	**23,984**
Gross margin (%)	63.0	66.6	65.9	63.1	65.4	70.1	68.8	65.5	64.7	67.5
EBITDA	**1,733**	**1,954**	**2,942**	**1,998**	**1,900**	**2,337**	**3,149**	**2,055**	**8,627**	**9,441**
Margins (%)	22.4	24.0	29.9	23.9	23.0	27.0	31.6	23.7	25.3	26.6
YoY change	2.1	-29.5	-13.9	21.9	9.6	19.6	7.0	2.9	-9.4	9.4
Depreciation	881	479	472	640	460	461	458	452	2,473	1,831
Interest	25	18	18	14	21	23	27	29	74	100
Other Income	63	420	69	138	83	111	167	168	689	529
PBT	**891**	**1,877**	**2,521**	**1,482**	**1,502**	**1,964**	**2,831**	**1,743**	**6,770**	**8,040**
Tax	120	54	185	63	129	158	155	117	421	559
Rate (%)	13.5	2.9	7.3	4.2	8.6	8.1	5.5	6.7	6.2	6.9
Adj. PAT	**1,032**	**1,749**	**2,547**	**1,477**	**1,413**	**1,967**	**2,828**	**2,060**	**6,805**	**8,267**
YoY change (%)	-18.5	-22.9	-5.3	32.7	36.9	12.5	11.0	39.5	-7.3	21.5

E: MOFSL Estimates

Godrej Consumer

Buy

CMP: INR1,227 | TP: INR1,500 (+22%)

EPS CHANGE (%): FY25|FY26: -0.3|0.1

- We expect mid-single digit sales growth YoY in 4QFY24.
- We expect 310bp YoY improvement in gross margins.
- Management's strategic roadmap for the RNF molecule for other HI products.
- Commentaries on restructuring of the international businesses are key monitorables

Quarterly Performance (Consolidated) (INR m)

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales (including OOI)	**31,250**	**33,919**	**35,989**	**32,002**	**34,489**	**36,020**	**36,596**	**33,838**	**1,33,160**	**1,42,907**
YoY change (%)	8.0	7.2	9.0	9.8	10.4	6.2	1.7	5.7	8.5	7.3
Gross Profit	**14,558**	**16,238**	**18,408**	**16,928**	**18,534**	**19,771**	**20,454**	**18,954**	**66,132**	**77,713**
Margin (%)	46.6	47.9	51.1	52.9	53.7	54.9	55.9	56.0	49.7	54.4
EBITDA	5,326	5,742	7,675	6,648	6,818	7,234	9,048	7,706	24,305	30,806
Margins (%)	17.0	16.9	21.3	20.8	19.8	20.1	24.7	22.8	18.3	21.6
YoY growth (%)	-12.8	-15.4	9.8	32.3	28.0	26.0	17.9	15.9	1.5	26.7
Depreciation	571	533	573	686	763	609	539	593	2,363	2,503
Interest	351	483	399	525	740	773	666	621	1,757	2,800
Other Income	275	399	432	579	691	659	701	628	1,684	2,679
PBT	**4,562**	**4,804**	**6,725**	**5,777**	**5,617**	**6,319**	**7,904**	**7,120**	**21,868**	**28,182**
Tax	1,093	989	1,188	1,034	1,611	1,866	2,024	1,780	4,303	7,280
Rate (%)	23.9	20.6	17.7	17.9	28.7	29.5	25.6	25.0	19.7	25.8
Adj PAT	**3,465**	**3,766**	**5,528**	**4,702**	**3,732**	**4,415**	**5,862**	**5,340**	**17,566**	**20,901**
YoY change (%)	-16.5	-21.5	10.7	22.9	7.7	17.2	6.0	13.6	-2.0	19.0
Reported PAT	**3,451**	**3,589**	**5,467**	**4,521**	**3,188**	**4,328**	**5,811**	**5,340**	**17,025**	**18,667**

E: MOFSL Estimate

Hindustan Unilever

Buy

CMP: INR2,287 | TP: INR2,900 (+27%)

EPS CHANGE (%): FY25|FY26: -2.0|-1.7

- We expect 3% YoY domestic volume growth in 4QFY24
- We expect gross margin to expand 150bp YoY due to lower RM costs
- The increase in royalty rates and the termination of the distribution agreement for OTC and oral care products of GSK will impact EBITDA.
- Outlook on competition from local/regional players and rural vs. urban demand.

Quarterly performance (Consolidated) (INR m)

Y/E March	FY23				FY24					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Domestic volume growth (%)	**6.0**	**4.0**	**5.0**	**4.0**	**3.0**	**2.0**	**2.0**	**3.0**	**5.0**	**2.5**
Net sales	**1,46,240**	**1,51,440**	**1,55,970**	**1,52,150**	**1,54,960**	**1,56,230**	**1,55,670**	**1,53,639**	**6,05,800**	**6,20,499**
YoY change (%)	22.7	19.0	19.1	13.0	6.0	3.2	-0.2	1.0	15.5	2.4
COGS	76,640	81,970	81,080	77,470	76,790	73,450	74,790	75,912	3,17,160	3,00,942
Gross Profit	**69,600**	**69,470**	**74,890**	**74,680**	**78,170**	**82,780**	**80,880**	**77,727**	**2,88,640**	**3,19,557**
Margin %	47.6	45.9	48.0	49.1	50.4	53.0	52.0	50.6	47.6	51.5
Operating Exp	35,580	34,680	37,950	38,940	41,520	44,810	44,220	42,307	1,47,150	1,72,857
% to sales	24.3	22.9	24.3	25.6	26.8	28.7	28.4	27.5	24.3	27.9
EBITDA	**34,020**	**34,790**	**36,940**	**35,740**	**36,650**	**37,970**	**36,660**	**35,420**	**1,41,490**	**1,46,700**
YoY change (%)	19.5	11.1	12.7	10.1	7.7	9.1	-0.8	-0.9	10.0	3.7
Margins (%)	23.3	23.0	23.7	23.5	23.7	24.3	23.5	23.1	23.4	23.6
Depreciation	2,810	2,720	2,930	2,910	2,860	2,970	3,130	3,092	11,370	12,052
Interest	280	280	290	290	500	880	910	920	1,140	3,210
Other income	1,330	1,090	1,100	1,600	1,830	1,830	2,140	2,136	5,120	7,936
PBT	**32,260**	**32,880**	**34,820**	**34,140**	**35,120**	**35,950**	**34,760**	**33,543**	**1,34,100**	**1,39,373**
Tax	8,230	5,890	8,980	8,910	9,180	9,310	9,370	8,467	32,010	36,327
Rate (%)	25.5	17.9	25.8	26.1	26.1	25.9	27.0	25.2	23.9	26.1
PAT bei	**23,899**	**26,888**	**25,918**	**25,414**	**25,812**	**26,597**	**25,410**	**25,076**	**1,02,119**	**1,02,946**
YoY change (%)	21.8	22.9	13.1	11.3	8.0	-1.1	-2.0	-1.3	15.4	0.8
Reported Profit	**23,810**	**26,650**	**24,740**	**26,010**	**25,540**	**26,560**	**25,090**	**25,076**	**1,01,220**	**1,02,316**

E: MOFSL Estimates

Indigo Paints

Buy

CMP: INR1,317 | TP: INR1,600 (+21%)

EPS CHANGE (%): FY25|FY26: -9.4|-15.6

- We expect ~23% YoY sales growth, supported by company initiatives.
- We estimate gross margin improve 220bp and EBITDA margin to flat on YoY.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

Consol. Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**2,240**	**2,426**	**2,813**	**3,255**	**2,884**	**2,790**	**3,538**	**3,990**	**10,733**	**13,202**
Change (%)	43.6	23.7	6.0	12.9	28.8	15.0	25.8	22.6	18.5	23.0
Raw Material/PM	1,228	1,414	1,580	1,731	1,519	1,519	1,833	2,033	5,952	6,905
Gross Profit	**1,012**	**1,012**	**1,233**	**1,524**	**1,365**	**1,271**	**1,705**	**1,956**	**4,781**	**6,297**
Gross Margin (%)	45.2	41.7	43.8	46.8	47.3	45.6	48.2	49.0	44.5	47.7
EBITDA	**353**	**338**	**406**	**717**	**491**	**421**	**622**	**888**	**1,815**	**2,423**
Margin (%)	15.7	13.9	14.4	22.0	17.0	15.1	17.6	22.3	16.9	18.4
Change (%)	74.9	44.5	4.9	33.4	39.2	24.8	53.5	23.8	33.5	33.5
Interest	4	3	3	4	5	6	6	5	14	21
Depreciation	84	85	87	87	101	113	146	146	343	506
Other Income	5	32	38	28	38	32	31	30	101	131
PBT	**269**	**282**	**353**	**654**	**423**	**335**	**501**	**768**	**1,558**	**2,027**
Tax	70	74	91	168	108	81	125	194	402	509
Effective Tax Rate (%)	26.0	26.4	25.7	25.6	25.6	24.3	25.0	25.3	25.8	25.1
Adjusted PAT	**199**	**208**	**263**	**487**	**310**	**253**	**376**	**574**	**1,156**	**1,518**
Change (%)	71.5	53.2	8.1	40.7	55.9	22.1	43.0	17.9	37.5	31.3

E: MOFSL Estimates

ITC — Buy

CMP: INR427 | TP: INR500 (+17%) — **EPS CHANGE (%): FY25|FY26: -0.0|0.2**

- We expect flat YoY volume growth in Cigarettes business
- Margins in the FMCG business are expected to decrease due to the PLI benefit in the base quarter.
- We expect gross margin to decline 160bp YoY and EBITDA margin to fall 160bp YoY.
- Outlook on the agri and paper & packaging businesses a key monitorable.

Consol. Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Est. cigarette vol. gr. (%)	26	20	15	12	8	5	-1	0	**18.1**	**3.0**
Net Sales	**1,84,895**	**1,71,080**	**1,77,045**	**1,76,349**	**1,71,645**	**1,77,745**	**1,80,194**	**1,84,221**	**7,09,369**	**7,15,791**
YoY change (%)	39.6	24.4	3.5	6.5	-7.2	3.9	1.8	4.5	16.9	0.9
Gross Profit	**99,379**	**1,03,198**	**1,08,090**	**1,08,643**	**1,06,148**	**1,07,058**	**1,09,775**	**1,10,532**	**4,19,311**	**4,25,896**
Margin (%)	53.7	60.3	61.1	61.6	61.8	60.2	60.9	60.0	59.1	59.5
Total Exp	1,24,123	1,08,489	1,09,998	1,10,109	1,04,944	1,13,202	1,15,156	1,17,975	4,52,719	4,53,319
EBITDA	**60,771**	**62,591**	**67,047**	**66,240**	**66,701**	**64,542**	**65,038**	**66,246**	**2,56,649**	**2,62,472**
Growth (%)	36.8	24.7	19.8	18.3	9.8	3.1	-3.0	0.0	24.2	2.3
Margins (%)	32.9	36.6	37.9	37.6	38.9	36.3	36.1	36.0	36.2	36.7
Depreciation	4,381	4,624	4,471	4,614	4,425	4,530	4,595	4,622	18,090	18,171
Interest	93	126	92	122	99	99	136	106	432	440
Other Income	3,207	4,547	5,954	6,097	7,223	6,649	6,568	6,861	19,805	27,301
PBT	**59,505**	**62,388**	**68,438**	**67,601**	**69,400**	**66,562**	**66,876**	**68,380**	**2,57,932**	**2,71,162**
Tax	14,882	15,685	17,737	16,080	17,599	17,003	12,816	17,163	64,384	64,581
Rate (%)	25.0	25.1	25.9	23.8	25.4	25.5	19.2	25.1	25.0	23.8
Adj PAT	**43,898**	**46,198**	**50,067**	**51,198**	**51,049**	**48,981**	**50,116**	**51,216**	**1,91,369**	**2,06,581**
YoY change (%)	34.0	24.4	23.4	22.0	16.3	6.0	0.1	0.0	25.6	7.9

Jyothy Labs. — Neutral

CMP: INR444 | TP: INR475 (7%) — **EPS CHANGE (%): FY25|FY26: -1.6|-2.7**

- We expect consolidated net sales to grow 10.8% YoY
- We forecast gross margin expansion of ~350bp YoY, led by a decline in RM on YoY.
- Expansion in personal care category and performance of Health and Wellness (HI) segment.
- Commentaries on new SKUs and expanding distribution networks into new geographic areas.

Consol. Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**5,972**	**6,592**	**6,127**	**6,170**	**6,871**	**7,323**	**6,775**	**6,837**	**24,860**	**27,807**
YoY change (%)	14.4	14.0	15.9	13.0	15.1	11.1	10.6	10.8	13.2	11.9
Gross Profit	**2,380**	**2,670**	**2,640**	**2,821**	**3,289**	**3,604**	**3,371**	**3,361**	**10,511**	**13,625**
Margins (%)	39.9	40.5	43.1	45.7	47.9	49.2	49.8	49.2	42.3	49.0
EBITDA	**599**	**804**	**844**	**913**	**1,174**	**1,354**	**1,186**	**1,170**	**3,159**	**4,885**
EBITDA growth %	-7.9	19.9	39.4	59.4	96.2	68.3	40.6	28.2	26.4	54.6
Margins (%)	10.0	12.2	13.8	14.8	17.1	18.5	17.5	17.1	12.7	17.6
Depreciation	130	130	122	119	120	123	128	134	501	505
Interest	33	35	32	31	11	12	12	10	131	45
Other Income	44	53	153	57	79	132	106	117	395	435
PBT	**479**	**693**	**842**	**819**	**1,123**	**1,351**	**1,152**	**1,143**	**2,922**	**4,770**
Tax	90	109	169	227	250	311	243	292	595	1,097
Rate (%)	18.8	15.8	20.0	27.7	22.3	23.0	21.1	25.6	19.9	23.0
Adjusted PAT	**389**	**584**	**674**	**593**	**873**	**1,040**	**909**	**851**	**2,327**	**3,673**
YoY change (%)	-2.9	38.5	90.4	78.0	124.1	78.2	34.9	43.6	54.2	57.8

E: MOFSL Estimates

Marico

Buy

CMP: INR496 | TP: INR625 (+26%)

EPS CHANGE (%): FY25|FY26: -2.2|-3.0

- Expect 2% YoY domestic volumes growth in 4QFY24.
- We expect a 410bp YoY expansion in gross margin and 210bp YoY in EBITDA.
- Rural slowdown could affect the domestic performance.
- Outlook on food business and digital-first brands is a key monitorable.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic volume growth (%)	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	2.7	1.8	2.7
Net Sales	**25,580**	**24,960**	**24,700**	**22,400**	**24,770**	**24,760**	**24,220**	**22,749**	**97,640**	**96,499**
YoY Change (%)	1.3	3.2	2.6	3.7	-3.2	-0.8	-1.9	1.6	2.4	-1.2
COGS	14,060	14,070	13,600	11,780	12,390	12,260	11,800	11,027	53,510	47,477
Gross Profit	**11,520**	**10,890**	**11,100**	**10,620**	**12,380**	**12,500**	**12,420**	**11,721**	**44,130**	**49,021**
Gross margin (%)	45.0	43.6	44.9	47.4	50.0	50.5	51.3	51.5	45.2	50.8
Other Expenditure	6,240	6,560	6,540	6,690	6,640	7,530	7,290	7,244	26,030	28,704
% to Sales	24.4	26.3	26.5	29.9	26.8	30.4	30.1	31.8	26.7	29.7
EBITDA	**5,280**	**4,330**	**4,560**	**3,930**	**5,740**	**4,970**	**5,130**	**4,478**	**18,100**	**20,318**
Margins (%)	20.6	17.3	18.5	17.5	23.2	20.1	21.2	19.7	18.5	21.1
YoY Change (%)	9.8	2.4	5.8	13.6	8.7	14.8	12.5	13.9	7.7	12.3
Depreciation	360	370	390	430	360	390	420	422	1,550	1,592
Interest	100	150	140	170	170	200	190	190	560	750
Other Income	170	190	400	680	460	380	430	464	1,440	1,734
PBT	**4,990**	**4,000**	**4,430**	**4,010**	**5,670**	**4,760**	**4,950**	**4,329**	**17,430**	**19,709**
Tax	1,220	930	1,100	960	1,310	1,160	1,090	1,072	4,210	4,632
Rate (%)	24.4	23.3	24.8	23.9	23.1	24.4	22.0	24.8	24.2	23.5
Adjusted PAT	**3,710**	**3,010**	**3,280**	**3,020**	**4,270**	**3,530**	**3,830**	**3,739**	**13,020**	**14,898**
YoY Change (%)	4.2	-2.6	5.8	20.3	15.1	17.3	16.8	23.8	1.6	14.4

E: MOFSL Estimates

Nestlé India

Neutral

CMP: INR2,586 | TP: INR2,400 (-7%)

EPS CHANGE (%): FY25|FY26: -2.2|-0.1

- We expect sales growth of 8.5% YoY and the growth momentum will continue.
- Expect gross margin expansion of 300bp YoY and EBITDA margin expansion of 110bp.
- We expect a higher contribution from out-of-home consumption
- Watch out for commentaries on demand and material costs

Quarterly performance (INR m)

Y/E December	CY22				CY23E					CY22	FY24E*
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	5QE		
Net Sales	**39,926**	**40,457**	**46,018**	**42,568**	**48,305**	**46,585**	**50,368**	**46,004**	**52,425**	**1,68,970**	**2,43,688**
YoY Change (%)	10.6	16.4	18.5	13.6	21.0	15.1	9.5	8.1	8.5	14.6	44.2
COGS	**17,850**	**18,656**	**21,777**	**19,215**	**22,315**	**21,050**	**21,916**	**19,046**	**22,652**	77,499	1,06,979
Gross Profit	**22,076**	**21,801**	**24,241**	**23,353**	**25,990**	**25,535**	**28,452**	**26,959**	**29,773**	**91,471**	**1,36,709**
Margin (%)	55.3	53.9	52.7	54.9	53.8	54.8	56.5	58.6	56.8	54.1	56.1
Operating Exp	12,694	13,239	13,985	13,407	14,748	14,872	15,984	15,670	16,984	53,325	78,258
EBITDA	9,382	8,562	10,256	9,946	11,242	10,663	12,468	11,289	12,789	**38,146**	**58,451**
Margins (%)	23.5	21.2	22.3	23.4	23.3	22.9	24.8	24.5	24.4	22.6	24.0
YoY Growth (%)	0.5	0.9	6.5	14.5	19.8	24.5	21.6	13.5	13.8	6.1	53.2
Depreciation	1,045	1,017	982	987	1,017	1,074	1,112	1,087	1,116	4,030	5,405
Interest	356	370	372	448	370	328	314	230	247	1,546	1,488
Other income	214	194	306	296	337	240	333	303	310	1,010	1,523
PBT	**8,195**	**7,369**	**9,209**	**8,806**	**10,192**	**9,501**	**11,375**	**10,275**	**11,737**	**33,580**	**53,081**
Tax	2,115	1,850	2,379	2,310	2,538	2,410	3,139	2,309	2,895	8,655	13,292
Rate (%)	25.8	25.1	25.8	26.2	24.9	25.4	27.6	22.5	24.7	25.8	25.0
Adjusted PAT	**5,969**	**5,399**	**6,674**	**6,319**	**7,511**	**7,017**	**8,055**	**7,808**	**8,694**	**24,362**	**39,085**
YoY Change (%)	-0.9	2.9	7.3	10.9	25.8	30.0	20.7	23.5	15.8	4.5	60.4

E: MOFSL Estimates y *Note: FY24 is 15-month period as the company changed its accounting year-end from December to March

Page Industries — Neutral

CMP: INR34,729 | TP: INR36,500 (5%) — **EPS CHANGE (%): FY25|FY26: 0.0|1.8**

- Expect 9.8% YoY increase in revenue on the back of seasonality and base effect.
- Watch out for athleisure demand momentum.
- We expect gross margin and EBITDA margin increase of 150bp/430bp YoY in 4QFY24.
- Watch out for commentaries on recovery in rural demand and in kids and women athleisure

Quarterly performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**13,413**	**12,282**	**12,000**	**9,691**	**12,324**	**11,251**	**12,288**	**10,645**	**47,165**	**46,508**
YoY change (%)	167.4	13.3	0.9	-12.8	-8.1	-8.4	2.4	9.8	21.4	-1.4
Gross Profit	**7,311**	**6,999**	**6,408**	**5,488**	**6,562**	**6,262**	**6,522**	**6,187**	**26,207**	**25,533**
Gross margin (%)	54.5	57.0	53.4	56.6	53.2	55.7	53.1	58.1	55.6	54.9
Other Expenditure	4,333	4,621	4,480	4,145	4,143	3,927	4,226	4,253	17,579	16,549
% to sales	32.3	37.6	37.3	42.8	33.6	34.9	34.4	40.0	37.3	35.6
EBITDA	**2,978**	**2,379**	**1,928**	**1,343**	**2,419**	**2,335**	**2,297**	**1,933**	**8,628**	**8,984**
Margins (%)	22.2	19.4	16.1	13.9	19.6	20.8	18.7	18.2	18.3	19.3
YoY change	770.7	1.9	-23.1	-49.7	-18.8	-1.8	19.1	43.9	9.8	4.1
Depreciation	180	188	200	213	210	246	226	226	781	909
Interest	85	92	100	136	127	112	105	106	413	450
Other Income	33	27	16	71	19	17	55	72	147	163
PBT	**2,746**	**2,125**	**1,645**	**1,065**	**2,100**	**1,994**	**2,021**	**1,673**	**7,581**	**7,788**
Tax	675	504	407	282	517	491	497	411	1,869	1,916
Rate (%)	24.6	23.7	24.8	26.5	24.6	24.6	24.6	24.6	24.6	24.6
PAT	**2,070**	**1,621**	**1,237**	**784**	**1,584**	**1,503**	**1,524**	**1,262**	**5,713**	**5,872**
YoY change (%)	1,790.9	1.0	-29.1	-58.9	-23.5	-7.3	23.1	61.1	6.5	2.8

E: MOFSL Estimates

P&G Hygiene — Neutral

CMP: INR16,599 | TP: INR17,000 (2%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- Sales to grow 6% YoY in 3QFY24 (June year-end).
- Cost structure will be affected by the high price of commodity with no sign of reduction.
- We expect gross margin and EBITDA margin increase of 250bp/460bp YoY in 3QFY24 (June year-end).
- A&P spending and demand outlook are key monitorables.

Standalone - Quarterly Earnings (INR m)

Y/E June	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	**10,428**	**11,374**	**8,831**	**8,491**	**11,384**	**11,334**	**9,361**	**9,295**	**39,123**	**41,373**
YoY Change (%)	-1.5	4.1	-0.9	12.1	9.2	-0.3	6.0	9.5	3.0	5.8
Gross profit	**6,116**	**6,513**	**4,992**	**4,893**	**6,932**	**6,825**	**5,523**	**5,668**	**22,549**	**24,948**
Margin (%)	58.6	57.3	56.5	57.6	60.9	60.2	59.0	61.0	57.6	60.3
EBITDA	**2,140**	**2,905**	**1,493**	**2,114**	**2,849**	**3,097**	**2,011**	**2,717**	**8,686**	**10,674**
Growth	-29.0	-2.0	-9.5	215.1	33.1	6.6	34.7	28.5	4.7	22.9
Margins (%)	20.5	25.5	16.9	24.9	25.0	27.3	21.5	29.2	22.2	25.8
Depreciation	140	144	146	154	143	143	165	157	584	607
Interest	10	39	36	30	19	26	36	39	114	120
Other Income	67	93	144	101	158	156	150	132	406	595
PBT	**2,058**	**2,815**	**1,456**	**2,031**	**2,845**	**3,085**	**1,960**	**2,653**	**8,395**	**10,543**
Tax	514	737	380	553	738	796	506	649	2,184	2,688
Rate (%)	25.0	26.2	18.7	27.2	25.9	25.8	25.8	24.5	24.4	25.5
Reported PAT	**1,544**	**2,075**	**1,650**	**1,478**	**2,107**	**2,289**	**1,454**	**2,004**	**6,781**	**7,854**
Adj PAT	**1,544**	**2,079**	**1,075**	**1,478**	**2,107**	**2,289**	**1,454**	**2,004**	**6,210**	**7,854**
YoY Change (%)	-29.3	-2.0	-4.9	247.2	36.4	10.1	35.3	35.6	6.0	26.5
Margins (%)	14.8	18.3	12.2	17.4	18.5	20.2	15.5	21.6	15.9	19.0

E: MOFSL Estimates

Pidilite Industries — Neutral

CMP: INR3,049 | TP: INR2,800 (-8%) — **EPS CHANGE (%): FY25|FY26: -1.8|1.7**

- We expect consolidated revenue to grow 4.9% YoY.
- The surge in real estate is positive for demand.
- We expect gross margin and EBITDA margin to expand YoY (flat QoQ) as VAM prices increased after a sharp fall.
- Outlook on domestic and international demand is a key monitorable.

Consol. Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**31,011**	**30,112**	**29,976**	**26,893**	**32,751**	**30,760**	**31,300**	**28,211**	**1,17,991**	**1,23,023**
YoY change (%)	60.1	14.7	5.2	7.3	5.6	2.2	4.4	4.9	18.9	4.3
Gross Profit	**12,931**	**12,342**	**12,541**	**12,582**	**16,054**	**15,783**	**16,551**	**14,881**	**50,397**	**63,268**
Margin (%)	41.7	41.0	41.8	46.8	49.0	51.3	52.9	52.7	42.7	51.4
EBITDA	**5,295**	**4,999**	**4,959**	**4,592**	**7,070**	**6,797**	**7,425**	**6,626**	**19,844**	**27,917**
YoY change (%)	52.3	-9.0	-9.7	14.5	33.5	36.0	49.7	44.3	7.4	40.7
Margins (%)	17.1	16.6	16.5	17.1	21.6	22.1	23.7	23.5	16.8	22.7
Depreciation	613	636	686	762	734	752	795	803	2,697	3,084
Interest	90	117	151	118	119	131	128	138	476	516
Other Income	107	110	51	228	234	316	370	328	496	1,248
PBT	**4,698**	**4,355**	**4,173**	**3,940**	**6,451**	**6,230**	**6,872**	**6,014**	**17,166**	**25,566**
Tax	1,157	1,098	1,052	1,038	1,704	1,631	1,765	1,547	4,344	6,647
Rate (%)	24.6	25.2	25.2	26.3	26.4	26.2	25.7	25.7	25.3	26.0
Adj PAT	**3,541**	**3,347**	**3,061**	**2,873**	**4,746**	**4,599**	**5,107**	**4,467**	**12,822**	**18,919**
YoY change (%)	64.4	-10.7	-13.9	15.3	34.0	37.4	66.8	55.5	7.3	47.5
Margins (%)	11.4	11.1	10.2	10.7	14.5	15.0	16.3	15.8	10.9	15.4

E: MOFSL Estimates

Tata Consumer Products — Buy

CMP: INR1,087 | TP: INR1,370 (+26%) — **EPS CHANGE (%): FY25|FY26: 0|0**

- We expect revenue for the India-branded tea business to grow 7% YoY, led by volume growth of 3% YoY
- EBITDA margin is likely to improve to ~15.4% in 4QFY24 vs. 14.1% in 4QFY23.
- Nourishco is likely to continue its strong performance
- Tea and coffee prices are the key monitorables

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**33,268**	**33,631**	**34,746**	**36,187**	**37,412**	**37,338**	**38,039**	**39,564**	**1,37,832**	**1,52,353**
YoY Change (%)	10.6	10.9	8.3	14.0	12.5	11.0	9.5	9.3	10.9	10.5
Total Expenditure	28,695	29,292	30,209	31,071	31,962	31,967	32,315	33,476	1,19,267	1,29,720
EBITDA	**4,573**	**4,338**	**4,537**	**5,117**	**5,450**	**5,371**	**5,724**	**6,088**	**18,565**	**22,633**
Margins (%)	13.7	12.9	13.1	14.1	14.6	14.4	15.0	15.4	13.5	14.9
Depreciation	729	731	752	829	820	939	855	870	3,041	3,484
Interest	163	196	237	277	262	276	332	310	872	1,180
Other Income	353	293	489	553	578	898	596	620	1,689	2,692
PBT before EO expense	**4,035**	**3,705**	**4,038**	**4,565**	**4,946**	**5,054**	**5,133**	**5,528**	**16,341**	**20,661**
Extra-Ord expense	-240	1,112	786	-64	-52	-146	-915	0	1,595	-1,112
PBT	**3,795**	**4,817**	**4,823**	**4,501**	**4,894**	**4,909**	**4,217**	**5,528**	**17,936**	**19,548**
Tax	1,030	1,267	1,129	1,045	1,309	1,317	1,062	1,492	4,470	5,180
Rate (%)	27.1	26.3	23.4	23.2	26.7	26.8	25.2	27.0	24.9	26.5
Minority Interest	213	615	127	210	211	257	226	0	1,164	694
Profit/Loss of Asso. Cos.	2	345	-50	-560	-209	47	-140	-171	-264	-473
Reported PAT	**2,555**	**3,280**	**3,518**	**2,686**	**3,166**	**3,382**	**2,789**	**3,864**	**12,038**	**13,201**
Adj PAT	**2,734**	**2,445**	**2,928**	**2,734**	**3,205**	**3,492**	**3,475**	**3,864**	**10,842**	**14,035**
YoY Change (%)	45.4	-12.7	6.5	18.1	17.2	42.8	18.7	41.3	11.2	29.5
Margins (%)	8.2	7.3	8.4	7.6	8.6	9.4	9.1	9.8	7.9	9.2

United Breweries — Sell

CMP: INR1,786 | TP: INR1,650 (-8%) — **EPS CHANGE (%): FY25|FY26: -2.1|5.9**

- We expect revenue to grow 11.8% YoY in 4QFY24
- We expect gross margin and EBITDA margin increase of 680bp and 590bp YoY.
- We anticipate gross margin to expand on low barley prices.
- Outlook on state mix and realization growth is a monitorable.

Standalone Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**24,367**	**16,796**	**16,110**	**17,645**	**22,732**	**18,880**	**18,227**	**19,721**	**74,999**	**79,559**
YoY Change (%)	117.9	17.8	1.9	3.4	-6.7	12.4	13.1	11.8	28.5	6.1
Gross Profit	**10,784**	**7,837**	**6,741**	**6,812**	**9,221**	**8,408**	**8,018**	**8,961**	**32,346**	**34,608**
Margin (%)	44.3	46.7	41.8	38.6	40.6	44.5	44.0	45.4	43.1	43.5
EBITDA	**2,651**	**2,191**	**766**	**535**	**2,228**	**1,846**	**1,456**	**1,763**	**6,162**	**7,292**
YoY Change (%)	177.8	32.3	-63.4	-79.5	-15.9	-15.8	89.9	229.8	-11.5	18.3
Margins (%)	10.9	13.0	4.8	3.0	9.8	9.8	8.0	8.9	8.2	9.2
Depreciation	575	520	502	507	513	508	518	529	2,106	2,068
Interest	8	10	16	12	17	14	21	28	46	79
Other Income	104	143	130	116	103	122	241	234	494	700
PBT	**2,170**	**1,805**	**131**	**132**	**1,801**	**1,446**	**1,158**	**1,440**	**4,257**	**5,845**
Tax	554	463	152	35	440	369	310	389	1,210	1,508
Rate (%)	25.5	25.6	40.2	26.3	24.5	25.5	26.7	27.0	28.4	25.8
Adj PAT	**1,617**	**1,342**	**226**	**97**	**1,361**	**1,076**	**848.5**	**1,051**	**3,295**	**4,337**
YoY Change (%)	424.3	66.4	-80.6	-94.0	-15.8	-19.8	274.9	980.3	-10.0	31.6
Margins (%)	6.6	8.0	1.4	0.6	6.0	5.7	4.7	5.3	4.4	5.5

E: MOFSL Estimates

United Spirits — Neutral

CMP: INR1,158 | TP: INR1,050 (-1%) — **EPS CHANGE (%): FY25|FY26: -4.0|-4.5**

- Expect mid to double-digit volume growth in P&A.
- The demand for the popular category is still lagging.
- Expect gross margin contraction of 220bp YoY and EBITDA margin expansion of 40bp YoY in 4QFY24.
- Commentary on discretionary demand is key monitorable.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume growth %	**17.9**	**8.3**	**-25.0**	**-27.3**	**-28.6**	**-27.1**	**-1.8**	**0.8**	**-8.4**	**-14.2**
Total revenues	**21,946**	**29,042**	**27,811**	**24,938**	**21,719**	**28,647**	**29,893**	**25,911**	**1,03,737**	**1,06,174**
YoY change (%)	35.9	18.7	-3.4	-0.3	-1.0	-1.4	7.5	3.9	10.1	2.3
Gross Profit	**8,974**	**11,449**	**11,281**	**11,315**	**9,474**	**12,437**	**12,979**	**11,189**	**43,019**	**46,079**
Margin (%)	40.9	39.4	40.6	45.4	43.6	43.4	43.4	43.2	41.5	43.4
Total Exp	19,241	24,618	24,133	21,558	17,868	23,946	24,979	22,283	89,550	89,080
EBITDA	**2,705**	**4,424**	**3,678**	**3,380**	**3,851**	**4,701**	**4,914**	**3,628**	**14,187**	**17,094**
Margins (%)	12.3	15.2	13.2	13.6	17.7	16.4	16.4	14.0	13.7	16.1
EBITDA growth (%)	61.3	3.9	-24.9	-21.1	42.4	6.3	33.6	7.3	20.5	20.5
Depreciation	741	645	636	684	650	653	628	669	2,706	2,600
Interest	226	210	243	360	193	262	164	153	1,039	500
Other income	256	85	232	169	209	388	461	417	742	1,475
PBT	**1,994**	**3,654**	**3,031**	**2,505**	**3,217**	**4,174**	**4,583**	**3,223**	**11,184**	**15,469**
Tax	-339	1,947	415	353	814	1,068	1,102	811	2,376	3,867
Rate (%)	-17.0	53.3	13.7	14.1	25.3	25.6	24.0	25.2	21.2	25.0
Adj. PAT	**2,218**	**2,636**	**2,163**	**2,124**	**2,397**	**3,183**	**3,481**	**2,412**	**8,808**	**11,602**
YoY change (%)	130.1	-3.5	-30.4	-24.2	8.1	20.7	61.0	13.6	-12.5	31.7

E: MOFSL Estimate

Varun Beverages — Buy

CMP: INR1,397 | TP: INR1,600 (+15%) — **EPS CHANGE (%): CY24|25: 2|0**

- We expect overall sales volume to grow 7% YoY in 1QCY24.
- Integration and ramp up of BevCo will be focus area
- We expect EBITDA margin to improve to ~20.9% vs. 20.5% in 1QCY23.
- Scale-up in international geographies and further capex update are the key monitorables

Consolidated - Quarterly Earning Model (INRm)

Y/E December	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	**38,930**	**56,114**	**38,705**	**26,677**	**42,280**	**73,885**	**50,040**	**38,374**	**1,60,425**	**2,04,578**
YoY Change (%)	37.7	13.3	21.8	20.5	8.6	31.7	29.3	43.8	21.8	27.5
Total Expenditure	30,949	41,004	29,884	22,494	33,433	54,252	38,948	32,733	1,24,331	1,59,366
EBITDA	**7,980**	**15,110**	**8,821**	**4,183**	**8,847**	**19,633**	**11,092**	**5,640**	**36,095**	**45,212**
Margins (%)	20.5	26.9	22.8	15.7	20.9	26.6	22.2	14.7	22.5	22.1
Depreciation	1,722	1,719	1,708	1,660	1,880	2,250	2,300	2,328	6,809	8,758
Interest	626	694	625	737	800	830	850	855	2,681	3,335
Other Income	101	416	185	91	120	470	350	287	794	1,227
PBT	**5,734**	**13,113**	**6,673**	**1,878**	**6,287**	**17,023**	**8,292**	**2,744**	**27,398**	**34,346**
Tax	1,348	3,057	1,529	442	1,383	3,745	1,824	604	6,375	7,556
Rate (%)	23.5	23.3	22.9	23.5	22.0	22.0	22.0	22.0	23.3	22.0
MI & Profit/Loss of Asso. Cos.	95	118	130	118	109	134	129	134	461	505
Adj PAT	**4,291**	**9,938**	**5,015**	**1,318**	**4,794**	**13,145**	**6,339**	**2,007**	**20,561**	**26,285**
YoY Change (%)	68.8	26.2	31.6	76.3	11.7	32.3	26.4	52.3	37.3	27.8
Margins (%)	11.0	17.7	13.0	4.9	11.3	17.8	12.7	5.2	12.8	12.8

Company

Barbeque Nation
Devyani Intl.
Jubilant Foodworks
Restaurant Brands
Sapphire Foods
Westlife Foodworld

QSR - Demand environment likely to remain soft

Near-term outlook remains cautious

We continue to see weakness in growth metrics for QSR, leading into sluggish unit economics across brands and formats. Oversupply of store network during the last two years has affected SSSG/ADS. Store addition has also started contributing lower share. Overall growth deceleration is expected to continue. Delivery business is expected to sustain outperformance over dine-in business. Companies have initiated several consumer offers and waived off delivery charges to drive demand. Value segment has been seeing better traffic growth than other segments. Gross margin recovery will remain healthy. However, pressure on SSSG/ADS and seasonally low demand in 4Q will lead to weaker operating margin. We expect slower store addition across brands in FY25. We remain cautious over the near-term earnings pressure. We have BUY ratings on Devyani, Sapphire and RBA.

Outliers: RBA, Jubilant
Underperformers: Devyani, Sapphire, Westlife

Exhibit 14: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	Reco	Sales (INR m)			EBIDTA (INR M)			PAT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Barbeque Nation	522	Neutral	2,995	6.9	-9.5	536	34.3	-19.2	-16	Loss	PL
Devyani Intl.	155	Buy	8,120	7.5	-3.7	1,414	-6.6	-3.4	35	-94.2	-30.4
Jubilant Foodworks	455	Neutral	13,260	5.9	-2.1	2,761	9.5	-2.4	511	-17.6	-16.1
Restaurant Brands	108	Buy	4,598	26.0	3.2	847	100.5	19.8	64	LP	LP
Sapphire Foods	1,500	Buy	6,352	13.4	-4.6	1,098	11.9	-9.8	66	-42.5	-33.2
Westlife Foodworld	798	Neutral	5,765	3.6	-4.0	867	-5.7	-9.7	91	-54.8	-47.4
QSR			**41,090**	**9.0**	**-3.1**	**7,522**	**11.3**	**-4.0**	**752**	**-37.2**	**-17.9**

Barbeque Nation Hospitality — Neutral

CMP: INR522 | TP: INR600 (15%) — **EPS CHANGE (%): FY25|FY26: -|-**

- Revenue growth is expected to moderate to 6.9% YoY.
- Expect to add 11 stores in 4QFY24, while SSSG is expected to remain flat in 4QFY24
- On YoY basis, EBITDA margins to improve by 120bp on operations efficiency.
- Expect to report net loss of INR16m, impacted by lower demand.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
SSSG (%)	**182.0**	**23.4**	**-1.2**	**-2.6**	**-7.7**	**-10.7**	**-4.9**	**0.3**	**27.5**	**-5.9**
No. of stores	**195**	**205**	**212**	**216**	**212**	**212**	**216**	**227**	**216**	**221**
Net Sales	**3,149**	**3,105**	**3,282**	**2,802**	**3,239**	**3,017**	**3,309**	**2,995**	**12,338**	**12,560**
YoY change (%)	208.8	40.6	14.5	11.6	2.9	-2.8	0.8	6.9	43.4	1.8
Gross Profit	**2,103**	**2,051**	**2,189**	**1,843**	**2,073**	**1,990**	**2,245**	**2,007**	**8,186**	**8,314**
Margin (%)	66.8	66.1	66.7	65.8	64.0	65.9	67.9	67.0	66.3	66.2
EBITDA	**705**	**583**	**620**	**399**	**468**	**444**	**663**	**536**	**2,306**	**2,110**
EBITDA growth %	N/M	41.1	-5.7	-10.5	-33.6	-23.9	7.0	34.3	72.4	-8.5
Margin (%)	22.4	18.8	18.9	14.2	14.4	14.7	20.0	17.9	18.7	16.8
Depreciation	352	350	382	366	375	443	414	403	1,450	1,635
Interest	175	180	183	180	187	195	190	185	717	757
Other Income	30	16	12	22	40	43	16	31	80	130
PBT	**208**	**69**	**67**	**-125**	**-55**	**-151**	**75**	**-21**	**219**	**-152**
Tax	48	26	17	-26	-14	-32	27	-5	66	-25
Rate (%)	23.1	38.3	25.7	20.7	26.1	21.3	35.5	25.0	30.1	16.5
Adjusted PAT	**160**	**43**	**50**	**-99**	**-41**	**-119**	**48**	**-16**	**153**	**-127**
YoY change (%)	N/M	39.2	-66.1	-2,138.8	-125.3	-379.2	-2.4	-84.2	-	-182.9

Devyani International — Buy

CMP: INR155 | TP: INR195 (26%) — **EPS CHANGE (%): FY25|FY26: -6.8|-5.1**

- Expect KFC/PH store adds of 40/26 for 4QFY24
- Revenue likely to grow 7.5% mainly driven by footprint adds.
- Same-store sales expected to decline by 10% for Pizza Hut and 4.5% for KFC.
- Expect to report net loss of INR35m, impacted by lower demand and margin pressure

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
KFC - No. of stores	391	423	461	490	510	540	590	**630**	490	630
PH - No. of stores	436	466	483	506	521	535	565	**591**	506	591
KFC - SSSG (%)	63.6	13.0	3.0	1.9	-0.9	-3.9	-4.7	**-4.5**	16.0	-3.5
PH - SSSG (%)	31.5	2.9	-6.1	-3.2	-5.3	-10.4	-12.6	**-9.7**	4.4	-9.5
Net Sales	**7,047**	**7,474**	**7,906**	**7,550**	**8,466**	**8,195**	**8,431**	**8,120**	**29,977**	**33,212**
YoY change (%)	99.8	44.8	26.6	27.8	20.1	9.6	6.6	**7.5**	43.8	10.8
Gross Profit	**5,010**	**5,246**	**5,482**	**5,254**	**5,998**	**5,802**	**5,954**	**5,720**	**20,991**	**23,473**
Margin (%)	71.1	70.2	69.3	69.6	70.8	70.8	70.6	**70.4**	70.0	70.7
EBITDA	**1,643**	**1,655**	**1,739**	**1,513**	**1,734**	**1,588**	**1,463**	**1,414**	**6,551**	**6,199**
EBITDA growth %	167.0	34.2	17.7	5.6	5.6	-4.1	-15.9	**-6.6**	37.6	-5.4
Margin (%)	23.3	22.1	22.0	20.0	20.5	19.4	17.4	**17.4**	21.9	18.7
Depreciation	637	660	706	784	796	863	930	**916**	2,788	3,505
Interest	328	348	378	420	404	417	482	**468**	1,475	1,771
Other Income	90	45	81	110	68	66	46	**55**	326	235
PBT	**768**	**692**	**736**	**419**	**603**	**373**	**97**	**85**	**2,614**	**1,158**
Tax	24	19	-62	-186	146	-168	46	**50**	-206	74
Rate (%)	3.1	2.8	-8.4	-44.5	24.1	-45.0	47.6	**58.6**	-7.9	6.4
Adjusted PAT	**744**	**644**	**776**	**606**	**339**	**506**	**51**	**35**	**2,770**	**931**
Margin (%)	10.6	8.6	9.8	8.0	4.0	6.2	0.6	0.4	9.2	2.8
YoY change (%)	-619.2	51.7	18.7	-26.3	-54.4	-21.4	-93.5	-94.2	61.5	-66.4

E: MOFSL Estimates

Jubilant FoodWorks — Neutral

CMP: INR455 | TP: INR520 (14%) — **EPS CHANGE (%): FY25|FY26: -3.4|-6.8**

- LFL for 4QFY24 is expected to remain flat.
- We expect gross margin increase of 80bp to76.1% YoY.
- We expect net additions of 49 Domino's outlets in 4QFY24.
- Revenue growth likely at 5.9% YoY due to store additions and SSS

Quarterly Standalone Perf. (INR m)

Y/E March	FY23				FY24E					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
No of stores (Dominos)	**1,625**	**1,701**	**1,760**	**1,816**	**1,838**	**1,888**	**1,953**	**1,977**	**1,816**	**2,016**
LFL growth (%)	**28.3**	**8.4**	**0.3**	**-0.6**	**-1.3**	**-1.3**	**-2.9**	**-0.5**	**8.9**	**2.0**
Net Sales	**12,403**	**12,868**	**13,166**	**12,523**	**13,097**	**13,448**	**13,551**	**13,260**	**50,960**	**53,355**
YoY change (%)	41.1	16.9	10.3	8.2	5.6	4.5	2.9	5.9	17.7	4.7
Gross Profit	**9,514**	**9,811**	**9,937**	**9,426**	**9,956**	**10,275**	**10,387**	**10,092**	**38,688**	**40,710**
Gross margin (%)	76.7	76.2	75.5	75.3	76.0	76.4	76.7	76.1	75.9	76.3
EBITDA	**3,045**	**3,125**	**2,900**	**2,522**	**2,764**	**2,807**	**2,827**	**2,761**	**11,592**	**11,159**
EBITDA growth %	44.0	9.2	-8.6	-12.9	-9.2	-10.2	-2.5	9.5	4.9	-3.7
Margins (%)	24.6	24.3	22.0	20.1	21.1	20.9	20.9	20.8	22.7	20.9
Depreciation	1,050	1,123	1,298	1,282	1,328	1,379	1,465	1,502	4,753	5,369
Interest	459	485	501	505	513	534	583	589	1,951	2,219
Other Income	106	103	93	195	91	69	40	51	497	250
PBT	**1,642**	**1,619**	**1,194**	**930**	**1,014**	**963**	**819**	**721**	**5,385**	**3,822**
YoY Change (%)	85.0	-1.0	-34.8	-39.6	-38.2	-40.5	-31.4	-22.5	-8.6	-29.0
Tax	366	428	309	254	262	241	209	209	1,356	962
Rate (%)	22.3	26.4	25.8	27.4	25.8	25.1	25.6	29.0	25.2	25.2
Adjusted PAT	**1,217**	**1,192**	**885**	**621**	**752**	**721**	**610**	**511**	**3,914**	**2,860**
YoY change (%)	78.6	-2.9	-35.6	-46.7	-38.2	-39.5	-31.2	-17.6	-12.0	-26.9

E: MOFSL Estimates

Restaurants Brand Asia — Buy

CMP: INR108 | TP: INR140 (24%) — **EPS CHANGE (%): FY25|FY26: -|-**

- Expect SSSG to remain flat in 4QFY24 with 19 store adds
- Revenue growth is expected at 20% YoY to INR4.4b
- EBITDA margins to improve YoY to 13.3%.
- Expect net losses to narrow down to INR57m

Quarterly Standalone Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
SSSG (%)	**66.0**	**27.0**	**8.6**	**8.3**	**3.6**	**3.5**	**2.6**	**0.2**	**23.1**	**2.5**
No. of stores	**328**	**334**	**379**	**391**	**396**	**404**	**441**	**460**	**391**	**460**
Net Sales	**3,369**	**3,680**	**3,698**	**3,649**	**4,221**	**4,535**	**4,454**	**4,374**	**14,397**	**17,482**
YoY change (%)	125.0	50.0	32.1	35.8	25.3	23.2	20.5	19.9	-3.4	21.4
Gross Profit	**2,236**	**2,443**	**2,454**	**2,422**	**2,806**	**3,031**	**2,990**	**2,939**	**9,555**	**11,765**
Margin (%)	66.4	66.4	66.4	66.4	66.5	66.8	67.1	67.2	66.4	67.3
EBITDA	**332**	**421**	**479**	**423**	**485**	**634**	**708**	**621**	**1,654**	**2,448**
EBITDA growth %	2,064.8	64.4	45.8	39.8	45.9	50.7	47.9	46.9	109.4	135.3
Margin (%)	9.9	11.4	12.9	11.6	11.5	14.0	15.9	14.2	11.5	14.0
Depreciation	461	426	434	481	507	494	522	530	1,802	2,055
Interest	196	206	220	274	264	273	281	291	896	1,109
Other Income	97	79	63	86	65	40	32	38	325	175
PBT	**-227**	**-133**	**-112**	**-246**	**-222**	**-93**	**-64**	**-162**	**-718**	**-541**
Tax	0	0	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	**-227**	**-133**	**-112**	**-246**	**-222**	**-93**	**-64**	**-162**	**-718**	**-541**
YoY change (%)	12.4	-12.5	-15.1	NM	-2.6	-29.6	-42.8	-34.1	87.6	-25.1

E: MOFSL Estimates

Sapphire Foods — Buy

CMP: INR1,500 | TP: INR1,650 (10%) — **EPS CHANGE (%): FY25|FY26: 0.3|1.3**

- KFC is expected to see a decline of 4% in same-store sales, along with 20 store additions.
- Revenue growth expected at 13.4% to INR6.3b
- PH's same-store sales is expected fall 16%; may add 7 new outlets.
- EBITDA margins to remain flat at 17.3% due to higher opex

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
KFC - No. of stores	281	301	325	341	358	381	406	426	341	426
PH - No. of stores	235	249	274	286	302	311	319	326	286	326
KFC - SSSG (%)	65.0	15.0	3.0	2.0	0.0	0.0	-2.0	-4.0	15	-1.5
PH - SSSG (%)	47.0	23.0	-4.0	-4.0	-9.0	-20.0	-19.0	-16.0	12	-16.0
Net Sales	**5,463**	**5,628**	**5,961**	**5,604**	**6,544**	**6,426**	**6,656**	**6,352**	**22,656**	**25,978**
YoY change (%)	80.3	35.9	17.5	12.8	19.8	14.2	11.6	13.4	31.6	14.7
Gross Profit	**3,707**	**3,737**	**3,998**	**3,807**	**4,483**	**4,417**	**4,583**	**4,389**	**15,249**	**17,872**
Margin (%)	67.9	66.4	67.1	67.9	68.5	68.7	68.9	69.1	67.3	68.8
EBITDA	**1,104**	**1,032**	**1,167**	**981**	**1,214**	**1,151**	**1,217**	**1,098**	**4,284**	**4,681**
EBITDA growth %	223.9	82.2	1.9	-1.7	10.0	11.6	4.3	11.9	40.4	9.3
Margin (%)	20.2	18.3	19.6	17.5	18.6	17.9	18.3	17.3	18.9	18.0
Depreciation	609	628	681	724	727	768	874	852	2,642	3,221
Interest	197	206	217	249	226	245	263	250	869	984
Other Income	59	71	67	114	75	75	60	87	311	298
PBT	**356**	**269**	**336**	**123**	**336**	**214**	**140**	**83**	**1,084**	**774**
Tax	-25	1	9	9	88	62	42	17	-7	209
Rate (%)	-7.1	0.3	2.6	7.0	26.0	28.9	30.0	20.9	-0.6	27.0
Adjusted PAT	**381**	**269**	**327**	**114**	**249**	**152**	**98**	**66**	**1,091**	**565**
YoY change (%)	-244.5	-626.1	-35.9	-56.9	-34.8	-43.4	-69.9	-42.5	137.2	-48.2

Westlife Development — Neutral

CMP: INR798 | TP: INR775 (-3%) — **EPS CHANGE (%): FY25|FY26: -0.6|-0.1**

- Same-store sales to decline 6% in 4QFY24
- Expect to add 17 new stores in 4QFY24
- Expect revenue to grow 4% YoY to INR5.8b
- EBITDA margin to decline by 150bp to 15.0% YoY led by weak same-store sales.

Consolidated quarterly performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
SSSG %	97.1	40.2	20.0	14.0	7.0	1.0	(9.0)	(6.0)	36.0	-1.8
No. of McDonald's restaurants	331	337	341	357	361	370	380	397	357	397
Net Sales	**5,379**	**5,724**	**6,115**	**5,564**	**6,145**	**6,147**	**6,003**	**5,765**	**22,782**	**24,061**
YoY Change (%)	107.6	48.5	28.2	22.3	14.2	7.4	-1.8	3.6	44.5	5.6
Gross profit	**3,659**	**3,968**	**4,290**	**4,002**	**4,337**	**4,310**	**4,219**	**4,073**	**15,922**	**16,939**
Margin (%)	68.0	69.3	70.2	71.9	70.6	70.1	70.3	70.6	69.9	70.4
Total Expenditure	4,458	4,736	5,012	4,645	5,092	5,151	5,042	4,898	18,851	20,184
EBITDA	**921**	**988**	**1,103**	**919**	**1,053**	**997**	**960**	**867**	**3,931**	**3,877**
YoY Change (%)	1,705.3	116.1	32.2	26.1	14.3	0.9	-12.9	-5.7	89.8	-1.4
Margins (%)	17.1	17.3	18.0	16.5	17.1	16.2	16.0	15.0	17.3	16.1
Depreciation	358	366	386	411	429	439	455	453	1,649	1,909
Interest	215	226	234	253	260	274	282	279	928	1,095
Other Income	0	54	36	49	52	32	44	35	140	162
PBT	**348**	**450**	**520**	**304**	**416**	**315**	**267**	**170**	**1,494**	**1,036**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO expense	**348**	**450**	**520**	**304**	**416**	**315**	**267**	**170**	**1,494**	**1,036**
Tax	82	104	116	76	118	78	59	6	379	261
Rate (%)	23.5	23.1	22.4	25.1	28.2	24.9	21.9	3.7	25.3	25.2
Adj PAT	**236**	**316**	**364**	**201**	**288**	**224**	**172**	**91**	**1,116**	**775**
YoY Change (%)	L/P	L/P	74.7	31.2	22.0	-29.2	-52.6	-54.8	L/P	L/P
Margins (%)	4.4	5.5	5.9	3.6	4.7	3.6	2.9	1.6	4.9	3.2

E: MOFSL Estimates

EMS

Company
Kaynes Technologies
Avalon Technologies
Cyient DLM
Syrma SGS
Data Patterns

Revenue trajectory expected to remain robust

Revenue/EBITDA to grow ~36%/27% YoY in 4QFY24

- EMS companies (under our coverage universe) are expected to report strong revenue growth of 36%/28% YoY/QoQ in 4QFY24, aided by strong execution, healthy orderbook, and new client additions.
- Orderbook is expected to grow sequentially across the EMS space, as numerous orders that were delayed in previous quarters are expected to flow in 4QFY24/ 1QFY25.
- Kaynes is expected to report the highest revenue growth of ~64%/17% YoY/QoQ, followed by Syrma and CyientDL with growth of 45%/39% YoY/QoQ and 37%/18% YoY/QoQ, respectively. Avalon is likely to post a decline in revenue of ~20%YoY with flattish QoQ, largely due to weakness in US operations.
- EBITDA margin for our EMS coverage universe can see some contraction (90bp YoY), majorly dragged by a contraction in Avalon by 680bp YoY (adverse operating leverage) and also due to higher SG&A costs YoY and initial prototyping expenses (for new clients). We expect our coverage universe to witness ~90bp YoY contraction in margins, primarily due to 680bp/140bp/100bp contractions in AVALON/KAYNES/CYIENTDLM margins. DATAPATT is expected to witness a margin expansion of 500bp YoY/160bp QoQ.

KAYNES continues to report the highest YoY EBITDA growth

- **KAYNES:** We are expecting a strong revenue growth of 64% YoY this quarter, driven by the company's consistent addition of new clients over the last few quarters, which are now translating into revenue. Margins are expected to be better sequentially; however, YoY margins can witness contraction on the back of higher execution of lower margin orders and initial prototyping costs for new clients, as reported in 3QFY24. OSAT and PCB's capacity additions are on track; however, subsidy approval from the government will remain a key monitorable.
- **Avalon:** Revenue/EBITDA is expected to decline by 20%/56% YoY, led by continued weakness in US operations, leading to negative operating leverage. However, domestic business is expected to deliver healthy YoY growth on the back of new customers onboarded in the last 12-18 months. The company anticipates growth in 2HFY25 from three main areas: 1) expansion of new business in the US market; 2) recovery of existing US business (currently at its lowest point, but expected to rebound in 2HFY25); and 3) acquisition of new business from Indian clients.
- **SYRMA:** We are expecting a revenue/EBITDA growth of 45%/47% YoY in 4QFY24, backed by strong growth from the consumer business. Margins, however are expected to expand in the range of 100-150bp YoY. The company has maintained its full-year revenue guidance of INR30b with margins in the range of 7-7.5%. Other segments such as railways and healthcare will start contributing to revenue from 4QFY24.

Sumant Kumar Singh - Research analyst (Sumant.Kumar@MotilalOswal.com)

Research analyst - Meet Jain (Meet.Jain@MotilalOswal.com) | **Omkar Shintre** (Omkar.Shintre@MotilalOswal.com)

- **CYIENTDL:** We are expecting the company to report revenue growth of 37%/25% YoY in 4QFY24, while margin is expected to contract 100bp YoY, largely due to elevated SG&A and ESOP costs, which were not present in 4QFY23. Orderbook is expected to remain at par with 3QFY24.
- **DATAPATT:** We are expecting Revenue/EBITDA to grow 25%/40% YoY, with the margin expected to expand 500bp YoY, due to better business mix.

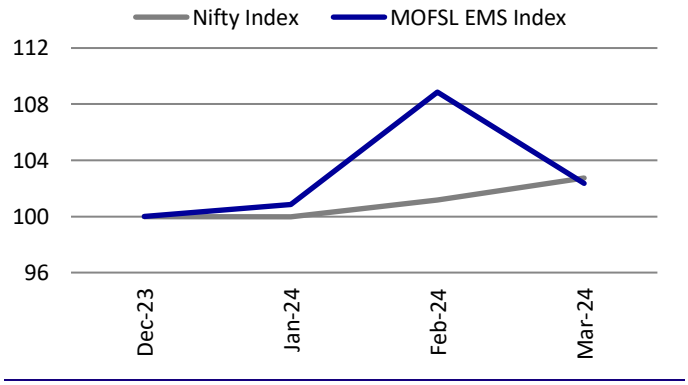
Exhibit 1: Summary of 4QFY24 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Avalon Tech	506	Buy	2,174	-20.0	1.5	181	-56.0	9.3	77	-66.0	17.5
Cyient DLM	705	Buy	3,802	37.1	18.4	398	24.6	35.1	238	88.8	28.8
Data Pattern	2561	Neutral	2,304	24.5	65.2	1,029	40.3	71.4	746	34.8	46.4
Kaynes Tech	2793	Buy	5,978	64.0	17.4	888	49.8	27.0	560	35.8	23.8
Syrma SGS Tech.	488	Buy	9,853	45.0	39.4	847	47.3	118.3	497	17.6	220.5
EMS			**24,111**	**35.6**	**27.5**	**3,342**	**27.0**	**55.7**	**2,118**	**21.6**	**54.9**

Exhibit 2: Valuation Summary

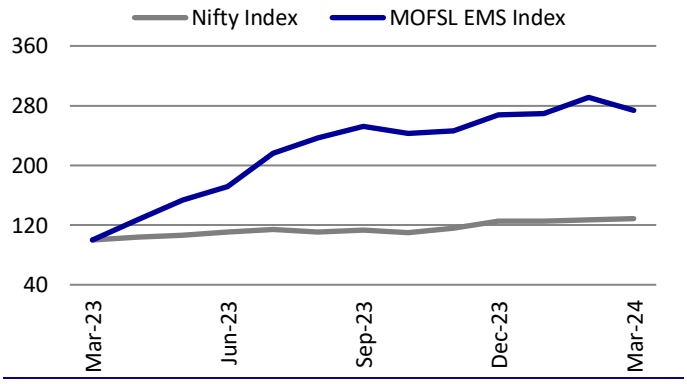
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
EMS						**88.1**	**55.5**	**36.8**	**8.7**	**7.4**	**6.2**	**9.9**	**13.3**	**16.7**
Avalon Tech	506	Buy	4.4	10.4	17.1	112.4	48.9	29.6	5.7	5.2	4.4	5.2	11.3	16.2
Cyient DLM	705	Buy	7.8	14.0	22.9	91.8	50.4	30.8	5.9	5.2	4.5	10.7	10.9	15.6
Data Pattern	2,561	Neutral	33.1	43.5	58.1	73.2	58.9	44.1	10.1	9.0	7.5	14.7	16.6	18.6
Kaynes Tech	2,793	Buy	27.2	44.4	63.4	105.5	62.8	44.1	14.9	11.8	9.3	15.2	20.7	23.6
Syrma SGS Tech.	488	Buy	7.0	10.6	18.1	66.6	46.3	27.0	4.9	4.7	4.0	7.7	10.6	15.9

Exhibit 3: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Kaynes Technologies — Buy

CMP INR2,793 | TP: INR3,300 (+18%) — **EPS CHANGE (%): FY25|26: -1|0**

- Revenue is expected to grow 64% YoY and EBITDA margin is anticipated to be ~14.9% in 4QFY24.
- Orderbook inflow and new client additions are expected to be the key monitorables.
- OSAT/PCB capacity addition to remain in focus.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**1,993**	**2,732**	**2,891**	**3,645**	**2,972**	**3,608**	**5,093**	**5,978**	**11,260**	**17,651**
YoY Change (%)	NA	NA	57.6	52.8	49.1	32.1	76.2	64.0	59.4	56.8
Total Expenditure	1,747	2,299	2,479	3,052	2,569	3,121	4,394	5,090	9,578	15,174
EBITDA	**246**	**432**	**412**	**593**	**403**	**488**	**699**	**888**	**1,682**	**2,477**
Margins (%)	12.3	15.8	14.2	16.3	13.5	13.5	13.7	14.9	14.9	14.0
Depreciation	46	47	46	48	53	65	60	65	187	243
Interest	73	103	92	81	113	118	148	155	349	534
Other Income	7	7	26	74	81	90	94	80	114	345
PBT before EO expense	**134**	**289**	**300**	**536**	**319**	**394**	**585**	**748**	**1,259**	**2,045**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**134**	**289**	**300**	**536**	**319**	**394**	**585**	**748**	**1,259**	**2,045**
Tax	34	79	71	124	72	71	133	188	308	464
Rate (%)	25.2	27.3	23.7	23.2	22.6	18.0	22.7	25.2	24.5	22.7
Minority Interest & Profit/Loss of Asso. Cos.	2	-2	0	0	0	0	0	0	0	0
Reported PAT	**99**	**212**	**229**	**412**	**246**	**323**	**452**	**560**	**951**	**1,581**
Adj PAT	**99**	**212**	**229**	**412**	**246**	**323**	**452**	**560**	**951**	**1,581**
YoY Change (%)	NA	NA	112.7	107.6	149.0	52.8	97.7	35.8	-4,144.4	66.2
Margins (%)	5.0	7.7	7.9	11.3	8.3	9.0	8.9	9.4	8.4	9.0

Avalon Technologies — Buy

CMP INR506 | TP: INR600 (+19%) — **EPS CHANGE (%): FY25|26: -9|-2**

- Revenue is expected to decline 20% YoY and EBITDA margin is likely to be ~8% in 4QFY24.
- The domestic revenue growth is likely to drive sales for the company.
- International business expected to report a decline, coupled with operational loss for FY24.
- Improvement in business in the US would be the key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**1,960**	**2,447**	**2,327**	**2,718**	**2,351**	**2,010**	**2,143**	**2,174**	**9,447**	**8,678**
YoY Change (%)	NA	NA	NA	NA	19.9	-17.9	-7.9	-20.0	350.4	-8.1
Total Expenditure	1,765	2,161	2,125	2,307	2,189	1,884	1,977	1,994	8,319	8,044
EBITDA	**195**	**286**	**202**	**411**	**162**	**126**	**165**	**181**	**1,128**	**634**
Margins (%)	10.0	11.7	8.7	15.1	6.9	6.3	7.7	8.3	11.9	7.3
Depreciation	46	49	50	52	53	55	60	65	197	233
Interest	71	100	86	95	56	32	36	40	348	165
Other Income	66	64	12	38	51	47	22	30	144	150
PBT before EO expense	**145**	**201**	**78**	**302**	**105**	**86**	**91**	**106**	**727**	**387**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**145**	**201**	**78**	**302**	**105**	**86**	**91**	**106**	**727**	**387**
Tax	52	53	21	75	34	13	25	29	202	100
Rate (%)	35.8	26.6	26.7	24.7	32.4	15.2	27.5	27.0	27.8	26.0
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**93**	**148**	**57**	**227**	**71**	**73**	**66**	**77**	**525**	**287**
Adj PAT	**93**	**148**	**57**	**227**	**71**	**73**	**66**	**77**	**525**	**287**
YoY Change (%)	NA	NA	NA	NA	-23.9	-50.7	14.7	-66.0	NA	-45.4
Margins (%)	4.7	6.0	2.5	8.4	3.0	3.6	3.1	3.6	5.6	3.3

Syrma SGS — Buy

CMP INR488| TP: INR640 (+31%) — **EPS CHANGE (%): FY25|26: 0|0**

- Revenue/EBITDA is expected to grow 45%/47% YoY and EBITDA margin is anticipated to contract to ~8.6%.
- Entry into new verticals, such as IT Hardware, will remain a focal point for the company.
- Orderbook growth to be a key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**3,893**	**4,669**	**5,126**	**6,795**	**6,013**	**7,117**	**7,067**	**9,853**	**20,484**	**30,051**
YoY Change (%)	192.3	118.6	69.9	83.1	54.4	52.4	37.9	45.0	100.9	46.7
Total Expenditure	3,558	4,197	4,648	6,220	5,644	6,627	6,679	9,007	18,624	27,957
EBITDA	**336**	**472**	**478**	**575**	**369**	**490**	**388**	**847**	**1,860**	**2,094**
Margins (%)	8.6	10.1	9.3	8.5	6.1	6.9	5.5	8.6	9.1	7.0
Depreciation	72	71	81	88	101	116	139	150	312	507
Interest	50	63	64	39	75	80	100	100	216	356
Other Income	24	79	118	234	221	89	121	150	455	581
PBT before EO expense	**239**	**417**	**450**	**681**	**413**	**383**	**270**	**747**	**1,787**	**1,813**
Extra-Ord expense	0	0	0	0	0	14	0	0	0	14
PBT	**239**	**417**	**450**	**681**	**413**	**370**	**270**	**747**	**1,787**	**1,799**
Tax	68	128	108	252	130	64	67	188	556	449
Rate (%)	28.5	30.6	24.1	37.1	31.5	17.4	24.8	25.2	31.1	25.0
Minority Interest & Profit/Loss of Asso. Cos.	16	6	10	6	-2	22	48	61	38	129
Reported PAT	**155**	**283**	**332**	**423**	**285**	**283**	**155**	**497**	**1,193**	**1,221**
Adj PAT	**155**	**283**	**332**	**423**	**285**	**297**	**155**	**497**	**1,193**	**1,235**
YoY Change (%)	178.8	149.8	68.2	158.9	84.0	4.8	-53.2	17.6	125.2	3.5
Margins (%)	4.0	6.1	6.5	6.2	4.7	4.2	2.2	5.0	5.8	4.1

Cyient DLM — Buy

CMP INR705 | TP: INR810 (+15%) — **EPS CHANGE (%): FY25|26: 0|0**

- Revenue is expected to grow 37% YoY, led by strong growth in Aerospace and Defense.
- Efficient execution of large order books will be the key focus area for the company.
- Margin is likely to contract to ~10.5% due to higher 'other expenses'.
- New client additions and order inflows will be the key monitorables.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**1,701**	**1,702**	**2,144**	**2,774**	**2,171**	**2,918**	**3,210**	**3,802**	**8,320**	**12,102**
YoY Change (%)	NA	NA	NA	NA	27.6	71.5	49.7	37.1	15.5	45.4
Total Expenditure	1,585	1,465	1,938	2,455	1,972	2,683	2,916	3,404	7,442	10,975
EBITDA	**116**	**237**	**206**	**319**	**200**	**235**	**294**	**398**	**878**	**1,127**
Margins (%)	6.8	13.9	9.6	11.5	9.2	8.1	9.2	10.5	10.6	9.3
Depreciation	49	50	47	48	48	55	58	60	194	221
Interest	67	78	85	86	91	76	83	70	315	320
Other Income	85	-7	-2	-13	9	93	93	50	63	245
PBT before EO expense	**85**	**102**	**73**	**172**	**70**	**198**	**247**	**318**	**432**	**832**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**85**	**102**	**73**	**172**	**70**	**198**	**247**	**318**	**432**	**832**
Tax	22	31	15	46	16	51	63	80	114	210
Rate (%)	25.4	30.4	21.3	26.9	23.3	25.9	25.3	25.2	26.5	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**63**	**71**	**57**	**126**	**54**	**147**	**184**	**238**	**317**	**622**
Adj PAT	**63**	**71**	**57**	**126**	**54**	**147**	**184**	**238**	**317**	**622**
YoY Change (%)	NA	NA	NA	NA	-15.2	106.4	222.9	88.8	-20.2	96.1
Margins (%)	3.7	4.2	2.7	4.5	2.5	5.0	5.7	6.2	3.8	5.1

Data Pattern — Neutral

CMP INR2,561 | TP: INR2,330 (-9%) — **EPS CHANGE (%): FY25|26: 0|0**

- Revenue is expected to grow 25% YoY with an EBITDA margin of ~40%.
- Movement in working capital requirements will be the key monitorable.
- New product development will be the key focus area for the company.

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**684**	**882**	**1,118**	**1,851**	**897**	**1,083**	**1,395**	**2,304**	**4,535**	**5,680**
YoY Change (%)	NA	136.8	88.8	322.2	31.2	22.9	24.8	24.5	45.9	25.3
Total Expenditure	471	580	648	1,117	619	676	795	1,275	2,816	3,364
EBITDA	**213**	**302**	**470**	**734**	**278**	**408**	**600**	**1,029**	**1,718**	**2,316**
Margins (%)	31.1	34.2	42.1	39.6	31.0	37.6	43.0	44.7	37.9	40.8
Depreciation	20	21	21	22	28	31	33	42	84	134
Interest	16	12	21	28	17	23	23	35	77	98
Other Income	17	19	19	38	116	108	113	45	92	383
PBT before EO expense	**194**	**287**	**446**	**721**	**349**	**463**	**657**	**997**	**1,649**	**2,466**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**194**	**287**	**446**	**721**	**349**	**463**	**657**	**997**	**1,649**	**2,466**
Tax	52	76	113	168	91	125	148	251	409	614
Rate (%)	26.7	26.6	25.4	23.3	25.9	27.0	22.4	25.2	24.8	24.9
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**142**	**211**	**333**	**554**	**258**	**338**	**510**	**746**	**1,240**	**1,852**
Adj PAT	**142**	**211**	**333**	**554**	**258**	**338**	**510**	**746**	**1,240**	**1,852**
YoY Change (%)	NA	104.4	158.5	517.9	81.4	60.5	53.0	34.8	32.2	49.4
Margins (%)	20.8	23.9	29.8	29.9	28.8	31.2	36.5	32.4	27.3	32.6

Financials: Banks

4QFY24 earnings estimate (INR b)

PAT (INR b)	4Q FY24E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	3.8	-9.5	2.4
AXSB	63.5	-4.1	4.6
BANDHAN	8.5	5.3	16.2
DCBB	1.3	-7.5	4.0
EQUITAS	2.1	11.1	4.5
FB	9.0	-0.6	-10.9
HDFCB	156.5	29.9	-4.4
ICICIBC	106.3	16.5	3.5
IDFCFB	7.5	-6.5	4.8
IIB	24.2	18.2	5.0
KMB	34.2	-2.2	13.8
RBK	3.4	23.7	43.9
Private Total	**420.3**	**14.0**	**1.5**
PSU Banks			
BOB	48.2	0.8	5.2
CBK	37.3	17.6	2.1
INBK	22.0	51.7	3.6
PNB	28.6	146.5	28.5
SBIN	161.3	-3.4	76.0
UNBK	38.7	39.1	7.8
PSU Total	**336.0**	**11.9**	**32.6**
Banks Total	**756.3**	**13.0**	**13.3**
SBICARD	5.6	-5.5	2.7
Paytm	-4.7	NA	NA

Earnings to remain steady; NIM contraction to ease

Asset quality robust, but remain watchful on credit cost in FY25

- **Credit growth healthy; unsecured loan growth to moderate:** Systemic credit growth remains robust at 16.5% for the fortnight ending 8th Mar'24, and we anticipate this trend to be mirrored across our coverage universe. This healthy growth is fueled by sustained momentum in retail and business banking, along with a gradual recovery in the corporate sector. While the SME segment continues its steady expansion, the real estate sector is experiencing strong growth, supported by favorable industry trends. We expect this positive momentum to continue, with home loans driving growth within the retail segment, accompanied by strong performances in vehicle finance and small business loans. However, we anticipate some moderation in the unsecured segment due to tightening measures by the RBI.
- **Deposit growth gaining traction; NIM compression to moderate:** While credit growth has been robust, deposit growth too has gathered pace on the back of aggressive competition, a push for deposits, and competitive TD rates offered by banks. As a result, the gap between credit and deposits has narrowed to ~3.4% in Mar'24. The CD ratio stays elevated at 80% as most banks will see healthy credit volumes amid the seasonally strong fourth quarter. Among the banks under our coverage, we will watch out for deposit growth for HDFCB and AXSB. We expect ICICIBC, AXISB and KMB to see a 7-11bp moderation in NIM, while we expect flat NIMs for HDFCB, RBK, SBIN, IIB and UNBK. AUSFB is expected to see a substantial moderation in NIMs.
- **Lower bounce rates, healthy credit ratio suggest favorable asset quality outcomes:** The bounce rate has decreased to 19% and stays benign vs. pre-Covid levels, indicating strong asset quality outcomes and a lack of visible stress in the near term. The credit ratio also remained healthy at 1.79x in 2HFY24 but moderated from 1.91x in 1HFY24, thus providing an optimistic outlook for corporate credit quality. Consequently, we anticipate slippages to remain manageable, with upgrades/recoveries and resolutions in certain corporate/SME segments enabling a continued decline in the GNPA ratio. We estimate that credit costs will stay below their normalized run rate, with the release of certain AIF provisions further supporting this lower rate. Moreover, most banks have a minimal restructured book, and the SMA book too remains low, contributing to an improvement in overall credit costs.
- **We estimate our banking coverage universe earnings to grow ~13%/28%/18% YoY (9%/26%/18% excluding HDFCB) in 4QFY24/FY24/FY25**: For 4QFY24, we estimate NII for our banking coverage universe to grow ~7.4% YoY/2.9% QoQ (excluding HDFCB), while controlled opex and modest treasury gains (amid moderation in bond yields) will enable 1.6% YoY/5.5% QoQ growth in PPoP (excluding HDFCB). For 4QFY24, we estimate earnings growth of 12% YoY for PSU banks and 14% for private banks (6% excluding HDFCB). **We estimate MOFSL Banking Universe earnings to grow 28% (~26% excluding HDFCB) in FY24, 18% in FY25, and 17% YoY in FY26.**

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.sankharva@motilaloswal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

Private Banks – 4QFY24 PAT to grow ~6% YoY (excluding HDFCB)

- **For our private bank coverage universe (excluding HDFCB), we estimate PPoP growth of 6% YoY/2% QoQ and PAT growth of 6% YoY/5.3% QoQ in in 4QFY24.** 4Q earnings growth should be supported by robust business growth, normalized opex and controlled credit cost (which offsets continued NIM compression). However, we expect the pace of NIM squeeze to moderate vs. 3Q/2Q levels.
- **We estimate 4QFY24 NII growth** of 15.4% YoY (11% YoY excluding HDFCB), with IDFCFB at ~25%, HDFCB at ~25%, RBL at ~19%, IIB at ~18%, KMB at ~10%, ICICIBC at ~9%, and AXSB at ~8% YoY.
- Opex is likely to follow a normalized trend as banks continue with their investments in branches and technology, while the pace of employee hiring also remains healthy. The moderation in bond yield is expected to aid other income.
- **Slippages are likely to remain under control,** which should drive continued improvement in asset quality ratios. This, coupled with healthy recoveries from NCLT resolutions and a pick-up in the sale of NPA accounts to ARC, should improve asset quality ratios.

PSBs – Controlled opex, stable NIMs and benign credit cost to aid earnings

- We estimate PSBs to report healthy earnings growth of 12% YoY/33% QoQ amid stable margins, decent growth, controlled opex, moderate treasury gains and benign credit cost. We, thus, estimate PSBs to report **5% YoY growth in NII, 1% YoY decline in PPoP, and 11.9% YoY growth in PAT.**
- **Opex is expected to decrease** from the 3Q levels, primarily due to wage-related provisions made in 3Q. These provisions were largely accounted for in 3Q and partially in 4Q, particularly for SBIN and FB. **Treasury performance is likely to stay robust**, supported by a decline in bond yields and buoyant capital markets.
- The ongoing **improvement in asset quality is expected to continue**, with controlled slippages, complemented by robust recoveries, upgrades, and sales to the NARCL, which will enhance asset quality ratios. Healthy PCR and a significant reduction in the SMA pool bode well for credit costs.

SFBs – Mixed performance; NIM moderation to continue

- We estimate **AUBANK's 4Q PAT** to decline 10% YoY to INR3.84b (+2.4% QoQ) as opex ratios remain elevated (C/I ratio at ~63% in FY24). Its NIMs are expected to remain under pressure and may fall by ~25bp to 5.25% after flat NIMs in 3Q. We remain watchful on asset quality as the bank has seen an uptick in credit cost due to faster normalization of slippage run rate and low recoveries.
- **EQUITASB** is likely to report a mixed quarter, with PPoP likely to decline 5% YoY amid lower other income and PAT likely to grow 11% YoY due to controlled credit cost. Advances may grow ~21% YoY (~7% QoQ), though AUM growth will be faster. We estimate NIMs to moderate by another 11bp QoQ to 8.26%.

Payments/Fintech: Macro uncertainty, regulatory actions to dent earnings

- **SBICARDS:** The momentum in credit card spending is expected to moderate in 4Q amid lower corporate spending. New account sourcing should remain stable in 4Q. NIM is expected to moderate amid a lower revolver mix at 23% and a rise in funding cost, particularly as banks pass on the impact of increased risk-

weights. Asset quality could remain under pressure, keeping credit costs high. We, thus, estimate earnings to decline 6% YoY (+3% QoQ).

- **PAYTM:** We estimate a 23% YoY decline in GMV in 4QFY24, amounting to INR3.9t. Additionally, the value of disbursed loans is expected to plunge 67% QoQ, as the company has suspended postpaid loans due to RBI concerns and put merchant loans on hold pending data on QR transition. Revenue from operations is projected to decrease by 21% YoY to INR18.3b, while contribution profit is estimated to decline by 15% YoY to INR10.9b, with a contribution margin of ~60%. Adj. EBITDA loss is estimated to be at INR0.5b. We have factored in UPI incentive in our estimates during 4Q.

Other monitorables

- **RBI regulations tightening:** While the system's overall growth remains robust, regulators have identified various issues in certain companies. Consequently, there will be increased scrutiny on overall growth of the financial sector as attention shifts toward effectively managing compliance and fostering growth. We remain watchful on regulatory actions demanding increased vigilance and compliance from all entities involved.
- **Deposit progression remains a critical** business metric, given an elevated CD ratio. As a result, banks will continue to make efforts to mobilize deposits to improve their CD ratios.
- **Opex and wage provisions:** Ongoing investments in technology and branch expansion or business growth initiatives are likely to impact the opex run rate. It will be crucial to evaluate any gaps in residual wage and pension provisioning to assess earnings growth.
- **Fee income traction and treasury performance:** Another significant focus area lies in monitoring the traction in fee income and treasury performance, particularly amid buoyant capital markets and a moderation in bond yields.

Top picks – ICICIBC, IIB and SBIN

ICICIBC: Financial snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	621	744	845
OP	491	578	662
NP	319	408	455
NIM (%)	4.7	4.8	4.6
EPS (INR)	45.8	58.4	65.2
EPS Gr (%)	36.0	27.6	11.6
ABV/Sh (INR)	267	317	373
BV/Sh (INR)*	306	365	435
Ratios			
RoE (%)	17.5	19.0	18.1
RoA (%)	2.1	2.4	2.2
Valuations			
P/BV (x) (Cons)	3.5	3.0	2.5
P/ABV (x)	3.3	2.8	2.4
P/E (x)	19.1	15.0	13.4

*Cons.

ICICIBC (Buy)

- ICICIBC has consistently demonstrated strong growth and profitability over the past few years. The bank boasts a healthy PCR of 82% as of 3QFY24. Moreover, it has set aside Covid-related provisions of INR131b (1.1% of total loans).
- Slippages have been effectively managed and have been decreasing for the past few quarters, which is expected to continue. ICICIBC is well-prepared with ample provisions on its balance sheet (higher than industry standards) and does not foresee an immediate need to utilize these provisions.
- Despite reaching peak margins in 4QFY23, the bank faces potential challenges such as the repricing of liabilities and the risk of CASA cannibalization, which could lead to an increase in funding costs and, consequently, margin pressure. With 70% of its loan book comprising floating-rate products and much of the repricing already completed, yields are expected to remain stable.
- ICICIBC is transitioning into a growth leader in the SME and Retail segments, supported by ongoing investments in technology and strategic partnerships with new ecosystem players. We estimate an 18% CAGR in loans over FY24-26.
- The bank has potential for re-rating, driven by its consistent delivery of strong return ratios and sustained growth, attributed to its focus on enhancing core operating performance. We estimate RoA/RoE of 2.2%/17.8% in FY26. Adjusted for subsidiaries, the standalone bank currently trades at 2.0x FY26E ABV.

IIB: Financial snapshot (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	175.9	207.3	241.0
OP	144.2	159.4	184.6
NP	74.4	90.4	107.3
NIM (%)	4.1	4.3	4.3
EPS (INR)	96.0	116.6	138.4
EPS Gr. (%)	54.7	21.4	18.7
BV/Sh. (INR)	707	808	930
ABV/Sh. (INR)	691	791	913
Ratios			
RoE (%)	14.5	15.4	16.0
RoA (%)	1.7	1.9	1.9
Valuations			
P/E (X)	16.1	13.3	11.2
P/BV (X)	2.2	1.9	1.7
P/ABV (X)	2.2	2.0	1.7

IIB (Buy)

- After witnessing slower growth of 10-12% over FY20-22, IIB has seen a growth revival since then, with broad-based growth in both corporate and retail loans. The bank's advances have gained momentum, with strong 19-22% YoY growth in the past four quarters; Corporate growth stood at 15%+ and Retail growth was strong at 24% YoY in 3Q. We believe a healthy economic outlook and stable demand from corporates should help IIB sustain growth momentum.
- The bank has seen a gradual improvement in its asset quality, led by moderation in slippages, particularly from the MFI/Corporate segments, leading to a GNPA of 1.9% and healthy PCR of ~71% as on 3QFY24. IIB had contingent provisions amounting to INR13b (40bp of advances) as on 3QFY24.
- IIB's average CoD stands at 6.4%, which is higher than that of its peers, but the bank's ability to sustain its retail deposit base with steady optimization in deposit rates will be crucial for margin improvement. Its CASA ratio stood at 38.5% and retail deposits form 42% of total deposits; these metrics should improve as IIB continues to ramp up by tapping other customer segments.
- IIB has maintained its market share of ~2% of net systemic advances, backed by its leadership position in vehicle finance and MFI, which formed 26% and 11% of its advances, respectively, as on 3QFY24. The bank has guided for 18-23% in PC-6 (FY23-26), which we believe is fairly achievable amid a healthy demand environment. We expect healthy growth of 17%+ for FY24-26.
- We thus estimate RoA/RoE of 2.0%/16.7% in FY26. The stock currently trades at an attractive valuation of 1.5x FY26E ABV.

SBI: Financial snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	1,448	1,597	1,745
OP	837	880	1,100
NP	502	565	705
NIM (%)	3.2	3.1	3.1
EPS (INR)	56.3	63.3	79.0
EPS Gr. (%)	58.6	12.5	24.8
ABV (INR)	311	362	427
Cons. BV (INR)	385	453	540
Ratios			
RoE (%)	18.1	17.6	18.9
RoA (%)	1.0	1.0	1.1
Valuations			
P/BV (x) (Cons.)	2.0	1.7	1.4
P/ABV (x)	1.7	1.5	1.2
P/E (x)	9.4	8.3	6.7

SBI (Buy)

- SBI delivered steady 17%/15.1% YoY loan growth in FY23/9MFY24 (vs. 9% CAGR over FY18-22) while focusing on building a granular and high-quality loan portfolio. It has been witnessing a heathy pick-up in corporate loan growth amid improved demand and healthy utilization.
- SBIN has been steadily growing its deposit base, up 13% YoY to INR47.6t in 9MFY24. Despite higher rates being offered by competition, the management does not foresee any challenges in garnering deposits, even at such a large base.
- Asset quality has remained well under control, with constant moderations in GNPA/NNPA ratios and overall stress pool. The bank witnessed a 72bp/13bp YoY decline in GNPA/NNPA to 2.42%/0.64% in 3QFY24.
- With the cost of deposits largely peaked out, the deposit repricing is almost at the fag end in 4QFY24 and should be largely offset by some degree of MCLR repricing. SBIN increased TD rates by 25-50bp in Dec'23 in the short-tenure buckets, which is not expected to notably impact costs; we have incorporated a slight moderation of 5bp in NIM in 4QFY24.
- The opex run rate has been high as SBIN made additional provisions in 3QFY24 for a 17% wage hike settlement. The bank has thus made total wage provisions of INR127.2b, and expects residual wage-related provisions of INR54b in 4QFY24. Additionally, the bank provided INR71b in 3Q for differential pension and DA neutralization. The bank guides for a lower wage bill of INR660b in FY25 vs. INR770b in FY24. As a result, we expect the cost ratio to moderate notably in FY25 to 52% and further to ~51% by FY26 from 58% in FY24.
- We estimate FY26 RoA/RoE of 1.1%/18.4%. The stock currently trades at decent valuations of 1.1x FY26E ABV.

Exhibit 1: Summary of 4QFY24 earnings estimates

		NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
	Rating	Mar'24	Variance YoY (%)	Variance QoQ (%)	Mar'24	Variance YoY (%)	Variance QoQ (%)	Mar'24	Variance YoY (%)	Variance QoQ (%)
Financials										
AU Small Finance	Buy	13,720	13.1	3.6	6,697	17.3	1.9	3,842	-9.5	2.4
Axis Bank	Neutral	1,27,193	8.3	1.5	92,158	0.5	0.8	63,525	-4.1	4.6
Bandhan Bank	Neutral	26,673	7.9	5.6	18,067	0.6	9.1	8,514	5.3	16.2
DCB Bank	Neutral	4,885	0.5	3.1	2,289	-6.1	8.2	1,316	-7.5	4.0
Equitas Small Finance	Buy	7,962	12.6	1.4	3,680	-4.8	2.1	2,111	11.1	4.5
Federal Bank	Buy	21,999	15.2	3.6	13,227	-0.9	-8.0	8,975	-0.6	-10.9
HDFC Bank	Buy	2,91,442	24.8	2.4	2,42,589	30.3	2.6	1,56,538	29.9	-4.4
ICICI Bank	Buy	1,91,778	8.6	2.7	1,47,187	6.5	0.0	1,06,290	16.5	3.5
IDFC First Bank	Neutral	44,872	24.8	4.7	16,545	6.1	5.9	7,502	-6.5	4.8
IndusInd Bank	Buy	54,883	17.5	3.6	41,611	10.7	2.9	24,156	18.2	5.0
Kotak Mahindra Bank	Neutral	66,999	9.8	2.2	50,291	8.2	10.1	34,197	-2.2	13.8
RBL Bank	Neutral	16,140	18.9	4.4	8,157	37.4	6.6	3,354	23.7	43.9
Banks – Private		**8,68,546**	**15.4**	**2.7**	**6,42,499**	**13.7**	**2.4**	**4,20,319**	**14.0**	**1.5**
Banks – Private (Ex of HDFCB)		**5,77,104**	**11**	**3**	**3,99,910**	**6**	**2**	**2,63,781**	**6.2**	**5.3**
Bank of Baroda	Buy	1,13,946	-1.1	2.6	75,234	-6.8	7.2	48,156	0.8	5.2
Canara Bank	Buy	93,875	8.9	-0.3	70,425	-2.9	3.5	37,344	17.6	2.1
Indian Bank	Buy	59,465	8.0	2.3	42,018	4.6	2.6	21,961	51.7	3.6
Punjab National Bank	Neutral	1,04,546	10.1	1.6	70,996	21.0	12.1	28,563	146.5	28.5
State Bank of India	Buy	4,14,605	2.6	4.1	2,29,106	-6.9	12.7	1,61,277	-3.4	76.0
Union Bank	Buy	94,413	14.4	3.0	72,262	5.9	-0.7	38,694	39.1	7.8
Banks – PSU		**8,80,849**	**5.1**	**2.9**	**5,60,040**	**-1.1**	**8.0**	**3,35,996**	**11.9**	**32.6**
Total Banks		**17,49,395**	**10.0**	**2.8**	**12,02,539**	**6.3**	**4.9**	**7,56,315**	**13.0**	**13.3**
Total Banks (Ex of HDFCB)		**14,57,953**	**7**	**3**	**9,59,950**	**2**	**6**	**5,99,777**	**9.3**	**19.1**
Paytm	Neutral	18,338	-21.5	-35.7	-463	LP	-121.0	**-4,693**	NA	NA
SBI Cards	Neutral	14,485	24.3	4.4	17,001	18.9	4.9	**5,637**	-5.5	2.7

Exhibit 2: Loan growth healthy at 20.4% (including HDFC)

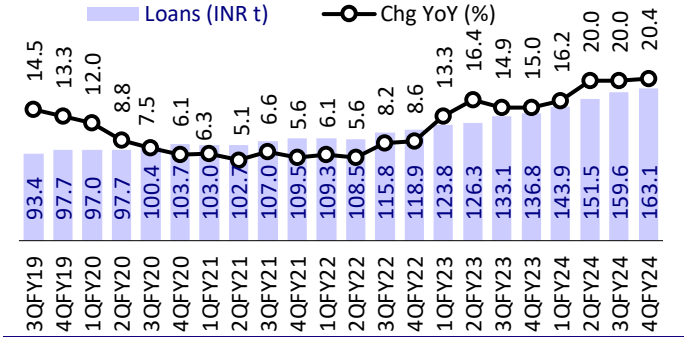


Exhibit 3: Deposit growth inches up to 13.7%

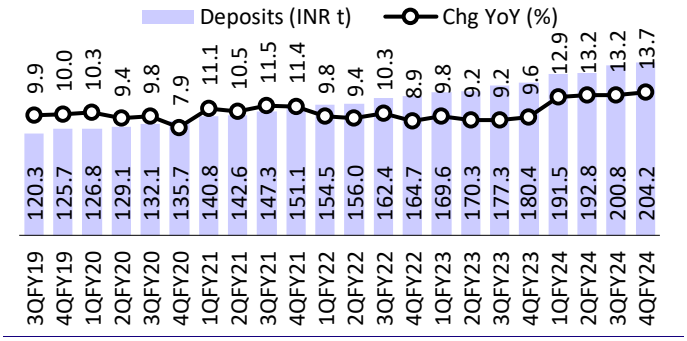


Exhibit 4: Margins expected to compress further

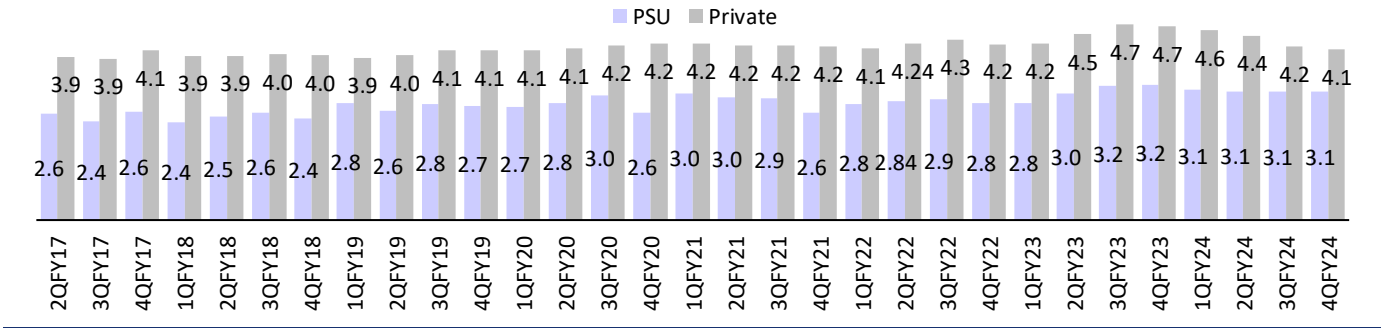


Exhibit 5: Earnings progression on track

INRb	Old Estimates			Revised Estimates			% Change		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Private Banks									
AXSB	241.2	277.4	331.0	240.8	267.2	317.0	-0.1%	-3.7%	-4.2%
BANDHAN	32.6	41.5	49.8	30.3	37.1	43.6	-7.2%	-10.7%	-12.5%
DCBB	5.2	6.1	7.2	5.1	6.1	7.4	-1.2%	0.4%	2.0%
HDFCB	605.8	730.8	879.8	599.5	693.4	812.7	-1.0%	-5.1%	-7.6%
ICICIBC	406.7	460.8	538.3	408.1	455.4	523.6	0.3%	-1.2%	-2.7%
IDFCFB	30.3	39.7	52.1	29.8	38.6	53.3	-1.6%	-2.8%	2.3%
IIB	90.0	109.0	132.3	90.4	107.3	130.1	0.5%	-1.5%	-1.6%
KMB	131.0	148.0	171.3	130.7	145.1	169.7	-0.2%	-2.0%	-0.9%
FB	37.9	44.7	52.5	37.4	44.0	52.9	-1.5%	-1.4%	0.6%
RBK	11.4	15.5	20.9	11.5	15.4	20.9	0.9%	-0.7%	0.1%
AUBANK	15.5	20.8	28.6	15.5	20.5	28.2	-0.1%	-1.5%	-1.4%
EQUITASB	8.1	9.5	12.3	8.0	9.4	12.4	-0.8%	-1.6%	0.3%
Total Pvt	**1,615.7**	**1,903.8**	**2,276.2**	**1,607.2**	**1,839.5**	**2,171.7**	**-0.5%**	**-3.4%**	**-4.6%**
YoY growth	**26.9%**	**17.8%**	**19.6%**	**26.2%**	**14.5%**	**18.1%**			
Total Pvt (Ex of HDFCB)	**1,009.9**	**1,173.0**	**1,396.4**	**1,007.6**	**1,146.0**	**1,359.1**	**-0.2%**	**-2.3%**	**-2.7%**
YoY growth	**21.4%**	**16.1%**	**19.0%**	**21.1%**	**13.7%**	**18.6%**			
PSU Banks									
BOB	179.0	203.3	229.0	177.2	200.2	226.7	-1.0%	-1.5%	-1.0%
CBK	144.0	170.8	197.5	145.3	166.0	187.5	0.9%	-2.8%	-5.1%
INBK	80.0	95.5	111.3	80.1	95.1	111.2	0.2%	-0.5%	0.0%
PNB	81.2	122.0	155.3	80.9	125.0	164.3	-0.4%	2.5%	5.8%
SBIN	559.7	721.1	829.0	565.1	705.0	799.4	1.0%	-2.2%	-3.6%
UNBK	140.4	165.1	185.4	142.1	162.1	184.5	1.2%	-1.8%	-0.5%
Total PSU	**1,184.3**	**1,477.9**	**1,707.6**	**1,190.7**	**1,453.5**	**1,673.6**	**0.5%**	**-1.7%**	**-2.0%**
YoY growth	**29.9%**	**24.8%**	**15.5%**	**30.6%**	**22.1%**	**15.1%**			
Total Banks	**2,800.1**	**3,381.7**	**3,983.7**	**2,797.8**	**3,292.9**	**3,845.3**	**-0.1%**	**-2.6%**	**-3.5%**
YoY growth	**28.2%**	**20.8%**	**17.8%**	**28.1%**	**17.7%**	**16.8%**			
Total Banks (Ex of HDFCB)	**2,194.3**	**2,650.9**	**3,103.9**	**2,198.3**	**2,599.5**	**3,032.7**	**0.2%**	**-1.9%**	**-2.3%**
YoY growth	**25.8%**	**20.8%**	**17.1%**	**26.1%**	**18.3%**	**16.7%**			
SBI Cards	23.8	32.1	43.7	23.1	32.3	43.6	-2.8%	0.4%	-0.3%
Paytm	-11.4	-14.1	0.0	-13.3	-9.8	5.7	NA	NA	

Large banks continue to carry additional provision buffers

Exhibit 6: Snapshot of additional provision buffers as of 3QFY24

As on 3QFY24	Loans (INR b)	COVID/contingent provisions	Floating/additional provisions	Total provisions	As a percentage of loans (%)
AXSB*	9,323	50.1	69.7	119.8	1.3
HDFCB	24,461	139	15	154	0.6
ICICIBC	11,538	131	-	131	1.1
IIB	3,271	13	-	13	0.4
KMB	3,596	2.9	-	2.9	0.1
AUBANK	667	0.05	0.4	0.5	0.1

AXSB holds total provisions of INR119.8b, including standard and additional, other than NPA

Source: MOFSL, Company

Exhibit 7: Snapshot of AIF provision as of 3QFY24

As on 3QFY24	AIF Provisions (INR b)
ICICI Bank	6.3
KMB	1.9
RBL Bank	1.2
Axis bank	1.8
SBIN	2.4
BOB	0.5
DCB	0.5

Source: MOFSL, Company

Restructured book remains under control for private banks, but it is relatively higher for public sector banks

Exhibit 8: Snapshot of restructured book across banks

INR b	Restructured book									
	Absolute	Dec'21	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23
AXSB	16.41	0.63	0.52	0.45	0.38	0.3	0.22	0.21	0.2	0.18
BANDHAN	NA	8.22	5.2	2.35	0.2	NA	NA	NA	NA	NA
DCBB	11.59	6.81	6.42	6.1	5.45	4.94	4.51	3.97	3.4	3
HDFCB	51.287	1.4	1.14	0.76	0.53	0.42	0.31	NA	0.22	NA
ICICIBC	33.18	1.19	1	0.8	0.7	0.5	0.4	NA	0.32	0.29
IIB	15.699	3.3	2.6	2.1	1.5	1.25	0.84	0.66	0.54	0.48
KMB	4.59	0.54	0.44	0.39	0.34	0.25	0.22	0.19	0.15	0.13
FB	22	2.45	2.44	2.22	2.03	1.81	1.62	1.4	1.3	1.1
RBK	5.037	3.44	3.27	2.9	2.21	1.67	1.21	1.05	0.89	0.63
AUBANK	4.672	3.1	2.5	2.1	1.7	1.4	1.2	1	0.8	0.7
BOB	99	2.65	2.44	2.46	2.12	1.87	1.5	1.31	NA	1
SBIN	188.8	1.2	1.13	1	0.93	0.85	0.8	0.69	0.62	0.54
INBK	94.36	5.09	4.73	4.2	3.9	3.37	2.51	2.19	2.12	1.93
PNB	97.2	2.76	2.36	2	1.8	1.54	1.32	NA	NA	1.06
UNBK	140.71	3.32	2.99	2.92	2.6	2.38	2.2	2	1.71	1.57
CBK	NA	2.78	2.77	2.41	2.09	1.75	NA	NA	NA	NA

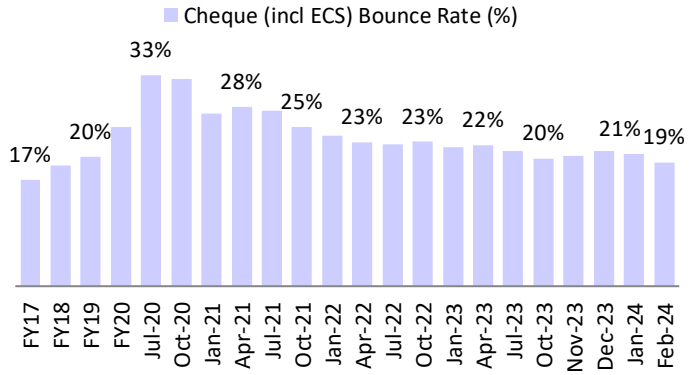
Source: MOFSL, Company

Exhibit 9: SMA book across banks as of 3QFY24

SMA (bp of loans)	SMA 0	SMA 1	SMA 2
BOB	NA	24bp	
BOI	NA	16bp	18bp
CBK	17bp	15bp	48bp
INBK	NA	36bp	20bp
PNB	NA	NA	14bp
SBIN	NA	10bp	10bp
UNBK	32bp	9bp	18bp
BANDHAN	140bp	100bp	90bp
KMB	NA	NA	6bp

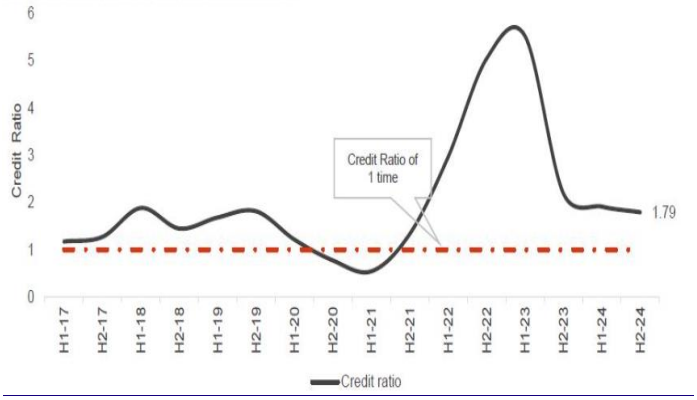
Source: MOFSL, Company

Exhibit 10: Cheque Bounce rate reduces to 19%; lower than pre-Covid levels



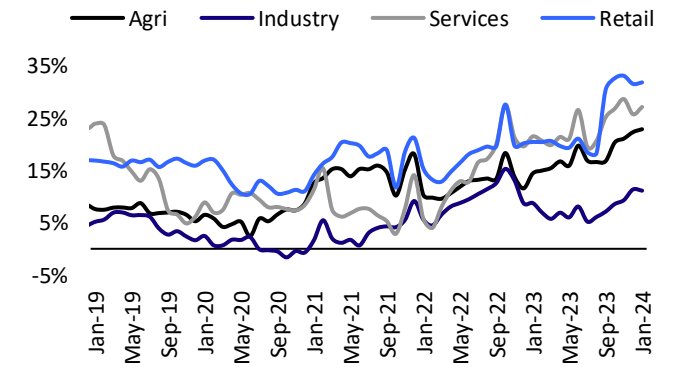
Source: MOFSL, NPCI

Exhibit 11: Credit ratio moderated to 1.79x in 2HFY24, showcasing favorable asset quality outcomes



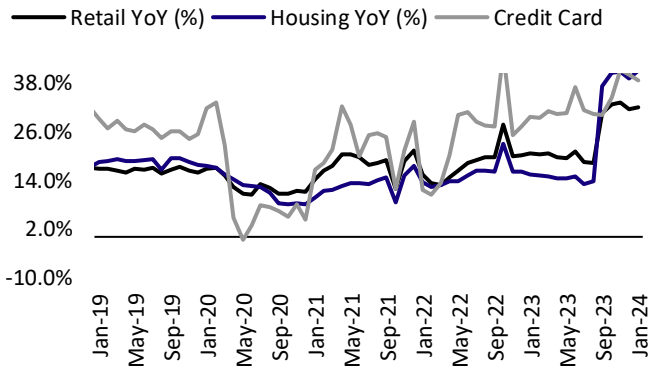
Source: MOFSL, CRISIL

Exhibit 12: Retail loan growth healthy at 31.8% YoY; Retail mix at 34.1% in Jan'24



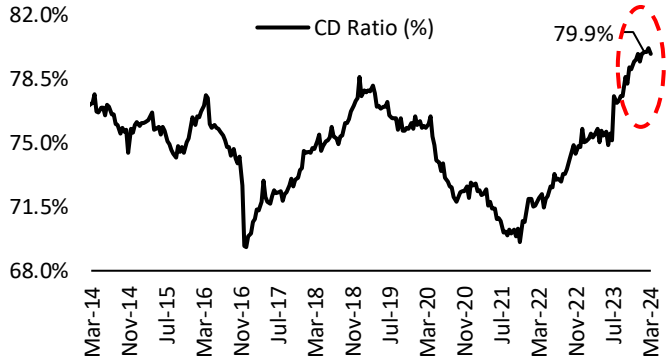
Source: MOFSL, RBI

Exhibit 13: Credit Card grew at ~38.4% YoY; Housing/Retail loan growth at ~40.9%/31.8% YoY in Nov'23



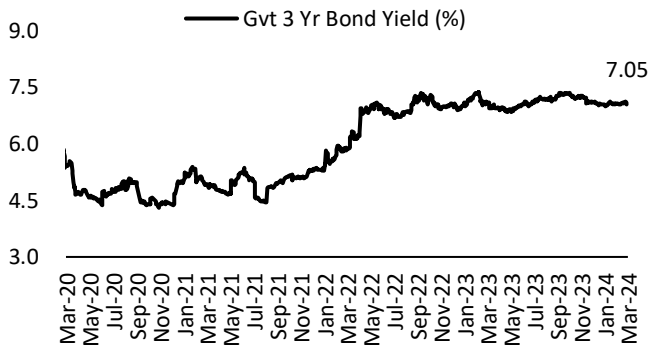
Source: MOFSL, RBI

Exhibit 14: CD ratio stands at 79.9% as of Mar'24



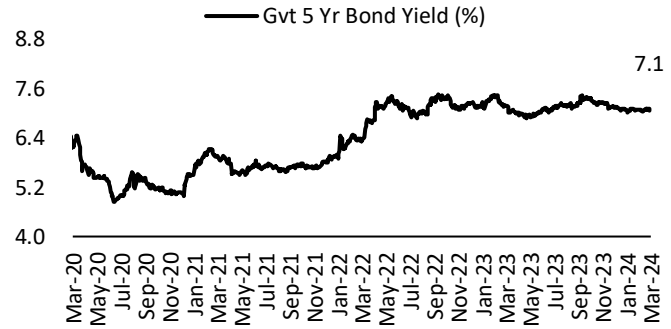
Source: MOFSL, RBI

Exhibit 15: Three-year G-Sec yield remains in a narrow range



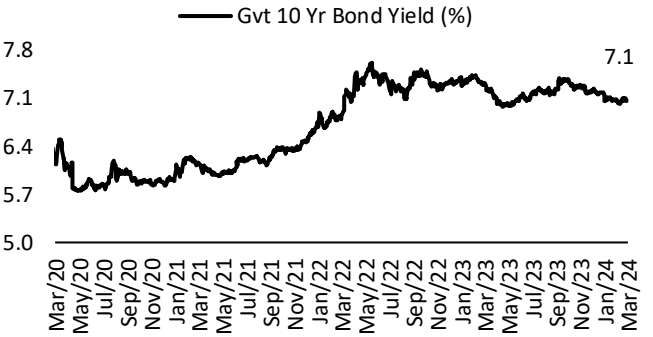
Source: MOFSL, BBG

Exhibit 16: Five-year G-Sec yield declined 7bp in Mar'24



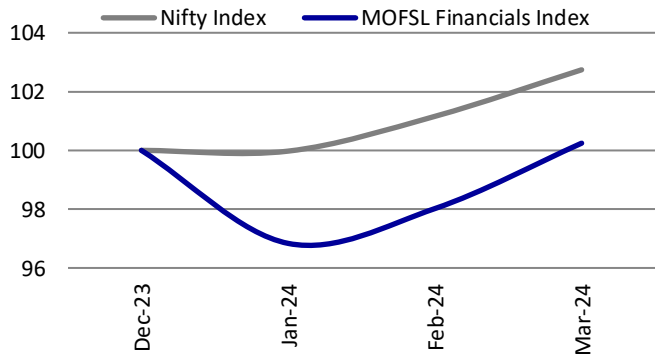
Source: MOFSL, BBG

Exhibit 17: 10-year G-Sec yield stood at 7.1% in Mar'24



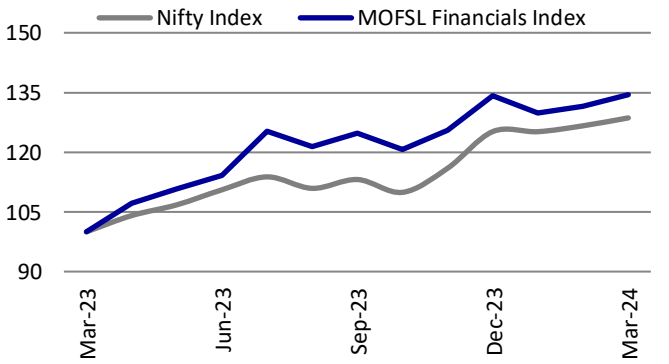
Source: MOFSL, BBG

Exhibit 18: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 19: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 20: Valuation summary

Company	CMP (INR)	Rating	EPS (INR)			P/E (x)			P/B (x)			RoE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Financials														
Banks-Private														
ICICIBC	1,077	Buy	58.4	65.2	75.0	14.9	13.4	11.6	2.6	2.2	1.9	19.0	18.1	17.8
HDFCB	1,483	Buy	78.9	91.3	107.0	16.0	13.8	11.8	2.2	2.0	1.7	14.5	15.1	15.6
AXSB	1,063	Neutral	78.2	86.6	102.8	12.3	11.1	9.4	2.0	1.7	1.5	17.7	16.8	17.1
BANDHAN	191	Neutral	18.8	23.0	27.0	10.1	8.3	7.0	1.4	1.3	1.1	14.7	16.1	16.9
KMB	1,732	Neutral	65.9	74.5	86.2	17.6	15.5	13.4	2.4	2.1	1.8	14.6	14.1	14.4
IIB	1,543	Buy	116.6	138.4	167.7	13.2	11.2	9.2	1.9	1.7	1.4	15.4	16.0	16.7
FB	155	Buy	16.5	18.2	21.9	9.4	8.5	7.1	1.3	1.1	1.0	14.9	14.3	15.1
DCBB	127	Neutral	16.4	19.6	23.7	7.7	6.5	5.4	0.8	0.7	0.7	11.4	12.3	13.3
IDFCFB	78	Neutral	4.4	5.7	7.9	17.6	13.8	10.0	1.7	1.5	1.3	10.3	11.4	13.8
EQUITASB	97	Buy	7.2	8.3	10.9	13.5	11.7	8.9	1.9	1.7	1.4	14.6	15.1	17.3
AUBANK	605	Buy	23.2	29.1	37.9	26.1	20.8	16.0	3.3	2.7	2.3	13.4	14.2	15.5
RBK	252	Neutral	19.2	25.6	34.9	13.2	9.9	7.2	1.0	1.0	0.9	8.2	10.2	12.9
Banks-PSU														
SBIN	771	Buy	62.7	80.8	92.9	8.4	6.6	5.7	1.3	1.1	1.0	17.6	18.9	18.4
PNB	135	Neutral	7.3	11.4	14.9	18.4	11.9	9.1	1.4	1.3	1.1	8.4	11.8	13.8
BOB	274	Buy	34.2	38.7	43.8	8.0	7.1	6.3	1.3	1.1	1.0	17.8	17.3	16.9
CBK	606	Buy	80.1	91.5	103.3	7.6	6.6	5.9	1.3	1.1	0.9	19.9	19.0	18.0
UNBK	157	Buy	19.9	21.9	24.9	7.9	7.2	6.3	1.3	1.1	1.0	17.7	17.1	17.0
INBK	529	Buy	61.8	70.6	82.6	8.6	7.5	6.4	1.3	1.1	1.0	16.9	16.7	16.9
Fintech and payments														
Paytm	411	Neutral	-26.1	-18.9	4.2	-15.7	-21.8	96.8	2.1	2.2	2.2	-13.1	-10.3	-7.8
SBICARD	695	Neutral	24.4	34.1	46.1	28.5	20.4	15.1	5.5	4.4	3.5	21.2	24.1	25.8

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

AU Small Finance Bank — Buy

CMP: INR605 | TP: INR720 (+19%) — **EPS CHANGE (%): FY24|FY25: -0.1|-1.5**

- Expect margins to compress
- Merger to help AUBANK diversify its lending portfolio and increase its geographical footprint
- CoF and C/I ratios are expected to remain elevated
- Asset quality ratios expected to remain stable

Quarterly Performance (INR m)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**9,760**	**10,833**	**11,527**	**12,132**	**12,462**	**12,490**	**13,249**	**13,720**	**44,253**	**51,921**
% Change (Y-o-Y)	34.8	43.8	40.5	29.5	27.7	15.3	14.9	13.1	36.8	17.3
Other Income	1,592	2,474	2,949	3,331	3,151	4,255	4,497	4,752	10,345	16,655
Total Income	**11,352**	**13,307**	**14,476**	**15,463**	**15,613**	**16,744**	**17,746**	**18,472**	**54,597**	**68,576**
Operating Expenses	7,411	8,319	8,919	9,753	10,153	10,267	11,175	11,776	34,403	43,370
Operating Profit	**3,941**	**4,988**	**5,557**	**5,709**	**5,461**	**6,477**	**6,571**	**6,697**	**20,195**	**25,205**
% Change (Y-o-Y)	-18.2	27.1	21.2	18.4	38.6	29.9	18.2	17.3	11.3	24.8
Provisions	384	430	326	409	330	1,143	1,589	1,637	1,548	4,699
Profit before Tax	**3,557**	**4,558**	**5,231**	**5,300**	**5,131**	**5,334**	**4,981**	**5,060**	**18,646**	**20,506**
Tax	878	1,132	1,302	1,054	1,262	1,315	1,229	1,218	4,367	5,024
Net Profit	**2,679**	**3,426**	**3,928**	**4,246**	**3,869**	**4,018**	**3,752**	**3,842**	**14,279**	**15,482**
% Change (Y-o-Y)	31.8	23.0	30.1	22.7	44.4	17.3	-4.5	-9.5	26.4	8.4
Operating Parameters										
Deposit (INR b)	546.3	583.4	611.0	693.6	693.2	757.4	801.2	871.8	693.6	871.8
Loan (INR b)	486.5	517.4	556.0	584.2	628.6	641.7	667.4	727.5	584.2	727.5
Deposit Growth (%)	47.6	49.4	38.0	31.9	26.9	29.8	31.1	25.7	31.9	25.7
Loan Growth (%)	43.3	44.4	38.4	26.7	29.2	24.0	20.0	24.5	26.7	24.5
Asset Quality										
GNPA (%)	2.0	1.9	1.8	1.7	1.8	1.9	2.0	2.0	1.7	2.0
NNPA (%)	0.6	0.6	0.5	0.4	0.6	0.6	0.7	0.7	0.5	0.7
PCR (%)	71.7	71.1	72.1	75.0	69.0	69.1	66.0	64.7	70.8	64.7

Axis Bank — Neutral

CMP: INR1063 | TP: INR1,175 (+10%) — **EPS CHANGE (%): FY24|FY25: -0.1|-3.7**

- Expect CD ratio to remain elevated
- Expect margin to moderate in 4Q
- Cost ratios to remain elevated
- Expect business growth to remain healthy

Quarterly Performance (INR m)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**93.8**	**103.6**	**114.6**	**117.4**	**119.6**	**123.1**	**125.3**	**127.2**	**429.5**	**495.2**
% Change (Y-o-Y)	20.9	31.1	32.4	33.1	27.4	18.9	9.4	8.3	29.6	15.3
Other Income	30.0	39.4	46.7	49.0	50.9	50.3	55.5	57.7	165.0	214.5
Total Income	**123.8**	**143.0**	**161.2**	**166.4**	**170.5**	**173.5**	**180.9**	**184.9**	**594.5**	**709.8**
Operating Expenses	65.0	65.9	68.5	74.7	82.3	87.2	89.5	92.8	273.0	351.7
Operating Profit	**58.9**	**77.2**	**92.8**	**91.7**	**88.1**	**86.3**	**91.4**	**92.2**	**321.4**	**358.0**
% Change (Y-o-Y)	-4.8	30.2	50.6	41.8	49.7	11.9	-1.5	0.5	29.9	11.4
Provisions	3.6	5.5	14.4	3.1	10.3	8.1	10.3	7.3	28.8	36.1
Profit before Tax	**55.3**	**71.7**	**78.4**	**88.6**	**77.8**	**78.2**	**81.1**	**84.9**	**292.6**	**322.0**
Tax	14.0	18.4	19.9	22.4	19.8	19.5	20.4	21.4	73.3	81.1
Net Profits	**41.3**	**53.3**	**58.5**	**66.3**	**58.0**	**58.6**	**60.7**	**63.5**	**219.3**	**240.8**
% Change (Y-o-Y)	91.0	70.1	61.9	60.9	40.5	10.0	3.7	-4.1	68.4	9.8
Operating Parameters										
Deposit (INR t)	8.0	8.1	8.5	9.5	9.4	9.6	10.0	10.8	9.5	10.8
Loan (INR t)	7.0	7.3	7.6	8.5	8.6	9.0	9.3	9.8	8.5	9.8
Deposit Growth (%)	12.6	10.1	9.9	15.2	17.2	17.9	18.5	13.8	15.2	13.8
Loan Growth (%)	14.0	17.6	14.6	19.4	22.4	22.8	22.3	15.6	19.4	15.6
Asset Quality										
Gross NPA (%)	2.8	2.5	2.4	2.0	2.0	1.7	1.6	1.6	2.2	1.6
Net NPA (%)	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
PCR (%)	77.3	79.9	80.8	80.9	79.6	79.5	77.8	77.0	80.0	77.0

Bandhan Bank — Neutral

CMP: INR191 | TP: INR225 (+18%) — **EPS CHANGE (%): FY24|FY25: -7.2|-10.8**

- Expect NIM moderation to continue
- Expect asset quality to improve and credit cost to be under control
- Expect business growth to pick up amid seasonal pick-up
- Cost ratios expected to remain elevated

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**25.1**	**21.9**	**20.8**	**24.7**	**24.9**	**24.4**	**25.3**	**26.7**	**92.6**	**101.3**
% Change (YoY)	18.9	13.3	-2.1	-2.7	-0.9	11.4	21.4	7.9	6.3	9.4
Other Income	3.3	4.8	10.3	6.3	3.9	5.4	5.5	6.8	24.7	21.5
Total Income	**28.4**	**26.7**	**31.1**	**31.0**	**28.8**	**29.8**	**30.7**	**33.4**	**117.3**	**122.7**
Operating Expenses	10.2	11.2	11.9	13.1	13.1	14.0	14.2	15.4	46.4	56.7
Operating Profit	**18.2**	**15.5**	**19.2**	**18.0**	**15.6**	**15.8**	**16.6**	**18.1**	**70.9**	**66.1**
% Change (YoY)	-7.0	-2.0	-1.4	-28.8	-14.2	2.0	-13.9	0.6	-11.5	-6.8
Provisions	6.4	12.8	15.4	7.3	6.0	6.4	6.8	6.6	42.0	25.8
Profit Before Tax	**11.8**	**2.7**	**3.8**	**10.6**	**9.6**	**9.5**	**9.7**	**11.5**	**28.9**	**40.2**
Tax	2.9	0.6	0.9	2.5	2.4	2.3	2.4	2.9	7.0	10.0
Net Profit	**8.9**	**2.1**	**2.9**	**8.1**	**7.2**	**7.2**	**7.3**	**8.5**	**21.9**	**30.3**
% Change (YoY)	137.6	NM	-66.2	-57.5	-18.7	244.6	152.2	5.3	NM	37.9
Operating Parameters										
Deposits (INR b)	931	994	1,023	1,081	1,085	1,121	1,174	1,262	1,081	1,262
Loans (INR b)	909	902	921	1,048	982	1,020	1,102	1,203	1,048	1,203
Deposit Growth (%)	20.3	21.3	21.0	12.2	16.6	12.8	14.8	16.8	12.2	16.8
Loan Growth (%)	21.6	21.1	14.7	11.5	8.0	13.1	19.6	14.8	11.5	14.8
Asset Quality										
Gross NPA (%)	7.3	7.2	7.2	4.9	6.8	7.3	7.0	6.1	4.9	6.1
Net NPA (%)	1.9	1.9	1.9	1.2	2.2	2.3	2.2	1.9	1.2	1.9
PCR (%)	74.9	75.5	75.4	76.8	69.2	70.0	70.0	70.5	76.8	70.5

E: MOFSL Estimates

Bank of Baroda — Buy

CMP: INR274 | TP: INR310 (+13%) — **EPS CHANGE (%): FY24|FY25: -1.0|-1.5**

- Expect earnings and business growth to remain healthy
- Expect asset quality to improve further; credit cost is likely to remain in control
- Margins expected to moderate slightly
- Loan growth development and opex to be key monitorables

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**88.4**	**101.7**	**108.2**	**115.2**	**110.0**	**108.3**	**111.0**	**113.9**	**413.6**	**443.2**
% Change (YoY)	12.0	34.5	26.5	33.8	24.4	6.4	2.6	-1.1	26.8	7.2
Other Income	11.8	18.3	35.5	34.7	33.2	41.7	28.1	34.3	100.3	137.4
Total Income	**100.2**	**120.0**	**143.7**	**149.9**	**143.2**	**150.0**	**139.1**	**148.3**	**513.8**	**580.6**
Operating Expenses	54.9	59.7	61.4	69.2	64.9	69.8	69.0	73.0	245.2	276.8
Operating Profit	**45.3**	**60.3**	**82.3**	**80.7**	**78.2**	**80.2**	**70.2**	**75.2**	**268.6**	**303.8**
% Change (YoY)	-19.2	6.4	50.1	43.3	72.8	33.0	-14.8	-6.8	20.0	13.1
Provisions	16.8	16.3	24.0	14.2	19.5	21.6	6.7	9.7	71.4	57.4
Profit before Tax	**28.4**	**44.0**	**58.3**	**66.5**	**58.8**	**58.6**	**63.5**	**65.6**	**197.3**	**246.4**
Tax	6.7	10.9	19.8	18.8	18.1	16.1	17.7	17.4	56.2	69.2
Net Profit	**21.7**	**33.1**	**38.5**	**47.8**	**40.7**	**42.5**	**45.8**	**48.2**	**141.1**	**177.2**
% Change (YoY)	79.4	58.7	75.4	168.5	87.7	28.4	18.9	0.8	94.0	25.6
Operating Parameters										
Deposit (INR b)	10,327	10,902	11,495	12,037	11,999	12,496	12,453	13,108	12,037	13,108
Loan (INR b)	7,996	8,366	8,907	9,410	9,635	9,980	10,241	10,680	9,410	10,680
Deposit Growth (%)	10.9	13.6	17.5	15.1	16.2	14.6	8.3	8.9	15.1	8.9
Loan Growth (%)	19.6	20.6	21.7	21.1	20.5	19.3	15.0	13.5	21.1	13.5
Asset Quality										
Gross NPA (%)	6.3	5.3	4.5	3.8	3.5	3.3	3.1	2.9	3.8	2.9
Net NPA (%)	1.6	1.2	1.0	0.9	0.8	0.8	0.7	0.6	0.9	0.6
PCR (%)	75.9	79.1	78.8	77.2	78.5	77.6	77.7	78.3	76.7	78.3

Canara Bank — Buy

CMP: INR606 | TP: INR650 (+7%) — **EPS CHANGE (%): FY24|FY25: 0.9|-2.8**

- Expect operating expenses and margins to remain broadly stable
- Asset quality and credit cost expected to improve
- Advances and deposit growth to be a key monitorble

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**67.8**	**74.3**	**86.0**	**86.2**	**86.7**	**89.0**	**94.2**	**93.9**	**314.4**	**363.7**
% Change (Y-o-Y)	10.2	18.5	23.8	23.0	27.7	19.8	9.5	8.9	19.1	15.7
Other Income	51.8	48.3	39.9	47.8	48.2	46.3	43.0	45.6	187.6	183.1
Total Income	**119.6**	**122.6**	**125.9**	**133.9**	**134.8**	**135.4**	**137.1**	**139.5**	**502.0**	**546.9**
Operating Expenses	53.5	53.5	56.3	61.4	58.8	59.2	69.1	69.1	224.8	256.2
Operating Profit	**66.1**	**69.1**	**69.5**	**72.5**	**76.0**	**76.2**	**68.1**	**70.4**	**277.2**	**290.7**
% Change (Y-o-Y)	20.5	23.2	19.8	16.9	15.1	10.3	-2.1	-2.9	13.4	4.9
Other Provisions	36.9	36.4	31.2	30.9	27.2	26.1	19.0	22.3	135.4	94.6
Profit before Tax	**29.2**	**32.7**	**38.3**	**41.6**	**48.9**	**50.1**	**49.1**	**48.1**	**141.7**	**196.1**
Tax	8.9	7.4	9.5	9.8	13.5	14.0	12.5	10.8	35.7	50.8
Net Profit	**20.2**	**25.3**	**28.8**	**31.7**	**35.3**	**36.1**	**36.6**	**37.3**	**106.0**	**145.3**
% Change (Y-o-Y)	71.7	89.5	91.8	90.5	74.8	42.8	26.9	17.6	86.7	37.0
Operating Parameters										
Deposit (INR b)	11,181	11,340	11,635	11,792	11,925	12,322	12,629	12,818	11,792	12,818
Loan ((INR b)	7,469	7,885	8,164	8,307	8,551	8,923	9,206	9,370	8,307	9,370
Deposit Growth (%)	9.4	9.8	11.5	8.5	6.6	8.7	8.5	8.7	8.5	8.7
Loan Growth (%)	15.2	21.4	18.0	18.1	14.5	13.2	12.8	12.8	18.1	12.8
Asset Quality										
Gross NPA (%)	7.0	6.4	5.9	5.4	5.2	4.8	4.4	4.1	5.4	4.1
Net NPA (%)	2.5	2.2	2.0	1.7	1.6	1.4	1.3	1.2	1.7	1.2
PCR (%)	66.2	67.1	68.1	68.9	70.6	71.4	70.8	71.3	68.8	71.3

E: MOFSL Estimates

DCB Bank — Neutral

CMP: INR127 | TP: INR145 (14%) — **EPS CHANGE (%): FY24|FY25: -1.2|0.4**

- Expect loan book growth to be healthy
- Provisions to remain under control, while potential reversal of AIF provisions can further support lower credit cost
- Asset quality expected to remain broadly stable
- Margin trajectory to be closely monitored

Quarterly Performance (INR m)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**3,740**	**4,111**	**4,460**	**4,860**	**4,707**	**4,757**	**4,740**	**4,885**	**17,170**	**19,090**
% Change (Y-o-Y)	21.1	27.2	29.3	27.7	25.9	15.7	6.3	0.5	26.5	11.2
Other Income	924	992	954	1,223	1,069	1,074	1,237	1,369	4,094	4,749
Total Income	**4,664**	**5,103**	**5,414**	**6,083**	**5,777**	**5,831**	**5,977**	**6,254**	**21,264**	**23,838**
Operating Expenses	3,002	3,278	3,473	3,643	3,690	3,725	3,862	3,965	13,397	15,242
Operating Profit	**1,661**	**1,826**	**1,941**	**2,439**	**2,087**	**2,105**	**2,115**	**2,289**	**7,867**	**8,596**
% Change (Y-o-Y)	-17.8	4.2	-2.4	10.5	25.6	15.3	9.0	-6.1	-1.3	9.3
Provisions	350	310	407	525	377	397	410	513	1,787	1,697
Profit before Tax	**1,311**	**1,516**	**1,534**	**1,915**	**1,709**	**1,708**	**1,705**	**1,776**	**6,080**	**6,899**
Tax	340	392	396	493	440	441	439	460	1,424	1,780
Net Profit	**971**	**1,124**	**1,139**	**1,422**	**1,269**	**1,268**	**1,266**	**1,316**	**4,656**	**5,119**
% Change (Y-o-Y)	187.8	73.0	51.1	25.4	30.7	12.9	11.2	-7.5	61.9	10.0
Operating Parameters										
Deposit (INR b)	350.8	369.6	395.1	412.4	430.1	455.0	471.2	491.2	412.4	491.2
Loan (INR b)	298.1	312.9	329.7	343.8	354.7	372.8	389.5	407.1	343.8	407.1
Deposit Growth (%)	14.6	16.3	22.6	18.9	22.6	23.1	19.3	19.1	18.9	19.1
Loan Growth (%)	17.9	17.9	20.6	18.2	19.0	19.1	18.2	18.4	18.2	18.4
Asset Quality										
Gross NPA (%)	4.2	3.9	3.6	3.2	3.3	3.4	3.4	3.4	3.2	3.4
Net NPA (%)	1.8	1.5	1.4	1.0	1.2	1.3	1.2	1.2	1.0	1.2
PCR (%)	57.8	61.3	63.0	68.2	64.1	62.8	65.1	65.3	68.2	65.3

E: MOFSL Estimates

Equitas Small Finance Bank

Buy

CMP: INR97 | TP: INR125 (+29%)

EPS CHANGE (%): FY24|FY25: -0.8|-1.6

- Expect NIMs to further moderate
- Expect asset quality ratios to remain stable
- Cost ratios estimated to remain elevated
- Deposit traction and trend in CASA ratio to be the key monitorables

Quarterly Performance — INRm

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**5,806**	**6,097**	**6,475**	**7,070**	**7,431**	**7,656**	**7,851**	**7,962**	**25,447**	**30,901**
% Change (YoY)	25.9	26.0	19.7	28.0	28.0	25.6	21.3	12.6	24.8	21.4
Other Income	1,332	1,450	1,526	2,387	1,714	1,814	2,055	2,279	6,696	7,861
Total Income	**7,138**	**7,547**	**8,001**	**9,456**	**9,145**	**9,470**	**9,906**	**10,241**	**32,143**	**38,762**
Operating Expenses	4,456	5,124	5,210	5,593	6,024	6,168	6,303	6,561	20,383	25,056
Operating Profit	**2,682**	**2,423**	**2,791**	**3,864**	**3,121**	**3,302**	**3,603**	**3,680**	**11,760**	**13,706**
% Change (YoY)	63.1	21.8	24.2	36.1	16.4	36.3	29.1	-4.8	34.9	16.5
Provisions	1,416	901	499	1,256	601	632	844	906	4,072	2,982
Profit before Tax	**1,266**	**1,522**	**2,292**	**2,608**	**2,521**	**2,670**	**2,759**	**2,774**	**7,688**	**10,724**
Tax	296	358	591	707	609	689	739	663	1,952	2,699
Net Profit	**970**	**1,164**	**1,701**	**1,900**	**1,912**	**1,982**	**2,020**	**2,111**	**5,736**	**8,025**
% Change (YoY)	713.4	182.6	57.4	59.0	97.1	70.2	18.7	11.1	104.3	39.9
Operating Parameters										
AUM (INR b)	217	228	249	279	296	312	328	337	279	337
Deposits (INR b)	204	217	234	254	277	308	324	345	254	345
Loans (INR b)	205	218	233	258	275	288	292	312	258	312
AUM Growth (%)	22	20	27	35	36	37	32	21	35	21
Deposit Growth (%)	19	20	31	34	36	42	38	36	34	36
Loan Growth (%)	22	22	27	33	34	32	25	21	33	21
Asset Quality										
Gross NPA (%)	4.1	3.9	3.6	2.8	2.8	2.3	2.5	2.4	2.8	2.4
Net NPA (%)	2.2	2.0	1.8	1.2	1.2	1.0	1.1	1.1	1.2	1.1
PCR (%)	48.5	50.5	50.8	56.9	57.8	57.7	56.0	56.5	56.9	56.5

Federal Bank

Buy

CMP: INR155 | TP: INR175 (+13%)

EPS CHANGE (%): FY24|FY25: -1.5|-1.4

- Credit growth to remain healthy
- Expect cost ratios to remain elevated; margin expected to remain flat
- Deposits growth and traction in CASA to be a key monitorable
- Asset quality metrics to remain broadly stable

Quarterly Performance — (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**16.0**	**17.6**	**19.6**	**19.1**	**19.2**	**20.6**	**21.2**	**22.0**	**72.3**	**83.0**
% Change (YoY)	13.1	19.1	27.1	25.2	19.6	16.7	8.5	15.2	21.3	14.7
Other Income	4.5	6.1	5.3	7.3	7.3	7.3	8.6	8.5	23.3	31.8
Total Income	**20.6**	**23.7**	**24.9**	**26.4**	**26.5**	**27.9**	**29.9**	**30.5**	**95.6**	**114.8**
Operating Expenses	10.8	11.6	12.2	13.1	13.5	14.6	15.5	17.3	47.7	60.7
Operating Profit	**9.7**	**12.1**	**12.7**	**13.3**	**13.0**	**13.2**	**14.4**	**13.2**	**47.9**	**54.1**
% Change (YoY)	-14.1	32.9	39.4	67.2	33.8	9.3	12.8	-0.9	27.6	12.9
Provisions	1.7	2.7	2.0	1.2	1.6	0.4	0.9	1.1	11.4	4.0
Profit before Tax	**8.1**	**9.4**	**10.8**	**12.2**	**11.5**	**12.8**	**13.5**	**12.1**	**36.6**	**50.1**
Tax	2.1	2.4	2.7	3.2	2.9	3.3	3.4	3.1	6.5	12.7
Net Profit	**6.0**	**7.0**	**8.0**	**9.0**	**8.5**	**9.5**	**10.1**	**9.0**	**30.1**	**37.4**
% Change (YoY)	63.5	52.9	54.0	67.0	42.1	35.5	25.3	-0.6	59.3	24.1
Operating Parameters										
Deposit (INR b)	1,834	1,891	2,014	2,134	2,225	2,329	2,396	2,526	2,134	2,526
Loan (INR b)	1,517	1,612	1,682	1,744	1,835	1,928	1,992	2,093	1,744	2,093
Deposit Growth (%)	8.2	10.0	14.8	17.4	21.3	23.1	19.0	18.4	17.4	18.4
Loan Growth (%)	16.9	20.0	19.5	20.4	21.0	19.6	18.4	20.0	20.4	20.0
Asset Quality										
Gross NPA (%)	2.7	2.5	2.4	2.4	2.4	2.3	2.3	2.2	2.4	2.2
Net NPA (%)	0.9	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.8	0.6
PCR (%)	65.8	68.7	70.4	71.2	71.3	72.3	72.3	72.1	68.4	72.1

HDFC Bank — Buy

CMP: INR1,483 | TP: INR1,950 (+32%) — **EPS CHANGE (%): FY24|FY25: -1.0|-5.1**

- Deposit traction expected to remain healthy
- Asset quality for the merged entity expected to remain broadly stable
- Margins likely to remain broadly stable
- Guidance for business growth and earnings trajectory to be key monitorble

Quarterly Performance (INR b)

	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**194.8**	**210.2**	**229.9**	**233.5**	**236.0**	**273.9**	**284.7**	**291.4**	**868.4**	**1,086.0**
% Change (Y-o-Y)	14.5	18.9	24.6	23.7	21.1	30.3	23.9	24.8	20.6	25.1
Other Income	63.9	76.0	85.0	87.3	92.3	107.1	111.4	120.0	312.1	430.8
Total Income	**258.7**	**286.2**	**314.9**	**320.8**	**328.3**	**380.9**	**396.1**	**411.5**	**1,180.6**	**1,516.8**
Operating Expenses	105.0	112.2	124.6	134.6	140.6	154.0	159.6	168.9	476.5	623.0
Operating Profit	**153.7**	**173.9**	**190.2**	**186.2**	**187.7**	**226.9**	**236.5**	**242.6**	**704.0**	**893.7**
% Change (Y-o-Y)	1.5	10.0	13.4	13.8	22.2	30.5	24.3	30.3	9.9	26.9
Provisions	31.9	32.4	28.1	26.9	28.6	29.0	42.2	35.0	119.2	134.8
Profit before Tax	**121.8**	**141.5**	**162.2**	**159.4**	**159.1**	**197.9**	**194.3**	**207.6**	**584.9**	**758.9**
Tax	29.8	35.5	39.6	38.9	39.6	38.1	30.6	51.0	143.8	159.4
Net Profit	**92.0**	**106.1**	**122.6**	**120.5**	**119.5**	**159.8**	**163.7**	**156.5**	**441.1**	**599.5**
% Change (Y-o-Y)	19.0	20.1	18.5	19.8	30.0	50.6	33.5	29.9	19.3	35.9
Operating Parameters										
Deposit	16,048	16,734	17,332	18,834	19,131	21,729	22,140	23,800	18,834	23,800
Loan	13,951	14,799	15,068	16,006	16,157	23,312	24,461	24,852	16,006	24,852
Deposit Growth (%)	19.2	19.0	19.9	20.8	19.2	29.8	27.7	26.4	20.8	26.4
Loan Growth (%)	21.6	23.4	19.5	16.9	15.8	57.5	62.3	55.3	16.9	55.3
Asset Quality										
Gross NPA (%)	1.3	1.2	1.2	1.1	1.2	1.3	1.3	1.2	1.1	1.2
Net NPA (%)	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3
PCR (%)	72.9	73.3	73.2	75.8	74.9	74.4	75.3	75.2	75.8	75.2

E: MOFSL Estimates; * Reported on total assets; # Cal. on interest earning assets Note – we are not reflecting one-off gains from Credila stake

ICICI Bank — Buy

CMP: INR1077 | TP: INR1,250 (+16%) — **EPS CHANGE (%): FY24|FY25: 0.3|-1.2**

- Expect loan growth to remain healthy, led by Retail and SME segments
- Potential reversal in AIF provisions to aid credit cost improvement
- Expect credit costs to moderate; adequate contingency buffers to add comfort
- Margin and deposit traction to be the key monitorable

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**132.1**	**147.9**	**164.6**	**176.7**	**182.3**	**183.1**	**186.8**	**191.8**	**621.3**	**743.9**
% Change (YoY)	20.8	26.5	34.6	40.2	38.0	23.8	13.4	8.6	30.9	19.7
Other Income	46.7	50.5	50.2	50.9	54.4	57.8	61.0	61.9	198.3	235.0
Total Income	**178.8**	**198.4**	**214.9**	**227.5**	**236.6**	**240.8**	**247.8**	**253.7**	**819.6**	**978.9**
Operating Expenses	75.7	81.6	82.2	89.3	95.2	98.6	100.5	106.5	328.7	400.8
Operating Profit	**103.1**	**116.8**	**132.7**	**138.3**	**141.4**	**142.3**	**147.2**	**147.2**	**490.9**	**578.1**
% Change (YoY)	15.9	17.8	30.8	34.3	37.2	21.8	10.9	6.5	25.1	17.8
Provisions	11.4	16.4	22.6	16.2	12.9	5.8	10.5	6.2	66.7	35.4
Profit before Tax	**91.7**	**100.4**	**110.1**	**122.1**	**128.5**	**136.5**	**136.7**	**141.0**	**424.2**	**542.7**
Tax	22.6	24.8	27.0	30.8	32.0	33.9	34.0	34.7	105.2	134.6
Net Profit	**69.0**	**75.6**	**83.1**	**91.2**	**96.5**	**102.6**	**102.7**	**106.3**	**319.0**	**408.1**
% Change (YoY)	49.6	37.1	34.2	30.0	39.7	35.8	23.6	16.5	36.7	27.9
Operating Parameters										
Deposit	10,503	10,900	11,220	11,808	12,387	12,947	13,323	13,863	11,808	13,863
Loan	8,956	9,386	9,740	10,196	10,576	11,105	11,538	12,011	10,196	12,011
Deposit Growth (%)	13.4	11.5	10.3	10.9	17.9	18.8	18.7	17.4	10.9	17.4
Loan Growth (%)	21.3	22.7	19.7	18.7	18.1	18.3	18.5	17.8	18.7	17.8
Asset Quality										
Gross NPA (%)	3.4	3.2	3.1	2.8	2.8	2.5	2.3	2.3	2.9	2.3
Net NPA (%)	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.5	0.4
PCR (%)	79.9	81.3	82.6	83.5	83.1	83.1	81.3	82.0	82.8	82.0

IDFC First Bank — Neutral

CMP: INR78 | TP: INR85 (8%) — **EPS CHANGE (%): FY24|FY25: -6.3|-5.0**

- Expect loan traction to remain healthy, aided by Retail
- Credit cost expected to moderate from 3Q levels
- Asset quality to remain broadly stable
- Traction in deposit growth and movement in cost ratios to be in focus

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**27.5**	**30.0**	**32.9**	**36.0**	**37.5**	**39.5**	**42.9**	**44.9**	**126.4**	**164.7**
% Change (Y-o-Y)	25.9	32.1	27.3	34.7	36.1	31.6	30.5	24.8	30.2	30.3
Other Income	8.6	10.6	11.5	14.0	14.1	14.3	15.2	16.3	44.7	59.9
Total Income	**36.1**	**40.6**	**44.4**	**49.9**	**51.6**	**53.8**	**58.0**	**61.1**	**171.0**	**224.5**
Operating Expenses	26.6	28.9	31.8	34.4	36.6	38.7	42.4	44.6	121.7	162.3
Operating Profit	**9.4**	**11.7**	**12.6**	**15.6**	**15.0**	**15.1**	**15.6**	**16.5**	**49.3**	**62.3**
% Change (Y-o-Y)	-5.1	68.7	63.8	88.6	59.0	29.2	23.9	6.1	50.2	26.3
Provisions	3.1	4.2	4.5	4.8	4.8	5.3	6.5	6.2	16.6	22.8
Profit before Tax	**6.4**	**7.4**	**8.1**	**10.8**	**10.2**	**9.8**	**9.1**	**10.3**	**32.7**	**39.4**
Tax	1.6	1.9	2.1	2.7	2.6	2.3	1.9	2.8	8.3	9.6
Net Profit	**4.7**	**5.6**	**6.0**	**8.0**	**7.7**	**7.5**	**7.2**	**7.5**	**24.4**	**29.8**
% Change (Y-o-Y)	NM	266.1	115.1	134.2	61.3	35.2	18.4	-6.5	NM	22.4
Operating Parameters										
Deposit (INR b)	1,133	1,234	1,330	1,446	1,544	1,712	1,825	1,921	1,446	1,921
Deposit Growth (%)	24.1	36.8	43.4	36.9	36.2	38.7	37.2	32.8	36.9	32.8
Loan (INR b)	1,326	1,402	1,457	1,564	1,674	1,781	1,855	1,925	1,518	1,925
Loan Growth (%)	22.0	37.1	25.2	26.0	26.3	27.0	27.3	23.1	28.8	26.8
Asset Quality										
Gross NPA (%)	3.4	3.2	3.0	2.5	2.2	2.1	2.0	2.0	2.6	2.0
Net NPA (%)	1.3	1.1	1.0	0.9	0.7	0.7	0.7	0.6	0.9	0.6
PCR (%)	62.0	66.3	66.0	66.4	68.1	68.2	66.9	68.5	66.4	68.5

E: MOFSL Estimates

IndusInd Bank — Buy

CMP: INR1,543 | TP: INR1,900 (+23%). — **EPS CHANGE (%): FY24|FY25: 0.5|-1.5**

- Expect loan growth to remain healthy; deposit traction would be closely monitored
- Expect margins to be stable
- Expect asset quality to remain broadly stable
- Credit cost to remain under control

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**41.3**	**43.0**	**45.0**	**46.7**	**48.7**	**50.8**	**53.0**	**54.9**	**175.9**	**207.3**
% Change (YoY)	15.8	17.6	18.5	17.2	18.0	18.0	17.8	17.5	17.3	17.8
Other Income	19.3	20.1	20.8	21.5	22.1	22.8	24.0	24.5	81.7	93.3
Total Income	**60.6**	**63.1**	**65.7**	**68.2**	**70.8**	**73.6**	**76.9**	**79.3**	**257.6**	**300.6**
Operating Expenses	26.3	27.7	28.9	30.7	32.5	34.5	36.5	37.7	113.5	141.2
Operating Profit	**34.3**	**35.4**	**36.9**	**37.6**	**38.3**	**39.1**	**40.4**	**41.6**	**144.2**	**159.4**
% Change (YoY)	9.9	10.0	11.3	11.2	11.7	10.3	9.7	10.7	10.6	10.6
Provisions	12.5	11.4	10.6	10.3	9.9	9.7	9.7	9.3	44.9	38.7
Profit before Tax	**21.8**	**24.0**	**26.2**	**27.3**	**28.4**	**29.3**	**30.7**	**32.3**	**99.3**	**120.7**
Tax	5.5	6.0	6.6	6.8	7.2	7.3	7.7	8.1	24.9	30.3
Net Profit	**16.3**	**18.1**	**19.6**	**20.4**	**21.2**	**22.0**	**23.0**	**24.2**	**74.4**	**90.4**
% Change (YoY)	60.5	57.4	58.2	45.9	30.3	22.0	17.2	18.2	54.9	21.5
Operating Parameters										
Deposit (INR b)	3,031	3,155	3,253	3,361	3,470	3,595	3,688	3,825	3,361	3,825
Loan (INR b)	2,480	2,601	2,728	2,899	3,013	3,155	3,271	3,407	2,899	3,407
Deposit Growth (%)	13.4	14.6	14.3	14.6	14.5	13.9	13.4	13.8	14.6	13.8
Loan Growth (%)	17.7	17.8	19.3	21.3	21.5	21.3	19.9	17.5	21.3	17.5
Asset Quality										
Gross NPA (%)	2.4	2.1	2.1	2.0	1.9	1.9	1.9	1.9	2.0	1.9
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5
PCR (%)	72.0	71.5	70.6	70.6	70.6	70.6	70.6	71.2	69.4	71.2

Indian Bank — Buy

CMP: INR529 | TP: INR600 (+13%) — **EPS CHANGE (%): FY24|FY25: 0.2|-0.5**

- Expect loan growth to remain healthy
- Margin to remain broadly stable
- Earnings growth to remain on track
- Expect asset quality ratios to improve

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**45.3**	**46.8**	**55.0**	**55.1**	**57.0**	**57.4**	**58.1**	**59.5**	**202.3**	**232.0**
% Change (YoY)	13.5	14.7	25.1	29.5	25.8	22.5	5.7	8.0	20.9	14.7
Other Income	16.0	18.3	17.2	19.9	17.1	19.9	19.0	20.7	71.4	76.8
Total Income	**61.4**	**65.1**	**72.2**	**75.0**	**74.1**	**77.3**	**77.2**	**80.2**	**273.7**	**308.8**
Operating Expenses	25.7	28.8	31.5	34.9	32.8	34.3	36.2	38.2	121.0	141.5
Operating Profit	**35.6**	**36.3**	**40.6**	**40.2**	**41.3**	**43.0**	**41.0**	**42.0**	**152.7**	**167.4**
% Change (YoY)	4.3	10.8	23.5	46.7	16.0	18.6	0.9	4.6	20.1	9.6
Provisions	22.2	20.6	25.2	25.6	17.4	15.5	13.5	13.6	93.6	60.0
Profit before Tax	**13.5**	**15.7**	**15.5**	**14.5**	**23.9**	**27.5**	**27.5**	**28.5**	**59.1**	**107.4**
Tax	1.3	3.5	1.5	0.1	6.9	7.6	6.3	6.5	6.3	27.3
Net Profit	**12.1**	**12.3**	**14.0**	**14.5**	**17.1**	**19.9**	**21.2**	**22.0**	**52.8**	**80.1**
% Change (YoY)	2.7	12.5	102.4	47.0	40.8	62.2	51.8	51.7	33.9	51.7
Operating Parameters										
Deposits (INR b)	5,843	5,889	5,971	6,212	6,296	6,408	6,542	6,771	6,212	6,771
Loans (INR b)	4,018	4,121	4,361	4,493	4,577	4,706	4,896	5,050	4,493	5,050
Asset Quality										
Gross NPA (%)	8.1	7.3	6.5	6.0	5.5	5.0	4.5	4.2	6.0	4.2
Net NPA (%)	2.1	1.5	1.0	0.9	0.7	0.6	0.5	0.5	0.9	0.5
PCR (%)	75.5	80.7	85.5	85.7	87.8	88.5	88.7	88.9	85.7	88.9

E: MOFSL Estimates

Kotak Mahindra Bank — Neutral

CMP: INR1,732 | TP: INR2,000 (+16%) — **EPS CHANGE (%): FY24|FY25: -3.5|-4.5**

- Expect steady traction in loan growth
- Margins to compress further
- Expect liability growth to remain healthy
- Asset quality to remain in control

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**47.0**	**51.0**	**56.5**	**61.0**	**62.3**	**63.0**	**65.5**	**67.0**	**215.5**	**257.8**
% Change (Y-o-Y)	19.2	26.8	30.4	35.0	32.7	23.5	15.9	9.8	28.1	19.6
Other Income	12.4	18.3	19.5	21.9	26.8	23.1	23.0	25.5	70.8	98.5
Total Income	**59.4**	**69.3**	**76.0**	**82.9**	**89.2**	**86.1**	**88.5**	**92.5**	**286.3**	**356.3**
Operating Expenses	31.6	33.6	37.5	36.4	39.7	40.0	42.8	42.2	137.9	164.7
Operating Profit	**27.8**	**35.7**	**38.5**	**46.5**	**49.5**	**46.1**	**45.7**	**50.3**	**148.5**	**191.5**
% Change (Y-o-Y)	-3.7	14.3	42.5	39.1	77.8	29.2	18.6	8.2	23.2	29.0
Provisions	0.2	1.4	1.5	1.5	3.6	3.7	5.8	4.9	4.6	18.0
Profit before Tax	**27.6**	**34.3**	**37.0**	**45.0**	**45.9**	**42.4**	**39.9**	**45.4**	**143.9**	**173.5**
Tax	6.9	8.5	9.1	10.0	11.3	10.5	9.8	11.2	34.5	42.9
Net Profit	**20.7**	**25.8**	**27.9**	**35.0**	**34.5**	**31.9**	**30.1**	**34.2**	**109.4**	**130.7**
% Change (Y-o-Y)	26.1	27.0	31.0	26.3	66.7	23.6	7.6	-2.2	27.6	19.5
Deposits (INRb)	3,165	3,252	3,447	3,631	3,863	4,010	4,086	4,234	3,631	4,234
Loans (INRb)	2,802	2,940	3,107	3,199	3,286	3,483	3,596	3,726	3,199	3,726
Deposit growth (%)	10.4	11.5	12.9	16.5	22.0	23.3	18.6	16.6	16.5	16.6
Loan growth (%)	28.8	25.1	22.9	17.9	17.3	18.5	15.7	16.5	17.9	16.5
Asset Quality										
Gross NPA (%)	2.24	2.08	1.90	1.78	1.77	1.72	1.73	1.69	1.78	1.69
Net NPA (%)	0.62	0.55	0.43	0.37	0.40	0.37	0.34	0.33	0.37	0.33
PCR (%)	72.6	73.7	77.6	79.3	78.0	79.1	80.6	80.7	79.3	80.7

E: MOFSL Estimates

Punjab National Bank — Neutral

CMP: INR135 | TP: INR120 (-11%) — **EPS CHANGE (%): FY24|FY25: -0.4|2.5**

- Expect business growth to remain healthy
- Expect asset quality to improve
- Opex to remain under control as wage provisions already made
- Margins and RoA trajectory to remain the key monitorble

Quarterly Performance (INRb)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**75.4**	**82.7**	**91.8**	**95.0**	**95.0**	**99.2**	**102.9**	**104.5**	**344.9**	**401.7**
% Change (YoY)	4.3	30.2	17.6	30.0	26.0	20.0	12.1	10.1	20.2	16.5
Other Income	25.4	28.5	33.4	34.2	34.3	30.3	26.7	35.5	121.4	126.9
Total Income	**100.8**	**111.2**	**125.2**	**129.2**	**129.4**	**129.5**	**129.7**	**140.1**	**466.3**	**528.6**
Operating Expenses	47.0	55.5	68.0	70.5	69.7	67.3	66.4	69.1	241.1	272.5
Operating Profit	**53.8**	**55.7**	**57.2**	**58.7**	**59.7**	**62.2**	**63.3**	**71.0**	**225.3**	**256.1**
% Change (YoY)	-15.9	38.4	12.6	11.4	10.9	11.7	10.8	21.0	8.5	13.7
Provisions	47.9	49.1	47.1	38.3	39.7	34.4	27.4	28.2	182.4	129.7
Profit before Tax	**5.9**	**6.6**	**10.0**	**20.4**	**20.0**	**27.7**	**35.9**	**42.8**	**42.9**	**126.4**
Tax	2.8	2.5	3.7	8.8	7.5	10.2	13.7	14.2	17.8	45.5
Net Profit	**3.1**	**4.1**	**6.3**	**11.6**	**12.6**	**17.6**	**22.2**	**28.6**	**25.1**	**80.9**
% Change (YoY)	-69.9	-62.8	-44.2	474.9	307.0	327.0	253.5	146.5	-27.5	222.7
Operating Parameters										
Deposits	11,367	11,935	12,104	12,812	12,979	13,099	13,235	13,606	12,812	13,606
Loans	7,426	7,734	8,004	8,308	8,637	8,899	9,164	9,438	8,308	9,438
Deposit Growth (%)	3.6	7.0	7.4	11.8	14.2	9.8	9.3	6.2	11.8	6.2
Loan Growth (%)	12.3	14.9	15.5	14.1	16.3	15.1	14.5	13.6	14.1	13.6
Asset Quality										
Gross NPA (%)	11.3	10.5	9.8	8.7	7.7	7.0	6.2	5.8	8.7	5.8
Net NPA (%)	4.3	3.8	3.3	2.7	2.0	1.5	1.0	0.8	2.8	0.8
PCR (%)	64.8	66.3	68.5	70.8	75.8	80.0	85.4	86.3	69.6	86.3

E: MOFSL Estimates

RBL Bank — Neutral

CMP: INR252 | TP: INR270 (7%) — **EPS CHANGE (%): FY24|FY25: 0.9 |-0.7**

- Expect earnings to improve, driven by lower provisions
- Loan growth is likely to remain healthy, supported by new products
- Expect asset quality ratios to remain broadly stable
- Margin and credit cost outlook will be the key monitorables

Quarterly Performance

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**11,890**	**11,743**	**12,770**	**13,570**	**14,222**	**14,750**	**15,459**	**16,140**	**49,973**	**60,570**
% Change (Y-o-Y)	22.6	28.3	26.4	19.9	19.6	25.6	21.1	18.9	24.1	21.2
Other Income	6,136	5,833	6,184	6,741	6,854	7,044	7,776	8,199	24,894	29,873
Total Income	**18,026**	**17,576**	**18,954**	**20,311**	**21,076**	**21,794**	**23,234**	**24,339**	**74,867**	**90,444**
Operating Expenses	12,735	12,453	13,282	14,373	14,601	14,484	15,582	16,182	52,843	60,850
Operating Profit	**5,291**	**5,124**	**5,672**	**5,938**	**6,475**	**7,310**	**7,652**	**8,157**	**22,025**	**29,594**
% Change (Y-o-Y)	-30.9	-25.9	-10.1	-9.7	22.4	42.7	34.9	37.4	-19.8	34.4
Provisions	2,530	2,415	2,927	2,347	2,662	6,404	4,581	3,725	10,219	17,372
Profit before Tax	**2,761**	**2,709**	**2,745**	**3,591**	**3,813**	**906**	**3,071**	**4,432**	**11,805**	**12,222**
Tax	750	693	655	880	932	-2,035	740	1,078	2,978	716
Net Profit	**2,012**	**2,016**	**2,090**	**2,711**	**2,881**	**2,941**	**2,331**	**3,354**	**8,827**	**11,507**
% Change (Y-o-Y)	NM	NM	33.9	37	43.2	45.9	11.5	23.7	NM	30.4
Operating Parameters										
Deposit (INR b)	792.2	794	817.5	848.9	856.4	897.8	927.5	1,035.00	848.9	1,035.00
Loan (INR b)	602.7	629.4	666.8	702.1	730.9	763.2	799.5	839.5	702.1	839.5
Deposit Growth (%)	6.4	5	11	7.4	8.1	13.1	13.5	21.9	7.4	21.9
Loan Growth (%)	6.6	12.4	14.7	17	21.3	21.3	19.9	19.6	17	19.6
Asset Quality										
Gross NPA (%)	4.1	3.8	3.6	3.4	3.2	3.1	3.1	3	3.4	3
Net NPA (%)	1.2	1.3	1.2	1.1	1	0.8	0.8	0.8	1.1	0.8
PCR (%)	72.5	67.8	68	68.1	69.6	75.6	75.1	73.6	68.1	73.6

E: MOFSL Estimates

State Bank of India — Buy

CMP: INR771 | TP: INR860 (+12%) — **EPS CHANGE (%): FY24|FY25: 1.0|-2.2**

- Opex to remain under control and earnings to improve as wage provisions already made in 3QFY24
- Expect business growth to remain healthy
- Asset quality to remain broadly stable
- Margin to be broadly stable with slight downward bias

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**312.0**	**351.8**	**380.7**	**403.9**	**389.0**	**395.0**	**398.2**	**414.6**	**1,448.4**	**1,596.8**
% Change (YoY)	12.9	12.8	24.1	29.5	24.7	12.3	4.6	2.6	20.0	10.2
Other Income	23.1	88.7	114.7	139.6	120.6	107.9	114.6	145.7	366.2	488.8
Total Income	**335.1**	**440.6**	**495.4**	**543.5**	**509.7**	**502.9**	**512.7**	**560.3**	**1,814.6**	**2,085.6**
Operating Expenses	207.6	229.4	243.2	297.3	256.7	308.7	309.4	331.2	977.4	1,206.0
Operating Profit	**127.5**	**211.2**	**252.2**	**246.2**	**253.0**	**194.2**	**203.4**	**229.1**	**837.1**	**879.6**
% Change (YoY)	-32.8	16.8	36.2	24.9	98.4	-8.1	-19.4	-6.9	11.2	5.1
Provisions	43.9	30.4	57.6	33.2	25.0	1.2	6.9	18.1	165.1	51.1
Exceptional items (exp)	0.0	0.0	0.0	0.0	0.0	0.0	71.0	0.0		71.0
Profit before Tax	**83.6**	**180.8**	**194.6**	**213.1**	**228.0**	**193.0**	**125.5**	**211.0**	**672.1**	**757.5**
Tax Provisions	22.9	48.2	52.5	46.1	59.1	49.7	33.8	49.7	169.7	192.4
Net Profit	**60.7**	**132.6**	**142.1**	**166.9**	**168.8**	**143.3**	**91.6**	**161.3**	**502.3**	**565.1**
% Change (YoY)	-6.7	73.9	68.5	83.2	178.2	8.0	-35.5	-3.4	58.6	12.5
Adj. Net profit	60.7	132.6	142.1	166.9	168.8	143.3	144.0	161.3	502.3	617.4
Operating Parameters										
Deposits (INR t)	40.5	41.9	42.1	44.2	45.3	46.9	47.6	49.0	44.2	49.0
Loans (INR t)	28.2	29.5	30.6	32.0	32.4	33.5	35.2	36.5	32.0	36.5
Deposit Growth (%)	8.7	10.0	9.5	9.2	12.0	11.9	13.0	10.8	9.2	10.8
Loan Growth (%)	15.8	20.8	18.6	17.0	14.9	13.3	15.1	14.1	17.0	14.1
Asset Quality										
Gross NPA (%)	3.9	3.5	3.1	2.8	2.8	2.6	2.4	2.3	2.8	2.3
Net NPA (%)	1.0	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.7	0.6
PCR (%)	75.1	77.9	76.1	76.4	74.8	75.4	74.2	74.4	76.2	74.4

E: MOFSL Estimates

Union Bank of India — Buy

CMP: INR157 | TP: INR175 (+11%) — **EPS CHANGE (%): FY24|FY25: 1.2|-1.8**

- Expect steady business growth in 4Q
- SMA and restructuring books are key monitorables
- Margins expected to remain broadly stable
- Expect steady improvement in asset quality

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**75.8**	**83.1**	**86.3**	**82.5**	**88.4**	**91.3**	**91.7**	**94.4**	**327.7**	**365.8**
% Change (YoY)	8.1	21.6	20.3	21.9	16.6	9.9	6.3	14.4	17.9	11.6
Other Income	28.2	32.8	32.7	52.7	39.0	37.0	37.7	39.2	146.3	152.9
Total Income	**104.0**	**115.8**	**119.0**	**135.2**	**127.4**	**128.2**	**129.4**	**133.6**	**474.0**	**518.7**
Operating Expenses	49.5	50.0	52.8	67.0	55.6	56.0	56.6	61.3	219.3	229.6
Operating Profit	**54.5**	**65.8**	**66.2**	**68.2**	**71.8**	**72.2**	**72.8**	**72.3**	**254.7**	**289.0**
% Change (YoY)	5.1	8.3	29.8	23.6	31.8	9.8	9.9	5.9	16.4	13.5
Provisions	32.8	40.8	30.4	29.4	20.1	17.7	17.5	18.6	133.3	73.8
Profit before Tax	**21.7**	**25.0**	**35.8**	**38.9**	**51.7**	**54.5**	**55.3**	**53.7**	**121.4**	**215.3**
Tax	6.1	6.5	13.4	11.1	19.4	19.4	19.4	15.0	37.0	73.2
Net Profit	**15.6**	**18.5**	**22.4**	**27.8**	**32.4**	**35.1**	**35.9**	**38.7**	**84.3**	**142.1**
% Change (YoY)	32.0	21.1	106.8	93.3	107.7	90.0	59.9	39.1	61.2	68.5
Operating Parameters										
Deposit (INR b)	9,928	10,433	10,650	11,177	11,281	11,376	11,725	12,071	11,177	12,071
Loan (INR b)	6,764	7,275	7,564	7,618	7,705	8,036	8,621	8,731	7,618	8,731
Deposit Growth (%)	9.3	14.1	13.6	8.3	13.6	9.0	10.1	8.0	8.3	8.0
Loan Growth (%)	15.7	25.2	22.6	15.3	13.9	10.5	14.0	14.6	15.3	14.6
Asset Quality										
Gross NPA (%)	10.2	8.5	7.9	7.5	7.3	6.4	4.8	4.6	7.5	4.6
Net NPA (%)	3.3	2.6	2.1	1.7	1.6	1.3	1.1	1.0	1.8	1.0
PCR (%)	69.9	70.6	74.6	78.8	79.8	80.7	78.4	79.0	78.1	79.0

SBI Cards and Payment Services — Neutral

CMP: INR695 | TP: INR850 (+22%) — **EPS CHANGE (%): FY24|FY25: -2.8|0.4**

- Cost ratios to remain under control
- Spending growth to moderate amid lower corporate spending
- Asset quality ratios are likely to deteriorate further
- Sticky revolver mix and margin outlook remain key monitorables

Quarterly Performance (INR b)

	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	**10.8**	**11.2**	**11.4**	**11.7**	**12.3**	**13.0**	**13.9**	**14.5**	**44.0**	**53.7**
% Change (Y-o-Y)	16.7	21.5	14.9	16.7	14.3	16.1	21.2	24.3	16.0	21.9
Other Income	18.8	19.7	20.5	22.4	22.4	23.2	26.6	26.6	82.4	98.8
Total Income	**29.5**	**30.9**	**31.9**	**34.1**	**34.8**	**36.2**	**40.5**	**41.1**	**126.4**	**152.5**
Operating Expenses	16.6	18.3	19.7	19.8	19.6	20.7	24.3	24.1	74.5	88.6
Operating Profit	**12.9**	**12.5**	**12.2**	**14.3**	**15.2**	**15.5**	**16.2**	**17.0**	**51.9**	**63.9**
% Change (Y-o-Y)	22.5	18.3	6.4	22.0	17.3	23.9	33.1	18.9	17.2	23.1
Provisions	4.5	5.5	5.3	6.3	7.2	7.4	8.8	9.4	21.6	32.9
Profit before Tax	**8.4**	**7.1**	**6.8**	**8.0**	**8.0**	**8.1**	**7.4**	**7.6**	**30.3**	**31.0**
Tax	2.1	1.8	1.7	2.0	2.0	2.1	1.9	1.9	7.7	7.9
Net Profit	**6.3**	**5.3**	**5.1**	**6.0**	**5.9**	**6.0**	**5.5**	**5.6**	**22.6**	**23.1**
% Change (Y-o-Y)	105.8	52.4	32.1	2.7	-5.4	14.7	7.8	-5.5	39.7	2.2
Operating Parameters										
Loan (INRb)	320.8	365.0	373.5	393.6	418.1	435.6	471.6	501.5	393.6	501.5
Loan Growth (%)	39.2	43.7	33.6	30.4	30.3	19.3	26.3	27.4	30.4	27.4
Asset Quality										
Gross NPA (%)	2.2	2.1	2.2	2.4	2.4	2.4	2.6	2.8	2.4	2.7
Net NPA (%)	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	1.0
PCR (%)	65.1	64.0	64.2	63.6	63.8	64.1	64.1	64.7	63.6	64.7

E: MOFSL Estimates; * Reported on total assets; # Cal. on interest earning assets

Paytm — Neutral

CMP: INR411 | TP: INR475 (+16%) — **Adj EBITDA CHANGE (%): FY24|FY25: NA|NA**

- Expect operating profitability to decline due to RBI's ban on PPBL
- Expect decline in disbursements and GMV
- Expect decline in growth in total revenue
- Any further impact of RBI notification to be a key montiorable

Quarterly Performance (INR b)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Payment Services to Consumers	5.2	5.5	5.1	5.2	5.5	5.8	6.0	3.8	21.1	21.1
Payment Services to Merchants	5.6	6.2	6.4	9.2	8.4	9.2	10.8	6.6	27.4	35.1
Financial Services and Others	2.7	3.5	4.5	4.8	5.2	5.7	6.1	1.1	15.4	18.1
Payment and Financial Services	**13.5**	**15.2**	**16.0**	**19.2**	**19.2**	**20.7**	**22.9**	**13.8**	**63.8**	**76.5**
% Change (Y-o-Y)	95.4	80.6	43.2	58.6	42.4	36.1	43.0	-28.2	65.5	19.8
Commerce and Cloud Services	**3.3**	**3.8**	**4.2**	**3.9**	**4.1**	**4.2**	**5.1**	**4.3**	**15.2**	**17.7**
% Change (Y-o-Y)	64.8	54.6	23.8	22.7	22.0	12.5	22.4	8.6	37.6	16.4
Revenue from Operations	**16.8**	**19.1**	**20.6**	**23.4**	**23.4**	**25.2**	**28.5**	**18.3**	**79.9**	**95.5**
% Change (Y-o-Y)	88.7	76.2	41.7	51.5	39.3	31.6	38.2	-21.5	60.6	19.5
Direct Expenses	9.5	10.7	10.2	10.5	10.4	10.9	13.3	7.4	40.9	42.0
Contribution Profit	**7.3**	**8.4**	**10.5**	**12.8**	**13.0**	**14.3**	**15.2**	**10.9**	**39.0**	**53.4**
% Change (Y-o-Y)	197.4	223.4	131.0	138.1	79.3	69.2	45.1	-14.8	160.4	37.0
Indirect Expenses	10.0	10.1	10.2	10.5	12.2	12.7	13.0	11.4	40.8	49.3
Adjusted EBITDA	**-2.7**	**-1.7**	**0.3**	**2.3**	**0.8**	**1.5**	**2.2**	**-0.5**	**-1.8**	**4.1**
EBITDA	**-6.3**	**-5.4**	**-3.3**	**-1.3**	**-2.9**	**-2.3**	**-1.6**	**-4.3**	**-16.3**	**-11.1**
PAT	**-6.4**	**-5.7**	**-3.9**	**-1.7**	**-3.6**	**-2.9**	**-2.2**	**-4.7**	**-17.8**	**-13.3**
% Change (Y-o-Y)	68.5	20.4	-49.6	-77.9	-44.5	-48.9	-43.9	178.7	-25.9	-24.9
Operating Parameters										
GMV (INRt)	3.0	3.2	3.5	3.6	4.1	4.5	5.1	3.9	13.2	17.6
Disbursements (INR b)	55.5	73.1	99.6	125.5	148.5	162.1	155.4	50.6	353.8	516.5
GMV Growth (%)	101.5	62.6	38.4	39.8	36.8	41.5	47.4	8.6	55.2	33.0
Disbursements Growth (%)	778.8	481.8	356.6	253.3	167.3	121.7	56.0	-59.7	364.2	46.0
Asset Quality										
Contribution Margin	43.3	44.0	50.8	55.0	55.7	56.6	53.3	59.6	48.8	56.0
Adjusted EBITDA Margin (%)	-16.3	-8.7	1.5	10.0	3.6	6.1	7.7	-2.5	-2.2	4.3
EBITDA Margin (%)	-37.7	-28.1	-16.0	-5.5	-12.5	-9.2	-5.5	-23.6	-20.4	-11.7

E: MOFSL Estimates, Note - We have factored in UPI incentive in our estimates during 4Q

Financials - NBFCs

Company
Aavas Financiers
Bajaj Finance
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Fusion Microfinance
HomeFirst
IIFL Finance
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Poonawalla Fincorp
Repco Home Finance
Shriram Finance
Spandana Sphoorty

Loan growth strong; rising CoF an impediment to NIM expansion

Asset quality robust but credit costs relatively higher in MFI and personal loans

- **AUM growth strong across product segments:** We expect ~6% YoY growth in AUM for our coverage HFC universe, including both affordable and other HFCs. Vehicle financers are projected to report ~26% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~19% YoY growth. NBFC-MFIs are forecasted to post ~29% YoY growth, while diversified lenders are expected to deliver ~28% YoY growth in AUM. For our coverage universe, we estimate a loan growth of ~20% YoY/~5% QoQ in 4QFY24. While the strong loan growth was broad-based, select micro-financers and small-ticket personal loan (STPL) lenders continued to calibrate their growth.
- **CoB continues to rise and impedes NIM expansion:** Higher risk weights on bank term loans to NBFCs and an increase in MCLR of banks resulted in rising CoB during the quarter. The continued rise in CoB has prevented the NIM expansion, which was previously envisaged for fixed-rate lending like Vehicle Finance. At the sectoral level, we expect NIM to remain stable for vehicle financiers and anticipate NIM compression for HFCs and MFIs.
- **Investments in expanding physical branch distribution network and technology will keep operating cost ratios stable:** We expect operating cost ratios to remain stable sequentially with an improvement bias. NBFCs and HFCs have been investing in upgrading their technology and analytics infrastructure, as well as in expanding their physical branch distribution network.
- **Asset quality robust but credit costs relatively higher in MFI and personal loans:** Typical of the fourth quarter of a fiscal year, we expect a sequential improvement in asset quality across all lenders except for select MFI players. MFI and personal loans are two product segments where we expect credit costs to be relatively higher than their normalized levels.
- **PAT growth of ~25% YoY for the coverage universe; sector on a strong footing and will benefit from any interest rate cuts:** We estimate ~23%/23%/25% YoY growth in NII/PPoP/PAT in 4QFY24 for our NBFC – Lending Financials coverage universe. Structurally, we believe that fixed-rate lenders such as Vehicle Financiers, Micro Financiers and even Micro-LAP lenders will benefit from any interest rate cuts whenever they occur. Our top picks in the sector are SHTF, PNBHF, and Fusion MFI.

Demand improves in mortgages; NIM compression to sustain

- Disbursement momentum improved for both large HFCs and affordable housing financiers (AHFCs). Demand remained strong in the mid-ticket and luxury housing segments, while showing signs of improvement in the affordable segment.
- We anticipate credit costs for LICHF to be at ~55bp (vs. ~60bp in 3QFY24) as we do not expect any further deterioration in asset quality. Margin could contract ~10bp QoQ due to a moderation in yields and a rise in CoF.
- We forecast both Aavas and HomeFirst to report a strong QoQ improvement in disbursements, leading to a healthy AUM growth. While we expect NIM to remain stable for Aavas (aided by an increase in PLR effective Mar'24), we anticipate it to moderate for HomeFirst because of the ongoing rise in its CoB.

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com)

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Gautam Rawtani** (Gautam.Rawtani@Motilaloswal.com)

Asset quality is projected to improve across buckets, with credit costs likely to remain benign.

- We estimate PNBHF to deliver a ~14% YoY growth in retail loans. We estimate ~10bp QoQ NIM compression. Asset quality will continue to improve in both retail and corporate loan portfolios.

Vehicle finance – NIM to remain stable or exhibit minor compression

- MMFS has reported disbursements of ~INR153b in 3QFY24 (up 11% YoY), but growth in business assets was slightly ahead of our estimates at ~24% YoY. We expect credit costs for MMFS to be at ~0.5% in 4QFY24 (vs. negligible credit costs in 4QFY24). We estimate disbursements to remain healthy for CIFC/ SHTF, which should translate into ~35%/22% YoY growth in AUM.
- We estimate NIM to either remain stable or exhibit a minor compression due to a sustained rise in the CoB. MMFS has already reported a strong improvement in its asset quality (some of which could have been aided by write-offs made at the end of the quarter). Even for CIFC/SHFL, we expect a minor improvement in asset quality of vehicle finance (VF), with a sequential moderation in credit costs.

Gold finance – higher gold prices and gold lending ban on a peer can aid stronger growth

- We expect gold loan financiers to deliver stronger gold loan growth in 4QFY24. While higher gold prices will be a big contributor to gold loan growth, we also estimate that there will be a modest tonnage growth in the quarter.
- We expect ~5%/3% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold Loans NIM should exhibit QoQ compression because of the rise in CoF.

Microfinance – mixed outlook; AUM growth healthy but slippages continue

- Disbursements have remained healthy for NBFC-MFIs, leading to healthy GLP growth for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect CREDAG/Fusion/Spandana to report a ~26%/ 24%/39% YoY growth in FY24.
- While we estimate a ~30bp and ~15bp QoQ NIM compression for CREDAG and Spandana, respectively, we estimate a margin expansion of ~10bp for Fusion, driven by its stable weighted average CoB.
- Flows into forward asset quality buckets continued this quarter as well. Seasonal improvement in asset quality (typical of 4Q of the fiscal year) might not be there for NBFC-MFIs such as Fusion or Spandana. We estimate credit costs of ~2.4%/ ~3%/3% for CREDAG/Fusion/Spandana in 4QFY24.

Diversified financiers: Going strong barring some calibration in personal loans

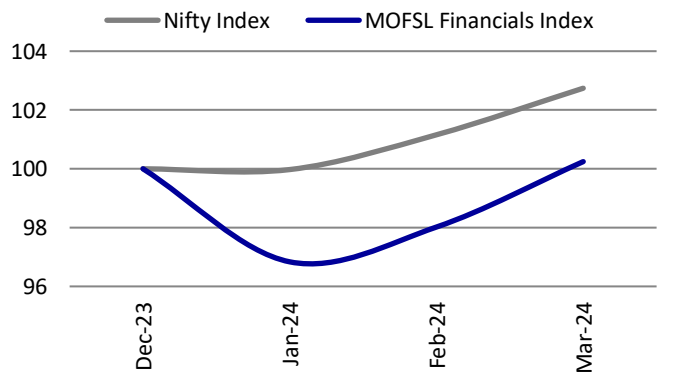
- LTFH has reported a strong 31% YoY/7% QoQ growth in Retail Loans. Since the wholesale segment (such as real estate and infrastructure) will continue to moderate, the consolidated loan book could grow ~4% QoQ in 4QFY24. We estimate credit costs to moderate for LTFH, leading to a sequential improvement in profitability.
- We expect BAF to report ~35% YoY/7% QoQ growth in its AUM. We estimate a ~20bp QoQ contraction in NIM for BAF with credit costs at ~1.65% (stable QoQ).

- Poonawalla reported ~54% YoY growth in standalone AUM, driven by ~11% QoQ growth in disbursements. We estimate this to translate into ~15% QoQ PAT growth for the company.
- For IIFL Finance, we estimate a consolidated AUM growth of 23% YoY. This factors in a ~5% QoQ decline in its gold loan book, primarily because of the RBI ban on the company's incremental lending in gold loans. We estimate a 4QFY24 PAT of INR4.8b (PQ: INR4.9b).

Exhibit 1: Quarterly performance

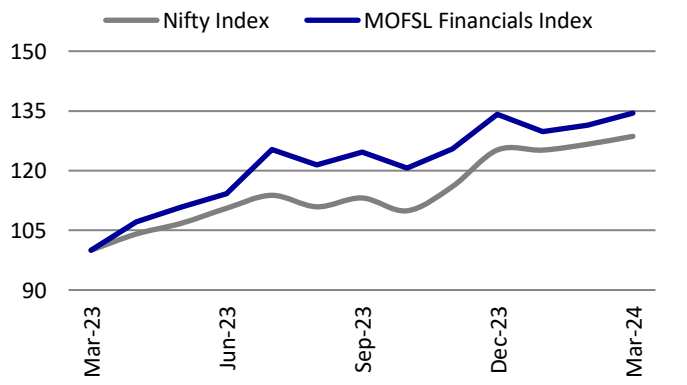
Sector	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1,418	Neutral	2,365	6.9	7.1	1,713	3.9	8.6	1,302	2.7	11.6
Bajaj Finance	7,249	Buy	80,980	29.5	5.8	65,194	27.4	6.1	38,613	22.3	6.1
Can Fin Homes	790	Neutral	3,310	26.7	0.7	2,900	30.7	1.2	2,198	32.6	9.8
Chola. Inv & Fin.	1,186	Buy	23,187	31.4	6.8	16,365	28.5	8.0	9,744	14.3	11.2
CreditAccess	1,409	Buy	8,559	38.2	6.6	6,821	35.6	13.3	3,960	33.5	12.1
Fusion Micro	482	Buy	3,666	32.6	8.3	2,728	23.4	4.8	1,466	28.0	15.9
Home First Fin.	920	Buy	1,410	26.1	4.9	1,115	22.6	1.6	828	29.4	5.1
IIFL Finance	346	Buy	14,288	20.6	-9.3	10,289	28.2	7.3	4,798	16.2	-2.2
L&T Fin. Holdings	163	Buy	23,040	30.1	5.7	14,201	19.8	6.1	6,777	62.6	6.0
LIC Housing Fin	637	Buy	20,571	3.4	-1.9	18,184	3.8	-3.5	11,903	0.8	2.4
M & M Financial	287	Buy	17,896	11.8	5.4	11,078	17.3	4.3	7,306	6.8	32.2
Manappuram Finance	182	Buy	15,325	36.2	5.5	9,659	57.3	3.2	5,958	43.5	3.6
MAS Financial	294	Buy	1,117	25.5	4.8	1,161	31.0	5.3	663	19.4	6.2
Muthoot Finance	1,564	Neutral	19,648	6.0	3.1	13,794	6.8	-1.1	10,303	14.1	0.3
PNB Housing	750	Buy	5,963	2.6	0.6	4,993	3.4	-0.0	3,671	31.5	8.5
Poonawalla Fincorp	475	Buy	5,366	41.3	9.3	3,980	97.4	13.6	3,054	69.0	15.2
Repco Home Fin	448	Neutral	1,783	12.8	0.2	1,368	13.7	-0.2	1,000	21.8	0.6
Shriram Finance Ltd	2,433	Buy	51,058	22.1	4.0	38,573	25.2	4.6	19,537	49.3	7.4
Spandana Sphoorty	882	Buy	3,526	30.4	11.5	2,606	-0.1	8.4	1,357	28.6	6.5
NBFC			**3,03,057**	**22.7**	**3.9**	**2,26,721**	**23.1**	**4.6**	**1,34,440**	**24.5**	**7.1**

Exhibit 2: Relative performance — three-months (%)



Source: Bloomberg, MOFSL

Exhibit 3: Relative performance — one-year (%)



Source: Bloomberg, MOFSL

Exhibit 4: EPS estimate changes for FY24-26

	Old Estimates			New Estimates			Change (%)		
Company	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
AAVAS	60.6	74.2	93.4	60.5	75.4	94.8	-0.1	1.6	1.5
BAF	235.7	303.9	384.2	235.3	307.0	388.2	-0.2	1.0	1.0
CANF	57.3	64.1	73.3	57.2	63.9	71.7	-0.1	-0.3	-2.1
CIFC	41.1	56.5	70.1	39.8	56.4	69.8	-3.2	-0.3	-0.4
CREDAG	90.9	109.8	129.5	90.9	109.8	129.5	-	-	-
FUSION	51.7	70.4	87.6	51.7	68.8	85.6	-0.0	-2.3	-2.3
HomeFirst	34.5	41.9	54.2	34.4	42.1	53.5	-0.2	0.4	-1.4
IIFL Finance	49.8	56.0	69.6	49.1	54.6	68.1	-1.4	-2.5	-2.2
LTFH	9.8	11.8	15.5	9.8	12.0	15.8	0.1	2.1	1.9
LICHF	88.4	87.3	94.1	88.4	87.3	94.1	-	-	-
MMFSL	14.8	22.6	28.0	15.2	22.9	28.4	2.6	1.4	1.3
MGFL	26.5	30.5	36.3	26.3	30.0	35.7	-0.7	-1.6	-1.7
MASFIN	15.0	19.2	23.8	15.0	19.7	24.2	0.1	2.4	1.5
Muthoot	100.4	114.8	131.1	100.2	115.8	132.1	-0.2	0.8	0.8
PNBHF	56.1	73.1	91.3	55.3	70.0	87.3	-1.4	-4.3	-4.4
PFL	13.0	18.5	26.6	13.0	18.6	26.0	0.5	0.4	-2.1
REPCO	61.8	66.6	71.7	61.8	65.9	71.8	-0.1	-1.0	0.1
SHFL	193.3	222.5	265.5	192.2	225.4	269.3	-0.5	1.3	1.5
SPANDANA	72.0	89.6	113.5	71.5	91.2	114.1	-0.6	1.8	0.5

Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Aavas Financiers — Neutral

CMP: INR1,418| TP: INR1,480 (4%) — **EPS CHANGE (%): FY24|25|26: -0.1|1.6|1.5**

- AUM/disbursements are likely to grow 22%/14% YoY
- We expect NIM to expand ~5bp QoQ. Upfront assignment income is estimated at ~INR490m.
- Opex is likely to remain elevated, owing to investments in technology/distribution, and branch additions
- Commentaries on loan growth, margin trajectory, and employee attrition are the key monitorables.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	3,148	3,287	3,585	3,861	4,128	4,259	4,373	4,646	13,882	17,406
Interest Expenses	1,347	1,410	1,504	1,650	1,866	2,036	2,166	2,281	5,910	8,349
Net Income	**1,802**	**1,877**	**2,082**	**2,211**	**2,262**	**2,223**	**2,208**	**2,365**	**7,971**	**9,057**
YoY Growth (%)	20	15	32	23	26	18	6	7	22	14
Other income	380	664	534	641	540	716	719	787	2,220	2,762
Total Income	**2,182**	**2,541**	**2,616**	**2,852**	**2,802**	**2,938**	**2,926**	**3,152**	**10,191**	**11,819**
YoY Growth (%)	37	21	20	18	28	16	12	11	23	16
Operating Expenses	1,026	1,147	1,201	1,203	1,339	1,308	1,349	1,439	4,577	5,435
YoY Growth (%)	53	33	32	14	30	14	12	20	31	19
Operating Profits	**1,156**	**1,394**	**1,415**	**1,649**	**1,464**	**1,631**	**1,577**	**1,713**	**5,614**	**6,384**
YoY Growth (%)	26	13	12	22	27	17	11	4	17.3	13.7
Provisions	9	16	35	64	57	65	80	67	124	268
Profit before Tax	**1,147**	**1,378**	**1,380**	**1,586**	**1,407**	**1,565**	**1,497**	**1,646**	**5,490**	**6,116**
Tax Provisions	254	310	307	318	310	348	331	344	1,189	1,333
Profit after tax	**892**	**1,068**	**1,073**	**1,268**	**1,097**	**1,217**	**1,166**	**1,302**	**4,301**	**4,783**
YoY Growth (%)	49	16	20	10	23	14	9	3	20.1	11.2

Bajaj Finance — Buy

CMP INR7,249| TP: INR8,550 (+18%) — **EPS CHANGE (%): FY24|25|26: -0.2|1.0|1.0**

- BAF is likely to report an AUM growth of 35% YoY/ 7% QoQ
- Margin is likely to contract ~20bp QoQ
- Opex is likely to remain stable with CIR at 34%
- Credit costs are expected to decline ~5bp QoQ to ~1.65%

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	79,197	85,090	92,734	98,469	1,08,211	1,17,340	1,25,233	1,33,148	3,55,502	4,83,932
Interest expenses	26,451	29,714	33,512	35,920	41,025	45,371	48,680	52,168	1,25,599	1,87,244
Net Interest Income	**52,745**	**55,376**	**59,222**	**62,549**	**67,186**	**71,970**	**76,553**	**80,980**	**2,29,903**	**2,96,689**
YoY Growth (%)	42.5	29.1	25.3	30.2	27.4	30.0	29.3	29.5	31.2	29.0
Other Operating Income	13,630	14,637	15,126	15,162	16,795	16,477	16,427	17,253	58,555	66,951
Net Income	**66,376**	**70,013**	**74,347**	**77,712**	**83,980**	**88,447**	**92,980**	**98,233**	**2,88,458**	**3,63,640**
YoY Growth (%)	47.8	31.2	23.9	28.1	33.3	26.3	25.1	26.4	31.8	26.1
Operating Expenses	23,801	25,148	25,818	26,522	28,544	30,100	31,557	33,039	1,01,300	1,23,240
Operating Profit	**42,575**	**44,865**	**48,529**	**51,190**	**55,437**	**58,347**	**61,422**	**65,194**	**1,87,158**	**2,40,400**
YoY Growth (%)	36.6	35.8	23.8	29.0	37.0	30.0	26.6	27.4	30.8	28.4
Provisions and Cont.	7,547	7,342	8,413	8,594	9,953	10,771	12,484	13,069	31,897	46,276
Profit before Tax	**35,028**	**37,523**	**40,117**	**42,611**	**45,484**	**47,576**	**48,939**	**52,142**	**1,55,279**	**1,94,141**
Tax Provisions	9,065	9,716	10,387	11,033	11,143	12,070	12,566	13,529	40,202	49,308
Net Profit	**25,963**	**27,807**	**29,730**	**31,578**	**34,341**	**35,507**	**36,373**	**38,613**	**1,15,077**	**1,44,833**
YoY Growth (%)	159.0	87.8	39.9	30.5	36.8	27.7	22.3	22.3	63.7	25.8

Can Fin Homes — Neutral

CMP INR790 | TP: INR820 (+4%) — **EPS CHANGE (%): FY24|25|26: -0.1|-0.3|-2.1**

- Estimate loan book to grow ~11% YoY
- Spreads are expected to decline 5bp QoQ to ~3.2%
- Margin is expected to contract ~5bp to ~3.8%
- Commentaries on loan growth and expected timelines for recovery in disbursements are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	6,065	6,522	7,046	7,521	8,181	8,652	8,948	9,155	27,154	34,937
Interest Expenses	3,561	4,010	4,529	4,908	5,330	5,484	5,660	5,845	17,009	22,320
Net Interest Income	**2,504**	**2,512**	**2,517**	**2,613**	**2,851**	**3,168**	**3,288**	**3,310**	**10,146**	**12,617**
YoY Growth (%)	38.2	31.0	22.2	10.1	13.9	26.1	30.6	26.7	24.3	24.4
Other income	51	54	51	122	60	58	71	109	277	298
Total Income	**2,555**	**2,566**	**2,568**	**2,735**	**2,911**	**3,226**	**3,359**	**3,419**	**10,423**	**12,915**
YoY Growth (%)	39.8	30.2	20.9	12.7	13.9	25.7	30.8	25.0	24.8	23.9
Operating Expenses	405	405	438	517	435	524	494	519	1,765	1,972
YoY Growth (%)	33.8	18.3	8.7	7.3	7.4	29.5	12.7	0.5	15.3	11.8
Operating Profits	**2,150**	**2,161**	**2,129**	**2,218**	**2,476**	**2,702**	**2,865**	**2,900**	**8,658**	**10,942**
YoY Growth (%)	40.9	32.7	23.8	14.0	15.2	25.0	34.6	30.7	26.9	26.4
Provisions	-37	132	84	238	137	722	308	13	418	1,180
Profit before Tax	**2,187**	**2,028**	**2,045**	**1,980**	**2,339**	**1,980**	**2,557**	**2,887**	**8,240**	**9,763**
Tax Provisions	565	611	530	322	504	399	556	689	2,028	2,148
Profit after tax	**1,622**	**1,417**	**1,515**	**1,658**	**1,835**	**1,581**	**2,001**	**2,198**	**6,212**	**7,615**
YoY Growth (%)	49.0	14.6	30.9	34.9	13.1	11.5	32.1	32.6	31.9	22.6

Cholamandalam Inv. & Fin. — Buy

CMP INR1,186 | | TP: INR1,410 (+19%) — **EPS CHANGE (%): FY24|25|26: -3.2|-0.3|-0.4**

- Estimate business AUM to grow ~35% YoY
- Margin is likely to contract ~5bp QoQ to 6.7%
- Credit costs are projected to decline QoQ to ~90bp
- Guidance on margins, loan growth, and asset quality of new businesses to be closely monitored

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	26,123	28,293	31,416	34,991	38,492	42,205	46,099	49,844	1,20,822	1,76,640
Interest Expenses	11,309	13,404	15,433	17,342	20,071	22,052	24,390	26,657	57,488	93,170
Net Interest Income	**14,814**	**14,888**	**15,983**	**17,649**	**18,421**	**20,153**	**21,709**	**23,187**	**63,334**	**83,470**
YoY Growth (%)	*16.9*	*17.3*	*17.2*	*29.0*	*24.3*	*35.4*	*35.8*	*31.4*	*20.2*	*31.8*
Other Income	1,587	2,085	2,334	2,952	2,845	3,514	4,088	4,373	8,958	14,819
Total Income	**16,401**	**16,974**	**18,317**	**20,601**	**21,265**	**23,667**	**25,797**	**27,560**	**72,292**	**98,289**
YoY Growth (%)	*20.3*	*21.9*	*23.4*	*32.0*	*29.7*	*39.4*	*40.8*	*33.8*	*23.8*	*36.0*
Operating Expenses	5,797	6,611	7,520	7,870	7,867	9,461	10,640	11,195	27,799	39,163
Operating Profit	**10,604**	**10,363**	**10,797**	**12,731**	**13,399**	**14,206**	**15,157**	**16,365**	**44,494**	**59,126**
YoY Growth (%)	*6.8*	*18.4*	*13.4*	*39.6*	*26.4*	*37.1*	*40.4*	*28.5*	*18.0*	*32.9*
Provisions & Loan Losses	2,986	2,782	1,589	1,140	3,723	3,998	3,588	2,997	8,497	14,306
Profit before Tax	**7,617**	**7,581**	**9,208**	**11,591**	**9,675**	**10,208**	**11,569**	**13,368**	**35,997**	**44,820**
Tax Provisions	1,961	1,947	2,365	3,063	2,415	2,583	2,807	3,624	9,335	11,429
Net Profit	**5,657**	**5,634**	**6,843**	**8,528**	**7,260**	**7,625**	**8,762**	**9,744**	**26,662**	**33,391**
YoY Growth (%)	*73.1*	*-7.1*	*30.6*	*23.7*	*28.3*	*35.3*	*28.0*	*14.3*	*24.2*	*25.2*

CreditAccess Grameen — Buy

CMP INR1,409 | | TP: INR1,760 (+25%) — **EPS CHANGE (%): FY24|25|26: 0.0|0.0|0.0**

- Estimate GLP growth of ~26% YoY
- Margin is likely to contract ~30bp QoQ to 13.7%
- Credit costs are projected to rise ~25bp QoQ to ~2.4%
- Guidance on NIM and cost-income ratio to be closely monitored

CREDAG: Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	7,363	7,713	8,548	9,648	11,052	11,874	12,444	13,368	33,271	48,737
Interest Expenses	2,798	2,732	3,142	3,456	3,849	4,239	4,415	4,809	12,129	17,312
Net Interest Income	**4,565**	**4,981**	**5,406**	**6,192**	**7,203**	**7,635**	**8,029**	**8,559**	**21,143**	**31,425**
YoY Growth (%)	*35.1*	*35.1*	*31.2*	*34.2*	*57.8*	*53.3*	*48.5*	*38.2*	*33.5*	*48.6*
Other Income	233	434	540	1,015	656	602	509	935	2,237	2,701
Total Income	**4,798**	**5,415**	**5,946**	**7,206**	**7,858**	**8,237**	**8,537**	**9,493**	**23,379**	**34,126**
YoY Growth (%)	*30.4*	*38.9*	*32.0*	*29.3*	*63.8*	*52.1*	*43.6*	*31.7*	*32.4*	*46.0*
Operating Expenses	1,909	2,067	2,160	2,177	2,420	2,611	2,520	2,673	8,315	10,224
Operating Profit	**2,889**	**3,348**	**3,785**	**5,029**	**5,438**	**5,626**	**6,018**	**6,821**	**15,064**	**23,902**
YoY Growth (%)	*33.5*	*53*	*38*	*36*	*88*	*68*	*59*	*36*	*40*	*59*
Provisions & Loan Losses	1,009	1,054	894	1,053	764	959	1,262	1,524	4,010	4,508
Profit before Tax	**1,880**	**2,294**	**2,891**	**3,976**	**4,674**	**4,668**	**4,756**	**5,297**	**11,054**	**19,393**
Tax Provisions	493	529	733	1,010	1,189	1,197	1,222	1,337	2,794	4,945
Net Profit	**1,387**	**1,766**	**2,158**	**2,966**	**3,485**	**3,470**	**3,533**	**3,960**	**8,261**	**14,448**
YoY Growth (%)	*583.6*	*196.5*	*84.5*	*85.3*	*151.3*	*96.6*	*63.7*	*33.5*	*131.5*	*74.9*

Fusion Microfinance — Buy

CMP INR482 | | TP: INR610 (+27%) — **EPS CHANGE (%): FY24|25|26: 0.0|-2.3|-2.3**

- Estimate AUM to grow ~24% YoY
- Margin is likely to expand ~10bp QoQ to ~14.6%
- Annualized credit costs projected at ~3% in 4QFY24
- Guidance on credit costs, margins, and disbursement trajectory to be closely monitored

Fusion: Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	3,294	3,998	4,202	4,507	4,790	4,968	5,400	5,788	16,001	20,946
Interest Expenses	1,432	1,573	1,680	1,742	1,835	1,910	2,015	2,122	6,428	7,881
Net Interest Income	**1,862**	**2,424**	**2,522**	**2,765**	**2,955**	**3,058**	**3,386**	**3,666**	**9,573**	**13,065**
YoY Growth (%)	47.1	115.4	59.0	62.0	58.7	26.1	34.2	32.6	68.4	36.5
Other Income	311	526	463	700	738	745	732	742	1,999	2,957
Total Income	**2,173**	**2,950**	**2,985**	**3,465**	**3,693**	**3,803**	**4,118**	**4,408**	**11,572**	**16,022**
YoY Growth (%)	53.5	97.4	67.3	46.8	70.0	28.9	38.0	27.2	64.1	38.5
Operating Expenses	971	1,077	1,147	1,253	1,339	1,385	1,515	1,681	4,448	5,919
Operating Profit	**1,202**	**1,873**	**1,838**	**2,211**	**2,354**	**2,418**	**2,603**	**2,728**	**7,124**	**10,102**
YoY Growth (%)	61.1	156.3	91.8	47.8	95.8	29.1	41.6	23.4	81.2	41.8
Provisions & Loan Losses	201	612	499	692	759	762	938	776	2,004	3,235
Profit before Tax	**1,001**	**1,261**	**1,339**	**1,519**	**1,595**	**1,656**	**1,665**	**1,952**	**5,120**	**6,867**
Tax Provisions	249	310	314	374	390	399	401	486	1,248	1,676
Net Profit	**752**	**951**	**1,025**	**1,145**	**1,205**	**1,257**	**1,265**	**1,466**	**3,871**	**5,192**
YoY Growth (%)	1,605	2,860	10,835	768	60	32	23	28	1,680	34

Home First Finance Company — Buy

CMP INR920| TP: INR1,140 (+24%) — **EPS CHANGE (%): FY24|25|26: -0.2|0.4|-1.4**

- Estimate a robust AUM growth of ~34% YoY/7% QoQ
- Margin is projected to contract ~15bp in 4QFY24
- Cost ratios are expected to remain stable at ~36%
- Outlook on loan growth, margins, and delinquencies are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	1,547	1,727	1,902	2,047	2,313	2,491	2,646	2,813	7,222	10,263
Interest expenses	607	712	796	929	1,068	1,170	1,302	1,403	3,043	4,943
Net Interest Income	**940**	**1,016**	**1,106**	**1,118**	**1,246**	**1,321**	**1,344**	**1,410**	**4,179**	**5,320**
YoY Growth (%)	50.8	58.2	54.2	31.4	32.6	30.1	21.4	26.1	41.2	27.3
Other Income	147	167	152	266	285	289	364	341	734	1,279
Net Income	**1,086**	**1,182**	**1,258**	**1,384**	**1,530**	**1,610**	**1,708**	**1,751**	**4,913**	**6,599**
YoY Growth (%)	22.3	31.8	30.5	35.4	40.9	36.1	35.7	26.5	29.3	34.3
Operating Expenses	387	441	443	475	553	565	611	636	1,746	2,365
Operating Profit	**699**	**741**	**816**	**910**	**977**	**1,044**	**1,097**	**1,115**	**3,167**	**4,234**
YoY Growth (%)	15.3	24.3	25.3	38.1	39.8	40.9	34.5	22.6	24.8	33.7
Provisions and Cont.	36	50	60	70	77	80	70	61	215	288
Profit before Tax	**663**	**692**	**756**	**840**	**900**	**964**	**1,027**	**1,054**	**2,952**	**3,947**
Tax Provisions	151	149	170	200	209	221	239	226	669	896
Net Profit	**512**	**543**	**586**	**640**	**691**	**743**	**788**	**828**	**2,283**	**3,051**
YoY Growth (%)	46.0	20.9	27.6	6.4	34.9	36.9	34.5	29.4	21.1	33.6

IIFL Finance — Buy

CMP INR346 | TP: INR535 (+55%) — **EPS CHANGE (%): FY24|25|26: -1.4|-2.5|-2.2**

- Estimate AUM growth of ~23% YoY/3% QoQ
- Estimate PAT of INR4.8b in 4QFY24 (PQ: INR4.9b)
- Cost ratios are likely to remain stable on a sequential basis
- Outlook on gold loan business, loan growth and margins are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	16,567	17,613	18,980	20,454	21,989	23,576	25,630	23,967	73,693	95,162
Interest Expenses	7,760	7,758	8,095	8,606	8,878	9,321	9,885	9,679	32,218	37,763
Net Interest Income	**8,807**	**9,855**	**10,885**	**11,849**	**13,111**	**14,255**	**15,745**	**14,288**	**41,474**	**57,399**
YoY Growth (%)	19.9	27.7	39.3	38.5	48.9	44.7	44.7	20.6	31.9	38.4
Other Income	3,186	2,901	2,464	2,306	1,306	1,878	1,120	3,347	10,778	7,652
Total Income	**11,992**	**12,756**	**13,349**	**14,155**	**14,417**	**16,134**	**16,865**	**17,635**	**52,253**	**65,050**
YoY Growth (%)	44	32	25	22	20	26	26	25	29.6	24.5
Operating Expenses	5,166	5,502	5,667	6,132	6,332	6,772	7,272	7,346	22,466	27,722
Operating Profit	**6,827**	**7,255**	**7,682**	**8,023**	**8,085**	**9,361**	**9,593**	**10,289**	**29,787**	**37,328**
YoY Growth (%)	32.4	24.7	18.1	16.0	18.4	29.0	24.9	28.2	22.0	25.3
Provisions & Loan Losses	2,487	1,960	2,132	2,083	1,901	2,526	2,430	2,966	8,661	9,823
Profit before Tax	**4,340**	**5,294**	**5,550**	**5,941**	**6,184**	**6,835**	**7,163**	**7,323**	**21,125**	**27,505**
Tax Provisions	1,042	1,324	1,319	1,365	1,455	1,580	1,711	1,920	5,050	6,667
PAT (Pre NCI)	**3,298**	**3,971**	**4,231**	**4,576**	**4,729**	**5,255**	**5,452**	**5,403**	**16,076**	**20,839**
NCI	0	175	449	448	475	513	548	605	1,072	2,140
PAT (Post NCI)	**3,298**	**3,796**	**3,782**	**4,128**	**4,254**	**4,743**	**4,904**	**4,798**	**15,003**	**18,699**
YoY Growth (%)	24	30	22	29	29	25	30	16	26	25

L&T Finance Holdings — Buy

CMP INR163 | TP: INR200 (+22%) — **EPS CHANGE (%): FY24|25|26: 0.1|2.1|1.9**

- Reported Retail loan book growth of 31%YoY
- Anticipate credit costs to decline to ~2.3% (annualized) in 4QFY24 (vs. ~2.6% in 3QFY24)
- NIM is expected to improve ~10bp to ~11% QoQ
- Opex to remain elevated with cost-to-income ratio at ~40%

Quarterly performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	29,466	30,862	33,216	32,107	31,165	31,685	33,063	34,667	1,25,651	1,30,580
Interest Expenses	14,132	14,385	15,007	14,449	13,638	13,249	13,534	14,275	57,972	54,696
Net Interest Income	**15,334**	**16,477**	**18,209**	**17,658**	**17,527**	**18,436**	**19,529**	**20,392**	**67,679**	**75,885**
Change YoY (%)	2.3	12.8	24.1	15.7	14.3	11.9	7.2	15.5	13.7	12.1
Other Operating Income	1,318	1,090	1,109	53	1,068	453	2,277	2,647	3,569	6,445
Net Operating Income	**16,652**	**17,567**	**19,318**	**17,711**	**18,596**	**18,889**	**21,805**	**23,040**	**71,248**	**82,329**
Change YoY (%)	2.1	9.1	16.1	7.0	11.7	7.5	12.9	30.1	8.6	15.6
Other income	1,474	1,193	585	2,016	1,535	2,682	473	525	5,268	5,215
Total Income	**18,126**	**18,760**	**19,903**	**19,726**	**20,130**	**21,572**	**22,278**	**23,565**	**76,515**	**87,544**
Operating Expenses	6,577	6,868	7,417	7,870	7,782	8,598	8,896	9,363	28,732	34,639
Change YoY (%)	19.9	16.3	20.3	23.2	18.3	25.2	19.9	19.0	20.0	20.6
Operating Profits	**11,549**	**11,891**	**12,486**	**12,698**	**12,348**	**12,974**	**13,382**	**14,201**	**48,624**	**52,905**
Change YoY (%)	0.9	7.9	6.2	11.8	6.9	9.1	7.2	11.8	6.7	8.8
Provisions	7,989	5,765	6,417	5,232	5,212	5,000	5,142	4,775	25,404	20,129
Profit before Tax	**3,560**	**6,126**	**6,069**	**7,466**	**7,136**	**7,974**	**8,240**	**9,426**	**23,220**	**32,775**
Tax Provisions	948	2,070	990	2,455	1,831	2,032	1,847	2,649	6,464	8,358
Profit after tax	**2,612**	**4,056**	**4,538**	**5,011**	**5,305**	**5,942**	**6,402**	**6,777**	**16,216**	**24,418**
Change YoY (%)	46.8	81.0	39.2	46.4	103.1	46.5	41.1	35.3	51.5	50.6

LIC Housing Finance — Buy

CMP INR637 | TP: INR755 (+19%) — **EPS CHANGE (%): FY24|25|26: 0.0|0.0|0.0**

- Expect loan growth of ~4% YoY with a fairly stable mix
- Estimate annualized credit costs of ~55bp in 4QFY24 vs. ~60bp in 3QFY24
- Yields are expected to decline on a sequential basis, leading to ~10bp compression in NIM
- Commentaries on slippages from restructured pool, mortgage demand, and guidance on margins are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	52,502	50,493	58,387	63,780	67,037	67,066	67,437	67,982	2,25,162	2,69,522
Interest Expenses	36,400	38,864	42,328	43,877	44,942	46,000	46,465	47,410	1,61,860	1,84,818
Net Interest Income	**16,102**	**11,629**	**16,059**	**19,903**	**22,094**	**21,066**	**20,972**	**20,571**	**63,303**	**84,704**
YoY Growth (%)	26.3	-0.4	10.4	21.5	37.2	81.2	30.6	3.4	14.4	33.8
Fees and other income	407	427	374	371	429	521	488	506	1,580	1,943
Net Income	**16,509**	**12,056**	**16,432**	**20,274**	**22,523**	**21,587**	**21,460**	**21,077**	**64,882**	**86,647**
Operating Expenses	2,029	2,610	2,876	2,759	2,425	2,595	2,615	2,893	9,883	10,527
Operating Profit	**14,481**	**9,447**	**13,557**	**17,515**	**20,098**	**18,993**	**18,845**	**18,184**	**55,000**	**76,120**
YoY Growth (%)	40.9	-0.4	2.9	16.2	38.8	101.1	39.0	3.8	14.6	38.4
Provisions and Cont.	3,077	5,658	7,627	3,068	3,608	4,192	4,358	3,901	19,430	16,059
Profit before Tax	**11,404**	**3,789**	**5,930**	**14,448**	**16,490**	**14,801**	**14,487**	**14,283**	**35,570**	**60,061**
Tax Provisions	2,149	739	1,127	2,645	3,253	2,920	2,858	2,380	6,660	11,412
Net Profit	**9,255**	**3,050**	**4,803**	**11,803**	**13,237**	**11,881**	**11,629**	**11,903**	**28,910**	**48,649**
YoY Growth (%)	503.2	23.0	-37.4	5.5	43.0	289.6	142.1	0.8	26.4	68.3

Mahindra Financial Services — Buy

CMP INR287| TP: INR350 (+22%) — **EPS CHANGE (%): FY24|25|26: 2.6|1.4|1.3**

- Reported 4QFY24 disbursement growth of ~11% YoY
- We expect ~5bp QoQ expansion in margin
- Estimate credit costs of ~0.5% in 4QFY24 (vs. ~1.4% QoQ)
- Commentaries on margins, credit costs, and loan growth are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest income	24,372	25,163	27,947	29,344	30,349	31,535	33,733	35,706	1,06,826	1,31,323
Interest Expenses	9,320	10,688	12,419	13,340	14,505	15,665	16,750	17,810	45,767	64,729
NII	**15,052**	**14,475**	**15,528**	**16,004**	**15,844**	**15,870**	**16,983**	**17,896**	**61,059**	**66,593**
YoY Growth (%)	34.2	0.3	1.1	11.1	5.3	9.6	9.4	11.8	9.9	9.1
Other income	614	930	969	1,223	905	870	1,172	1,468	3,735	4,415
Net Total Income	**15,666**	**15,405**	**16,496**	**17,227**	**16,750**	**16,740**	**18,155**	**19,363**	**64,794**	**71,008**
YoY Growth (%)	34.0	2.2	3.6	13.7	6.9	8.7	10.1	12.4	11.7	9.6
Operating Expenses	6,208	6,768	6,513	7,786	6,750	7,312	7,530	8,285	27,276	29,877
Operating Profit	**9,458**	**8,637**	**9,983**	**9,441**	**10,000**	**9,428**	**10,625**	**11,078**	**37,518**	**41,131**
YoY Growth (%)	26.3	-15.0	-6.0	5.1	5.7	9.2	6.4	17.3	0.7	9.6
Provisions	6,453	1,985	1,551	4	5,264	6,266	3,284	1,201	9,992	16,014
Profit before Tax	**3,005**	**6,652**	**8,431**	**9,437**	**4,735**	**3,163**	**7,341**	**9,877**	**27,526**	**25,117**
Tax Provisions	776	1,624	2,142	2,596	1,209	811	1,813	2,572	7,138	6,405
Net Profit	**2,229**	**4,483**	**6,290**	**6,841**	**3,527**	**2,352**	**5,528**	**7,306**	**19,843**	**18,712**
YoY Growth (%)	-114.6	-56.2	-29.6	13.9	58.2	-47.5	-12.1	6.8	100.7	-5.7

Manappuram Finance — Buy

CMP INR182 | TP: INR230 (+26%) — **EPS CHANGE (%): FY24|25|26: -0.7|-1.6|-1.7**

- Expect gold AUM/consolidated AUM to grow ~3%/7% on a sequential basis
- Factored in a margin increase of ~5bp QoQ and a spread decline of ~30bp in the consolidated loan book
- Expect credit costs to remain stable at ~1.6%
- Commentaries on gold loan growth and asset quality in the MFI and Vehicle segments are the key monitorables

MGFL - Quarterly Performance (Consolidated, INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	14,612	16,078	16,574	17,141	19,363	20,438	22,011	23,051	64,404	84,862
Interest Expenses	5,046	5,284	5,657	5,891	6,484	6,894	7,487	7,725	21,878	28,591
Net Interest Income	**9,566**	**10,795**	**10,917**	**11,250**	**12,879**	**13,543**	**14,524**	**15,325**	**42,526**	**56,272**
YoY Growth (%)	-7.0	9.4	19.3	25.2	34.6	25.5	33.0	36.2	11.1	32.3
Other income	416	1,063	772	845	1,209	1,303	1,256	1,206	3,095	4,973
Net Income	**9,981**	**11,858**	**11,688**	**12,095**	**14,088**	**14,846**	**15,780**	**16,531**	**45,622**	**61,245**
Operating Expenses	4,890	5,525	5,769	5,955	6,068	6,182	6,419	6,873	22,140	25,541
Operating Profits	**5,091**	**6,333**	**5,919**	**6,139**	**8,020**	**8,664**	**9,361**	**9,659**	**23,482**	**35,704**
YoY Growth (%)	-28.2	5.1	30.7	21.5	57.5	36.8	58.1	57.3	3.5	52.0
Provisions	1,283	805	509	474	1,212	1,197	1,496	1,584	3,071	5,490
PBT	**3,808**	**5,527**	**5,410**	**5,666**	**6,808**	**7,467**	**7,864**	**8,074**	**20,410**	**30,214**
Tax Provisions	989	1,433	1,475	1,513	1,828	1,861	2,111	2,116	5,409	7,916
PAT	**2,819**	**4,095**	**3,935**	**4,153**	**4,980**	**5,607**	**5,753**	**5,958**	**15,002**	**22,298**
YoY Growth (%)	-35	11	51	59	77	37	46	43	13	49

MAS Financial — Buy

CMP INR294 | TP: INR390 (+33%) — **EPS CHANGE (%): FY24|25|26: 0.1|2.4|1.5**

- Standalone AUM is likely to grow ~6% QoQ/~27% YoY
- We expect stable credit costs of ~1.1% QoQ
- Margin is expected to contract ~5bp QoQ to ~6.85%
- Commentary on branch expansions and increase in the direct business are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue from Operations	**1,983**	**2,300**	**2,515**	**2,703**	**2,801**	**2,982**	**3,258**	**3,567**	**9,491**	**12,607**
Interest Income	1,677	1,941	2,183	2,325	2,362	2,490	2,703	2,974	8,066	10,529
Gain on assignments	157	178	158	198	242	272	319	337	680	1,170
Other operating Income	150	182	173	180	196	219	236	256	745	908
Interest expenses	928	1,108	1,276	1,435	1,428	1,461	1,638	1,857	4,748	6,384
Total income	**1,055**	**1,192**	**1,238**	**1,268**	**1,373**	**1,520**	**1,620**	**1,710**	**4,743**	**6,224**
Growth Y-o-Y (%)	*34*	*48*	*40*	*36*	*30*	*28*	*31*	*35*	*41*	*31*
Operating Expenses	348	416	421	381	427	484	518	549	1,566	1,978
Operating Profits	**707**	**775**	**818**	**887**	**946**	**1,036**	**1,102**	**1,161**	**3,177**	**4,246**
Growth Y-o-Y (%)	*11*	*28*	*35*	*39*	*34*	*34*	*35*	*31*	*29*	*34*
Provisions	85	121	142	182	188	236	257	276	530	957
Profit before tax	**623**	**654**	**676**	**704**	**758**	**800**	**845**	**886**	**2,647**	**3,289**
Growth Y-o-Y (%)	*26*	*27*	*25*	*17*	*22*	*22*	*25*	*26*	*25*	*24*
Tax Provisions	157	164	170	149	186	200	221	223	637	829
Net Profit	**465**	**491**	**506**	**556**	**573**	**600**	**624**	**663**	**2,010**	**2,460**
Growth Y-o-Y (%)	*26*	*28*	*26*	*23*	*23*	*22*	*24*	*19*	*28*	*22*

Muthoot Finance — Neutral

CMP INR 1,564| TP: INR1,450 (-7%) — **EPS CHANGE (%): FY24|25|26: -0.2|0.8|0.8**

- Estimate gold AUM growth of ~5% QoQ
- Margin is likely to remain stable at ~11.2%
- Cost ratios are expected to increase due to investments in distribution capabilities
- Commentaries on gold loan growth and margin guidance are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	24,816	24,746	26,184	27,940	29,577	30,147	31,176	32,568	1,03,686	1,23,469
Other operating income	223	231	414	594	410	450	501	570	1,462	1,930
Total Operating income	**25,039**	**24,977**	**26,598**	**28,534**	**29,987**	**30,597**	**31,677**	**33,138**	**1,05,148**	**1,25,399**
YoY Growth (%)	-7.7	-11.8	-7.3	6.9	19.8	22.5	19.1	16.1	-5.1	19.3
Other income	54	58	73	104	276	139	80	154	289	650
Total Income	**25,093**	**25,036**	**26,671**	**28,638**	**30,263**	**30,736**	**31,757**	**33,293**	**1,05,437**	**1,26,049**
YoY Growth (%)	-7.6	-11.6	-7.1	6.9	20.6	22.8	19.1	16.3	-5.0	19.5
Interest Expenses	9,416	9,027	9,141	9,407	10,638	11,563	12,119	12,920	36,991	47,240
Net Income	**15,677**	**16,009**	**17,530**	**19,231**	**19,625**	**19,173**	**19,638**	**20,373**	**68,446**	**78,809**
Operating Expenses	5,435	4,522	4,905	6,314	5,620	5,751	5,696	6,579	21,177	23,645
Operating Profit	**10,241**	**11,487**	**12,624**	**12,917**	**14,006**	**13,422**	**13,942**	**13,794**	**47,270**	**55,164**
YoY Growth (%)	-23.2	-18.8	-13.9	5.7	36.8	16.9	10.4	6.8	-13.0	16.7
Provisions	-577	-127	557	753	860	120	137	-9	605	1,109
Profit before Tax	**10,818**	**11,614**	**12,068**	**12,164**	**13,145**	**13,302**	**13,805**	**13,803**	**46,664**	**54,055**
Tax Provisions	2,798	2,942	3,051	3,138	3,394	3,392	3,532	3,500	11,929	13,818
Net Profit	**8,020**	**8,672**	**9,017**	**9,027**	**9,751**	**9,910**	**10,273**	**10,303**	**34,735**	**40,237**
YoY Growth (%)	-17.4	-12.8	-12.4	-6.0	21.6	14.3	13.9	14.1	-12.2	15.8

PNB Housing Finance — Buy

CMP INR750 | TP: INR1,000 (33%) — **EPS CHANGE (%): FY24|25|: -1.4|-4.3|-4.4**

- Total AUM growth is expected to be ~9% YoY
- Expect credit costs to decline ~20bp in 4QFY24
- Cost ratios are expected to increase due to investments in distribution capabilities
- Commentaries on the asset quality of the retail loan book, NIM, and disbursement trajectory are the key monitorables

Quarterly performance (INR m)

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	12,987	15,975	17,136	15,892	16,669	17,029	16,795	17,188	61,991	67,681
Interest Expenses	9,303	9,639	9,963	10,081	10,475	10,573	10,866	11,225	38,985	43,139
Net Interest Income	**3,684**	**6,337**	**7,173**	**5,812**	**6,194**	**6,456**	**5,929**	**5,963**	**23,006**	**24,542**
YoY Growth (%)	-27.6	36.2	72.8	57.6	68.1	1.9	-17.3	2.6	30.9	6.7
Other income	1,124	868	829	485	408	765	765	818	3,306	2,756
Total Income	**4,808**	**7,205**	**8,002**	**6,297**	**6,602**	**7,221**	**6,694**	**6,781**	**26,311**	**27,298**
YoY Growth (%)	-18.5	30.6	60.2	27.2	37.3	0.2	-16.3	7.7	23.2	3.7
Operating Expenses	1,214	1,368	1,262	1,468	1,530	1,702	1,700	1,788	5,313	6,719
YoY Growth (%)	5.4	15.4	8.5	16.7	26.0	24.4	34.7	21.7	11.6	26.5
Operating Profits	**3,594**	**5,837**	**6,740**	**4,828**	**5,072**	**5,519**	**4,994**	**4,993**	**20,998**	**20,579**
YoY Growth (%)	-24.3	34.8	75.9	30.7	41.1	-5.4	-25.9	3.4	26.5	-2.0
Provisions	483	2,432	3,071	1,403	606	448	591	382	7,389	2,027
Profit before Tax	**3,111**	**3,404**	**3,669**	**3,425**	**4,467**	**5,071**	**4,403**	**4,611**	**13,609**	**18,552**
Tax Provisions	761	778	978	632	994	1,241	1,019	939	3,149	4,193
Profit after tax	**2,350**	**2,626**	**2,691**	**2,793**	**3,473**	**3,830**	**3,384**	**3,671**	**10,460**	**14,359**
YoY Growth (%)	-3.4	11.7	42.8	64.7	47.8	45.8	25.8	31.5	25.0	37.3

Poonawalla Fincorp — Buy

CMP INR475 | TP: INR580 (+22%) — **EPS CHANGE (%): FY24|25|26: 0.5|0.4|-2.1**

- Reported AUM/Disbursement growth of ~54%/52% YoY
- Expect cost ratios to improve on a sequential basis
- Expect margin to contract ~25bp QoQ to ~10.3%
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables

Quarterly Performance (Standalone, INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	3,857	4,179	4,605	5,529	6,560	6,901	7,144	7,941	18,265	28,546
Interest Expenses	1,187	1,441	1,593	1,732	2,348	2,155	2,237	2,575	5,953	9,316
Net Interest Income	**2,670**	**2,738**	**3,012**	**3,798**	**4,212**	**4,746**	**4,907**	**5,366**	**12,312**	**19,230**
YoY Growth (%)	26.3	12.0	23.6	52.0	77.8	73.3	62.9	41.3	29.7	56.2
Other Income	434	627	588	282	563	539	594	735	1,931	2,431
Total Income	**3,103**	**3,365**	**3,600**	**4,080**	**4,775**	**5,285**	**5,501**	**6,101**	**14,243**	**21,661**
YoY Growth (%)	34.6	25.1	33.2	41.7	70.3	57.1	52.8	49.5	34.6	52.1
Operating Expenses	1,926	2,107	2,043	2,064	1,834	1,929	1,998	2,121	8,139	7,882
Operating Profit	**1,178**	**1,257**	**1,558**	**2,016**	**2,941**	**3,356**	**3,502**	**3,980**	**6,104**	**13,779**
YoY Growth (%)	16.8	2.8	35.6	75.0	185.0	167.0	124.8	97.4	34.7	125.8
Provisions & Loan Losses	-164	-482	-452	-347	266	281	-65	182	-1,445	663
Profit before Tax	**1,550**	**1,740**	**2,010**	**2,367**	**2,676**	**3,075**	**3,568**	**3,798**	**7,761**	**13,116**
Exceptional items						12,212				12,212
Tax Provisions	313	438	506	560	674	775	916	744	1,816	3,109
PAT (excl. exceptional)	**1,237**	**1,302**	**1,504**	**1,807**	**2,002**	**2,300**	**2,651**	**3,054**	**5,945**	**10,008**
PAT (incl. exceptional)	1,237	1,302	1,504	1,807	2,002	14,512	2,651	3,054	5,945	20,297
YoY Growth (%)	148.2	75.8	87.5	102.7	86.0	76.7	76.3	69.0	102.8	68.4

Repco Home Finance — Neutral

CMP INR448 | TP: INR475 (6%) — **EPS CHANGE (%): FY24|25|26: -0.1|-1.0|0.1**

- Disbursements/AUM expected to grow ~1%/8% YoY
- Estimate benign credit costs of ~5bp (stable QoQ)
- Spread and margin are likely to contract ~15bp and 10bp QoQ, respectively
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables

Quarterly performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	2,980	3,064	3,197	3,330	3,572	3,770	3,787	3,843	12,570	14,972
Interest Expenses	1,653	1,692	1,810	1,856	2,026	2,075	2,153	2,237	7,011	8,490
Net Income	**1,327**	**1,372**	**1,387**	**1,474**	**1,546**	**1,695**	**1,635**	**1,606**	**5,560**	**6,482**
YoY Growth (%)	-8.4	-12.1	-7.0	4.9	16.5	23.6	17.8	9.0	-5.8	16.6
Other income	90	112	111	108	93	69	145	177	421	484
Total Income	**1,417**	**1,484**	**1,499**	**1,581**	**1,639**	**1,765**	**1,779**	**1,783**	**5,981**	**6,966**
YoY Growth (%)	-3.4	-7.3	-2.4	1.2	15.7	18.9	18.7	12.8	-3.0	16.5
Operating Expenses	339	343	398	378	392	426	410	416	1,458	1,643
YoY Growth (%)	37.8	21.1	15.8	2.8	15.7	24.4	2.9	9.9	17.5	12.7
Operating Profits	**1,078**	**1,141**	**1,101**	**1,203**	**1,247**	**1,338**	**1,370**	**1,368**	**4,523**	**5,323**
YoY Growth (%)	-11.7	-13.4	-7.7	0.7	15.7	17.3	24.5	13.7	-8.2	17.7
Provisions	237	188	12	79	50	16	29	10	516	105
Profit before Tax	**841**	**954**	**1,089**	**1,124**	**1,198**	**1,322**	**1,341**	**1,357**	**4,008**	**5,218**
Tax Provisions	220	242	282	303	307	341	346	357	1,047	1,351
Profit after tax	**621**	**712**	**808**	**821**	**891**	**981**	**994**	**1,000**	**2,961**	**3,866**
YoY Growth (%)	93.2	-17.2	156.6	95.3	43.5	37.9	23.1	21.8	54.6	30.6

Shriram Finance — Buy

CMP INR2,433 | TP: INR2,900 (+19%) — **EPS CHANGE (%): FY24|25|26: -0.5|1.3|1.5**

- Estimate disbursements of ~INR403b, leading to an AUM of ~INR2.26t (up 22% YoY/ ~6% QoQ)
- Margin is expected to contract ~15bp QoQ to 9.3%
- Credit costs are likely to decline ~15bp QoQ to 2.2%
- Commentaries on loan growth in CV and on asset quality in 2W and PL segments are the key monitorables

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	67,796	70,024	73,099	74,232	76,880	82,166	86,179	91,156	2,86,074	3,36,380
Interest Expenses	29,516	32,249	31,178	32,422	34,875	36,219	37,069	40,099	1,25,458	1,48,262
Net Interest Income	**38,280**	**37,775**	**41,921**	**41,810**	**42,004**	**45,947**	**49,110**	**51,058**	**1,60,616**	**1,88,119**
YoY Growth (%)	33.8	24.2	30.8	19.9	20.0	21.6	17.1	22.1	27.5	17.1
Other Income	2,237	4,162	3,022	3,460	3,167	3,479	3,094	3,381	11,955	13,120
Total Income	**40,517**	**41,937**	**44,944**	**45,270**	**45,171**	**49,426**	**52,204**	**54,438**	**1,72,571**	**2,01,239**
YoY Growth (%)	31.8	29.6	28.9	21.1	22.0	17.9	16.2	20.3	27.5	16.6
Operating Expenses	10,841	11,999	11,928	14,459	13,908	14,618	15,311	15,866	49,131	59,703
Operating Profit	**29,676**	**29,938**	**33,016**	**30,810**	**31,262**	**34,808**	**36,893**	**38,573**	**1,23,441**	**1,41,536**
YoY Growth (%)	32.3	30.4	31.4	13.9	17.3	16.3	11.7	25.2	26.5	14.7
Provisions & Loan Losses	11,597	8,976	9,173	11,846	8,786	11,286	12,497	12,346	41,592	44,914
Profit before Tax	**18,079**	**20,962**	**23,844**	**18,964**	**22,476**	**23,523**	**24,396**	**26,227**	**81,849**	**96,622**
Tax Provisions	4,690	5,411	6,074	5,881	5,722	6,014	6,213	6,690	22,056	24,639
Net Profit	**13,390**	**15,551**	**17,770**	**13,083**	**16,754**	**17,508**	**18,183**	**19,537**	**59,793**	**71,983**
YoY Growth (%)	254.3	47.6	82.6	-5.8	30.8	12.6	2.3	49.3	57.7	20.4

Spandana Sphoorty

Buy

CMP INR882 | TP: INR1,140 (+29%)

EPS CHANGE (%): FY24|25|26: -0.6|1.8|0.5

- Estimate disbursements of ~INR36b, leading to AUM of ~INR118b (~AUM growth of 39% YoY/ ~14% QoQ)
- Margin is likely to expand ~15bp QoQ to ~14%
- Annualized credit costs are likely to be stable at ~3.1%
- Guidance on credit costs, margins, and AUM growth to be closely monitored

Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	2,440	2,765	3,377	4,193	4,929	5,436	5,663	6,153	12,775	22,182
Interest Expenses	968	914	1,207	1,490	1,995	2,277	2,502	2,627	4,579	9,402
Net Interest Income	**1,472**	**1,851**	**2,170**	**2,703**	**2,934**	**3,159**	**3,161**	**3,526**	**8,196**	**12,780**
YoY Growth (%)	-41.9	-7.7	14.5	76.8	99.3	70.6	45.7	30.4	2.9	55.9
Other Income	149	337	373	1,137	344	966	905	845	1,995	3,060
Total Income	**1,621**	**2,188**	**2,543**	**3,840**	**3,277**	**4,125**	**4,067**	**4,371**	**10,192**	**15,840**
YoY Growth (%)	-44.4	-11.2	20.6	100.9	102.2	88.5	59.9	13.8	8.4	55.4
Operating Expenses	1,114	1,088	1,136	1,232	1,386	1,549	1,662	1,765	4,570	6,362
Operating Profit	**506**	**1,100**	**1,406**	**2,608**	**1,891**	**2,576**	**2,405**	**2,606**	**5,621**	**9,477**
YoY Growth (%)	-77.6	-35.2	13.6	351.3	273.5	134.1	71.0	-0.1	-2.6	68.6
Provisions & Loan Losses	3,517	258	446	1,222	286	901	701	783	5,443	2,670
Profit before Tax	**-3,011**	**843**	**960**	**1,386**	**1,605**	**1,675**	**1,703**	**1,823**	**178**	**6,807**
Tax Provisions	-814	291	247	330	411	423	429	466	54	1,729
Net Profit	**-2,197**	**552**	**714**	**1,055**	**1,195**	**1,252**	**1,274**	**1,357**	**124**	**5,078**
YoY Growth (%)	-501.0	-194.1	58.3	269.0	-154.4	126.9	78.5	28.6	-82.3	3,997.2

Financials – Non Lending

Company
BSE
CAMS
ICICI Lombard
ICICI Securities
IIFL Wealth
MCX
Star Health
HDFC Life
IPRU Life
SBI Life
Max Financials

Capital markets-linked companies to deliver decent performance

Price hike set to improve health segment loss ratios; VNB margins to improve QoQ

- **In 4QFY24, Nifty continued with gains (3% QoQ), translating into healthy trends in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. However, Mar'24 witnessed moderation in volumes, owing to correction in the Small and Midcap space. BSE would be one of the biggest beneficiaries of these trends.**
- **In the AMC sector, net equity inflows were buoyant in Jan'24 and Feb'24. The growth in equity AUM was primarily backed by strong SIP flows (SIP flows reaching an all-time high in Feb'24). Overall, MF AUM grew 6.7% (over Dec'23-Feb'24), owing to strong growth in Equity and Money Market AUM. Given the market environment in the latter half of 4QFY24, equity MF AUM is likely to witness some moderation in the month of Mar'24. Increase in equity AUM would lead to improved performance for both CAMS and 360ONE.**
- **Private Life Insurance players saw an 18%/25% growth in APE in Jan'24/Feb'24. However, we anticipate a decline in Mar'24 for the industry, given the high base of Mar'23. Despite this, we expect a steady to improving sequential trend in terms of VNB margins.**
- **Ex-crop, the general insurance sector experienced steady GWP growth of 16% and 13% in Jan'24 and Feb'24, respectively. Growth in the overall health segment is steady at 17%/16% YoY over Jan/Feb'24 as compared to 15% growth in 3QFY24. The motor segment too saw a steady growth of 12%/10% YoY in Jan/Feb'24 compared to 10% in 3QFY24. Health segment loss ratios are expected to decline on the back of price hikes. We expect STARHEAL and ICICIGI to report improvement in profitability.**
- **We remain positive on the long-term growth potential of the non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are SBILIFE and STARHEAL.**

Strong growth in incremental demat account additions; steady growth in cash volumes and F&O volumes in first half of 4QFY24

- Retail segment's cash ADTO increased 8%/4% MoM in Jan'24/Feb'24, but it plummeted 16% MoM in Mar'24. Compared to 3QFY24, the growth momentum of F&O ADTO was steady in the first half of 4QFY24 (In Mar'24, NSE's total options premium ADTO declined 17% MoM, whereas for BSE, total options premium ADTO was flat MoM).
- Incremental demat account additions increased to 4.6m in Jan'24 and 4.3m in Feb'24 (average 3.2m/month in 3QFY24).
- BSE witnessed strong traction in derivatives volumes, resulting in a 17.5%/7.2% market share in notional/premium turnover in Mar'24. Also, the increase in transaction charges, w.e.f 1st November 2023 is likely to improve profitability.
- With the tech overhang now over, MCX is in the process of getting a re-validation approval from SEBI for many new products, which were in the pipeline. MCX has seen strong traction in option volumes, although this has been partially offset by lower volumes in Futures.

Research Analyst: Prayesh Jain (Prayesh.Jain@MotilalOswal.com) | **Nemin Doshi** (Nemin. Doshi@MotilalOswal.com)
Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Muskan Chopra** (Muskan.Chopra@MotilalOswal.com)

Life Insurers: High base to restrict APE growth; VNB margins to be steady

- Private Life Insurance players saw an 18%/25% growth in APE in Jan'24/Feb'24. However, we anticipate a decline in Mar'24 for the industry, given the high base of Mar'23. Despite this, we expect a steady to improving sequential trend in terms of VNB margins. We expect demand for annuity, non-par (QoQ) and protection to remain strong, especially with a slew of new product launches.
- **VNB growth:** VNB margins are expected to be steady, given the steady product mix and some benefits of repricing in the non-par segments implemented in 3QFY24.

Steady premium (ex-crop) growth for general insurance sector; health claim ratio to improve on the back of price hikes

- Ex-crop, the general insurance sector experienced steady GWP growth of 16% and 13% in Jan'24 and Feb'24, respectively. Growth in the overall health segment is steady at 17%/16% YoY over Jan/Feb'24 as compared to 15% growth in 3QFY24. The motor segment too saw a steady growth of 12%/10% YoY in Jan/Feb'24 compared to 10% in 3QFY24.
- For ICICIGI, the premium growth in Jan/Feb'24 stood at 14%/39% YoY. The increased growth in Feb'24 can be attributed to a one-off transfer of business to another insurance company in Feb'23. The GWP growth for ICICIGI was led by an enhanced market share in the motor segment and strong expansion in the health segment.
- For Jan/Feb'24, STARHEAL saw a premium growth of 18%/19% YoY, driven by retail growth of 16%/17% and group health business of 46%/61% (given lower base).
- Opex ratios are expected to benefit from operating leverage. Health segment loss ratios are expected to improve YoY, due to the implemented price hikes.

Strong SIP flows and positive net inflows to drive mutual fund AUM growth

- Mutual Fund AUM saw 30%/34% YoY growth, led by strong 43%/49% growth in equity AUM for Jan'24/Feb'24. Net equity inflows remained buoyant in Jan'24 and Feb'24. The growth in equity AUM was primarily backed by strong SIP flows.
- The share of equity AUM improved ~40bp in Jan'24 & ~50bp in Feb'24, reaching 55.6%. The SIP flows were strong for Jan'24 and Feb'24 (SIP flows reached its all-time high in Feb'24). Given the market environment in latter half of 4QFY24, equity MF AUM is likely to witness some moderation in the month of Mar'24.
- This would translate into healthy operating performance for both CAMS and 360 ONE in 4QFY24.

Exhibit 1: Summary of 4QFY24 earnings estimates

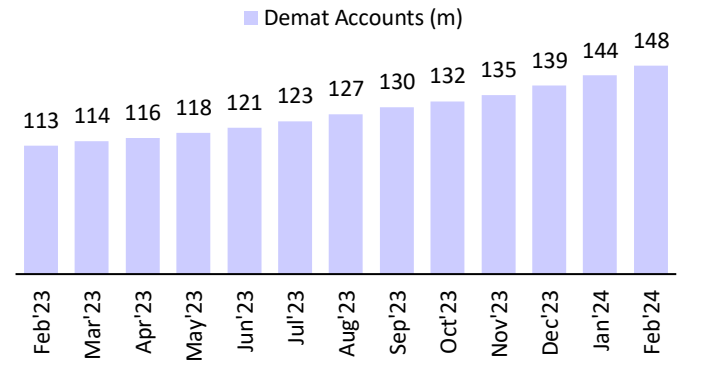
Sector	CMP (INR)	Rating	Revenue/NEP/ Gross Prem (INR m)			EBITDA/PBT/UP/VNB (INR m)			Net profit (INR m)		
			Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)
ICICI Sec	724	UR	13,527	53.0	2.0	6,264	77.0	0.0	4,779	82.0	3.0
360 One	688	BUY	4,585	17.0	4.0	2,205	6.0	5.0	1,931	24.0	0.0
CAMS	2,993	BUY	2,993	20.1	3.3	1,341	22.9	3.6	928	25.0	5.0
BSE	2,710	Neutral	5,203	129.0	40.0	1,996	93.0	113.0	1,754	98.0	65.0
MCX	3,564	Neutral	2,091	56.0	9.0	1,310	N.A	N.A	1,063	N.A	N.A
Star Health	557	BUY	33,736	16.0	2.0	-1,018	N.A	N.A	1,434	41.0	-50.0
ICICI Lombard	1,696	BUY	42,103	13.0	0.0	-2,802	N.A	N.A	4,453	2.0	3.0
HDFC Life	634	Neutral	2,25,414	16.0	48.0	12,236	-19.0	43.0	4,394	23.0	20.0
ICICI Prudential	616	BUY	1,33,950	6.0	35.0	9,556	-9.0	119.0	2,859	22.0	26.0
SBI Life	1,490	BUY	2,37,730	19.0	6.0	14,795	3.0	-0.7	7,239	-7.0	125.0
Max Financial	1,017	Neutral	1,07,847	18.0	48.0	6,944	-10.0	42.0	2,804	117	86
Non-Lending			**8,09,179**	**37.0**	**30.4**	**52,544**	**-14.0**	**5.0**	**36,334**	**17.0**	**29.0**

Under review: UR

Exhibit 2: Changes to our EPS estimates (*For life insurance companies - absolute VNB in INR b)

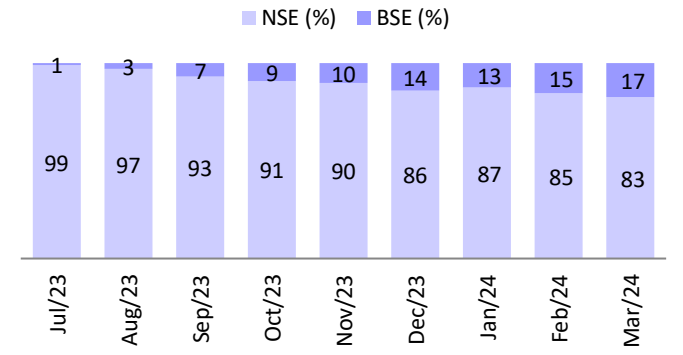
	Old estimates (INR)		New estimates (INR)		Change (%)	
Company	**FY25E**	**FY26E**	**FY25E**	**FY26E**	**FY25E**	**FY26E**
ICICI Sec	57.2	65.3	56	63.8	-2.20%	-2.20%
360 One	26.6	31.1	25.3	30.5	-4.80%	-2.00%
CAMS	84.9	103.4	84.8	102.5	-0.10%	-0.80%
BSE	60.6	73.3	70	82.1	15.50%	12.10%
MCX	76.7	90.2	95	117.9	23.90%	30.60%
Star Health	19.6	24.5	19.2	24.4	-2.00%	-0.50%
ICICI Lombard	48.6	55.4	47.7	57	-1.80%	2.90%
HDFC Life*	43.9	53.7	44.6	54.5	-1.60%	-1.50%
ICICI Pru*	28.8	34.8	29.1	35.1	1.20%	0.90%
SBI Life*	66.7	80	67.8	81.4	1.60%	1.70%
Max Fin*	20.3	24	22.2	26.2	9.20%	9.10%

Exhibit 3: Demat accounts surpass 148m



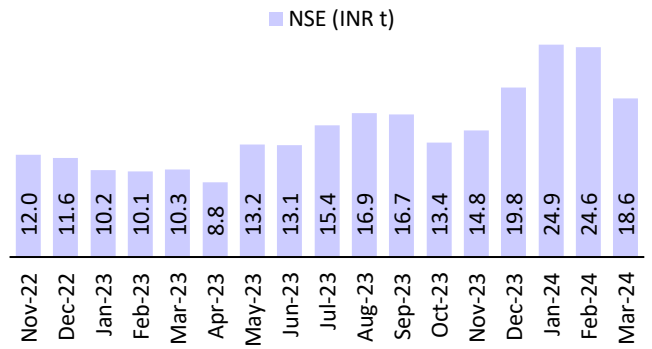
Source: NSDL, CDSL MOFSL

Exhibit 4: BSE seeing increasing market share in notional turnover



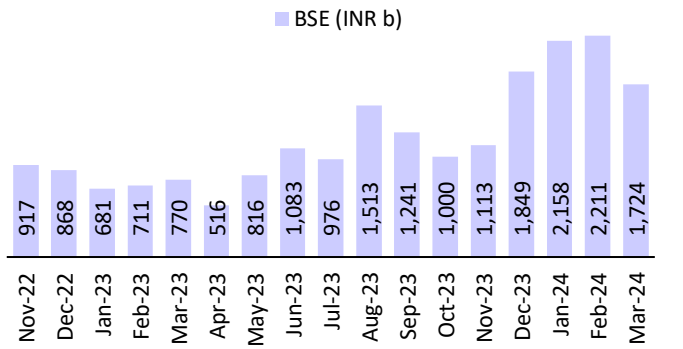
Source: NSE, MOFSL

Exhibit 5: Momentum in NSE cash volumes moderated in Mar'24



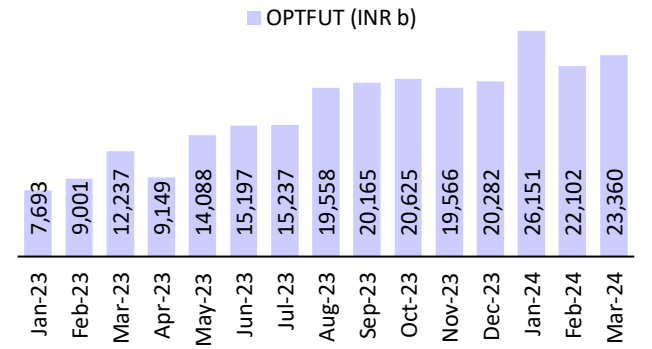
Source: NSE, MOFSL

Exhibit 6: BSE too witnessed slowdown in Mar'24 in cash volumes



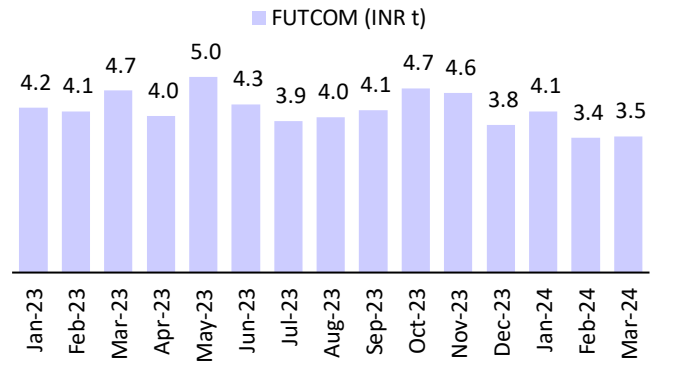
Source: BSE, MOFSL

Exhibit 7: MCX Option volumes surge



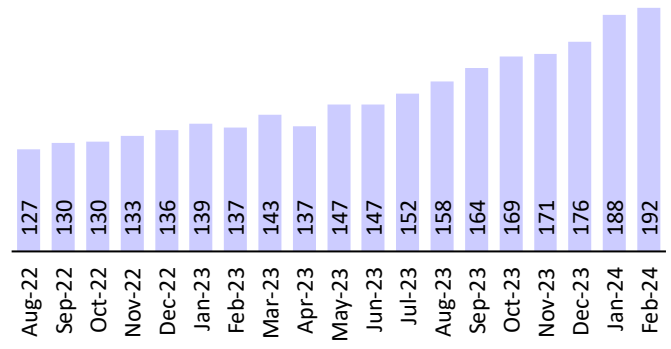
Source: MCX, MOFSL

Exhibit 8: MCX Futures volumes moderated



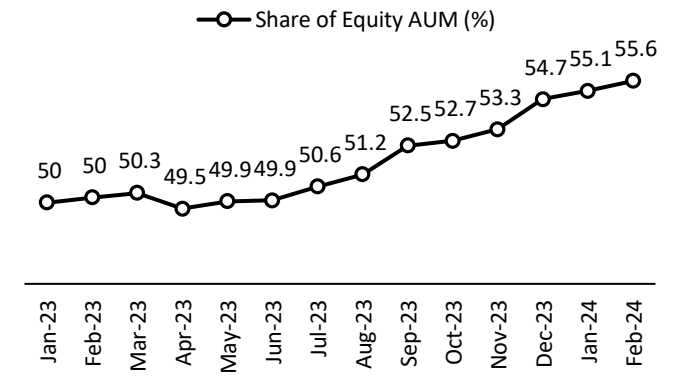
Source: MCX, MOFSL

Exhibit 9: SIP flows remain strong (INR b)



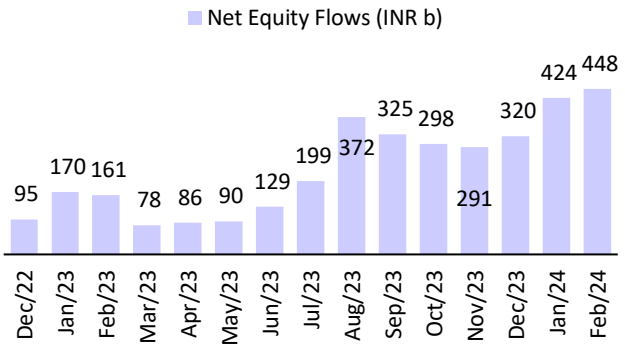
Source: AMFI, MOFSL

Exhibit 10: Share of equity AUM improved



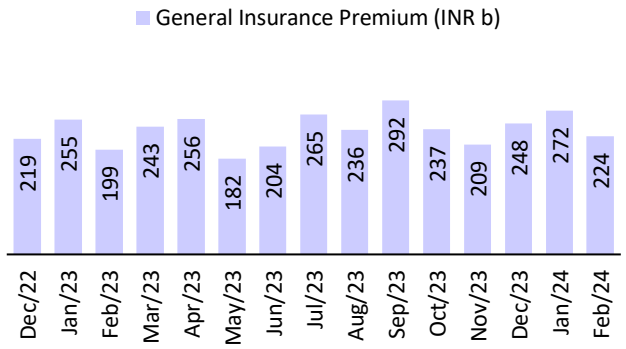
Source: AMFI, MOFSL

Exhibit 11: Net equity flows remained healthy



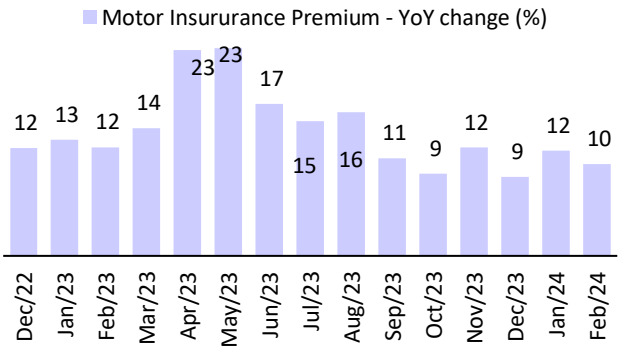
Source: AMFI, MOFSL

Exhibit 12: Steady trend in general insurance premium



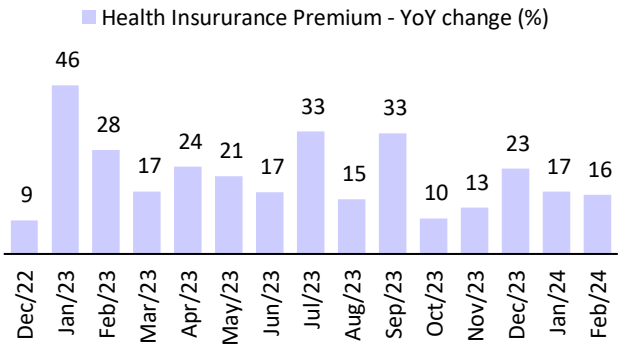
Source: GIC, MOFSL

Exhibit 13: Motor premium growth remains steady



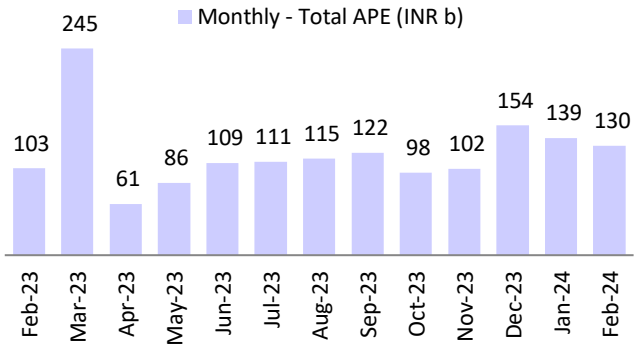
Source: GIC, MOFSL

Exhibit 14: Steady Health segment growth



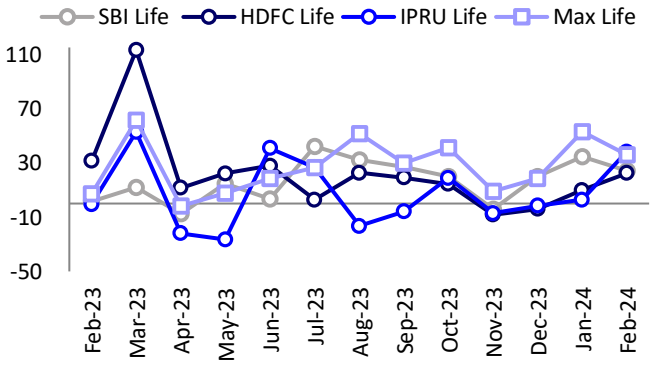
Source: GIC, MOFSL

Exhibit 15: Monthly APE for life insurance industry (INR b)



Source: Life insurance council , MOFSL

Exhibit 16: Total APE YoY growth for private listed players



Source: Life insurance council, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ICICI Securities — Under review

CMP INR724 | Under Review — **EPS CHANGE (%): FY25|26: -2.2|-2.2**

- Cash volumes and growth in the derivative segment to drive retail revenue.
- Primary market activities would lead to an increase in IE & IB allied revenues.
- Strong equity inflows in mutual funds to drive distribution income.
- Operating leverage would lead to YoY moderation in cost-to-income ratio.

Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue from Operations	7,948	8,656	8,799	8,852	9,344	12,490	13,232	13,527	34,255	48,594
Total Income	**7,948**	**8,656**	**8,799**	**8,852**	**9,344**	**12,490**	**13,232**	**13,527**	**34,255**	48,594
Change YoY (%)	6.3	1.1	-6.6	-0.8	17.6	44.3	50.4	52.8	-0.4	41.9
Operating Expenses	4,277	4,621	5,025	5,320	5,701	6,797	6,994	7,264	19,243	26,755
Change YoY (%)	29.2	19.8	16.3	21.7	33.3	47.1	39.2	36.5	21.3	39.0
PBT	**3,670**	**4,036**	**3,774**	**3,532**	**3,644**	**5,693**	**6,239**	**6,264**	**15,013**	21,839
Change YoY (%)	-11.9	-14.3	-26.0	-22.4	-0.7	41.0	65.3	77.3	-19.0	45.5
Tax Provisions	936	1,032	964	905	935	1,457	1,582	1,485	3,836	5,460
Net Profit	**2,735**	**3,004**	**2,810**	**2,627**	**2,708**	**4,235**	**4,657**	**4,779**	**11,176**	16,379
Change YoY (%)	-12.0	-14.5	-26.1	-22.8	-1.0	41.0	65.7	81.9	-19.2	46.6

CAMS — Buy

CMP INR2,993 | TP: INR3450 (+15%) — **EPS CHANGE (%): FY25|26: +0|-0.8**

- Overall equity flows remained buoyant during the Jan/Feb'24, which is expected to drive revenue growth.
- Operating leverage to improve profitability.
- The share of equities continued to improve, which would be favorable for yields.
- Growth in non-MF businesses will be keenly tracked, especially, AIF/PMS RTA and Insurance Repository

Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue from Operations	2,366	2,424	2,436	2,492	2,613	2,751	2,897	2,993	9,718	11,253
Change YoY (%)	17.6	6.5	2.5	2.5	10.4	13.5	18.9	20.1	6.8	15.8
Employee expenses	933	901	871	876	950	977	997	1,015	3,581	3,939
Operating expenses	267	274	282	294	327	333	363	380	1,123	1,403
Other Expenses	188	189	200	232	236	220	243	257	803	955
Total Operating Expenses	1,388	1,363	1,354	1,401	1,512	1,530	1,603	1,652	5,506	6,297
Change YoY (%)	28.2	11.9	8.8	7.0	9.0	12.2	18.4	17.9	13.4	14.4
EBITDA	**979**	**1,061**	**1,082**	**1,091**	**1,101**	**1,221**	**1,294**	**1,341**	4,212	**4,956**
Other Income	44	74	71	79	97	96	99	99	268	391
Depreciation	136	147	155	164	165	174	185	186	603	709
Finance Cost	18	18	20	20	20	20	21	21	76	82
PBT	**869**	**970**	**978**	**985**	**1,012**	**1,124**	**1,187**	**1,233**	**3,802**	**4,556**
Change YoY (%)	2.3	0.5	-4.4	-0.4	16.4	15.9	21.4	25.1	-0.7	19.8
Tax Provisions	223	249	242	242	255	286	302	305	956	1,148
Net Profit	**646**	**721**	**736**	**744**	**757**	**838**	**885**	**928**	**2,846**	**3,408**
Change YoY (%)	2.2	-0.6	-4.9	0.7	17.1	16.2	20.3	24.7	-0.8	19.7

360ONE WAM — Buy

CMP INR688 | | TP: INR840 (+22%) — **EPS CHANGE (%): FY25|26: -4.8|-2.0**

- Improvement in revenue trajectory is driven by growth in ARR AUM and TBR income.
- Overall yields likely to remain flat as we expect stable product mix QoQ.
- Cost-to-income ratio is forecasted to remain elevated, given investments in Mid-market proposition & Global platform.
- Outlook on the new business ventures and entry into new geographies will be keenly monitored.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**3,747**	**3,825**	**4,150**	**3,929**	**4,060**	**4,270**	**4,400**	**4,585**	**15,649**	**17,315**
Change (%)	32.2	21.7	9.7	-7.1	8.4	11.6	6.0	16.7	11.9	10.6
ARR Assets Income	3,017	2,843	3,053	2,797	3,240	3,110	3,390	3,551	10,495	13,291
TBR Assets Income	730	982	1,097	1,132	820	1,160	1,010	1,033	5,154	4,023
Operating Expenses	**1,670**	**1,794**	**1,863**	**1,850**	**2,090**	**2,140**	**2,310**	**2,380**	**7,184**	**8,920**
Change (%)	9.1	3.7	-16.1	-21.3	25.1	19.3	24.0	28.6	-8.4	24.2
Cost to Income Ratio (%)	44.6	46.9	44.9	47.1	51.5	50.1	52.5	51.9	45.9	51.5
Operating Profits	**2,077**	**2,031**	**2,286**	**2,079**	**1,970**	**2,130**	**2,090**	**2,205**	**8,465**	**8,395**
Change (%)	59.3	43.7	46.4	10.7	-5.1	4.9	-8.6	6.1	37.7	-0.8
Other Income	-60	225	-54	-78	290	140	270	150	37	850
Profit Before Tax	**2,017**	**2,255**	**2,232**	**2,001**	**2,260**	**2,270**	**2,360**	**2,355**	**8,502**	**9,245**
Change (%)	33.6	19.1	12.7	-6.6	12.1	0.7	5.7	17.7	13.1	8.7
Tax	449	512	517	447	403	408	429	424	1,924	1,664
Tax Rate (%)	22.2	22.7	23.2	22.3	17.8	18.0	18.2	18.0	22.6	18.0
PAT	**1,568**	**1,744**	**1,715**	**1,554**	**1,857**	**1,862**	**1,931**	**1,931**	**6,578**	**7,581**
Change (%)	34.2	21.5	12.0	-6.2	18.4	6.8	12.6	24.3	13.8	15.2
PAT Margins (%)	41.9	45.6	41.3	39.6	45.7	43.6	43.9	42.1	42.0	43.8

ICICI Lombard — Buy

CMP INR1,696| TP: INR2000 (+18%) — **EPS CHANGE (%) FY25|26: -1.8|2.9**

- Premium growth to be strong, driven by the health and motor segment.
- Claim ratios and expense ratio are expected to decline YoY.
- Management change and further traction with ICICI Bank will be vital.
- Combined ratio to be steady QoQ.

Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net earned premium	34,682	38,366	37,921	37,260	38,873	43,061	43,048	42,103	1,48,229	1,67,085
Total Income	**39,783**	**44,990**	**43,620**	**52,556**	**45,380**	**50,492**	**50,031**	**49,799**	**1,80,949**	**1,95,703**
Change YoY (%)	3.8	18.1	13.2	13.4	14.1	12.2	14.7	-5.2	12.2	8.2
Incurred claims	24,999	27,933	26,663	27,662	28,815	30,451	30,141	29,851	1,07,256	1,19,259
Total Operating Expenses	36,615	39,888	40,855	39,768	42,068	44,521	45,871	44,905	1,57,126	1,77,365
Change YoY (%)	-3.1	19.0	14.1	9.7	14.9	11.6	12.3	12.9	9.6	12.9
Underwriting profit	-1,933	-1,523	-2,935	-2,508	-3,195	-1,460	-2,823	-2,802	-8,898	-10,280
Rep Net Profit	**3,490**	**5,905**	**3,525**	**4,370**	**3,904**	**5,773**	**4,315**	**4,453**	**17,291**	**18,397**
Claims ratio	72.1	72.8	70.3	74.2	74.1	70.7	70.0	70.9	72.4	71.4
Commission ratio	2.2	3.5	4.2	2.3	12.5	17.4	18.0	17.8	3.0	16.4
Expense ratio	29.9	28.8	29.9	27.7	17.2	15.8	15.5	15.6	29.1	16.0
Combined ratio	104.1	105.1	104.4	104.2	103.8	103.9	103.6	104.3	104.5	103.8

Star Health — Buy

CMP INR557 | TP: INR730 (31%) — **EPS CHANGE (%): FY25|26: -2.0|-0.5**

- Retail health premium growth likely to be strong at 15%+ YoY.
- Expense ratio is expected to remain elevated as Star would invest in other distribution channels.
- The claims ratio is expected to moderate on a sequential basis.
- The combined ratio to see a moderation as claims ratio declines.

Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net earned premium	26,871	27,948	28,672	29,125	30,438	32,056	32,936	33,736	1,12,616	1,29,166
Total Income	**28,090**	**29,181**	**29,829**	**30,530**	**31,898**	**33,566**	**34,563**	**35,563**	**1,17,630**	**1,35,589**
Change YoY (%)	20.6	16.1	13.9	11.4	13.6	15.0	15.9	16.5	14.3	15.3
Incurred claims	17,811	19,060	18,278	18,054	19,909	22,022	22,295	21,148	73,204	85,374
Total Operating Expenses	25,303	28,079	27,415	29,780	28,983	32,839	31,794	34,754	1,10,570	1,28,371
Change YoY (%)	-4.8	-4.3	-20.3	4.9	14.5	17.0	16.0	16.7	-6.9	16.1
Underwriting profit	1,568	-131	1,258	-654	1,454	-784	1,142	-1,018	2,046	795
Net Profit	**2,132**	**931**	**2,105**	**1,018**	**2,879**	**1,253**	**2,896**	**1,434**	**6,186**	**8,461**
Claims ratio	66.3	68.2	63.7	62.0	65.4	68.7	67.7	62.7	65.0	66.1
Commission ratio	13.7	13.0	13.7	14.1	13.1	13.7	11.1	13.8	13.7	13.0
Expense ratio	18.2	16.6	17.4	15.3	19.3	16.8	19.0	16.2	16.7	17.6
Combined ratio	98.2	97.9	94.8	91.4	97.8	99.2	97.8	92.6	95.3	96.7

BSE — Neutral

CMP INR 2,710| TP: INR2830 (4%) — **EPS CHANGE (%) FY25|26: +15.5|+12.1**

- Transaction revenue likely to improve as volumes in the cash segment improved in Jan/Feb'24.
- Traction in the derivative segment visible, which will increase option volumes for BSE.
- MF transaction income is likely to improve, driven by a spike in BSE STAR MF transactions.
- Increase in contribution towards core SGF would impact profitability.

Cons. Quarterly perf.

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue from operations	**1,869**	**1,977**	**2,040**	**2,270**	**2,153**	**3,144**	**3,717**	**5,203**	**8,154**	**14,180**
YoY Change (%)	19.0	4.8	5.9	10.9	15.2	59.0	82.2	129.2	9.7	73.9
Total Expenditure	1,256	1,386	1,392	1,234	1,437	1,716	2,780	3,208	6,181	9,140
EBITDA	**613**	**591**	**648**	**1,036**	**716**	**1,429**	**937**	**1,996**	**1,973**	**5,040**
Margins (%)	32.8	29.9	31.8	45.6	33.3	45.4	25.2	38.4	24.2	35.5
Depreciation	104	122	170	207	214	227	249	249	603	939
Interest	76	74	65	60	65	85	0	1	275	151
Investment income	109	421	410	445	556	525	598	638	1,384	2,316
PBT before EO expense	**542**	**815**	**823**	**1,214**	**992**	**1,642**	**1,287**	**2,383**	**2,479**	**6,266**
Exceptional items	-116	-457	-258	-84	4,048	-13	-16	0	0	4,066
PBT	**426**	**359**	**566**	**1,131**	**5,040**	**1,629**	**1,271**	**2,383**	**2,479**	**10,333**
Tax	135	215	230	336	762	636	371	815	916	2,583
Rate (%)	32	60	41	30	15	39	29	34	37	25
P/L of Asso. Cos.	109	150	141	92	119	190	165	186	492	660
Reported PAT	**400**	**294**	**477**	**886**	**4,398**	**1,183**	**1,065**	**1,754**	**2,055**	**8,409**
Adj PAT	**479**	**477**	**629**	**945**	**961**	**1,191**	**1,076**	**1,754**	**2,055**	**4,343**
YoY Change (%)	-23	-48	-19	24	999	303	124	98	-16	309
Margins (%)	25.6	24.1	30.8	41.6	44.6	37.9	29.0	33.7	25.2	59.3

MCX — Neutral

CMP INR3564| TP: INR3940(+10%) — **EPS CHANGE (%): FY25|26: +23.9|+30.6**

- While overall futures volume declined, Futures ADTO has displayed improvement during the quarter.
- Options volumes continued to surge, led by high volatility in commodity prices.
- MCX migrated successfully to its new CDP, and thus, software support charges to decline.
- The company is in the process of getting a re-validation approval from SEBI for many new products, which were in the pipeline.

Quarterly Performance

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	**1,088**	**1,274**	**1,436**	**1,338**	**1,458**	**1,651**	**1,915**	**2,091**	5,135	7,115
Yo-Y Gr. (%)	24.2	53.1	60.3	25.6	34.0	29.6	33.4	56.3	40.0	38.6
EBITDA	493	656	327	21	107	-287	-197	1,310	1,497	933
Tax	106	135	90	86	58	16	-91	273	416	257
Rate (%)	20.1	17.2	18.5	52.6	21.6	-9.9	68.3	20.4	21.3	19.6
Profit from associate	-6	-5	-7	-23	-13	-10	-11	0	-50	-34
PAT	**415**	**641**	**388**	**55**	**197**	**-191**	**-54**	**1,063**	1,490	**1,015**
Y-o-Y Gr. (%)	4	96	13	-85	-53	-130	-114	1,851	4	-32
EPS (INR)	**8.2**	**12.6**	**7.6**	**1.1**	**3.9**	**-3.7**	**-1.1**	**18.1**	**29.2**	**19.9**
Total volumes (INR t)	**28.7**	**35.9**	**40.7**	**42.0**	**51.8**	**67.0**	**73.6**	**88.0**	**147.3**	**280.3**
Y-o-Y Gr. (%)	49.6	71.2	89.0	60.7	80.7	86.3	80.6	109.8	67.7	90.3

HDFC Life — Neutral

CMP: INR634 | TP: INR700(10%) — **VNB CHANGE (%): FY25|26:-1.6|-1.5**

- New business premium to see steady growth, driven by Annuity/Non-PAR segments and retail protection.
- Credit life to see healthy traction as disbursement momentum across lending institutions remains strong.
- Expect VNB growth to remain healthy, while margins to remain flat QoQ.
- Improvement in persistency ratio and commentary on growth outlook are key monitorables.

Quarterly performance (INR b)

Policy holder's A/c (INR b)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First year premium	17.1	24.2	27.2	44.7	18.5	25.7	26.8	41.0	113.2	112.0
Growth (%)	32.9%	16.6%	28.8%	73.5%	8.4%	5.9%	-1.7%	-8.2%	40.6%	-1.1%
Renewal premium	51.0	69.1	71.9	92.5	58.0	78.4	84.0	137.6	284.5	357.9
Growth (%)	31.1%	37.2%	29.7%	26.1%	13.8%	13.5%	16.8%	48.6%	30.4%	25.8%
Single premium	32.4	39.5	46.6	59.0	40.2	45.4	44.5	48.8	177.6	178.9
Growth (%)	30.6%	-12.5%	1.5%	31.1%	24.0%	14.7%	-4.6%	-17.3%	10.3%	0.7%
Gross premium inc.	**100.5**	**132.8**	**145.8**	**196.3**	**116.7**	**149.4**	**155.3**	**227.4**	**575.3**	**648.8**
Growth (%)	31.3%	14.2%	18.9%	36.1%	16.2%	12.5%	6.5%	15.9%	25.2%	12.8%
PAT	**3.6**	**3.3**	**3.2**	**3.6**	**4.2**	**3.8**	**3.7**	**4.4**	**13.6**	**16.0**
Growth (%)	19.1%	19.0%	15.2%	0.3%	15.4%	15.5%	15.8%	22.5%	12.6%	17.7%
Key metrics (INRb)										
New business APE	20.6	28.5	32.6	51.6	23.3	30.5	31.9	45.9	131.0	129.9
Growth (%)	32.2	11.7	25.5	69.3	12.8	6.8	-2.1	-11.1	35.5	-0.9
VNB	5.2	7.7	8.8	15.1	6.1	8.0	8.6	12.2	36.7	34.9
Growth (%)	27.0	13.6	26.1	68.8	17.8	4.0	-2.2	-19.0	37.4	-5.0
AUM (INR b)	2,134	2,249	2,338	2,388	2,533	2,649	2,797	2,960	2,388	2,960
Growth (%)	17.7	17.6	20.1	17.0	18.7	17.8	19.6	23.9	17.0	23.9
Key Ratios (%)										
VNB Margins (%)	25.1	27.0	26.8	29.3	26.2	26.2	26.8	26.7	27.6	26.9
Solvency ratio (%)	183.0	210.0	209.0	203.0	200.0	194.0	190.0	195.5	203.3	195.5

ICICI Prudential Life

Buy

CMP: INR616 | TP: INR700 (14%)

VNB CHANGE (%): FY25|26: +1.2|+0.9

- Expect new business premium to see healthy growth.
- Expect VNB growth to remain healthy and margins to expand.
- Expense ratio outlook to be the key monitorable.
- Expect the Non-Linked Savings business to sustain healthy growth, along with a recovery in the Protection business.

Quarterly Performance (INR b)

Policy holder's A/c (INR b)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First year premium	10.4	14.4	13.8	26.3	10.2	15.3	15.3	41.0	64.9	81.8
Growth (%)	18.0%	-7.2%	-10.9%	32.9%	-1.5%	5.9%	11.3%	55.7%	8.9%	26.0%
Renewal premium	38.9	56.4	57.5	72.3	41.6	58.9	60.8	82.4	225.2	243.7
Growth (%)	-5.9%	1.3%	5.7%	6.3%	6.8%	4.4%	5.7%	14.0%	2.6%	8.2%
Single premium	23.3	28.1	26.5	31.3	21.9	30.1	26.7	13.6	109.2	92.3
Growth (%)	25.9%	16.8%	12.6%	6.9%	-5.9%	7.0%	0.9%	-56.6%	14.5%	-15.5%
Gross premium income	**72.6**	**99.0**	**97.8**	**129.9**	**73.7**	**104.3**	**102.8**	**137.0**	**399.3**	**417.8**
Growth (%)	5.7%	3.8%	4.7%	10.9%	1.5%	5.4%	5.2%	5.4%	6.6%	4.6%
PAT	**1.6**	**2.0**	**2.2**	**2.3**	**2.1**	**2.4**	**2.3**	**2.9**	**8.1**	**10.0**
Growth (%)		-55.1%	-29.0%	27.2%	32.9%	22.4%	3.1%	21.7%	7.5%	23.4%
Key metrics (INRb)										
New Business APE	15.2	20.0	18.2	33.0	14.6	20.6	19.1	36.8	86.4	91.1
Growth (%)	24.7	1.1	-5.5	26.5	-3.9	3.2	4.7	11.5	11.7	5.4
VNB	4.7	6.2	6.2	10.6	4.4	5.8	4.4	9.6	27.6	24.1
Growth (%)	31.6	20.6	20.0	36.1	-7.0	-7.1	-29.4	-9.4	27.7	-13.0
AUM	2,301	2,443	2,519	2,512	2,664	2,719	2,867	3,133	2,512	3,133
Growth (%)	3.1	3.0	6.0	4.4	15.8	11.3	13.8	24.7	4.4	24.7
Key Ratios (%)										
VNB Margins (%)	31.0	31.1	33.9	32.0	30.0	28.0	22.9	26.0	32.0	26.4
Solvency ratio (%)	204	201	212	209	203	199	197	200	209	200

SBI Life

Buy

CMP: INR1,490 | TP: INR1,700 (+15%)

VNB CHANGE (%): FY24|25: +|+1.7

- Growth in New business premium to remain healthy.
- Expect VNB growth to remain healthy, while margins to show modest growth.
- Cost leadership to continue.
- Expect protection mix to improve and Non-PAR to remain healthy; growth commentary to be key.

Quarterly Performance (INR b)

Policy holder's A/c (INRb)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First year premium	25.7	34.8	50.6	40.9	26.4	46.3	56.8	48.1	152.0	177.5
Growth (%)	83%	-4%	24%	6%	3%	33%	12%	18%	17%	17%
Renewal premium	57.6	91.2	109.1	119.4	73.5	101.2	127.2	142.7	377.3	444.6
Growth (%)	14%	17%	13%	10%	28%	11%	17%	20%	13%	18%
Single premium	30.2	40.2	33.7	39.9	35.7	54.2	40.6	47.0	143.9	177.5
Growth (%)	56%	20%	-24%	42%	18%	35%	21%	18%	15%	23%
Gross premium income	**113.5**	**166.2**	**193.3**	**200.1**	**135.6**	**201.8**	**224.6**	**237.7**	**673.2**	**799.6**
Growth (%)	35%	13%	6%	14%	19%	21%	16%	19%	15%	19%
PAT	**2.6**	**3.8**	**3.0**	**7.8**	**3.8**	**3.8**	**3.2**	**7.2**	**17.2**	**18.2**
Growth (%)	18%	53%	-16%	16%	45%	1%	6%	-7%	14%	6%
Key metrics (INRb)										
New Business APE	29.0	39.3	54.3	45.5	30.3	51.8	61.3	52.8	166.4	195.3
Growth (%)	79.0	-1.0	18.8	10.2	4.5	31.7	12.9	16.0	17.2	17.4
VNB	8.8	12.4	15.1	14.4	8.7	14.9	16.8	14.8	50.7	55.2
Growth (%)	131.6	24.0	31.3	23.1	-1.1	20.2	11.3	2.7	37.0	8.9
AUM	2,624	2,826	3,000	3,073	3,283	3,452	3,714	3,622	3,073	3,622
Growth (%)	13.3	15.7	16.8	14.9	25.1	22.1	23.8	17.8	14.9	17.8
Key Ratios (%)										
VNB margins (%)	30.4	31.6	27.8	31.6	28.7	28.5	27.4	28.0	30.1	28.3
Solvency ratio (%)	221.0	219.0	225.0	215.0	215.0	212.0	209.0	187.5	215.0	187.5

Max Financial

Neutral

CMP: INR1017| TP: INR1040 (2%)

VNB CHANGE (%): FY25|26: +9.2|+9.1

- Premium growth continues to be ahead of the industry.
- Expect VNB growth to remain healthy and margins to expand.
- Expect the proprietary channel to exhibit healthy trends. Commentary on Axis Bank strategy will be vital.

Policy holder's A/c (INR b)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First Year premium	9.2	11.1	14.6	24.1	9.9	15.3	17.6	23.8	59.0	66.7
Growth (%)	14.2%	-9.3%	-5.5%	38.3%	8.0%	37.7%	20.7%	-1.2%	10.9%	13.0%
Renewal premium	26.2	39.1	40.2	58.3	30.1	42.0	46.1	70.0	163.8	188.3
Growth (%)	16.7%	12.9%	17.5%	8.4%	15.1%	7.5%	14.6%	20.1%	12.9%	14.9%
Single premium	5.7	7.8	8.0	9.1	8.7	8.9	9.3	14.0	30.6	40.9
Growth (%)	30.1%	21.3%	26.9%	4.0%	52.8%	14.2%	15.5%	53.9%	18.3%	33.5%
Gross premium income	**41.0**	**58.0**	**62.8**	**91.5**	**48.7**	**66.3**	**73.0**	**107.8**	**253.4**	**295.8**
Growth (%)	17.8%	8.8%	12.2%	14.4%	18.7%	14.2%	16.1%	17.8%	13.1%	16.7%
PAT	**0.9**	**0.5**	**2.3**	**1.3**	**1.0**	**1.6**	**1.5**	**2.8**	**4.4**	**6.9**
Growth (%)	18.2%	-25.4%	101.7%	-16.2%	13.2%	196.2%	-34.9%	117.3%	13.1%	58.1%
Key metrics (INRb)										
New Business APE	10.1	11.9	15.1	25.4	11.1	16.5	18.0	25.1	62.0	70.7
Growth (%)	15.3	-7.2	-5.2	38.2	10.3	38.8	18.9	-1.0	11.3	14.0
VNB	2.1	3.7	5.9	7.7	2.5	4.2	4.9	6.9	19.5	18.5
Growth (%)	23.8	-0.3	49.7	31.4	16.0	11.5	-17.5	-9.8	27.6	-5.3
AUM (INRb)	1,071	1,134	1,184	1,229	1,291	1,342	1,426	1,585	1,229	1,585
Growth (%)	14.3	13.3	15.5	14.3	20.5	18.4	20.5	29.0	14.3	29.0
Key Ratios (%)										
VNB Margins (%)	21.1	31.3	39.3	30.3	22.2	25.2	27.2	27.6	31.2	26.1
Solvency ratio (%)	196.0	196.0	200.0	190.0	188.0	184.0	179.0	180.4	192.7	180.4

Healthcare

Company
Alembic Pharma.
Alkem Lab.
Ajanta Pharma
Apollo Hospitals
Aurobindo Pharma
Biocon
Zydus Lifesciences.
Cipla
Divi's Lab.
Dr. Reddy's Lab.
Eris Lifesciences
Gland Pharma
Glenmark Pharma.
Global Health
Granules India
GSK Pharma.
IPCA Lab.
Laurus Labs
Lupin
Max Healthcare
Piramal Pharma
Sun Pharma.
Torrent Pharma.

The US generics to drive sales growth and profitability

Improved domestic formulation growth to further support earnings

The pharma companies under our coverage are expected to report healthy 34% YoY earnings growth in 4QFY24. We expect aggregate sales to increase 12% YoY to INR706b, aided by strong traction in the US sales and a healthy performance in the domestic formulation (DF) segment. EBITDA is likely to deliver 25% YoY growth to INR162b fueled by a higher share of niche launches in the US generics. PAT is expected to jump 34% YoY to INR98b. For hospitals, we expect the profitability to improve due to the addition of beds and optimization of the case mix/payor mix.

DF: double-digit YoY growth after seven quarters

For the 12M ended Feb'24, IPM grew 9% YoY, led by price hikes (4% YoY) and growth in new product launches (3% YoY), supported by 2% YoY volume growth. Chronic therapies (38% of IPM) grew 10% YoY, while the acute therapies rose 8% YoY (62% of IPM) for 12M ended Feb'24. In 4QFY24, we expect aggregate sales in the DF segment to rise 11% YoY to INR178b for the companies under our coverage. This will be propelled by healthy growth in the Cardiac, Neuro and Anti-Diabetic therapies, which have grown more than IPM for the quarter. However, to some extent, this is likely to be offset by moderate growth-to-decline in Anti-Infective and Respiratory therapies. In the large-cap space, we expect TRP/ALKEM to deliver sales growth of 11%/10% YoY, respectively, backed by new launches, a focus on OTC business, and improving MR productivity in addition to increasing focus on chronic therapies. We expect SUNP/LPC to report 10% YoY DF revenue growth each led by steady traction in existing therapies. We forecast ERIS to deliver 28% YoY growth in DF sales due to the integration of acquired brands and new launches.

The US generics: Niche launches will continue to dominate growth

For our coverage universe, we expect 17.5% YoY growth in the US sales to USD2.4b for the quarter. The moderating pricing pressure complemented by increased traction in limited competition products such as g-Revlimid, g-Spiriva is likely to strengthen the YoY growth of the US generics segment. Particularly, LPC/DRRD/ALPM are expected to deliver 34%/32%/32% YoY growth for the quarter. The growth in these companies will be led by niche launches (g-Spiriva and other key products for LPC/g-Revlimid and other launches for DRRD/new launches for ALPM). SUNP's US sales are likely to grow at 12% YoY led by the specialty portfolio. The US sales of TRP and GNP are expected to decline 11% and 5% YoY, respectively, for the quarter due to a lack of new approvals and launches. During the quarter, seven facilities were inspected by the USFDA for our coverage companies. Additionally, during 9MFY24, the filing pace reduced vs. prior years as the companies were focusing on complex drugs. There were 49 approvals in 4QFY24 for the companies under our coverage, which was lower than the three-quarter average of 54.

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)
Akash Dobhada - Research Analyst (Akash.Dobhada@MotilalOswal.com)

Hospitals: Improved ARPOB/bed additions to drive sales and profitability

For hospitals under our coverage, we expect 15% revenue growth to INR75b for 4QFY24. The revision in health scheme patient realization and increased share of high-end treatment would drive 7-10% YoY growth in ARPOB for the quarter. The occupancy is expected to be 65-72% for hospitals under our coverage. We expect 23%/43% YoY EBITDA/PAT growth on an aggregate basis for the quarter. We expect APHS to deliver 13%/28%/45% YoY growth in sales/EBITDA/PAT for 4QFY24. MEDANTA is likely to deliver a strong performance, with sales/EBITDA/PAT to rise 22%/39%/41% YoY. MAXHEALT is also expected to sustain its performance, with sales/EBITDA/PAT to witness 15%/12%/11% YoY growth.

Gland and LPC to outperform within the healthcare pack

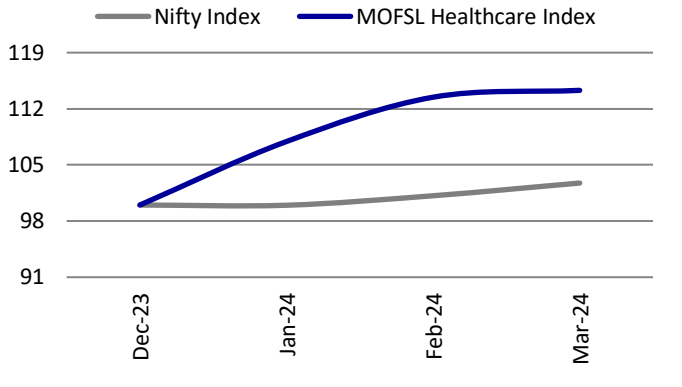
- In 4QFY24, we expect TRP/DRRD/ARBP to deliver 66%/52%/40% YoY earnings growth fueled by better traction in existing products and new launches. We project GNP to report an earnings decline of 39% YoY, due to: 1) a decline in the US business, b) lack of new approvals and launches, and c) issues at its Monroe plant.
- We anticipate PIRPHARM/GLAND/LPC to register earnings growth of ~4.6x/2.2x/2.0x YoY, outperforming the rest of our coverage companies on a low base of the past year. Additionally, AJP and IPCA's earnings are likely to surge ~83% and 82% YoY, respectively.
- We expect APHS/MEDANTA/MAXHEALTH to deliver earnings growth of 45%/41%/ 11% driven by: a) the operational profit of Healthco (APHS); b) an increase in ARPOB (MEDANTA); and c) optimization of the payor mix/case mix (MAXHEALTH).
- **Top Ideas:** CIPLA (well-positioned for superior execution in DF/US); SUNP (enhancing its specialty offerings); and Gland Pharma (a play on growth revival).

Exhibit 1: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Dec-21	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Ajanta Pharma	2237	Buy	10,621	20.4	-3.9	3,039	77.6	-5.5	2,182	81.9	2.7
Alembic Pharma	1005	Neutral	15,382	9.4	-5.7	2,451	9.8	-8.1	1,315	27.2	-27.3
Alkem Lab	5005	Neutral	31,372	8.1	-5.6	5,244	48.4	-25.9	3,574	21.6	-44.4
Apollo Hospitals	6453	Buy	48,698	13.2	0.4	6,229	27.6	1.5	2,509	45.4	2.3
Aurobindo Pharma	1113	Neutral	73,052	12.9	-0.6	15,032	50.0	-6.1	7,219	40.3	-20.0
Biocon	270	Neutral	37,713	3.4	4.6	6,976	-20.0	21.0	1,309	-12.5	LP
Cipla	1496	Buy	61,108	6.5	-7.5	14,295	21.8	-18.2	9,129	28.9	-23.7
Divis Labs	3568	Neutral	19,250	-1.3	3.8	5,166	5.0	5.6	3,829	18.2	11.0
Dr Reddy' s Labs	6251	Neutral	70,550	16.9	-2.2	19,329	46.6	-4.7	12,246	51.7	-11.1
Eris Lifescience	850	Neutral	5,139	27.6	5.7	1,777	49.4	1.2	974	48.9	-5.1
Gland Pharma	1815	Buy	16,057	104.6	3.9	3,952	134.7	5.6	2,610	120.1	28.0
Glenmark Pharma	981	Neutral	32,187	-4.6	28.4	4,297	-29.0	LP	1,415	-38.6	LP
Global Health	1330	Buy	8,610	22.4	3.4	2,304	38.9	5.8	1,427	41.2	15.5
Granules India	438	Buy	12,185	1.9	5.4	2,612	10.6	4.3	1,445	15.2	15.0
GSK Pharma	1987	Neutral	8,698	10.5	8.0	2,056	21.1	-5.7	1,489	21.0	-28.8
IPCA Labs.	1239	Neutral	19,976	32.2	-2.7	2,725	50.6	-17.7	1,276	82.1	14.4
Laurus Labs	405	Buy	13,835	0.2	15.8	2,865	0.3	57.9	1,142	8.6	393.6
Lupin	1623	Neutral	52,021	17.4	0.1	10,120	67.5	-1.0	5,464	109.7	-8.9
Max Healthcare	815	Buy	17,802	14.9	5.8	4,861	12.0	4.5	3,532	11.3	3.5
Piramal Pharma	130	Buy	24,302	12.3	24.1	4,760	35.5	77.4	2,316	362.1	561.6
Sun Pharma	1631	Buy	1,22,401	14.7	0.7	30,824	20.0	-1.5	24,883	17.8	0.5
Torrent Pharma	2678	Neutral	27,772	11.5	1.7	8,937	21.3	2.8	4,929	65.8	29.3
Zydus Lifesciences	999	Neutral	52,701	5.2	17.0	15,092	14.8	39.5	9,198	19.1	22.3
Healthcare			**7,81,432**	**12.0**	**2.3**	**1,74,943**	**24.7**	**4.2**	**1,05,412**	**32.7**	**4.7**

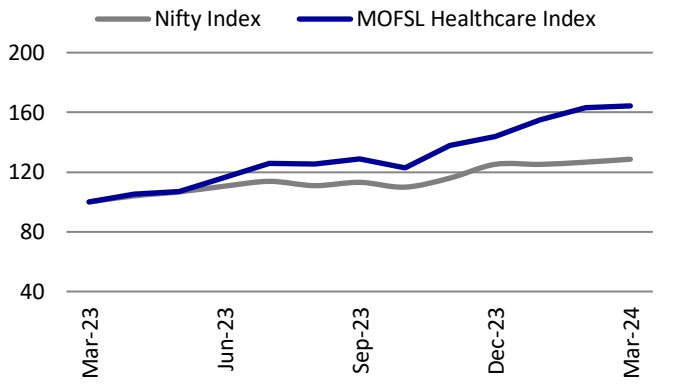
Source: Company, MOFSL

Exhibit 2: Relative performance — three-months (%)



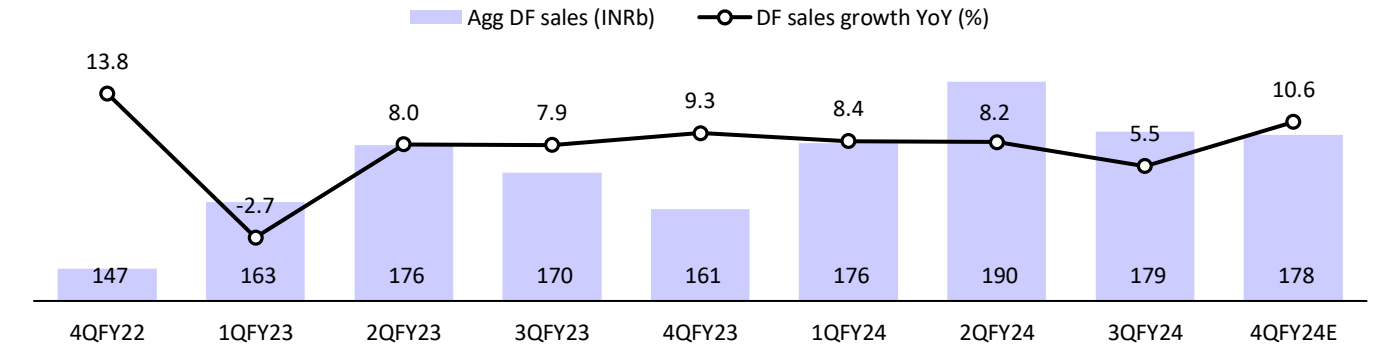
Source: Bloomberg, MOFSL

Exhibit 3: Relative performance — one-year (%)



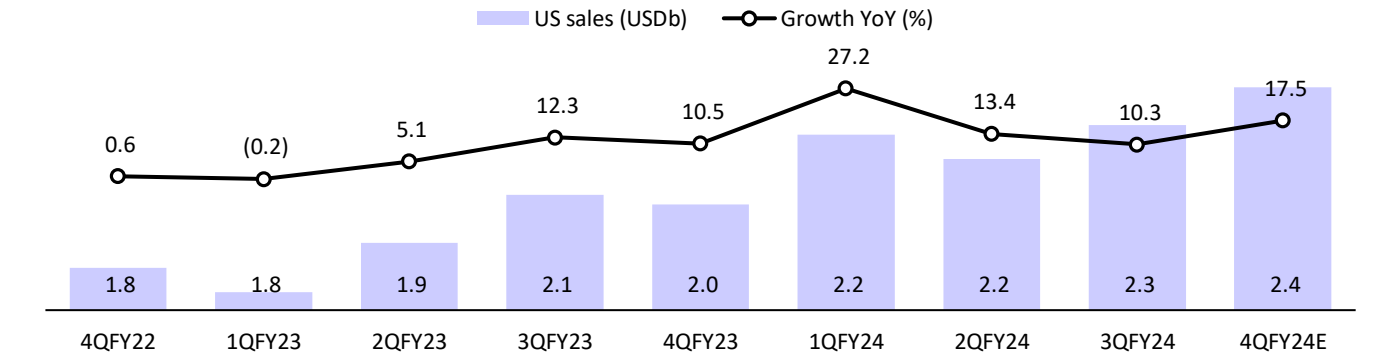
Source: Bloomberg, MOFSL

Exhibit 4: DF sales to witness 11% YoY growth in 4QFY24



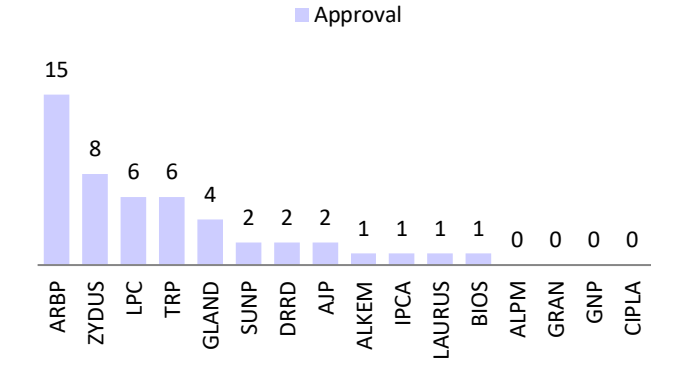
Source: MOFSL, Company

Exhibit 5: The US sales likely to grow at 17.5% YoY in 4QFY24



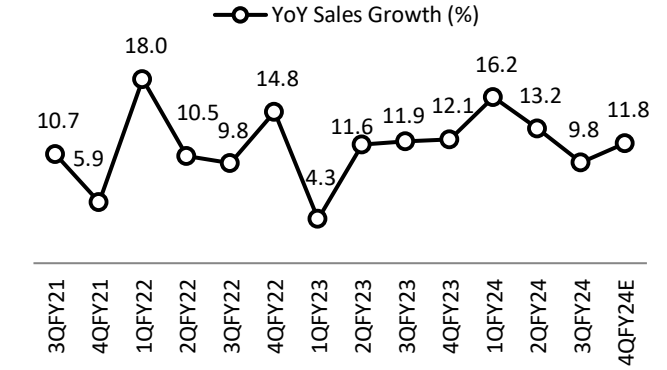
Source: MOFSL, Company

Exhibit 6: 49 ANDAs approved on an aggregate basis for our coverage universe in 4QFY24



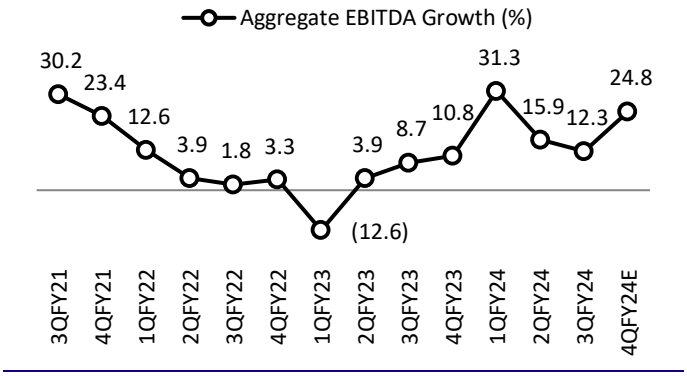
Source: MOFSL, Company

Exhibit 7: Expect sales to grow 12% YoY in 4QFY24



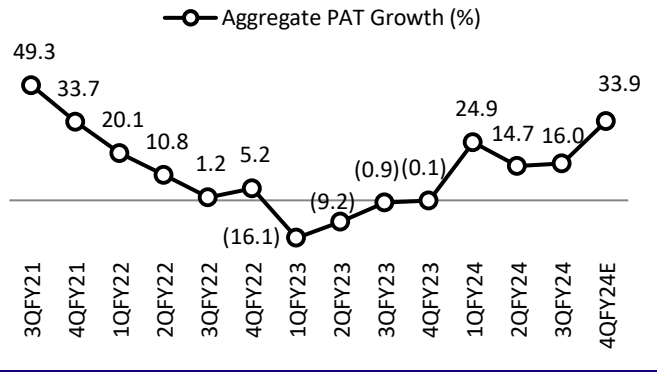
Source: MOFSL, Company

Exhibit 8: EBITDA to grow 25% YoY in 4QFY24



Source: MOFSL, Company

Exhibit 9: PAT to witness 34% YoY growth



Source: MOFSL, Company

*Sales, EBITDA, PAT YoY growth figures exclude JUBLPHRM due to limited historical data. It also excludes SOLARA, APHS, MEDANTA and MAXHEALT data.

Exhibit 10: Comparative valuation

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Healthcare						**38.5**	**31.7**	**27.0**	**5.1**	**4.5**	**3.9**	**13.1**	**14.2**	**14.6**
Ajanta Pharma	2,237	Buy	64.6	79.1	92.5	34.6	28.3	24.2	7.1	6.0	5.1	22.2	23.0	22.7
Alembic Pharma	1,005	Neutral	29.0	34.8	39.5	33.9	28.9	25.4	4.0	3.7	3.3	12.3	13.2	13.4
Alkem Lab	5,005	Neutral	164.0	180.9	196.0	30.1	27.7	25.5	5.6	4.9	4.3	20.1	19.1	17.9
Apollo Hospitals	6,453	Buy	62.2	96.4	136.1	102.1	66.9	47.4	12.6	10.8	8.8	13.5	18.1	21.2
Aurobindo Pharma	1,113	Neutral	51.2	60.3	69.4	21.3	18.4	16.0	2.1	2.0	1.8	10.6	11.3	11.6
Biocon	270	Neutral	2.1	8.5	13.6	123.7	31.7	19.8	1.7	1.7	1.6	1.4	5.4	8.2
Cipla	1,496	Buy	53.0	57.7	64.4	28.2	25.9	23.2	4.5	3.9	3.4	16.1	15.2	14.7
Divis Labs	3,568	Neutral	54.2	75.7	91.8	63.4	47.1	38.9	6.6	6.3	5.6	10.9	13.9	15.2
Dr Reddy' s Labs	6,251	Neutral	317.8	322.9	338.8	19.4	19.4	18.4	3.7	3.2	2.7	20.7	17.7	15.9
Eris Lifescience	850	Neutral	30.4	31.7	42.4	27.6	26.8	20.0	4.6	4.1	3.5	17.8	16.4	19.0
Gland Pharma	1,815	Buy	51.8	65.3	74.5	35.6	27.8	24.4	3.4	3.0	2.7	10.2	11.5	11.7
Glenmark Pharma	981	Neutral	1.5	37.7	45.9	619.7	26.1	21.4	2.8	2.6	2.3	0.5	10.3	11.4
Global Health	1,330	Buy	18.4	24.0	28.0	72.0	55.5	47.5	12.5	10.6	9.0	18.8	20.8	20.5
Granules India	438	Buy	18.0	25.4	32.8	23.9	17.3	13.4	3.2	2.8	2.3	14.3	17.4	18.8
GSK Pharma	1,987	Neutral	40.8	43.4	47.1	47.7	45.8	42.2	16.6	15.0	13.1	34.9	32.7	31.0
IPCA Labs.	1,239	Neutral	22.2	35.5	46.9	55.9	34.9	26.4	4.9	4.4	3.9	9.2	13.3	15.6
Laurus Labs	405	Buy	3.7	11.7	15.2	104.9	34.6	26.7	5.0	4.6	4.0	4.9	14.1	16.1
Lupin	1,623	Neutral	42.4	47.2	55.2	38.2	34.4	29.4	5.1	4.5	3.9	14.3	13.9	14.2
Max Healthcare	815	Buy	13.9	17.9	21.8	58.8	45.5	37.3	8.5	7.1	6.0	15.5	16.9	17.4
Piramal Pharma	130	Buy	1.3	3.0	4.7	98.6	43.6	27.7	1.9	1.8	1.7	2.3	4.8	7.1
Sun Pharma	1,631	Buy	40.1	47.3	56.6	40.4	34.5	28.8	6.1	5.3	4.6	16.1	16.5	17.1
Torrent Pharma	2,678	Neutral	48.4	65.4	81.6	53.7	41.0	32.8	10.6	5.5	5.5	22.6	26.7	33.3
Zydus Lifesciences	999	Neutral	34.5	36.2	36.8	29.1	27.6	27.1	4.8	4.2	3.7	18.2	16.3	14.6

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Ajanta Pharma — Buy

CMP: INR2,237 | TP: INR2,570 (15%) — **EPS CHANGE (%): FY25|26: 0.0|0.4**

- Expect DF sales to grow 12% YoY to INR3.2b, led by healthy traction in Derma/Respiratory.
- Moderating price erosion and a pick-up in launches are expected to drive 27% YoY growth in the US generics.
- Expect strong traction in Africa's branded generics due to a low base of the past year, and industry outperformance.
- Increase in logistics costs due to geopolitical issue and the impact on supply chain are the key monitorables.

Consol. - Quarterly perf. (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**9,509**	**9,381**	**9,718**	**8,818**	**10,210**	**10,284**	**11,052**	**10,621**	**37,426**	**42,167**
YoY Change (%)	27.1	6.0	16.0	1.3	7.4	9.6	13.7	20.4	12.0	12.7
Total Expenditure	6,992	7,318	7,555	7,107	7,397	7,378	7,835	7,582	28,972	30,191
EBITDA	**2,518**	**2,063**	**2,162**	**1,711**	**2,813**	**2,907**	**3,217**	**3,039**	**8,454**	**11,975**
YoY Change (%)	14.4	-21.5	-9.7	-22.1	11.7	40.9	48.7	77.6	-10.3	41.6
Margins (%)	26.5	22.0	22.3	19.4	27.6	28.3	29.1	28.6	22.6	28.4
Depreciation	318	327	333	330	332	337	343	353	1,308	1,364
EBIT	**2,200**	**1,736**	**1,829**	**1,381**	**2,482**	**2,570**	**2,874**	**2,686**	**7,146**	**10,611**
YoY Change (%)	16.2	-24.9	-12.0	-26.8	12.8	48.0	57.1	94.5	-12.5	48.5
Margins (%)	23.1	18.5	18.8	15.7	24.3	25.0	26.0	25.3	19.1	25.2
Interest	9	10	28	11	9	23	25	18	58	75
Other Income	48	394	239	123	121	85	95	79	803	379
PBT before EO expense	**2,239**	**2,120**	**2,040**	**1,493**	**2,594**	**2,631**	**2,944**	**2,747**	**7,892**	**10,916**
Extra-Ord expense	20	90	357	-28	97	128	-35	0	-439	190
PBT	**2,219**	**2,030**	**1,683**	**1,521**	**2,691**	**2,759**	**2,909**	**2,746**	**7,453**	**11,106**
Tax	472	464	338	299	609	806	809	564	1,574	2,789
Effective Rate (%)	21.3	22.9	20.1	19.7	22.6	29.2	27.8	20.5	21.1	25.1
Reported PAT	**1,746**	**1,566**	**1,345**	**1,222**	**2,082**	**1,953**	**2,100**	**2,182**	**5,879**	**8,317**
Adj PAT	**1,762**	**1,635**	**1,630**	**1,200**	**2,007**	**1,862**	**2,125**	**2,182**	**6,227**	**8,177**
YoY Change (%)	14.4	-11.4	-15.0	-25.6	13.9	13.9	30.4	81.9	-10.0	31.3
Margins (%)	18.4	16.7	16.4	13.4	19.4	18.0	19.1	20.4	16.3	19.2

Alembic Pharma — Neutral

CMP: INR1,005 | TP: INR910 (-9%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect 32% YoY growth in the US sales to USD57m due to a robust traction in new launches.
- Expect API sales to decline 5.2% YoY to INR3b for the quarter.
- DF sales to witness 13% YoY growth due to healthy traction in Gynecology, and superior growth in the animal health division.
- Key monitorables: 1) an update on the USFDA's observations for the Panelav plant; 2) outlook on the potential approvals and launches for the US generics market.

Quarterly perf. (Consol.) (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**12,621**	**14,750**	**15,090**	**14,065**	**14,862**	**15,949**	**16,309**	**15,382**	**56,526**	**62,502**
YoY Change (%)	-4.8	14.1	18.7	-0.7	17.7	8.1	8.1	9.4	6.5	10.6
Total Expenditure	11,475	12,423	12,603	11,833	12,874	13,867	13,642	12,931	48,333	53,314
EBITDA	**1,147**	**2,328**	**2,488**	**2,232**	**1,987**	**2,083**	**2,667**	**2,451**	**8,194**	**9,188**
YoY Change (%)	-51.4	-9.5	-2.7	-21.2	73.3	-10.5	7.2	9.8	-17.8	12.1
Margins (%)	9.1	15.8	16.5	15.9	13.4	13.1	16.4	15.9	14.5	14.7
Depreciation	521	517	535	741	662	676	695	646	2,314	2,678
EBIT	**626**	**1,811**	**1,953**	**1,490**	**1,325**	**1,407**	**1,973**	**1,804**	**5,880**	**11,866**
YoY Change (%)	-65.8	-10.6	-2.2	-33.8	111.9	-22.3	8.9	-7.6	-24.2	101.8
Interest	88	124	146	144	144	157	152	143	502	595
Other Income	11	3	4	9	117	102	29	33	27	280
PBT before EO expense	**548**	**1,690**	**1,811**	**1,356**	**1,298**	**1,352**	**1,850**	**1,695**	**5,405**	**6,194**
Extra-Ord expense	1,150	160	130	110	0	0	0	0	1,550	0
PBT	**-602**	**1,530**	**1,681**	**1,246**	**1,298**	**1,352**	**1,850**	**1,695**	**3,855**	**6,194**
Tax	-15	180	326	-364	92	-19	41	320	126	434
Rate (%)	2.5	11.7	19.4	-29.2	7.0	-1.4	2.2	18.9	3.3	7.0
MI & P/L of Asso. Cos.	72	17	136	85	0	0	0	60	309	60
Reported PAT	**-659**	**1,334**	**1,220**	**1,525**	**1,207**	**1,371**	**1,808**	**1,315**	**3,420**	**5,701**
Adj PAT	**463**	**1,475**	**1,324**	**1,034**	**1,207**	**1,371**	**1,808**	**1,315**	**4,296**	**5,701**
YoY Change (%)	-71.9	-12.9	-24.9	-42.1	160.8	-7.1	36.5	27.2	-37.6	32.7
Margins (%)	3.7	10.0	8.8	7.4	8.1	8.6	11.1	8.5	7.6	9.1

Alkem Labs — Neutral

CMP: INR5,005| TP: INR5,160 (3%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect DF sales to grow 10% YoY led by strong traction in VMN/anti-diabetic portfolios and improved MR productivity.
- Key monitorables: 1) progress on the biosimilar portfolio for regulated as well as emerging markets; b) update on the issues highlighted by the USFDA in its recent inspection at Baddi and how they are addressed.
- Expect the US sales to grow 12% YoY to USD81m, due to moderating price erosion and increased approval rates.

Quarterly Perf. (Consolidated) (INR b)

Y/E March	FY23				FY24E				FY23E	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**25.8**	**30.8**	**30.4**	**29.0**	**29.7**	**34.4**	**33.2**	**31.4**	**116.0**	**128.7**
YoY Change (%)	-5.7	10.0	16.1	16.9	15.2	11.7	9.3	8.1	9.1	10.9
Total Expenditure	23.0	26.3	24.4	25.5	25.8	26.9	26.2	26.1	64.4	65.7
EBITDA	**2.7**	**4.5**	**6.0**	**3.5**	**3.9**	**7.5**	**7.1**	**5.2**	**16.8**	**23.7**
YoY Change (%)	-53.9	-27.3	20.2	4.8	42.4	64.5	18.1	48.4	-18.2	41.0
Margins (%)	10.6	14.7	19.7	12.2	13.1	21.7	21.3	16.7	14.5	18.4
Depreciation	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	3.1	2.9
EBIT	**2.0**	**3.8**	**5.2**	**2.7**	**3.2**	**6.7**	**6.4**	**4.5**	**13.7**	**20.8**
YoY Change (%)	-62.3	-31.7	23.7	8.2	60.8	78.7	22.6	64.5	-21.0	18.9
Margins (%)	7.6	12.2	17.1	9.5	10.7	19.6	19.2	14.4	11.8	16.2
Interest	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2	1.1	1.1
Other Income	0.5	0.5	0.5	0.7	0.7	0.6	0.9	0.6	2.2	2.8
PBT before EO Exp	**2.2**	**4.0**	**5.4**	**3.1**	**3.5**	**7.1**	**7.1**	**4.9**	**14.8**	**22.5**
EO Exp/(Inc)	0.7	0.0	0.0	1.0	0.0	0.6	0.5	0.0	1.7	1.1
PBT after EO Exp	**1.5**	**4.0**	**5.4**	**2.1**	**3.5**	**6.5**	**6.5**	**4.9**	**13.0**	**21.4**
Tax	0.2	0.5	0.8	1.4	0.7	0.3	0.5	1.1	3.0	2.6
Rate (%)	13.5	13.6	14.6	68.0	18.4	5.1	7.7	22.3	20.2	11.4
PAT (pre Minority Interest)	**1.3**	**3.5**	**4.6**	**0.7**	**2.9**	**6.1**	**6.0**	**3.8**	**10.1**	**18.9**
Minority Interest	0.0	0.2	0.1	0.0	0.0	-0.1	0.1	0.2	0.2	0.3
Reported PAT	**1.3**	**3.3**	**4.5**	**0.7**	**2.9**	**6.2**	**5.9**	**3.6**	**9.8**	**18.6**
Adj Net Profit	**1.9**	**3.3**	**4.5**	**2.9**	**2.9**	**6.8**	**6.4**	**3.6**	**12.7**	**19.6**
YoY Change (%)	-59.8	-39.7	12.2	28.2	52.3	104.1	41.3	21.6	-23.2	54.7

Apollo Hospitals — Buy

CMP: INR6,453 | TP: INR7,450 (+15%) — **EPS CHANGE (%): FY25|26: 0.8|0.7**

- Sales and EBITDA are expected to grow 14% and 25% YoY to INR25b and INR6b, respectively, due to improved ARPOB and Healthco operations.
- Watch out for the GMV outlook in Apollo 24/7.
- With enhanced footfalls in primary care/Diagnostics and improved operational efficiencies, AHLL is expected to register 15%/37% YoY growth in Revenue and EBITDA.
- Updates on capacity expansions at Pune, Hyderabad, Kolkata and Bengaluru are the key monitorables.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**37,956**	**42,511**	**42,636**	**43,022**	**44,178**	**48,469**	**48,506**	**48,698**	**1,66,124**	**1,89,851**
YoY Change (%)	0.9	14.4	17.2	21.3	16.4	14.0	13.8	13.2	13.3	14.3
Total Expenditure	33,049	36,857	37,582	38,141	39,088	42,194	42,369	42,469	1,45,628	1,66,120
EBITDA	**4,908**	**5,654**	**5,054**	**4,881**	**5,090**	**6,275**	**6,137**	**6,229**	**20,496**	**23,731**
YoY Change (%)	-5.6	-8.1	-13.9	5.4	3.7	11.0	21.4	27.6	-6.2	15.8
Margins (%)	12.9	13.3	11.9	11.3	11.5	12.9	12.7	12.8	12.3	12.5
Depreciation	1,478	1,550	1,534	1,591	1,669	1,634	1,670	1,657	6,152	6,630
Interest	927	927	1,000	954	1,062	1,113	1,126	1,013	3,808	4,314
Other Income	161	226	354	164	282	222	278	319	903	1,101
PBT before EO expense	**2,663**	**3,402**	**2,874**	**2,500**	**2,641**	**3,750**	**3,619**	**3,879**	**11,439**	**13,889**
Extra-Ord expense/(Income)	0	0	0	0	0	-19	0	0	0	-19
PBT	**2,663**	**3,402**	**2,874**	**2,500**	**2,641**	**3,769**	**3,619**	**3,879**	**11,439**	**13,908**
Tax	-695	1,142	1,035	1,080	966	1,300	1,089	1,095	2,562	4,450
Rate (%)	-26.1	33.6	36.0	43.2	36.6	34.5	30.1	28.2	22.4	32.0
Minority Interest & P/L of Asso. Cos.	187	220	303	-25	9	140	77	274	687	500
Reported PAT	**3,171**	**2,040**	**1,535**	**1,445**	**1,666**	**2,329**	**2,453**	**2,509**	**8,190**	**8,957**
Adj PAT	**1,623**	**2,040**	**1,535**	**1,725**	**1,666**	**2,317**	**2,453**	**2,509**	**6,923**	**8,944**
YoY Change (%)	-43.2	-23.7	-36.9	-5.3	2.6	13.6	59.8	45.4	-29.3	29.2
Margins (%)	4.3	4.8	3.6	4.0	3.8	4.8	5.1	5.2	4.2	4.7

Aurobindo Pharma — Neutral

CMP: INR1,110 | TP: INR1,080 (-3%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect the US sales to rise 21% YoY at USD447m led by key launches, offset by temporary shutdown of the Eugia's Unit-3.
- Watch out for the progress on optimizing the yield of Pen-g plant; and progress on addressing the issues highlighted by the USFDA in its recent inspection at Eugia Unit-3.
- Expect the EU sales growth at 19% YoY to INR19.7b due to expansion in newer markets and differentiated product offerings.
- Outlook on reducing the operational costs and filing/ approval status of biosimilar products in the US, EU and other regulatory markets are the key monitorables.

Quarterly performance (Consolidated) — **(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**62.4**	**57.4**	**64.1**	**64.7**	**68.5**	**72.2**	**73.5**	**73.1**	**248.6**	**287.3**
YoY Change (%)	9.4	-3.4	6.7	11.4	9.9	25.8	14.7	12.9	6.0	15.6
EBITDA	**10.2**	**10.5**	**9.5**	**10.0**	**11.5**	**14.0**	**16.0**	**15.0**	**40.3**	**56.6**
YoY Change (%)	-15.3	-11.3	-6.1	2.9	12.4	33.4	67.8	50.0	-8.1	40.3
Margins (%)	16.4	18.3	14.9	15.5	16.8	19.4	21.8	20.6	16.2	19.7
Depreciation	2.8	3.0	3.2	3.5	3.3	4.2	4.2	4.3	12.4	16.0
EBIT	**7.5**	**7.5**	**6.3**	**6.6**	**8.2**	**9.9**	**11.8**	**10.7**	**27.9**	**40.6**
YoY Change (%)	-19.8	-15.5	-11.7	-8.9	10.7	30.7	86.1	63.5	-14.5	45.6
Interest	0.1	0.3	0.4	0.6	0.6	0.7	0.8	0.7	1.4	2.7
Other Income	0.4	0.6	0.8	1.1	0.8	1.9	1.2	1.1	2.9	4.9
PBT before EO expense	**7.7**	**7.9**	**6.7**	**7.1**	**8.5**	**11.0**	**12.2**	**11.1**	**29.4**	**42.8**
Forex loss/(gain)	0.3	0.5	-0.1	-0.2	-0.4	0.3	-0.5	0.0	0.4	-0.5
Exceptional (expenses)/income	-0.6	0.0	0.0	0.0	-0.7	0.0	0.0	0.0	-0.6	-0.7
PBT	**6.8**	**7.4**	**6.8**	**7.4**	**8.1**	**10.7**	**12.7**	**11.1**	**28.4**	**42.6**
Tax	1.6	1.1	1.9	2.2	2.4	3.2	3.2	3.9	6.8	12.8
Rate (%)	23.2	15.3	27.8	30.4	29.7	30.1	25.5	35.0	24.1	29.9
Minority Interest	0.0	0.0	0.0	0.1	0.0	-0.1	0.1	0.0	0.1	0.0
Reported PAT	**5.2**	**6.2**	**4.9**	**5.1**	**5.7**	**7.6**	**9.4**	**7.2**	**21.4**	**29.9**
Adj PAT	**5.9**	**6.6**	**4.8**	**5.1**	**5.9**	**7.8**	**9.0**	**7.2**	**22.5**	**30.0**
YoY Change (%)	-21.4	-4.5	-14.4	-10.3	0.9	17.2	87.4	40.3	-12.9	33.2
Margins (%)	9.4	11.6	7.5	7.9	8.7	10.8	12.3	9.9	9.0	10.4

Biocon — Neutral

CMP: INR270 | TP: INR250 (-7%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect biologics sales to grow 28% YoY to INR20.6b led by market share gains in the existing products.
- Expect Syngene sales to decline 12% YoY to INR8.8b due to constraints on spending by the customers.
- Expect generic business to remain flat due to price erosions.
- Update on approval status of bBevacizumab in the US and commercialization of generic products in China are the key monitorables.

Quarterly performance (Consolidated)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**21.7**	**23.2**	**29.4**	**36.5**	**34.2**	**34.6**	**36.0**	**37.7**	**110.8**	**142.6**
YoY Change (%)	23.1	26.1	35.3	51.5	57.9	49.2	22.5	3.4	35.3	28.7
Total Expenditure	17.0	18.5	22.5	27.8	27.1	27.2	30.3	30.7	85.8	115.3
EBITDA	**4.6**	**4.7**	**6.9**	**8.7**	**7.1**	**7.4**	**5.8**	**7.0**	**25.0**	**27.3**
YoY Change (%)	19.4	5.5	21.9	47.4	53.5	57.4	-16.3	-20.0	25.3	9.3
Margins (%)	21.4	20.3	23.4	23.9	20.8	21.4	16.0	18.5	22.5	19.1
Depreciation	2.2	2.3	3.0	3.6	3.6	3.9	4.2	3.9	11.1	15.6
EBIT	**2.5**	**2.4**	**3.9**	**5.1**	**3.6**	**3.5**	**1.6**	**3.0**	**13.8**	**11.7**
YoY Change (%)	27.5	-1.8	8.0	33.8	43.5	46.8	-58.3	-40.1	17.5	-15.2
Margins (%)	11.4	10.3	13.2	13.9	10.4	10.2	4.5	8.1	12.5	8.2
Interest	0.2	0.3	1.2	2.5	2.3	2.5	2.7	2.4	4.2	9.9
Other Income	0.8	0.7	0.8	0.5	0.9	1.6	1.1	1.1	2.7	4.8
Extraordinary Income	-0.4	-0.2	-3.2	2.7	0.0	-0.2	8.3	0.0	-1.0	8.0
Share of Profit/Loss from Associates	-0.4	-0.3	-0.6	-0.4	-0.3	-0.2	-0.2	0.2	-1.7	-0.6
PBT	**2.2**	**2.3**	**-0.2**	**5.3**	**1.8**	**2.1**	**8.1**	**2.0**	**9.6**	**14.0**
Tax	0.3	1.5	0.0	0.8	0.4	0.4	0.6	0.4	2.6	1.7
Rate (%)	13.4	64.3	16.2	15.4	19.1	19.6	6.8	18.2	26.6	12.0
Minority Interest	0.2	0.4	0.2	1.0	0.5	0.5	0.9	0.3	1.8	2.2
PAT	**1.7**	**0.5**	**-0.4**	**3.5**	**1.0**	**1.3**	**6.6**	**1.3**	**5.2**	**10.1**
Adj PAT	**2.0**	**1.7**	**2.2**	**1.5**	**1.0**	**1.4**	**-1.7**	**1.3**	**7.5**	**2.1**
YoY Change (%)	69.3	-28.0	-10.9	-45.1	-51.1	-16.2	-176.5	-12.5	-15.1	-72.6
Margins (%)	7.9	2.0	-1.4	9.5	2.9	3.6	18.3	3.5	4.7	7.1

Cipla — Buy

CMP: INR1496 | TP: INR1,720 (15%) — **EPS CHANGE (%): FY25|26: 0|0**

- The US sales to clock 12% YoY growth to USD228m for 4QFY24 led by market share gains of existing products.
- Watch out for an update on the USFDA remediation measures at Goa and Pithampur facilities.
- Expect DF sales to grow 7% YoY, driven by improved uptake in respiratory, cardiac, and urology segments as well as gains in the market share.
- Progress on g-Advair/g-Abraxane and other assets like peptides is a key monitorable.

Quarterly Performance (Consolidated) — **(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**53.8**	**58.3**	**58.1**	**57.4**	**63.3**	**66.8**	**66.0**	**61.1**	**227.5**	**257.2**
YoY Change (%)	-1.4	5.6	6.0	9.1	17.7	14.6	13.7	6.5	4.8	13.0
Total Expenditure	42.3	44.4	44.0	45.7	48.3	49.4	48.6	46.8	176.4	193.2
EBITDA	**11.4**	**13.9**	**14.1**	**11.7**	**14.9**	**17.3**	**17.5**	**14.3**	**51.1**	**64.0**
YoY Change (%)	-11.7	13.3	14.3	23.6	30.7	24.8	24.2	21.8	8.8	25.2
Margins (%)	21.3	23.8	24.2	20.4	23.6	26.0	26.5	23.4	22.5	24.9
Depreciation	2.5	3.0	2.7	3.5	2.4	2.5	2.3	2.2	11.7	9.4
EBIT	**8.9**	**10.9**	**11.4**	**8.3**	**12.5**	**14.9**	**15.1**	**12.0**	**39.4**	**54.6**
YoY Change (%)	-14.0	12.0	15.4	25.5	41.1	36.4	33.3	45.6	8.0	38.5
Margins (%)	16.5	18.7	19.5	14.4	19.8	22.3	22.9	19.7	17.3	21.2
Interest	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	1.1	1.0
Other Income	1.0	1.0	1.1	1.3	1.4	1.8	1.3	1.2	4.5	5.6
Profit before Tax	**9.7**	**11.6**	**12.2**	**9.3**	**13.7**	**16.4**	**16.1**	**13.0**	**42.8**	**59.2**
One-time (expense)/income	0.0	-0.6	0.0	-1.8	0.0	-0.4	-1.4	0.0	-2.5	-1.8
PBT after EO expense	**9.7**	**11.0**	**12.2**	**7.5**	**13.7**	**15.9**	**14.7**	**13.0**	**40.4**	**57.4**
Tax	2.7	3.0	4.1	2.2	3.8	4.4	4.1	3.8	12.0	16.0
Rate (%)	27.5	26.0	33.7	24.0	27.5	26.8	25.1	29.1	28.1	27.0
Minority Interest	0.2	0.1	0.1	0.0	0.0	0.2	0.1	0.1	0.3	0.4
Reported PAT	**6.9**	**7.9**	**8.0**	**5.3**	**10.0**	**11.3**	**10.6**	**9.1**	**28.0**	**41.0**
Adj PAT	**6.9**	**8.5**	**8.0**	**7.1**	**10.0**	**11.7**	**12.0**	**9.1**	**30.5**	**42.8**
YoY Change (%)	-12.9	19.8	9.9	16.1	45.1	37.7	49.4	28.9	7.4	40.4

Divis Labs — Neutral

CMP: INR3,568 | TP: INR3,440 (-4%) — **EPS CHANGE (%): FY25|26: (2.2)|(2.2)**

- Expect to deliver 6% YoY growth in sales for the quarter due to healthy traction in CS and Nutraceutical, offset by a decline in generics portfolio.
- Key monitorables: 1) an update on pricing of generic API portfolio and new commercial orders from innovator customers in the CS business; 2) an update on the commercial supply orders received for GLP1 products; 3) impact on freight costs due to the recent global geopolitical issue.

Quarterly Performance — **(INRm)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**22,545**	**18,545**	**17,077**	**19,508**	**17,780**	**19,090**	**18,550**	**19,250**	**77,675**	**74,670**
YoY Change (%)	15.0	-6.7	-31.5	-22.5	-21.1	2.9	8.6	-1.3	-13.3	-3.9
Total Expenditure	14,078	12,335	12,994	14,590	12,740	14,100	13,660	14,084	53,997	54,584
EBITDA	**8,467**	**6,210**	**4,083**	**4,918**	**5,040**	**4,990**	**4,890**	**5,166**	**23,678**	**20,086**
YoY Change (%)	-0.6	-24.7	-62.9	-55.5	-40.5	-19.7	19.8	5.0	-39.0	-15.2
Margins (%)	37.6	33.5	23.9	25.2	28.3	26.1	26.4	26.8	30.5	26.9
Depreciation	837	857	868	870	930	950	950	990	3,432	3,820
EBIT	**7,630**	**5,353**	**3,215**	**4,048**	**4,110**	**4,040**	**3,940**	**4,176**	**20,246**	**16,266**
YoY Change (%)	-2.0	-28.4	-68.5	-60.4	-46.1	-24.5	22.5	3.2	-43.3	-19.7
Interest	0	0	1	2	0	10	0	0	7	10
Other Income	320	492	674	662	810	750	770	731	2,150	3,061
PBT before EO Income	**7,950**	**5,845**	**3,888**	**4,707**	**4,920**	**4,780**	**4,710**	**4,908**	**22,390**	**19,318**
Forex gain /(Loss)	564	308	467	-42	30	-90	180	0	1,297	120
PBT	**8,514**	**6,153**	**4,354**	**4,665**	**4,950**	**4,690**	**4,890**	**4,908**	**23,687**	**19,438**
Tax	1,493	1,216	1,288	1,455	1,360	1,210	1,310	1,077	5,453	4,957
Rate (%)	17.5	19.8	29.6	31.2	27.5	25.8	26.8	21.9	23.0	25.5
PAT	**7,021**	**4,937**	**3,066**	**3,210**	**3,590**	**3,480**	**3,580**	**3,828**	**18,234**	**14,478**
Adj. PAT	**6,556**	**4,690**	**2,738**	**3,239**	**3,568**	**3,547**	**3,448**	**3,828**	**17,222**	**14,392**
YoY Change (%)	2.6	-23.9	-67.2	-61.5	-45.6	-24.4	25.9	18.2	-41.2	-16.4
Margins (%)	31.1	26.6	18.0	16.5	20.2	18.2	19.3	19.9	23.5	19.4
Adj. EPS	**24.7**	**17.7**	**10.3**	**12.2**	**13.4**	**13.4**	**13.0**	**14.4**	**64.9**	**54.2**

Dr Reddy's Labs — Neutral

CMP: INR6,251 | TP: INR6,050 (-3%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect the US sales to grow 32% YoY to USD412m; strong traction likely in the existing portfolio and niche launches.
- India revenue to grow 9% YoY. Strong traction in Pain/Derma/Anti-Diabetic is expected to be offset by double-digit decline in the cardiac therapy.
- Expect sales of Russia/other CIS countries to rise 11% YoY to INR8.3b led by new launches and favorable currency.
- Watch out for key approvals and launches in NA over the next 12-15M and GLP1 opportunity.
- Update on filings, approvals and launches in China are the key monitorables.

Quarterly Performance - IFRS (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	**49,853**	**63,057**	**67,700**	**60,328**	**67,384**	**68,802**	**72,148**	**70,550**	**2,40,936**	**2,78,884**
YoY Change (%)	1.3	9.4	27.3	15.6	35.2	9.1	6.6	16.9	13.5	15.8
Total Expenditure	39,516	45,022	47,136	47,139	46,934	48,831	51,858	51,221	1,78,813	1,98,844
EBITDA	**10,337**	**18,035**	**20,564**	**13,189**	**20,450**	**19,971**	**20,290**	**19,329**	**62,123**	**80,040**
YoY Change (%)	14.5	35.0	71.1	25.4	97.8	10.7	-1.3	46.6	38.3	28.8
Margins (%)	20.7	28.6	30.4	21.9	30.3	29.0	28.1	27.4	25.8	28.7
Amortization	3,050	3,150	3,273	3,190	3,583	3,845	3,880	3,891	12,663	15,199
EBIT	**7,287**	**14,885**	**17,291**	**9,999**	**16,867**	**16,126**	**16,410**	**15,437**	**49,460**	**64,840**
YoY Change (%)	19.1	43.5	91.2	32.2	131.5	8.3	-5.1	54.4	49.4	31.1
Other Income	2,829	318	180	1,156	1,107	1,579	1,957	1,253	4,483	5,896
PBT before EO expenses	**10,116**	**15,203**	**17,471**	**11,155**	**17,974**	**17,705**	**18,367**	**16,690**	**53,943**	**70,736**
One-off income/(expense)	4,537	908	-1,125	2,100	489	1,429	-110	0	6,420	1,808
Profit before Tax	**14,653**	**16,111**	**16,346**	**13,255**	**18,463**	**19,134**	**18,257**	**16,690**	**60,362**	**72,544**
Tax	2,779	4,983	3,875	3,663	4,438	4,334	4,468	4,444	15,300	17,684
Rate (%)	19.0	30.9	23.7	27.6	24.0	22.7	24.5	26.6	25.3	24.4
Reported Profit	**11,874**	**11,128**	**12,471**	**9,592**	**14,025**	**14,800**	**13,789**	**12,246**	**45,063**	**54,860**
Adjusted PAT	**8,197**	**11,402**	**13,103**	**8,072**	**13,654**	**13,279**	**13,775**	**12,246**	**40,775**	**52,954**
YoY Change (%)	43.6	14.9	84.2	23.7	66.6	16.5	5.1	51.7	39.3	29.9
Margins (%)	16.4	18.1	19.4	13.4	20.3	19.3	19.1	17.4	16.9	19.0

Eris Lifesciences — Neutral

CMP: INR850 | TP: INR910 (7%) — **EPS CHANGE (%): FY25|26: (2.1)|(1.8)**

- Expect 28% YoY growth in sales led by a strong show in Oaknet and synergy from key acquisitions in recent past.
- Watch out for an update on integration of the brands acquired from Biocon and Swiss Parenterals, and also on the launch of Glargine and Liraglutide.
- Elaboration on the strategy and outlook on promotional costs for injectable portfolio are the key monitorables.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**3,986**	**4,605**	**4,233**	**4,028**	**4,666**	**5,053**	**4,863**	**5,139**	**16,851**	**19,721**
YoY Change (%)	14.1	28.0	27.4	31.7	17.1	9.7	14.9	27.6	25.1	17.0
Total Expenditure	2,694	3,091	2,861	2,839	2,969	3,242	3,108	3,362	11,484	12,681
EBITDA	**1,292**	**1,514**	**1,372**	**1,189**	**1,697**	**1,811**	**1,755**	**1,777**	**5,368**	**7,040**
Margins (%)	32.4	32.9	32.4	29.5	36.4	35.8	36.1	34.6	31.9	35.7
Depreciation	234	286	299	351	409	421	457	522	1,171	1,809
Interest	72	71	30	89	174	163	181	153	262	671
Other Income	27	52	22	10	10	35	42	12	112	99
PBT before EO expense	**1,013**	**1,209**	**1,065**	**759**	**1,125**	**1,262**	**1,159**	**1,114**	**4,046**	**4,660**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**1,013**	**1,209**	**1,065**	**759**	**1,125**	**1,262**	**1,159**	**1,114**	**4,046**	**4,660**
Tax	82	16	63	144	188	39	144	187	305	559
Rate (%)	8.1	1.3	5.9	19.0	16.7	3.1	12.4	16.8	7.5	12.0
Minority Interest & Profit/Loss of Asso. Cos.	15	13	13	39	12	11	13	48	80	84
Reported PAT	**946**	**1,207**	**1,015**	**654**	**948**	**1,234**	**1,027**	**974**	**3,822**	**4,184**
Adj PAT	**946**	**1,207**	**1,015**	**654**	**948**	**1,234**	**1,027**	**974**	**3,822**	**4,184**
YoY Change (%)	-11.3	1.9	0.8	-18.2	0.3	2.3	1.2	48.9	-5.8	9.5
Margins (%)	23.7	26.2	24.0	16.2	20.3	24.4	21.1	19.0	22.7	21.2

GSK Pharma — Neutral

CMP: INR1,987 | TP: INR2,200 (11%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect double-digit YoY growth in 4QFY24 due to strong traction in innovative products and a low base of the past year.
- Watch out for an update on any new launches from the parent portfolio.
- Expect 11% YoY growth in sales to INR8.7b due to revival of growth in the vaccine business and enhanced efforts in innovative products.
- Progress on steps taken to mitigate the impact of NLEM- led price revision is a key monitorable.

Quarterly performance (Consol.) (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**7,451**	**9,169**	**8,023**	**7,875**	**7,617**	**9,570**	**8,053**	**8,698**	**32,517**	**33,937**
YoY Change (%)	3.7	-1.8	-1.7	-2.7	2.2	4.4	0.4	10.5	-0.8	4.4
Total Expenditure	5,962	6,599	5,736	6,177	6,178	6,675	5,872	6,642	24,474	25,367
EBITDA	**1,489**	**2,569**	**2,287**	**1,697**	**1,439**	**2,895**	**2,181**	**2,056**	**8,043**	**8,571**
YoY Change (%)	12.2	-0.4	15.6	-3.1	-3.4	12.7	-4.7	21.1	5.3	6.6
Margins (%)	20.0	28.0	28.5	21.6	18.9	30.3	27.1	23.6	24.7	25.3
Depreciation	158	164	164	172	164	181	171	158	658	674
EBIT	**1,331**	**2,406**	**2,123**	**1,526**	**1,276**	**2,714**	**2,010**	**1,898**	**7,385**	**7,897**
YoY Change (%)	15.6	0.0	18.0	-4.6	-4.2	12.8	-5.3	24.4	6.2	6.9
Margins (%)	17.9	26.2	26.5	19.4	16.7	28.4	25.0	21.8	22.7	23.3
Interest	7	4	1	7	3	4	3	3	18	13
Other Income	276	220	234	277	364	282	281	273	1,006	1,200
PBT before EO Expense	**1,600**	**2,622**	**2,356**	**1,796**	**1,637**	**2,992**	**2,287**	**2,168**	**8,373**	**9,084**
Tax	438	687	597	565	487	817	197	679	2,288	2,180
Rate (%)	27.4	26.2	25.3	31.5	29.8	27.3	8.6	31.3	25.1	24.0
Adjusted PAT	**1,162**	**1,934**	**1,759**	**1,230**	**1,150**	**2,175**	**2,090**	**1,489**	**6,086**	**6,904**
YoY Change (%)	8.3	1.4	12.6	2.7	-1.1	12.5	18.8	21.0	6.0	13.4
Margins (%)	15.6	21.1	21.9	15.6	15.1	22.7	26.0	17.1	18.7	20.3
One-off Expense/(Income)	0	0	114	-104	-173	0	1,633	0	10	1,460
Reported PAT	**1,162**	**1,934**	**1,646**	**1,334**	**1,323**	**2,175**	**457**	**1,489**	**6,075**	**5,443**

E: MOSL Estimates: Quarterly - Standalone; Full Year - Consolidated

Gland Pharma — Buy

CMP: INR1815 | TP: INR2240 (23%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect sales to jump 2x YoY to INR16b largely due to a revival in the core segment and addition of Cenexi.
- Watch out for an update on the new biologics opportunities.
- Key monitorables: 1) update on new approvals/launches and expansion plans in China; and 2) update on complex approvals for the core markets.

Consol. - Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**8,569**	**10,444**	**9,383**	**7,850**	**12,087**	**13,734**	**15,452**	**16,057**	**36,246**	**57,330**
YoY Change (%)	-25.7	-3.3	-11.8	-28.8	41.1	31.5	64.7	104.6	-17.6	58.2
Total Expenditure	5,870	7,366	6,487	6,166	9,147	10,493	11,710	12,105	25,888	43,456
EBITDA	**2,699**	**3,079**	**2,895**	**1,684**	**2,940**	**3,241**	**3,742**	**3,952**	**10,358**	**13,874**
YoY Change (%)	-38.1	-18.2	-17.0	-51.7	8.9	5.3	29.2	134.7	-31.4	33.9
Margins (%)	31.5	29.5	30.9	21.4	24.3	23.6	24.2	24.6	28.6	24.2
Depreciation	349	367	376	375	653	813	1,053	891	1,467	3,411
Interest	9	17	26	22	49	60	53	47	74	210
Other Income	744	656	615	389	375	532	374	324	2,405	1,605
PBT before EO expense	**3,085**	**3,351**	**3,108**	**1,676**	**2,613**	**2,899**	**3,009**	**3,338**	**11,220**	**11,859**
One-off income/(expense)	0	120	0	565	0	0	178	0	685	178
PBT	**3,085**	**3,231**	**3,108**	**1,111**	**2,613**	**2,899**	**2,832**	**3,337**	**10,536**	**11,681**
Tax	793	828	789	325	672	958	913	728	2,735	3,271
Rate (%)	25.7	25.6	25.4	29.2	25.7	33.0	32.2	21.8	26.0	28.0
Reported PAT	**2,292**	**2,402**	**2,319**	**787**	**1,941**	**1,941**	**1,919**	**2,610**	**7,800**	**8,410**
Adj PAT	**2,292**	**2,511**	**2,319**	**1,186**	**1,941**	**1,941**	**2,039**	**2,610**	**8,307**	**8,531**
YoY Change (%)	-34.6	-16.9	-15.1	-58.5	-15.3	-22.7	-12.1	120.1	-31.4	2.7

Glenmark Pharma — Neutral

CMP: INR981 | TP: INR900 (-8%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect DF sales to grow 18% YoY led by cardiac/Anti-infective therapy and rationalization of inventory.
- Update on the ramp-up of Winlevi in the EU market and Ryaltris at the global level is a key monitorable.
- Expect GNP's US sales to decline 5% YoY to USD101m partly due to lack of approvals and price erosion.
- Watch out for a remediation timeline to resolve the USFDA issues.

Quarterly performance (INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues (Core)	**27,773**	**30,179**	**34,639**	**33,737**	**30,361**	**32,074**	**25,067**	**32,187**	**1,14,890**	**1,19,688**
YoY Change (%)	-6.3	0.5	15.4	11.7	9.3	6.3	-27.6	-4.6	-5.3	4.2
EBITDA	**4,726**	**5,220**	**6,202**	**6,050**	**4,374**	**5,053**	**-1,444**	**4,297**	**15,818**	**12,279**
YoY Change (%)	-17.6	0.0	18.8	20.5	-7.5	-3.2	PTL	-29.0	-27.7	-22.4
Margins (%)	17.0	17.3	17.9	17.9	14.4	15.8	-5.8	13.4	13.8	10.3
Depreciation	1,468	1,458	1,623	1,465	1,420	1,415	1,471	1,223	5,692	5,528
EBIT	**3,258**	**3,762**	**4,580**	**4,584**	**2,953**	**3,638**	**-2,915**	**3,075**	**10,126**	**6,751**
YoY Change (%)	-29.2	-6.7	13.6	23.7	-9.4	-3.3	-163.7	-32.9	-40.5	-33.3
Margins (%)	11.7	12.5	13.2	13.6	9.7	11.3	-11.6	9.6	8.8	5.6
Interest	600	829	973	1,093	1,116	1,215	1,343	1,310	3,490	4,984
Other Income	172	864	294	378	197	17	454	400	228	1,068
PBT before EO Expense	**2,830**	**3,797**	**3,901**	**3,870**	**2,034**	**2,441**	**-3,805**	**2,165**	**6,863**	**2,835**
One-off loss/(gain)	-1,250	430	-809	8,777	520	3,684	1,409	0	4,465	5,614
PBT after EO Expense	**4,080**	**3,367**	**4,710**	**-4,908**	**1,514**	**-1,244**	**-5,214**	**2,164**	**2,398**	**-2,779**
Tax	1,969	1,648	1,802	-876	1,137	559	-718	550	3,294	1,528
Rate (%)	48.3	49.0	38.3	17.9	75.1	-45.0	13.8	25.4	137.3	-55.0
Reported PAT	**2,111**	**1,719**	**2,908**	**-4,031**	**377**	**-1,803**	**-4,496**	**1,614**	**-896**	**-4,308**
Minority Interest	186	182	182	252	232	204	206	200	802	841
Reported PAT after Minority Interest	**1,925**	**1,536**	**2,726**	**-4,283**	**145**	**-2,007**	**-4,701**	**1,415**	**-1,697**	**-5,149**
Adj PAT	**1,682**	**2,324**	**2,227**	**2,302**	**1,111**	**1,397**	**-3,486**	**1,415**	**3,728**	**436**
YoY Change (%)	-39.8	2.3	-1.9	19.7	-34.0	-39.9	PTL	-38.6	-61.8	-88.3
Margins (%)	6.1	7.7	6.4	6.8	3.7	4.4	-13.9	4.4	3.2	0.4

E: MOSL Estimates Note: 2QFY23 and 1QFY24 are restated hence quarterly number will not match with full year

Global Health — Buy

CMP: INR1,330 | TP: INR1,530 (15%) — **EPS CHANGE (%): FY25|26: 0|0**

- Watch out for the construction progress in Noida/ South Delhi/Indore projects
- Expect ARPOB to grow 10% YoY to INR66.7k for the quarter. Expect occupancy to reduce slightly to 62% due to strong seasonality in 3QFY24.
- Expect ARPOB to grow 10% YoY to INR66.7k for the quarter.
- Key monitorables: 1) outlook on bed additions in Lucknow/ Patna markets; and 2) an update on patient treatments of government agencies at the Patna hospital.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**6,172**	**6,791**	**6,943**	**7,034**	**7,730**	**8,439**	**8,326**	**8,610**	**26,943**	**33,106**
YoY Change (%)	27.1	17.6	19.1	35.2	25.2	24.3	19.9	22.4	14.0	14.0
Total Expenditure	4,843	5,211	5,316	5,375	5,887	6,255	6,149	6,306	20,746	24,598
EBITDA	**1,329**	**1,580**	**1,627**	**1,659**	**1,843**	**2,185**	**2,177**	**2,304**	**6,197**	**8,508**
YoY Change (%)	31.2	15.3	18.4	112.2	38.7	38.3	33.8	38.9	36.5	37.3
Margins (%)	21.5	23.3	23.4	23.6	23.8	25.9	26.1	26.8	23.0	25.7
Depreciation	366	385	414	409	468	485	495	487	1,575	1,935
Interest	185	182	207	205	179	201	177	144	779	701
Other Income	93	155	119	284	215	208	219	286	649	927
PBT before EO expense	**871**	**1,168**	**1,125**	**1,329**	**1,410**	**1,707**	**1,724**	**1,958**	**4,492**	**6,799**
Extra-Ord expense/(Income)	0	0	0	0	0	0	0	0	0	0
PBT	**871**	**1,168**	**1,125**	**1,329**	**1,410**	**1,707**	**1,724**	**1,958**	**4,492**	**6,799**
Tax	284	311	319	320	390	455	488	531	1,231	1,864
Rate (%)	32.6	26.6	28.4	24.1	27.7	26.6	28.3	27.1	27.4	27.4
Reported PAT	**587**	**857**	**806**	**1,009**	**1,020**	**1,252**	**1,236**	**1,427**	**3,261**	**4,935**
Adj PAT	**587**	**857**	**806**	**1,011**	**1,020**	**1,252**	**1,236**	**1,427**	**3,261**	**4,935**
YoY Change (%)	40.6	28.0	15.1	476.3	73.8	46.1	53.3	41.2	66.2	51.4
Margins (%)	9.5	12.6	11.6	14.4	13.2	14.8	14.8	16.6	12.1	14.9

Granules India

Buy

CMP: INR438 | TP: INR510 (15%)

EPS CHANGE (%): FY25|26: (1.0)|(0.9)

- Expect overall sales to grow 2% YoY due to a drag on the API and PFI segments.
- Watch out for the progress on backward integration of Paracetamol/Metformin and other products.
- Key monitorables: 1) update on completion of phase-II of the Genome Valley; and 2) completion of the DCDA pilot plant.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**10,196**	**11,507**	**11,461**	**11,955**	**9,855**	**11,895**	**11,556**	**12,185**	**45,119**	**45,491**
YoY Change (%)	20.0	29.5	17.0	16.1	-3.3	3.4	0.8	1.9	20.4	0.8
EBITDA	**2,115**	**2,429**	**2,313**	**2,361**	**1,579**	**2,130**	**2,505**	**2,612**	**9,218**	**8,825**
YoY Change (%)	5.0	60.7	47.8	22.5	-25.4	-12.3	8.3	10.6	30.8	-4.3
Margins (%)	20.7	21.1	20.2	19.8	16.0	17.9	21.7	21.4	20.4	19.4
Depreciation	434	441	484	487	492	525	524	544	1,845	2,086
EBIT	**1,682**	**1,988**	**1,829**	**1,874**	**1,086**	**1,605**	**1,981**	**2,068**	**7,373**	**6,740**
YoY Change (%)	3.8	78.6	56.0	22.9	-35.4	-19.3	8.3	10.3	35.0	-8.6
Margins (%)	16.5	17.3	16.0	15.7	11.0	13.5	17.1	17.0	16.3	14.8
Interest	69	132	170	188	225	260	286	210	559	980
Other Income	47	48	9	34	3	15	7	66	138	91
PBT before EO expense	**1,659**	**1,904**	**1,669**	**1,720**	**865**	**1,360**	**1,701**	**1,924**	**6,952**	**5,850**
Extra-Ord expense	0	0	0	80	211	0	0	0	80	211
PBT	**1,659**	**1,904**	**1,669**	**1,640**	**654**	**1,360**	**1,701**	**1,924**	**6,872**	**5,639**
Tax	383	453	426	444	176	339	444	479	1,706	1,438
Rate (%)	23.1	23.8	25.5	27.1	26.9	24.9	26.1	24.9	24.8	25.5
(Profit)/Loss of JV/Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**1,276**	**1,451**	**1,243**	**1,196**	**479**	**1,021**	**1,257**	**1,445**	**5,166**	**4,201**
Adjusted PAT	**1,276**	**1,451**	**1,243**	**1,254**	**633**	**1,021**	**1,257**	**1,445**	**5,224**	**4,357**
YoY Change (%)	6.1	79.8	41.3	13.0	-50.4	-29.6	1.1	15.2	30.6	-16.6
Margins (%)	12.5	12.6	10.8	10.5	6.4	8.6	10.9	11.9	11.6	9.6

Ipca Laboratories

Neutral

CMP: INR1,239| TP: INR1,140 (-8%)

EPS CHANGE (%): FY25|26: 0|0

- Expect formulations segment/Unichem to drive overall sales growth of 32% YoY for the quarter.
- Expect API sales growth to decline 10% YoY for the quarter, due to weak pricing
- Expect DF segment to grow 8% YoY led by strong growth in key therapies.
- The impact of the ongoing geopolitical issue in the Middle East on the company's export business is a key monitorable.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues (Core)	**15,857**	**16,010**	**15,460**	**15,116**	**15,876**	**20,340**	**20,529**	**19,976**	**62,569**	**76,720**
YoY Change (%)	1.3	3.7	8.1	17.3	0.1	27.0	32.8	32.2	7.3	22.6
EBITDA	**2,835**	**2,722**	**2,319**	**1,810**	**2,941**	**3,606**	**3,310**	**2,725**	**9,812**	**12,582**
YoY Change (%)	-31.9	-29.3	-24.7	-25.0	3.8	32.4	42.7	50.6	-27.4	28.2
Margins (%)	17.9	17.0	15.0	12.0	18.5	17.7	16.1	13.6	15.7	16.4
Depreciation	617	637	666	695	693	903	995	997	2,616	3,588
EBIT	**2,218**	**2,085**	**1,654**	**1,115**	**2,249**	**2,702**	**2,315**	**1,728**	**7,197**	**8,994**
YoY Change (%)	-38.5	-36.5	-33.6	-38.2	1.4	29.6	40.0	55.0	-35.7	25.0
Margins (%)	14.0	13.0	10.7	7.4	14.2	13.3	11.3	8.7	11.5	11.7
Interest	69	93	108	185	314	441	334	336	455	1,425
Other Income	221	362	309	259	449	386	225	232	1,151	1,290
PBT before EO Expense	**2,369**	**2,354**	**1,854**	**1,189**	**2,383**	**2,647**	**2,205**	**1,624**	**7,892**	**8,859**
One-off (gain)/ Expense	142	116	161	-105	-135	393	-684	0	314	-426
PBT after EO Expense	**2,227**	**2,238**	**1,693**	**1,294**	**2,518**	**2,254**	**2,889**	**1,624**	**7,579**	**9,285**
Tax	743	770	537	482	856	879	662	349	2,532	2,746
Rate (%)	31.3	32.7	29.0	40.5	35.9	33.2	30.0	21.5	32.1	31.0
Reported PAT	**1,484**	**1,468**	**1,156**	**812**	**1,662**	**1,374**	**2,227**	**1,276**	**5,044**	**6,539**
Minority Interest	-54	-29	-78	-46	-34	76	-428	-75	-206	-460
Adj PAT after Minority Interest	**1,525**	**1,861**	**1,188**	**701**	**1,539**	**1,690**	**1,115**	**1,276**	**5,275**	**5,620**
YoY Change (%)	-50.3	-31.0	-37.2	-52.8	0.9	-9.2	-6.1	82.1	-42.8	6.5
Margins (%)	9.6	11.6	7.7	4.6	9.7	8.3	5.4	6.4	8.4	7.3

E: MOFSL Estimates. Quarter - Standalone; Full year - Consolidated

Laurus Labs — Buy

CMP: INR405 | TP: INR470 (+16%) — **EPS CHANGE (%): FY25|26: (0.8) |(0.7)**

- Expect healthy traction in the CS segment to be offset by weak API/formulation sales.
- Expect ARV sales to grow 9% YoY/QoQ each
- Key monitorables: 1) update on product pipeline in the Non-ARV segment; 2) progress on scale-up of animal health contracts; and 3) update on new order wins in the ARV and CS segments.

Consolidated- Quarterly Earning Model (INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**15,389**	**15,759**	**15,448**	**13,809**	**11,818**	**12,245**	**11,949**	**13,835**	**60,406**	**49,847**
YoY Change (%)	20.4	30.9	50.2	-3.1	-23.2	-22.3	-22.6	0.2	22.4	-17.5
EBITDA	**4,542**	**4,489**	**4,036**	**2,855**	**1,667**	**1,879**	**1,814**	**2,865**	**15,923**	**8,225**
YoY Change (%)	14.9	30.1	41.5	-28.0	-63.3	-58.1	-55.0	0.3	11.9	-48.3
Margins (%)	29.5	28.5	26.1	20.7	14.1	15.3	15.2	20.7	26.4	16.5
Depreciation	708	818	844	870	906	934	984	976	3,241	3,800
EBIT	**3,834**	**3,671**	**3,191**	**1,985**	**762**	**945**	**830**	**1,888**	**12,682**	**4,425**
YoY Change (%)	13.8	30.2	44.2	-40.0	-80.1	-74.3	-74.0	-4.9	8.3	-65.1
Margins (%)	24.9	23.3	20.7	14.4	6.4	7.7	6.9	13.6	21.0	8.9
Interest	293	401	427	531	392	424	508	462	1,652	1,786
Other Income	18	11	14	17	36	18	24	47	60	125
PBT before EO expense	**3,559**	**3,281**	**2,779**	**1,471**	**406**	**539**	**346**	**1,473**	**11,090**	**2,764**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**3,559**	**3,281**	**2,779**	**1,471**	**406**	**539**	**346**	**1,473**	**11,090**	**2,764**
Tax	1,033	943	748	399	122	146	95	331	3,125	693
Rate (%)	29.0	28.7	26.9	27.1	30.0	27.0	27.3	22.5	28.2	25.1
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	20	16	24	20	0	0	60
Reported PAT	**2,525**	**2,338**	**2,031**	**1,052**	**268**	**370**	**231**	**1,142**	**7,965**	**2,011**
Adj PAT	**2,525**	**2,338**	**2,031**	**1,052**	**268**	**370**	**231**	**1,142**	**7,965**	**2,011**
YoY Change (%)	4.5	14.6	31.0	-54.6	-89.4	-84.2	-88.6	8.6	-4.3	-74.8
Margins (%)	16.4	14.8	13.1	7.6	2.3	3.0	1.9	8.3	13.2	4.0

Lupin — Neutral

CMP: INR1,623 | TP: INR1,500 (-8%) — **EPS CHANGE (%): FY25|26: 0|0**

- DF segment to grow 10% YoY for the quarter due to superior growth in Cardiac therapy
- Expect the US sales to witness a 34% YoY growth to USD235m led by strong traction in niche launches and new approvals.
- The EU sales to witness a robust growth of 21% YoY led by new launches
- Update on niche approvals beyond g-Dulera is a key monitorable. Watch out for an increase in logistic cost due to geopolitical issue in the Middle East.

Quarterly Performance (Consolidated) (INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**37,438**	**41,455**	**43,222**	**44,301**	**46,087**	**50,385**	**51,974**	**52,021**	**1,66,417**	**2,00,467**
YoY Change (%)	-3.9	1.3	3.9	14.1	23.1	21.5	20.2	17.4	3.8	20.5
Total Expenditure	35,799	37,114	37,662	38,260	39,574	41,153	41,755	41,901	1,48,835	1,64,383
EBITDA	**1,639**	**4,342**	**5,560**	**6,041**	**6,513**	**9,232**	**10,220**	**10,120**	**17,582**	**36,084**
YoY Change (%)	-70.4	-27.2	-1.4	114.0	297.3	112.6	83.8	67.5	-11.9	105.2
Margins (%)	4.4	10.5	12.9	13.6	14.1	18.3	19.7	19.5	10.6	18.0
Depreciation	1,928	2,035	2,204	2,640	2,347	2,479	2,572	2,508	8,807	9,905
EBIT	**-289**	**2,307**	**3,356**	**3,401**	**4,166**	**6,754**	**7,648**	**7,612**	**8,775**	**26,179**
YoY Change (%)	-108.4	-40.0	-6.9	304.1	LP	192.7	127.9	123.8	-25.3	198.3
Margins (%)	-0.8	5.6	7.8	7.7	9.0	13.4	14.7	14.6	5.3	13.1
Interest	428	549	841	926	856	806	740	725	2,743	3,127
Other Income	56	149	180	373	228	404	294	324	757	1,250
EO Exp/(Inc)	-684	-188	234	263	-2,053	54	-160	0	-375	-2,159
PBT	**23**	**2,096**	**2,461**	**2,585**	**5,591**	**6,298**	**7,361**	**7,211**	**7,165**	**26,461**
Tax	891	751	885	161	1,055	1,344	1,174	1,774	2,688	5,346
Rate (%)	3,907.5	35.8	36.0	6.2	18.9	21.3	15.9	24.6	37.5	20.2
Minority Interest	-23	-47	-42	-64	-11	-57	-56	27	-176	-96
Reported PAT	**-891**	**1,297**	**1,535**	**2,360**	**4,525**	**4,898**	**6,131**	**5,464**	**4,301**	**21,019**
Adj PAT	**-1,552**	**1,177**	**1,684**	**2,606**	**2,855**	**4,940**	**5,997**	**5,464**	**3,915**	**19,256**
YoY Change (%)	-164.0	-61.5	-37.5	399.9	LP	319.9	256.1	109.7	-55.0	391.8
Margins (%)	-4.1	2.8	3.9	5.9	6.2	9.8	11.5	10.5	2.4	9.6

Max Healthcare — Buy

CMP: INR815 | TP: INR950 (16%) — **EPS CHANGE (%): FY25|26: 2.7|2.3**

- Expect ARPOB to improve 6% YoY to INR74.9K.
- Expect overall sales to grow 15% YoY for the quarter
- Expect 37% YoY growth in Max Labs with an EBITDA margin expansion due to superior execution and increasing reach.
- Progress on bed additions and commercialization in FY25/FY26 are the key monitorables.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**13,903**	**14,717**	**14,640**	**15,490**	**16,220**	**17,190**	**16,820**	**17,802**	**58,750**	**68,032**
YoY Change (%)	5.5	9.6	13.5	26.9	16.7	16.8	14.9	14.9	13.6	15.8
Total Expenditure	10,228	10,712	10,590	11,150	11,930	12,350	12,170	12,941	42,680	49,391
EBITDA	**3,675**	**4,005**	**4,050**	**4,340**	**4,290**	**4,840**	**4,650**	**4,861**	**16,070**	**18,641**
Margins (%)	26.4	27.2	27.7	28.0	26.4	28.2	27.6	27.3	27.4	27.4
Depreciation	650	630	630	690	640	660	700	707	2,600	2,707
Interest	200	140	70	-20	-30	-170	-140	-126	390	-466
Other Income	30	100	130	30	70	130	60	46	290	306
PBT before EO expense	**2,855**	**3,335**	**3,480**	**3,700**	**3,750**	**4,480**	**4,150**	**4,326**	**13,370**	**16,706**
Extra-Ord expense	110	120	180	-20	190	190	40	0	390	420
PBT	**2,745**	**3,215**	**3,300**	**3,720**	**3,560**	**4,290**	**4,110**	**4,326**	**12,980**	**16,286**
Tax	456	-1,896	610	530	660	910	730	794	-300	3,094
Rate (%)	16.6	-59.0	18.5	14.2	18.5	21.2	17.8	18.4	-2.3	19.0
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**2,289**	**5,111**	**2,690**	**3,190**	**2,900**	**3,380**	**3,380**	**3,532**	**13,280**	**13,192**
Adj PAT	**2,381**	**2,835**	**2,837**	**3,173**	**3,055**	**3,530**	**3,413**	**3,532**	**11,226**	**13,529**
YoY Change (%)	15.6	31.6	12.2	53.5	28.3	24.5	20.3	11.3	27.5	20.5
Margins (%)	17.1	19.3	19.4	20.5	18.8	20.5	20.3	19.8	19.1	19.9

Piramal Pharma — Buy

CMP: INR130 | TP: INR170 (27%) — **EPS CHANGE (%): FY25|26: (2.5) |(1.7)**

- Expect sales to grow 12% YoY to INR24b led by strong growth in CDMO and CHG segments.
- Progress on the CDMO segment's order book is a key monitorable.
- Higher operating leverage to drive EBITDA margin expansion.
- Watch out for opportunities in the GLP1 space.

Consolidated - Quarterly Earning Model INR m

PPL Income statement (INRm)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenues	**14,820**	**17,200**	**17,160**	**21,636**	**17,489**	**19,114**	**19,586**	**24,302**	**70,816**	**80,490**
growth YoY(%)	13.0	9.0	11.5	1.5	18.0	11.1	14.1	12.3	8.0	13.7
Expenses	13,969	15,475	15,962	18,123	16,165	16,457	16,902	19,542	63,529	69,066
CDMO	7,700	9,400	10,100	12,850	8,980	10,680	11,340	14,381	40,160	45,381
CHG	5,080	5,620	5,140	7,020	6,170	5,890	5,760	8,012	22,860	25,832
ICP	2,110	2,270	2,260	2,060	2,390	2,560	2,520	1,807	8,590	9,277
EBITDA*	**851**	**1,726**	**1,197**	**3,513**	**1,323**	**2,657**	**2,684**	**4,760**	**7,286**	**11,423**
margin (%)	5.7	10.0	7.0	16.2	7.6	13.9	13.7	19.6	10.3	14.2
growth YoY(%)	-34.3	-12.2	-46.9	-11.7	55.5	54.0	124.1	35.5	-23.3	56.8
Depreciation	1,617	1,662	1,644	1,844	1,736	1,845	1,863	1,661	6,767	7,105
EBIT	**-766**	**64**	**-447**	**1,669**	**-413**	**812**	**821**	**3,099**	**520**	**4,318**
Other income	719	462	825	245	383	492	615	610	2,251	2,100
Interest expense	623	830	947	1,043	1,185	1,099	1,059	1,082	3,442	4,425
Share from Asso. Co	199	111	156	78	144	191	140	134	543	608
PBT	**-471**	**-193**	**-412**	**949**	**-1,071**	**396**	**516**	**2,761**	**-128**	**2,602**
EO Expenses/(gain)	680	70	324	-	-	-	323	-	1,074	323
Taxes	**-61**	**111**	**165**	**448**	**-85**	**345**	**93**	**445**	**663**	**798**
Tax Rate (%)	5.3	-42.2	-22.5	47.2	8.0	87.3	47.8	16.1	-55.2	35.0
Reported PAT	**-1,091**	**-373**	**-902**	**501**	**-986**	**50**	**101**	**2,316**	**-1,865**	**1,481**
Adj. PAT	**-446**	**-274**	**-578**	**501**	**-986**	**50**	**350**	**2,316**	**-798**	**1,730**
Change (%)	NA	NA	NA	-75.4	NA	LP	LP	362.1	NA	NA

Sun Pharma — Buy

CMP: INR1,631 | TP: INR1,870 (15%) — **EPS CHANGE (%): FY25|26: 0 |0**

- The US sales are expected to grow 12% YoY to USD481m on the back of a steady traction in specialty portfolio.
- Watch out for an update on the ramp-up of Winlevi sales in Australia and other specialty products in developed markets.
- Expect DF sales to grow 10% YoY for the quarter.
- Key monitorables: 1) update on remediation at Halol and Mohali sites; and 2) outlook on R&D spending for FY24/FY25, based on the projects undergoing different phases of clinical trials

Quarterly Performance (Consolidated) — **(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**106.4**	**108.1**	**110.0**	**106.7**	**117.9**	**120.0**	**121.6**	**122.4**	**431.2**	**481.9**
YoY Change (%)	10.1	14.0	12.1	13.7	10.7	11.0	10.5	14.7	12.4	11.7
Total Expenditure	80.2	77.5	82.3	81.0	86.1	89.8	90.3	91.6	321.1	357.8
EBITDA	**26.2**	**30.5**	**27.6**	**25.7**	**31.7**	**30.2**	**31.3**	**30.8**	**110.1**	**124.1**
YoY Change (%)	-2.6	19.2	7.6	21.2	21.1	-1.0	13.2	20.0	10.7	12.7
Margins (%)	24.6	28.3	25.1	24.1	26.9	25.2	25.7	25.2	25.5	25.8
Depreciation	5.9	6.1	6.6	6.7	6.5	6.3	6.2	6.3	25.3	25.3
EBIT	**20.3**	**24.5**	**21.0**	**19.0**	**25.2**	**23.9**	**25.1**	**24.6**	84.8	98.8
YoY Change (%)	-7.1	20.3	4.4	21.4	24.1	-2.2	19.2	29.5	8.7	16.5
Interest	0.1	0.2	0.5	0.9	0.8	0.5	0.3	0.4	1.7	2.0
Net Other Income	1.2	2.3	3.1	5.8	3.6	4.8	4.7	4.7	12.4	17.9
PBT before EO Exp	**21.4**	**26.5**	**23.7**	**23.8**	**28.0**	**28.2**	**29.5**	**28.9**	**95.5**	**114.7**
Less: EO Exp/(Inc)	-1.5	2.4	-1.0	1.4	3.2	0.3	-0.5	0.0	1.4	3.0
PBT	**22.8**	**24.1**	**24.7**	**22.4**	**24.8**	**27.9**	**30.0**	**28.9**	**94.1**	**111.6**
Tax	1.9	1.5	2.8	2.2	4.7	3.9	4.3	4.3	8.5	17.2
Rate (%)	8.8	5.7	11.9	9.4	16.7	13.8	14.7	14.8	8.9	15.0
PAT (pre Minority Interest)	**21.0**	**22.6**	**21.9**	**20.2**	**20.1**	**24.0**	**25.7**	**24.6**	**85.6**	**94.5**
Minority Interest	0.3	0.0	0.2	0.3	-0.1	0.3	0.4	-0.3	-0.9	0.4
Reported PAT	**20.6**	**22.6**	**21.7**	**19.8**	**20.2**	**23.8**	**25.2**	**24.9**	**84.7**	**94.1**
Adj Net Profit*	**19.3**	**24.9**	**20.8**	**21.1**	**22.8**	**24.0**	**24.8**	**24.9**	**86.1**	**96.5**
YoY Change (%)	-3.4	21.5	9.3	33.6	18.5	-3.4	19.2	17.8	**14.4**	**12.2**
Margins (%)	18.1	23.0	18.9	19.8	19.4	20.0	20.4	20.3	19.7	19.5

Torrent Pharmaceuticals — Neutral

CMP: INR2,678 | TP: INR2,540 (-5%) — **EPS CHANGE (%): FY25|26: 0|0**

- Expect the US sales to decline 11% YoY to USD30m due to lack of new launches, and slow ramp-up of Dahej facility.
- Watch out for the progress on OTC portfolio expansion and further investment to aid growth
- DF sales to grow 11% YoY to INR14b led by a strong growth in VMN and Anti-diabetic segments.
- Update on new launches in Germany and Brazil is a key monitorable.

Quarterly performance (Consolidated) — **(INR b)**

Y/E March INRb	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**23.1**	**22.9**	**24.9**	**24.9**	**25.9**	**26.6**	**27.3**	**27.8**	**95.8**	**107.6**
YoY Change (%)	8.2	7.2	18.2	17.0	12.2	16.1	9.7	11.5	12.6	12.3
EBITDA	**6.7**	**6.8**	**7.4**	**7.4**	**7.9**	**8.3**	**8.7**	**8.9**	**28.3**	**33.8**
YoY Change (%)	-0.4	2.9	37.3	32.6	17.4	21.5	17.6	21.3	16.4	19.4
Margins (%)	29.2	29.6	29.7	29.6	30.5	31.0	31.8	32.2	29.5	31.4
Depreciation	1.6	1.6	1.9	2.0	1.9	2.0	2.1	2.0	7.1	8.1
EBIT	**5.2**	**5.2**	**5.5**	**5.4**	**6.0**	**6.2**	**6.6**	**6.9**	**21.2**	**25.7**
YoY Change (%)	1.4	4.9	47.1	37.3	15.6	20.9	20.2	27.5	19.9	21.1
Margins (%)	22.5	22.5	21.9	21.7	23.2	23.5	24.0	24.8	22.1	23.9
Interest	0.6	0.7	1.0	1.1	1.0	0.9	0.8	0.8	3.3	3.5
Other Income	0.3	0.2	0.3	0.1	0.3	0.3	-0.3	0.3	0.9	0.6
PBT before EO Expense	**4.9**	**4.6**	**4.7**	**4.4**	**5.3**	**5.6**	**5.4**	**6.4**	**18.7**	**22.7**
One-off expenses	-0.4	0.0	0.5	0.1	0.0	0.0	-0.9	0.0	0.3	-0.9
PBT after EO Expense	**5.3**	**4.6**	**4.2**	**4.3**	**5.3**	**5.6**	**6.3**	**6.4**	**18.5**	**23.6**
Tax	1.8	1.5	1.4	1.5	1.5	1.7	1.9	1.4	6.1	6.6
Rate (%)	36.0	32.6	28.7	33.0	28.8	30.9	34.6	22.7	32.6	29.0
Reported PAT	**3.5**	**3.1**	**2.8**	**2.9**	**3.8**	**3.9**	**4.4**	**4.9**	**12.4**	**17.0**
Adj PAT	**3.3**	**3.1**	**3.2**	**3.0**	**3.8**	**3.9**	**3.8**	**4.9**	**12.6**	**16.4**
YoY Change (%)	-0.4	-1.3	28.5	11.5	15.0	23.7	19.1	65.8	8.3	30.2
Margins (%)	14.2	13.6	12.8	11.9	14.6	14.5	14.0	17.7	13.1	15.2

Zydus Lifesciences — Neutral

CMP: INR999 | TP: INR920 (-8%) — **EPS CHANGE (%): FY25|26: 0.1|0.1**

- The US sales are expected to grow 10% YoY due to gradual ramp-up of niche launches supported by Revlimid.
- Watch out for the progress on launching limited competition products in the US market, and scaling up the Liqmeds business.
- Expect DF sales to grow by 6% YoY for the quarter due to moderate growth in key therapies.
- Update on the progress of development of NCE pipeline is a key monitorable.

Quarterly Performance (Consolidated)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	**39.6**	**40.1**	**42.6**	**50.1**	**51.4**	**43.7**	**45.1**	**52.7**	**172.4**	**192.8**
YoY Change (%)	-0.9	5.8	17.0	29.7	29.6	9.1	5.8	5.2	12.9	11.9
Total Expenditure	32.4	32.0	33.6	37.0	36.1	33.0	34.2	37.6	135.0	141.0
EBITDA	**7.2**	**8.0**	**9.0**	**13.1**	**15.3**	**10.6**	**10.8**	**15.1**	**37.4**	**51.9**
YoY Change (%)	-25.4	-6.8	19.7	52.6	111.5	32.6	20.3	14.8	6.1	38.7
Margins (%)	18.3	20.0	21.1	26.2	29.8	24.4	24.0	28.6	21.7	26.9
Depreciation	1.8	1.8	1.8	1.8	1.8	1.8	1.9	2.0	7.2	7.6
EBIT	**5.4**	**6.2**	**7.2**	**11.4**	**13.5**	**8.8**	**8.9**	**13.1**	**30.2**	**44.3**
YoY Change (%)	-31.9	-8.2	24.9	68.0	148.6	41.8	23.6	15.6	7.4	46.9
Margins (%)	13.7	15.5	16.9	22.7	26.3	20.1	19.7	24.9	17.5	23.0
Interest	0.3	0.4	0.3	0.3	0.2	0.1	0.2	0.0	1.3	0.5
Other Income	0.7	0.4	0.4	0.4	0.4	0.5	0.4	0.5	1.9	1.8
PBT before EO Income	**5.8**	**6.3**	**7.2**	**11.5**	**13.7**	**9.3**	**9.0**	**13.6**	**30.7**	**45.6**
EO Exp/(Inc)	-1.1	-0.1	-0.6	6.6	0.4	-0.8	-0.2	0.0	4.8	-0.6
PBT after EO Income	**6.8**	**6.4**	**7.8**	**4.9**	**13.3**	**10.1**	**9.3**	**13.6**	**25.9**	**46.2**
Tax	1.2	1.4	2.0	1.4	2.2	2.3	2.1	3.6	5.9	10.2
Rate (%)	17.4	21.3	25.0	28.2	16.3	22.5	23.1	26.5	22.7	22.0
Min. Int/Adj on Consol	-0.4	0.1	0.4	-0.5	-0.3	0.2	0.6	-0.8	-0.4	-0.3
Reported PAT	**5.3**	**5.2**	**6.2**	**3.0**	**10.9**	**8.0**	**7.7**	**9.2**	**19.6**	**35.8**
Adj PAT	**4.4**	**5.1**	**5.8**	**7.7**	**11.2**	**7.4**	**7.5**	**9.2**	**22.9**	**35.3**
YoY Change (%)	-26.4	-13.6	14.4	46.1	155.4	45.7	29.6	19.1	3.9	53.9
Margins (%)	11.1	12.6	13.6	15.4	21.8	16.9	16.7	17.5	13.3	18.3

Infrastructure

Company
G R Infraprojects
IRB Infrastructure Developers
KNR Constructions

Order inflows weak; execution accelerates in 4QFY24

Project awarding disappoints in FY24

- Project awarding by NHAI totaled 3,000km, while construction reached 6,644km in FY24. The muted awarding by NHAI has severely impacted order inflows for several road construction companies in FY24. Consequently, many companies have failed to meet their order inflow targets for FY24.
- Construction activity accelerated in 4QFY24, with 4,274km of construction completed in 4QFY24 (vs. 2,370km completed in 9MFY24). In FY24, NHAI completed construction of 6,644km of roads, surpassing the target of 6,500km and registering growth of 20% over FY23 and 53% over FY22. Further, NHAI spent INR2.07t in FY24, registering 20% YoY growth.
- Construction activity is expected to be robust in FY25. Several projects won in the last few quarters will start contributing to revenue.
- A higher budgetary outlay for roads in the Union budget (+25% YoY in FY24) should support project awarding going forward. However, with the upcoming elections, the pace of awarding could remain muted even in 1HFY25. However, the government's thrust on infrastructure development and improved credit availability from banks are highly encouraging factors.

FASTag toll collections continue to improve; asset monetization in focus

- FAStag toll collections (in volume terms) improved ~13% YoY during 4QFY24, while collections in value terms increased ~22% YoY. Higher toll collections play a crucial role in expediting the monetization of road assets by the Ministry. Additionally, it benefits companies seeking to monetize their existing toll assets.
- NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations. Over Apr'23-Feb'24, NHAI has already awarded four TOT bundles and monetized INR159.7b. The success rate in TOT mode during FY24 was 100%, and LoAs were issued within a few days of the financial bid opening.

Execution to pick up pace for our coverage universe on a YoY basis

- For our coverage universe, we expect revenue to increase 11% YoY and 14% QoQ. We expect operating profit for our coverage universe to increase 8% YoY.
- Due to higher execution, a lower tax rate, and a reduction in losses in associate companies for IRB, aggregate net profit for our coverage universe is expected to increase 9% YoY and 18% QoQ during 4QFY24.

Softening input prices to support margins for contractors

- Steel prices have decreased ~29%, while aluminum prices have dropped ~30% since Apr'22. Cement prices have declined ~7% from their highs in Oct'23.
- With higher construction activities and moderating commodity prices, road contractors anticipate some improvement in profitability and margins in 4QFY24 and beyond.

Alok Deora – Research Analyst (Alok.Deora@MotilalOswal.com)

Saurabh Dugar – Research Analyst (Saurabh.Dugar@MotilalOswal.com)

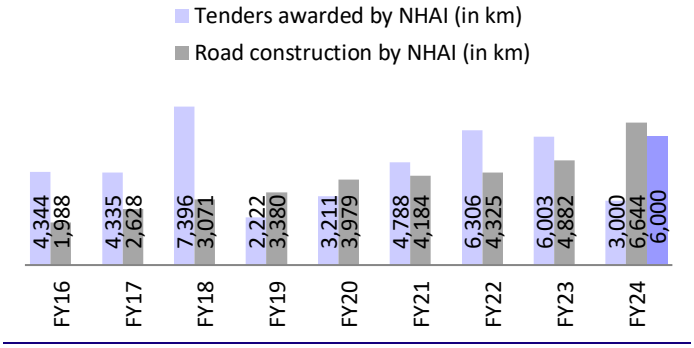
Players with strong order book, balance sheet, and diversified operations well placed

- Despite sluggishness in project awarding in FY24, there is a robust pipeline of tenders in place. Entities having substantial order backlogs, strong financial standings, and engagement across various sectors are well positioned to capitalize on NHAI's proactive approach to project allocation in FY24.
- Players with decent order books, strong balance sheets, and presence in two or more segments are better placed to capitalize on the opportunity.
- **KNRC is our preferred pick in the sector.** We like KNRC due to its favorable net cash balance sheet, which is attributed to several factors: a) the successful monetization of HAM projects, b) a solid order book, c) impressive execution abilities, and d) a strong margin profile.

Exhibit 1: Summary of 4QFY24 earnings estimates

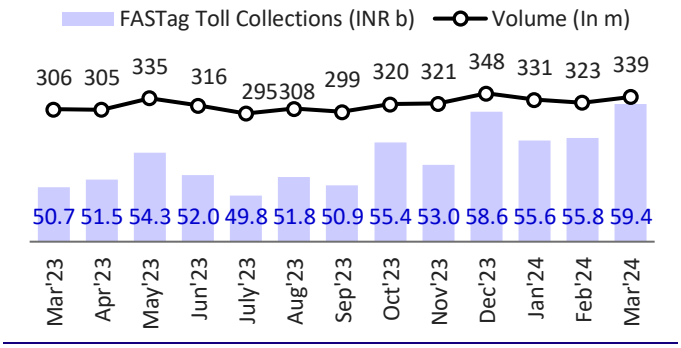
Company	CMP (INR)	Rating	Sales (INR m)			EBITDA (INR m)			Adjusted profit (INR m)		
			Mar'23	Variance YoY	Variance QoQ	Mar'23	Variance YoY	Variance QoQ	Mar'23	Variance YoY	Variance QoQ
G R Infraprojects	1,384	Buy	21,609	8%	20%	2,791	-4%	22%	1,886	-2%	28%
IRB Infra.	61	Neutral	20,312	25%	3%	8,891	17%	2%	1,830	40%	-2%
KNR Constructions	254	Buy	11,272	-4%	24%	1,963	-7%	33%	1,221	-5%	43%
Infrastructure			**53,193**	**11%**	**14%**	**13,645**	**8%**	**10%**	**4,937**	**9%**	**18%**

Exhibit 2: Trends in NHAI awarding and construction



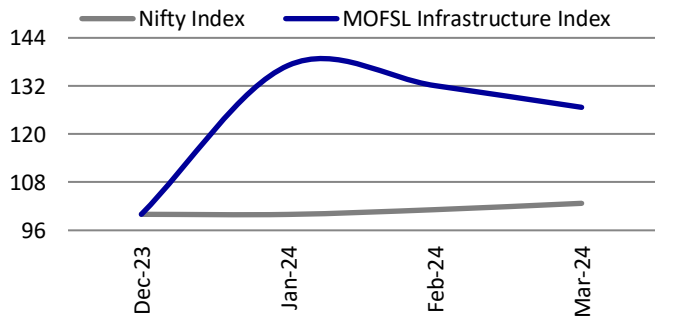
Source: NHAI, MOFSL

Exhibit 3: FASTag toll collections



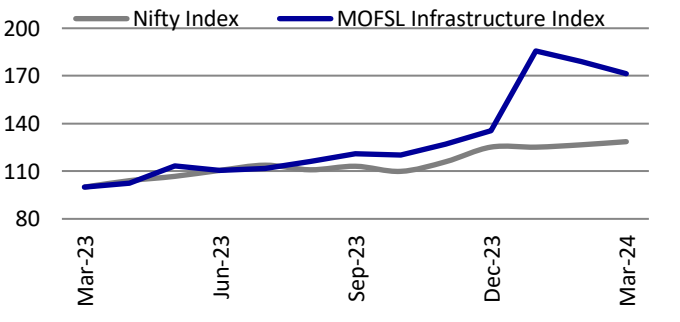
Source: NPCI, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Infrastructure						**32.6**	**26.3**	**20.4**	**2.4**	**2.3**	**2.1**	**7.4**	**8.9**	**10.3**
G R Infraproject	1,384	Buy	69.0	76.4	97.6	19.0	18.1	14.2	2.1	2.0	1.8	12.0	11.8	13.3
IRB Infra	61	Neutral	1.0	1.6	2.2	58.9	37.9	28.3	2.6	2.6	2.4	4.4	6.9	8.7
KNR Constructions	254	Buy	14.8	16.9	20.0	16.7	15.1	12.7	2.2	2.0	1.7	14.2	14.1	14.5

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter / financial year under review.

G R Infraprojects — Buy

CMP: INR1,384 | TP: INR1,590 (+15%) — **EPS CHANGE (%): FY24|25: +5|-**

- Expect revenue to rise ~8% YoY to INR21.6b in 4QFY24.
- Adjusted PAT to decrease marginally by ~2% YoY to INR1.9b. Profitability will be affected by muted execution and low margins YoY.
- Expect EBITDA to be at ~INR2.8b and EBITDA margin at 12.9%. Muted execution and elevated costs will continue to hurt EBITDA margin.
- Commentaries on order inflows and monetization of assets through the InvIT route are the key monitorables.

Standalone quarterly performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**24,767**	**17,772**	**18,988**	**19,949**	**21,524**	**15,738**	**18,064**	**21,609**	**81,476**	**76,935**
YoY Change (%)	16.1	4.6	4.4	(12.0)	(13.1)	(11.4)	(4.9)	8.3	2.9	(5.6)
EBITDA	**4,864**	**2,600**	**2,769**	**2,898**	**3,147**	**1,937**	**2,280**	**2,791**	**13,131**	**10,155**
Margin (%)	19.6	14.6	14.6	14.5	14.6	12.3	12.6	12.9	16.1	13.2
Depreciation	634	620	612	590	602	617	610	609	2,457	2,439
Interest	269	236	248	269	266	277	245	259	1,022	1,047
Other Income	320	519	421	549	511	614	578	598	1,809	2,300
PBT before EO expense	**4,281**	**2,263**	**2,329**	**2,589**	**2,790**	**1,656**	**2,003**	**2,520**	**11,461**	**8,970**
Extra-Ord. expense	-	-	-	-	-	-	83	-	-	83
PBT	**4,281**	**2,263**	**2,329**	**2,589**	**2,790**	**1,656**	**2,003**	**2,520**	**11,461**	**8,970**
Tax	1,069	620	588	667	710	423	532	635	2,943	2,300
Rate (%)	25.0	27.4	25.2	25.7	25.4	25.6	26.6	25.2	25.7	25.6
Reported PAT	**3,211**	**1,643**	**1,742**	**1,922**	**2,080**	**1,233**	**1,554**	**1,886**	**8,518**	**6,753**
Adj. PAT	**3,211**	**1,643**	**1,742**	**1,922**	**2,080**	**1,233**	**1,471**	**1,886**	**8,518**	**6,670**
YoY Change (%)	57.7	0.8	31.9	(27.5)	(35.2)	(25.0)	(15.5)	(1.9)	11.5	(21.7)
Margin (%)	13.0	9.2	9.2	9.6	9.7	7.8	8.1	8.7	10.5	8.7

IRB Infrastructure Developers — Neutral

CMP: INR61 | TP: INR60 (-2%) — **EPS CHANGE (%): FY24|25: -1|-**

- Expect ~45% YoY growth in construction revenue.
- Adjusted PAT to be at INR1.8b (+40% YoY); higher construction revenue and lower taxes YoY to support PAT.
- Expect operating margin at 43.8% (-40bp QoQ). IRB to be cautious in bidding due to aggressive bidding in NHAI projects.
- New order wins in the construction segment and progress on the Ganga Expressway project are the key monitorables.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**19,246**	**13,430**	**15,141**	**16,200**	**16,342**	**17,450**	**19,685**	**20,312**	**64,016**	**73,789**
YoY Change (%)	18.4	(8.3)	18.4	13.0	(15.1)	29.9	30.0	25.4	10.3	15.3
Total Expenditure	8,639	6,778	7,695	8,612	8,564	9,504	10,991	11,421	31,725	40,479
EBITDA	**10,606**	**6,651**	**7,446**	**7,588**	**7,778**	**7,946**	**8,695**	**8,891**	**32,291**	**33,310**
Margins (%)	55.1	49.5	49.2	46.8	47.6	45.5	44.2	43.8	50.4	45.1
Depreciation	2,031	1,919	2,150	2,221	2,367	2,327	2,513	2,536	8,321	9,743
Interest	3,850	3,893	3,671	3,733	3,815	4,346	4,327	4,335	15,146	16,823
Other Income	708	959	560	789	1,112	1,295	1,088	1,171	3,016	4,666
PBT	**5,434**	**1,799**	**2,185**	**2,423**	**2,709**	**2,569**	**2,942**	**3,191**	**11,840**	**11,410**
Tax	1,468	702	646	753	836	858	561	801	3,569	3,056
Rate (%)	27.0	39.0	29.6	31.1	30.9	33.4	19.1	25.1	30.1	26.8
Share of profit in Associates	(334)	(244)	(125)	(367)	(535)	(753)	(507)	(559)	(1,069)	(2,354)
Reported PAT	**3,632**	**854**	**1,414**	**1,303**	**1,338**	**958**	**1,874**	**1,830**	**7,202**	**6,000**
Adj PAT	**3,632**	**854**	**1,414**	**1,303**	**1,338**	**958**	**1,874**	**1,830**	**7,202**	**6,000**
YoY Change (%)	405.1	101.7	94.5	(25.3)	(63.2)	12.2	32.6	40.5	99.3	(16.7)
Margins (%)	18.9	6.4	9.3	8.0	8.2	5.5	9.5	9.0	11.3	8.1

KNR Constructions

Buy

CMP: INR254 | TP: INR320 (+26%)

EPS CHANGE (%): FY24|25: +1|+1

- Expect revenue of INR11.3b (-4% YoY) during the quarter.
- Expect adjusted PAT of INR1.2b (-5% YoY).
- Expect EBITDA of INR2b and anticipate operating margin to contract 60bp YoY due to high operating costs.
- New order wins and updates on irrigation receivables are the key monitorables.

Standalone quarterly performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**8,906**	**8,474**	**8,302**	**11,756**	**9,296**	**9,415**	**9,054**	**11,272**	**37,438**	**39,037**
YoY Change (%)	20.4	12.2	8.3	16.3	4.4	11.1	9.1	-4.1	14.4	4.3
Total Expenditure	7,256	6,586	6,742	9,636	7,563	7,752	7,581	9,310	30,220	32,206
EBITDA	**1,650**	**1,888**	**1,560**	**2,119**	**1,733**	**1,663**	**1,473**	**1,963**	**7,218**	**6,832**
Margin (%)	18.5	22.3	18.8	18.0	18.6	17.7	16.3	17.4	19.3	17.5
Depreciation	327	366	381	401	283	311	325	331	1,474	1,250
Interest	69	84	160	80	50	58	72	55	393	235
Other Income	91	76	59	96	71	50	60	53	321	234
Extra-Ord. expense	0	0	1,380	0	0	0	0	0	1,380	0
PBT	**1,345**	**1,514**	**1,079**	**1,735**	**1,470**	**1,344**	**1,136**	**1,631**	**5,672**	**5,581**
Tax	336	438	840	449	367	346	281	410	2,062	1,403
Rate (%)	25.0	28.9	77.9	25.9	25.0	25.7	24.7	25.1	36.4	25.1
Reported PAT	**1,008**	**1,076**	**1,619**	**1,286**	**1,103**	**999**	**855**	**1,221**	**4,989**	**4,178**
Adj. PAT	**1,008**	**1,076**	**777**	**1,286**	**1,103**	**999**	**855**	**1,221**	**4,148**	**4,178**
YoY Change (%)	38.1	13.0	-2.1	14.0	9.4	-7.2	10.1	-5.1	15.1	0.7
Margin (%)	11.3	12.7	9.4	10.9	11.9	10.6	9.4	10.8	11.1	10.7

Logistics

Company
Adani Ports & SEZ
Blue Dart Express
Container Corporation of India
JSW Infrastructure
Mahindra Logistics
Transport Corporation of India
TCI Express
VRL Logistics

Logistics activity remains muted in 4QFY24

Margins to improve slightly YoY

Daily average e-way bill generation rises; port volumes muted YoY

- Following a period of muted logistics activity in 3QFY24, logistics operations showed signs of recovery in Jan-Feb'24. However, logistics activity again slowed down in Mar'24 due to extended weekends during the Holi festival.
- Daily average e-way bill generation increased ~16% YoY during Jan-Feb'24. Fleet utilization stood at 80-85%. Daily average FASTag toll collections rose ~16% YoY during 4QFY24.
- Port volumes grew 3% YoY to 139.6MT during Jan-Feb'24. Volume growth was hit primarily by the Red Sea crisis during the quarter.

Freight rates stable amid high cost of operations and elevated Brent

- Due to consistently high operational expenses and increased retail fuel costs, freight rates have remained elevated. Fleet operators face rising costs from diesel, truck expenses, and compliance such as GST and e-way bills.
- The state-run Oil Marketing Companies (OMCs) have reduced diesel prices by INR2/liter with effect from 14th Mar'24. However, the impact on freight rates due to this reduction in diesel prices can be expected only in 1QFY25.
- With a slight increase in volumes and stable diesel prices, organized players are likely to experience marginal margin improvement sequentially.

Road logistics activity to improve YoY; private players post strong port volumes

- We expect our coverage universe (excluding APSEZ and JSWINFRA) to report sales growth of 9% YoY (+3% QoQ), EBITDA growth of 9% YoY (+6% QoQ), and PAT growth of 6% YoY (+9% QoQ) in 4QFY24.
- In 4QFY24, APSEZ posted a volume of 108.8MMT (+26% YoY). The FY24 volume numbers are up 24% YoY at 420 MMT. APSEZ has surpassed its revised annual volume guidance of 400MMT for FY24, and with the ramp up of existing and newly acquired ports, we expect the volume momentum to continue in FY25 as well.
- Driven by robust growth in the supply chain segment, we estimate Transport Corporation of India (TRPC) to report 11% YoY sales growth. The supply chain segment is expected to report ~15% YoY sales growth, while the freight and seaways segments are likely to clock revenue growth of 6% and 1% YoY, respectively. The seaways segment is likely to report margin improvement QoQ.
- Blue Dart Express (BDE) faced challenges like aircraft expansion costs, a slow industry, and price differences between Brent and ATF. With improved capacity utilization of the newly added aircraft, we expect volume to pick up in 4QFY24.

Organized and integrated service providers likely to gain market share

- The industry trend is shifting towards integrated supply-chain services and sophisticated solutions (such as inventory optimization and data analytics) from standalone offerings like transportation and warehousing.
- The logistics sector remains robust, propelled by government-driven reforms, changing industry preferences, and the rise of new business sectors such as e-commerce and network services.

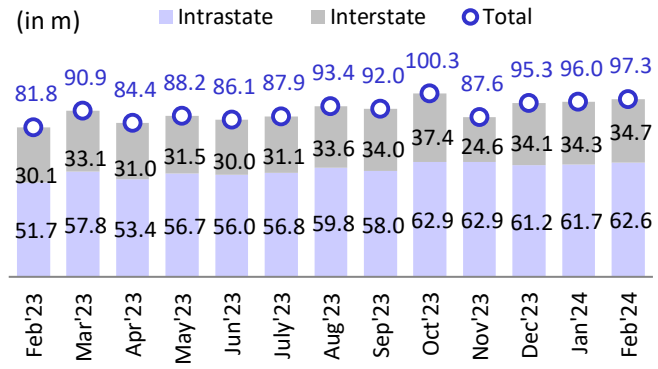
Alok Deora – Research Analyst (Alok.Deora@MotilalOswal.com)

Saurabh Dugar – Research Analyst (Saurabh.Dugar@MotilalOswal.com)

Exhibit 1: Expected quarterly performance summary

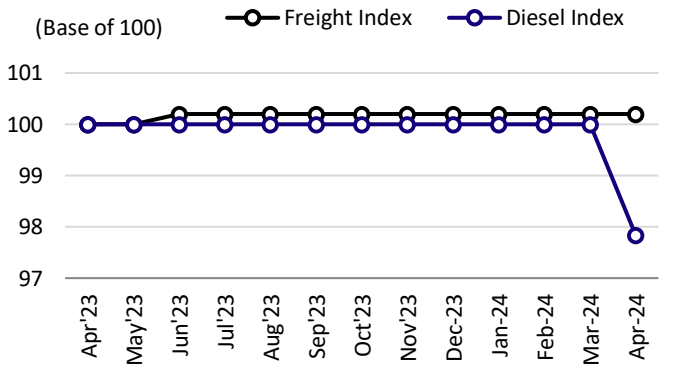
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Adani Ports	1376	Buy	71,554	23.4	3.4	42,668	30.4	1.9	23,020	14.6	-2.2
Blue Dart Express	6147	Buy	13,896	14.2	0.5	1,437	12.2	7.0	813	15.6	-0.3
Concor	903	Buy	22,844	5.5	3.6	5,295	19.1	3.5	3,439	23.5	2.8
JSW Infra	247	Buy	9,816	8.7	4.4	5,171	13.0	7.7	3,263	7.5	6.0
Mahindra Logistics	427	Neutral	14,504	14.0	3.8	584	-8.3	11.8	-6	Loss	Loss
TCI Express	1065	Buy	3,255	-0.2	4.4	470	-13.2	3.1	328	-14.7	1.9
Transport Corp.	822	Buy	10,530	7.5	5.1	1,121	3.8	12.2	873	2.9	10.0
VRL Logistics	558	Buy	7,733	10.8	5.0	1,028	-9.9	8.9	218	-64.3	58.9
Logistics			**1,54,132**	**15.4**	**3.5**	**57,774**	**24.5**	**3.1**	**31,947**	**12.3**	**0.4**

Exhibit 2: E-way bill generation



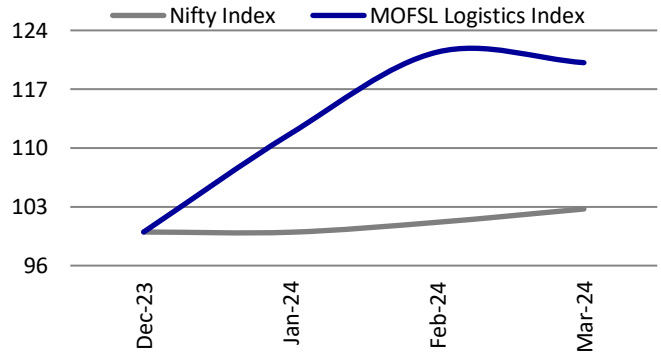
Source: GSTN, MOFSL

Exhibit 3: Movement in freight rates vs. diesel prices



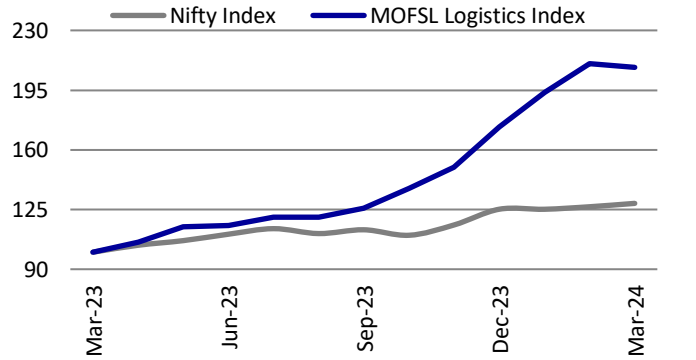
Source: IFTRT, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Logistics						**35.2**	**29.5**	**24.0**	**5.5**	**4.9**	**4.3**	**15.6**	**16.7**	**17.9**
Adani Ports	1,376	Buy	41.3	48.6	58.3	32.5	28.3	23.6	5.5	4.9	4.3	18.2	18.6	19.3
Blue Dart Express	6,147	Buy	123.9	189.1	242.9	49.9	32.5	25.3	10.4	8.5	6.8	22.0	28.7	29.8
Concor	903	Buy	21.0	25.1	31.0	42.0	36.0	29.1	4.5	4.3	4.0	11.0	12.4	14.3
JSW Infra	247	Buy	5.4	7.5	10.3	45.2	33.0	24.0	6.8	5.9	5.0	19.6	19.2	22.5
Mahindra Logistics	427	Neutral	-6.5	7.1	17.1	-63.2	60.3	25.0	5.8	5.7	4.8	-8.7	9.8	20.9
TCI Express	1,065	Buy	34.7	40.5	44.5	29.5	26.3	23.9	5.6	5.0	4.2	20.5	20.4	19.1
Transport Corp.	822	Buy	43.6	51.1	60.3	18.5	16.1	13.6	3.1	2.7	2.3	17.8	17.7	17.7
VRL Logistics	558	Buy	10.1	18.0	25.1	54.3	30.9	22.3	4.8	4.5	4.0	8.9	15.2	19.2

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter / financial year under review.

Adani Ports & SEZ — Buy

CMP: INR1,376 | TP: INR1,590 (+16%) — **EPS CHANGE (%): FY24|25: -3|-3**

- Expect revenue to jump ~23% YoY to INR71.5b, driven by 27% YoY growth in volumes and 20% YoY growth in the logistics business.
- Expect adjusted PAT to be at INR23b (+15% YoY)
- Expect EBITDA at INR42.7b; EBITDA margin to expand 320bp YoY driven by cargo volume growth and improving margins in the logistics business.
- Improvement in utilization at the existing and recently acquired ports and growth in the logistics business remain the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**50,581**	**52,108**	**47,862**	**57,969**	**62,476**	**66,464**	**69,201**	**71,554**	**2,08,519**	**2,69,695**
YoY Change (%)	8.3	32.8	17.5	40.0	23.5	27.6	44.6	23.4	21.8	29.3
EBITDA	**32,905**	**32,603**	**30,114**	**32,713**	**37,537**	**38,805**	**41,860**	**42,668**	**1,28,335**	**1,60,869**
Margin (%)	65.1	62.6	62.9	56.4	60.1	58.4	60.5	59.6	61.5	59.6
Depreciation	8,404	8,543	8,836	8,449	9,496	9,745	9,853	9,925	34,232	39,019
Interest	6,512	6,345	5,448	7,631	7,061	7,153	6,864	6,928	25,936	28,007
Other Income	4,681	4,381	2,650	3,823	3,837	3,055	5,069	5,128	15,535	17,088
PBT before EO expense	**22,669**	**22,096**	**18,479**	**20,457**	**24,816**	**24,962**	**30,211**	**30,943**	**83,701**	**1,10,931**
Extra-Ord. expense	12,232	4,271	3,258	14,146	-844	213	1,822	0	33,907	1,191
PBT	**10,437**	**17,825**	**15,221**	**6,311**	**25,660**	**24,749**	**28,389**	**30,943**	**49,794**	**1,09,740**
Tax	-721	1,626	2,274	-2,215	3,714	7,591	5,331	7,507	964	24,143
Rate (%)	-6.9	9.1	14.9	-35.1	14.5	30.7	18.8	24.3	1.9	22.0
MI & Asso. Cos	17	573	11	-253	799	-320	973	416	348	1,868
Reported PAT	**11,141**	**15,626**	**12,936**	**8,779**	**21,147**	**17,479**	**22,084**	**23,020**	**48,482**	**83,729**
Adj. PAT	**20,927**	**19,043**	**15,543**	**20,095**	**20,472**	**22,200**	**23,542**	**23,020**	**75,608**	**89,234**
YoY Change (%)	25.6	41.8	-2.1	25.0	-2.2	16.6	51.5	14.6	23.0	18.0

Blue Dart Express — Buy

CMP: INR6,147 | TP: INR7,750 (+26%) — **EPS CHANGE (%): FY24|25: -1|-1**

- Expect revenue to increase ~14% YoY to INR13.9b in 4QFY24.
- Expect adjusted PAT to rise ~16% YoY to INR841m.
- Expect EBITDA to be INR1.4b. EBITDA margin to improve 60bp QoQ with better capacity utilization of the two newly added aircraft.
- Volume growth in the air and surface express segments and movement in ATF prices are the key monitorables.

Standalone quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**12,933**	**13,253**	**13,371**	**12,166**	**12,376**	**13,245**	**13,829**	**13,896**	**51,722**	**53,345**
YoY Change (%)	49.6	18.0	6.6	4.3	-4.3	-0.1	3.4	14.2	17.3	3.1
EBITDA	**1,908**	**1,627**	**1,506**	**1,282**	**1,133**	**1,305**	**1,343**	**1,437**	**6,323**	**5,218**
Margin (%)	14.7	12.3	11.3	10.5	9.2	9.9	9.7	10.3	12.2	9.8
YoY Change (%)	128.7	-18.0	-26.1	-41.2	-40.6	-19.8	-10.8	-1.8	-10.2	-17.5
Depreciation	397	419	414	436	444	456	473	473	1,666	1,845
Interest	47	42	42	44	45	48	47	49	174	189
Other Income	102	121	139	143	157	151	228	172	505	708
PBT before EO expense	**1,566**	**1,288**	**1,189**	**945**	**801**	**952**	**1,050**	**1,087**	**4,987**	**3,891**
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0
PBT	**1,566**	**1,288**	**1,189**	**945**	**801**	**952**	**1,050**	**1,087**	**4,987**	**3,891**
Tax	394	368	320	241	204	240	235	274	1,323	952
Rate (%)	25.2	28.5	26.9	25.5	25.4	25.2	22.4	25.2	26.5	24.5
Reported PAT	**1,172**	**920**	**869**	**703**	**598**	**713**	**816**	**813**	**3,664**	**2,939**
Adj. PAT	**1,172**	**920**	**869**	**703**	**598**	**713**	**816**	**813**	**3,664**	**2,939**
YoY Change (%)	298.9	-26.6	-28.9	-48.1	-49.0	-22.5	-6.2	15.6	-11.1	-19.8
Margin (%)	9.1	6.9	6.5	5.8	4.8	5.4	5.9	5.9	7.1	5.5

Container Corp. of India — Buy

CMP: INR903 | TP: INR1,120 (+24%) — **EPS CHANGE (%): FY24|25: -2|+5**

- Expect volumes to rise ~11% YoY on a low base of 4QFY23.
- EBITDA margin to improve 270bp YoY to 23.2% supported by higher volumes.
- Adj. PAT to increase to ~INR3.4b (+23% YoY) aided by higher volumes and lower LLF growth.
- Expect EXIM/domestic volumes to grow ~9%/15% YoY.
- Growth in EXIM trade, progress on commissioning of the DFC, and divestment of stake by the government are the key monitorables.

Standalone quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**19,783**	**19,707**	**19,884**	**21,660**	**19,193**	**21,904**	**22,051**	**22,844**	**81,034**	**85,993**
YoY Change (%)	9.4	8.0	3.6	6.0	-3.0	11.1	10.9	5.5	6.7	6.1
EBITDA	**4,723**	**4,986**	**4,264**	**4,447**	**3,916**	**5,372**	**5,117**	**5,295**	**18,421**	**19,700**
Margin (%)	23.9	25.3	21.4	20.5	20.4	24.5	23.2	23.2	22.7	22.9
YoY Change (%)	9.0	16.9	-6.4	7.7	-17.1	7.7	20.0	19.1	6.6	6.9
Depreciation	1,312	1,341	1,357	1,531	1,378	1,486	1,543	1,537	5,541	5,943
Interest	139	143	142	146	141	147	175	157	570	620
Other Income	629	520	1,136	955	815	1,025	1,007	994	3,240	3,840
PBT before EO expense	**3,901**	**4,022**	**3,901**	**3,725**	**3,212**	**4,764**	**4,406**	**4,596**	**15,550**	**16,978**
Extra-Ord. expense	0	0	0	13	0	0	0	0	13	0
PBT	**3,901**	**4,022**	**3,901**	**3,713**	**3,212**	**4,764**	**4,406**	**4,596**	**15,537**	**16,978**
Tax	988	994	936	928	771	1,187	1,062	1,157	3,847	4,176
Rate (%)	25.3	24.7	24.0	25.0	24.0	24.9	24.1	25.2	24.8	24.6
Reported PAT	**2,913**	**3,028**	**2,965**	**2,785**	**2,441**	**3,577**	**3,344**	**3,439**	**11,691**	**12,801**
Adj. PAT	**2,913**	**3,028**	**2,965**	**2,785**	**2,441**	**3,577**	**3,344**	**3,439**	**11,703**	**12,801**
YoY Change (%)	14.3	14.7	3.5	8.4	-16.2	18.1	12.8	23.5	10.2	9.4
Margin (%)	14.7	15.4	14.9	12.9	12.7	16.3	15.2	15.1	14.4	14.9

JSW Infrastructure — Buy

CMP: INR247 | TP: INR300 (+22%) — **EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to increase ~9% YoY to INR9.8b driven by volume growth.
- Expect adjusted PAT to be at INR3.3b (+8% YoY)
- Expect EBITDA at INR5.2b; EBITDA margin to improve 200bp YoY driven by strong volume growth in 4QFY24
- Improvement in utilization at the existing and the recently acquired ports remain the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**8,317**	**6,620**	**7,977**	**9,033**	**8,781**	**8,483**	**9,401**	**9,816**	**31,947**	**36,481**
YoY Change (%)	50.1	25.9	59.3	30.4	5.6	28.1	17.8	8.7	40.5	14.2
EBITDA	**4,452**	**3,410**	**3,764**	**4,576**	**4,513**	**4,522**	**4,799**	**5,171**	**16,202**	**19,005**
Margin (%)	53.5	51.5	47.2	50.7	51.4	53.3	51.0	52.7	50.7	52.1
YoY Change (%)	57.8	47.0	63.6	25.2	1.4	32.6	27.5	13.0	46.0	17.3
Depreciation	983	993	1,023	913	947	1,005	1,076	1,097	3,912	4,125
Interest	705	689	720	705	714	752	672	658	2,819	2,796
Other Income	299	345	443	694	401	472	782	750	1,781	2,405
PBT before EO expense	**3,063**	**2,073**	**2,464**	**3,652**	**3,253**	**3,237**	**3,834**	**4,165**	**11,252**	**14,489**
Extra-Ord. expense	676	403	1,388	676	-872	-45	763	0	3,142	-154
PBT	**2,387**	**1,670**	**1,076**	**2,976**	**4,125**	**3,282**	**3,071**	**4,165**	**8,110**	**14,642**
Tax	14	288	-88	401	903	723	535	850	615	3,010
Rate (%)	0.6	17.2	-8.1	13.5	21.9	22.0	17.4	20.4	7.6	20.6
Minority Interest	-33.4	0.0	-14.9	-48.6	0.0	-14.7	-29.1	-53.0	-96.8	-96.8
Profit/Loss of Asso. Cos	0	0	0	0	0	0	0	0	0	0
Reported PAT	**2,340**	**1,383**	**1,149**	**2,527**	**3,222**	**2,544**	**2,507**	**3,263**	**7,398**	**11,535**
Adj. PAT	**2,847**	**1,685**	**2,190**	**3,034**	**2,568**	**2,510**	**3,079**	**3,263**	**9,755**	**11,420**
YoY Change (%)	184.2	79.0	168.8	1,055.8	-9.8	49.0	40.6	7.5	236.8	17.1
Margin (%)	34.2	25.4	27.4	33.6	29.2	29.6	32.7	33.2	30.5	31.3

Mahindra Logistics — Neutral

CMP: INR427 | TP: INR387 (-9%) — **EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to rise 14% YoY to INR14.5b.
- Expect Adj. Loss of INR6m as the loss-making Rivigo business dents profitability.
- Expect EBITDA to be at INR584m (-8% YoY) and project a sequential margin improvement of 30bp.
- Operating profitability in Rivigo business, and outlook on MM's auto segment sales to be the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**11,999**	**13,263**	**13,296**	**12,725**	**12,932**	**13,648**	**13,972**	**14,504**	**51,283**	**55,056**
YoY Change (%)	35.9	28.4	17.0	16.9	7.8	2.9	5.1	14.0	23.8	7.4
EBITDA	**657**	**676**	**627**	**637**	**666**	**536**	**522**	**584**	**2,598**	**2,308**
Margin (%)	5.5	5.1	4.7	5.0	5.2	3.9	3.7	4.0	5.1	4.2
YoY Change (%)	61.8	43.8	38.4	23.8	1.4	-20.7	-16.8	-8.3	41.0	-11.1
Depreciation	409	436	498	553	545	518	515	531	1,895	2,109
Interest	89	107	150	169	178	165	164	161	516	668
Other Income	31	34	56	38	62	66	23	69	159	219
PBT	**190**	**167**	**36**	**-46**	**6**	**-82**	**-96**	**-40**	**345**	**-211**
Tax	53	47	19	-48	89	73	68	-10	71	220
Rate (%)	28.1	28.5	53.0	104.3	1,556.1	-89.2	-71.4	25.2	20.6	-104.0
Minority Interest/Associates	-1	3	-3	-10	-3	-5	-10	23	-11	6
Reported PAT	**135**	**122**	**14**	**-8.2**	**-85.5**	**-159**	**-174**	**-6**	**263**	**-425**
Adj. PAT	**135**	**122**	**14**	**-8.2**	**-85.5**	**-159**	**-212**	**-6**	**263**	**-463**
YoY Change (%)	310.9	132.2	-21.5	-111.1	NA	-230.7	PL	-23.5	49.7	-276.3
Margin (%)	1.1	0.9	0.1	-0.1	-0.7	-1.2	-1.5	0.0	0.5	-0.8

Transport Corporation of India — Buy

CMP: INR822 | TP: INR1,025 (+25%) — **EPS CHANGE (%): FY24|25: -1|-11**

- Expect revenue to improve ~8% YoY to INR10.5b propelled by 15% YoY growth in the supply chain segment.
- Expect adjusted PAT to be at INR873m (+3% YoY) in 4QFY24.
- Expect EBITDA at INR1.1b (+4% YoY) and EBITDA margin at 10.6% (-40bp YoY) due to the subdued freight activity and weakness in prices in the seaways business.
- Volume growth in the freight business and margin in the seaways business are the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**9,029**	**9,321**	**9,667**	**9,793**	**9,498**	**9,935**	**10,020**	**10,530**	**37,826**	**39,983**
YoY Change (%)	29.7	13.0	15.4	9.0	5.2	6.6	3.7	7.5	16.1	5.7
EBITDA	**1,041**	**960**	**1,144**	**1,081**	**1,008**	**1,004**	**999**	**1,121**	**4,240**	**4,132**
Margin (%)	11.5	10.3	11.8	11.0	10.6	10.1	10.0	10.6	11.2	10.3
YoY Change (%)	37.4	-8.2	4.8	-10.0	-3.1	4.6	-12.7	3.8	3.2	-2.6
Depreciation	289	300	314	311	308	311	331	333	1,214	1,283
Interest	23	25	26	24	23	34	35	31	98	123
Other Income	53	74	70	121	85	113	95	85	303	378
PBT before EO expense	**782**	**708**	**874**	**867**	**762**	**772**	**728**	**842**	**3,231**	**3,104**
Extra-Ord. expense	0	0	0	34	0	0	0	0	34	0
PBT	**782**	**708**	**874**	**833**	**762**	**772**	**728**	**842**	**3,197**	**3,104**
Tax	93	116	110	115	104	96	108	127	434	435
Rate (%)	11.9	16.4	12.6	13.8	13.6	12.4	14.8	15.0	13.6	14.0
Minority Interest	-8.4	-6.6	-8.2	-9.3	-9.0	-8.0	-8.0	-5.0	-32.5	-30.0
Profit/Loss of Asso. Cos	98	138	102	106	174	202	182	163	444	721
Reported PAT	**778**	**723**	**857**	**814**	**823**	**870**	**794**	**873**	**3,173**	**3,360**
Adj. PAT	**778**	**723**	**857**	**848**	**823**	**870**	**794**	**873**	**3,207**	**3,360**
YoY Change (%)	65.9	-4.1	4.4	-0.7	5.8	20.3	-7.4	2.9	10.7	4.8
Margin (%)	8.6	7.8	8.9	8.7	8.7	8.8	7.9	8.3	8.5	8.4

TCI Express — Buy

CMP: INR1,065 | TP: INR1,250 (+16%) — **EPS CHANGE (%): FY24|25: -2|-8**

- Expect revenue to remain flat at ~INR3.3b.
- Expect Adj. PAT to increase to INR328m (-15% YoY)
- Expect EBITDA at INR470m; margin to contract 220bp YoY due to weak volume growth amid the extended holiday season in Mar'24.
- Outlook on the B2B express segment and competitive scenario are the key monitorables

Quarterly performance

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**2,904**	**3,099**	**3,144**	**3,263**	**3,049**	**3,200**	**3,119**	**3,255**	**12,410**	**12,622**
YoY Change (%)	30.3	13.3	9.6	9.4	5.0	3.3	-0.8	-0.2	14.8	1.7
EBITDA	**428**	**515**	**461**	**541**	**464**	**505**	**456**	**470**	**1,945**	**1,894**
Margin (%)	14.7	16.6	14.7	16.6	15.2	15.8	14.6	14.4	15.7	15.0
YoY Change (%)	33.4	13.7	-2.3	7.8	8.4	-2.0	-1.1	-13.2	11.3	-2.6
Depreciation	33	35	43	42	46	47	48	49	153	190
Interest	3	4	4	7	4	4	3	4	18	15
Other Income	19	23	13	17	15	18	20	22	72	75
PBT before EO expense	**411**	**499**	**427**	**509**	**429**	**472**	**424**	**439**	**1,845**	**1,763**
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0
PBT	**411**	**499**	**427**	**509**	**429**	**472**	**424**	**439**	**1,845**	**1,763**
Tax	101	121	106	124	105	116	103	111	453	434
Rate (%)	24.5	24.3	24.9	24.4	24.6	24.5	24.2	25.2	24.5	24.6
Reported PAT	**310**	**378**	**320**	**385**	**323**	**356**	**322**	**328**	**1,393**	**1,329**
Adj. PAT	**310**	**378**	**320**	**385**	**323**	**356**	**322**	**328**	**1,393**	**1,329**
YoY Change (%)	30.5	11.0	-8.8	7.0	4.3	-5.8	0.5	-14.7	8.1	-4.6
Margin (%)	10.7	12.2	10.2	11.8	10.6	11.1	10.3	10.1	11.2	10.5

VRL Logistics — Buy

CMP: INR558 | TP: INR700 (+26%) — **EPS CHANGE (%): FY24|25: -10|-14**

- Expect revenue to increase ~11% YoY to INR7.7b driven by 10% YoY growth in volumes
- Expect adjusted PAT to be at INR218m (-64% YoY)
- Expect EBITDA to be at ~INR1b; EBITDA margin to improve 50bp QoQ driven by higher sequential volumes
- Addition of fleet, branch expansion, and volume growth are the key monitorables.

Quarterly performance

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**6,143**	**6,545**	**6,815**	**6,982**	**6,742**	**7,093**	**7,367**	**7,733**	**26,485**	**28,935**
YoY Change (%)	48.5	2.8	13.3	17.6	9.7	8.4	8.1	10.8	17.9	9.3
EBITDA	**913**	**930**	**1,033**	**1,141**	**1,019**	**918**	**944**	**1,028**	**4,017**	**3,910**
Margin (%)	14.9	14.2	15.2	16.3	15.1	12.9	12.8	13.3	15.2	13.5
YoY Change (%)	153.0	-17.9	-12.1	-0.7	11.7	-1.3	-8.6	-9.9	5.2	-2.7
Depreciation	334	384	421	453	489	522	568	569	1,591	2,148
Interest	120	139	151	133	163	185	213	210	543	771
Other Income	30	22	45	47	89	60	24	42	143	215
PBT before EO expense	**488**	**429**	**506**	**602**	**456**	**271**	**187**	**291**	**2,025**	**1,205**
Extra-Ord. expense	-134	0	-114	-1,322	0	-5	0	0	-1,571	-5
PBT	**622**	**429**	**620**	**1,924**	**456**	**276**	**187**	**291**	**3,596**	**1,210**
Tax	121	122	128	-7	117	77	50	73	364	317
Rate (%)	19.5	28.4	20.7	-0.4	25.6	27.8	26.9	25.1	10.1	26.2
Reported PAT	**501**	**307**	**492**	**1,932**	**339**	**199**	**137**	**218**	**3,232**	**893**
Adj. PAT	**367**	**307**	**378**	**610**	**339**	**194**	**137**	**218**	**1,661**	**889**
YoY Change (%)	NA	-38	-33.1	16.6	-7.5	-36.7	-63.7	-64.3	9.2	-46.5
Margin (%)	6.0	4.7	5.5	8.7	5.0	2.7	1.9	2.8	6.3	3.1

Metals

Company
Coal India
Hindalco Industries
Hindustan Zinc
Jindal Steel & Power
JSW Steel
NMDC
National Aluminum Co.
Steel Authority of India
Tata Steel
Vedanta

Lower steel prices and elevated raw material prices to impact performance

Companies in our coverage universe are expected to post weak performance, with EBITDA and PAT declining 12% and 26% QoQ, respectively in 4Q FY24. This can be attributed to: a) softness in steel prices, b) higher coal cost, and c) higher iron ore costs, partially offset by improvement in volumes. While we expect the ferrous sector to post subdued performance, the non-ferrous sector is expected to perform better. The mining companies are expected to report strong growth, driven by volumes.

In 4QFY24, average domestic HRC prices have declined ~5% QoQ to INR53,524/t, while rebar prices and CRC prices have declined 7% and 5% QoQ to INR51,918/t and INR61,650/t, respectively. International iron ore prices decreased 3% to USD125/t and NMDC undertook a price cut of INR250/t recently in 4QFY24.

Similarly, premium HCC was down ~USD19/t (down 5%) QoQ at USD330/t. As Tier-I mills carry nearly two months of coal inventory, they are likely to experience the negative impact of increased coking coal prices in 4QFY24. We would await further insights from the management regarding the influence of elevated coal and iron ore expenses in the coming quarters.

Steel spreads are currently at one of their lowest levels and market participants and vendors are closely monitoring the demand situation. Exports have increased, which should provide some support to realizations. Tier-I mills continue to focus on the domestic market with an expected uptick in construction activity.

HRC and rebar prices, which are currently hovering below INR52,000/t and INR52,700/t, respectively, are expected to improve, driven by the resumption in exports to the EU/MENA region and an expected uptick in domestic demand, following the elections.

We reiterate our **BUY rating** on **HNDL, COAL, NMDC, and JSP.**

Steel: We expect the steel sector to report weak performance due to reduced realization and higher costs, resulting from an increase in iron ore and coal prices. However, it would be partially offset by an improvement in volumes, leading to better operating leverage. The volumes are expected to improve with higher exports and improved demand in the domestic market.

Prices of key input raw materials, especially coking coal, which is currently in the range of USD255/t is expected to provide some cushion to margins in 1QFY25.

Alok Deora – Research Analyst (Alok.Deora@MotilalOswal.com)

Sonu Upadhyay – Research Analyst (Sonu.Upadhyay@MotilalOswal.com)

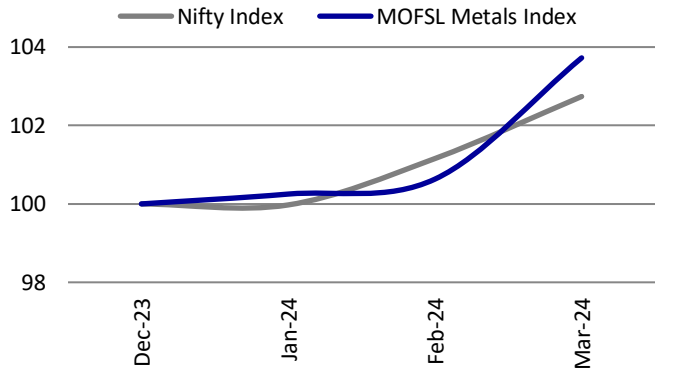
Non-ferrous: Metal prices, which peaked at the beginning of CY23, have since experienced a soft correction throughout 4QFY24. Copper/nickel/lead were up 3%/ down 4%/ down 2% QoQ at USD8,545/USD16,608/USD2,075 per tonne, while aluminum and zinc stood flat QoQ at USD2,203/USD2,453 per tonne.

Non-Ferrous companies under our coverage are expected to post flat revenue growth on a QoQ basis. EBITDA/APAT are expected to increase 3%/7%, driven by better performance at HNDL and NACL.

Mining: The e-auction premium for COAL, which came in as a positive surprise of 117% in 3QFY24, is expected to be around 53% in 4QFY24 and around 90% for FY24E. The e-auction premium, which improved in Oct'23, has since softened due to increased supplies. In FY24, COAL production increased 10% YoY, while dispatches grew 8.5% YoY.

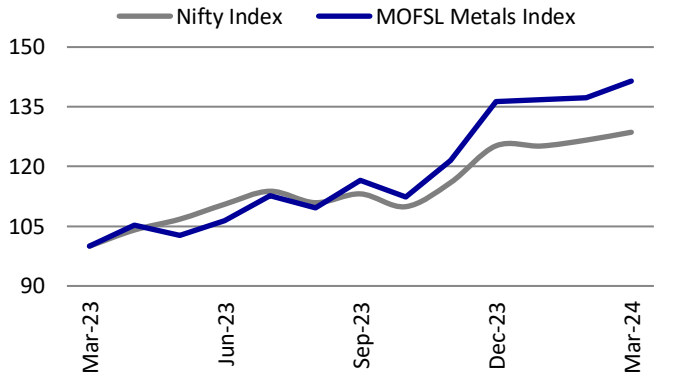
In line with the recent decline in iron ore prices in the international market, NMDC has cut prices in latter part of 4QFY24, aggregating to ~INR250/t. It has closed FY24 with a production of 45mt.

Exhibit 1: Relative performance – three months (%)



Sources: MOFSL, Bloomberg

Exhibit 2: Relative performance – one year (%)



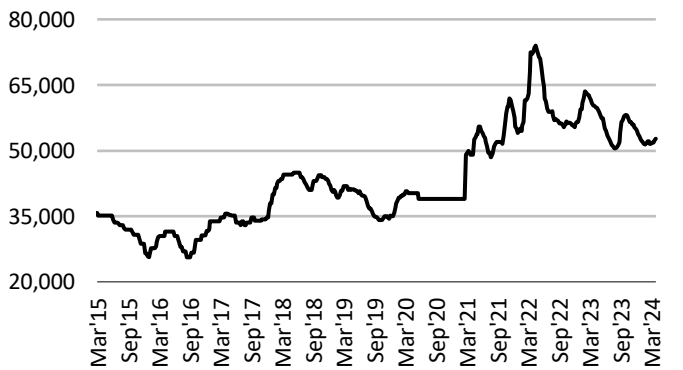
Sources: MOFSL, Bloomberg

Exhibit 3: Domestic HRC prices remained under pressure in 4QFY24



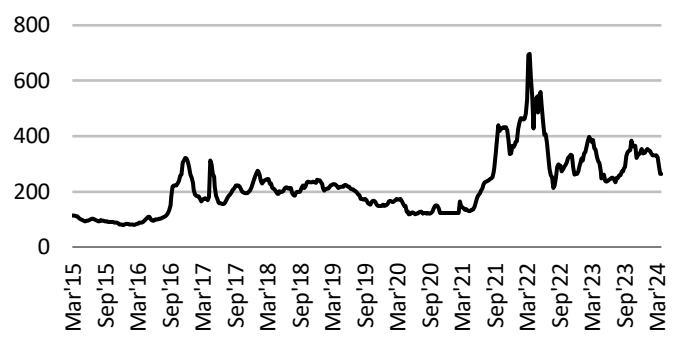
Source: MOFSL, Steelmint

Exhibit 4: Primary Rebar prices were down 7% QoQ



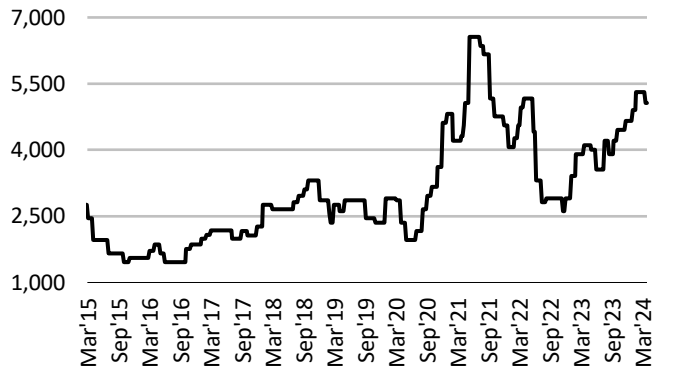
Source: MOFSL, Steelmint

Exhibit 5: Coking coal prices decreased 5% QoQ to quarterly average of ~USD255/t



Source: MOFSL, Steelmint

Exhibit 6: NMDC took a price cut recently in line with the decline in Global Iron ore prices



Source: MOFSL, Steelmint

Exhibit 7: Key assumptions (all amounts in INR b, except for volumes and per tonne)

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel										
Sales - mt	4.5	5.7	5.7	6.5	5.7	6.4	6.0	6.6	10.6	1.6
Realization/t	84,824	72,784	68,536	71,917	73,928	69,772	69,900	67,507	-3.4	-6.1
EBITDA/t	9,597	3,052	7,963	12,158	12,340	12,341	11,967	8,861	-26.0	-27.1
Consol Revenue	381	418	391	470	422	446	419	448	6.8	-4.6
Consol EBITDA	43	18	45	79	70	79	72	59	-18.1	-25.9
Consol PAT	8	-14	5	37	23	31	23	15	-32.7	-58.1
Tata Steel	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Standalone										
Sales - mt	4.1	4.9	4.6	4.8	4.8	4.8	4.9	5.2	6.8	8.6
Realization/t	89,172	70,556	73,920	79,333	74,083	70,924	71,069	68,961	-3.0	-13.1
EBITDA/t	24,113	9,503	11,189	18,047	13,924	14,248	16,905	14,132	-16.4	-21.7
Revenue	363	346	339	380	355	342	347	359	3.6	-5.6
EBITDA	98	47	51	87	67	69	82	74	-10.7	-14.9
PAT	60	22	24	49	46	45	46	37	-20.3	-24.1
Consolidated										
Sales - mt	6.6	7.2	7.2	7.8	7.2	7.1	7.2	7.9	10.5	1.5
Realization/t	95,671	82,818	79,837	80,927	82,625	78,758	77,359	77,505	0.2	-4.2
EBITDA/t	22,584	8,382	5,661	9,279	7,186	6,037	8,760	7,533	-14.0	-18.8
Consol Revenue	634	599	571	630	595	557	553	612	10.7	-2.8
Consol EBITDA	150	61	40	72	52	43	63	60	-5.0	-17.6
Consol PAT	78	15	-24	17	6	7	8	11	24.4	-37.7
TSE										
Sales - mt	2.1	1.9	2.0	2.2	2.0	2.0	1.9	2.1	8.2	-2.8
Revenue	260	216	207	220	213	202	192	226	17.8	2.8
EBITDA	60	18	-16	-16	-16	-25	-29	-15	NA	NA
EBITDA/t (USD)	366	123	-95	-91	-98	-155	-175	-83	NA	NA
SAIL	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Sales - mt	3.2	4.2	4.2	4.7	3.9	4.8	3.8	4.4	16.2	-5.7
Realization/t	76,185	62,328	60,328	62,232	62,717	58,256	61,444	59,021	-3.9	-5.2
EBITDA/t	7,297	1,746	5,007	6,247	4,245	4,429	5,638	4,211	-25.3	-32.6
Consol Revenue	240	262	250	291	244	280	233	261	11.6	-10.5
Consol EBITDA	23	7	21	29	16	21	21	19	-13.2	-36.4
Consol PAT	8	-3	2	12	2	3	3	2	-51.8	-86.1
JSP	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Sales (mt)	1.7	2.0	1.9	2.0	1.8	2.0	1.8	1.9	7.4	-4.3
Realization/t	74,974	67,271	65,539	67,448	68,415	60,946	64,648	62,821	-2.8	-6.9
EBITDA/t	17,200	7,559	12,513	10,775	14,283	11,372	15,705	13,286	-15.4	23.3
Consol Revenue	130	135	125	137	126	123	117	122	4.3	-10.8
Consol EBITDA	30	15	24	22	26	23	28	26	-9.2	18.0
Consol PAT	15	7	9	6	17	14	19	12	-35.3	102.6
NMDC	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Sales - mt	7.8	8.4	9.6	12.4	11.0	9.6	11.4	12.8	12.5	3.3
Realization/t	6,111	3,947	3,885	4,716	4,915	4,194	4,748	4,955	4.4	5.1

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
EBITDA/t	2,434	1,009	1,191	1,743	1,816	1,244	1,762	1,819	3.3	4.4
Revenue	48	33	37	59	54	40	54	64	17.4	8.6
EBITDA	19	9	11	22	20	12	20	23	16.2	7.9
PAT	14	10	9	16	17	10	17	19	13.1	20.5
HNDL	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Aluminum sales - kt	333	341	349	323	341	334	333	332	-0.3	2.8
Copper sales - kt	101	112	109	117	118	134	119	125	5.0	6.8
Novelis vol- kt	962	984	908	936	879	933	910	953	4.7	1.8
Novelis adj EBITDA (USD m)	561	506	341	403	421	484	454	500	10.1	24.1
Consol Revenue	580	562	532	559	530	542	528	532	0.8	-4.7
Consol EBITDA	84	54	35	53	57	56	59	63	7.8	18.7
Consol PAT	41	22	14	24	25	22	23	29	26.4	22.2
HZL	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Zinc vol (India) - kt	206	189	210	216	208	185	203	221	8.9	2.3
Lead vol (India) - kt	54	57	46	54	50	57	56	53	-5.4	-1.9
Silver vol- t	177	194	161	182	179	181	197	189	-4.1	3.8
Consol Revenue	94	83	79	85	73	68	73	80	8.9	-6.4
Consol EBITDA	51	44	37	43	33	31	35	36	2.0	-15.6
Consol PAT	31	27	22	26	20	17	20	19	-4.2	-24.8
VED	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Consol Revenue	386	367	341	379	337	342	355	342	-3.8	-9.9
Consol EBITDA	102	77	71	95	64	67	85	84	-1.1	-10.8
Consol PAT	44	14	16	31	9	5	20	19	-6.2	-39.4
NACL	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Consol Revenue	38	35	33	37	32	30	33	39	17.2	6.9
Consol EBITDA	9	3	5	8	6	4	8	8	9.1	10.0
Consol PAT	6	1	3	5	3	2	5	5	14.0	8.4
COAL	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24E**	**QoQ**	**YoY**
Sales - mt	178	155	176	187	187	174	191	201	5.2	7.5
NSR - FSA INR/t	1,443	1,414	1,482	1,550	1,536	1,542	1,532	1,537	0.3	-0.8
E-auction premium	201	329	241	192	144	83	117	53	-54.9	-72.6
EBITDA/t	717	519	639	461	597	512	624	472	-24.3	2.4
Consol Revenue	351	298	352	382	360	328	362	376	3.9	-1.6
Consol Adj EBITDA	127	80	112	86	112	89	119	95	-20.1	10.3
Consol PAT	88	60	78	55	80	68	91	68	-24.7	23.4

Exhibit 8: Domestic sales volumes (mt) likely to improve QoQ

Sales Volume	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel	4.5	5.7	5.7	6.5	5.7	6.4	6.0	6.6	10.6	1.6
Tata Steel	6.6	7.2	7.2	7.8	7.2	7.1	7.2	7.9	10.5	1.5
SAIL	3.2	4.2	4.2	4.7	3.9	4.8	3.8	4.4	16.2	-5.7
JSPL	1.7	2.0	1.9	2.0	1.8	2.0	1.8	1.9	7.4	-4.3

Sources: MOFSL, Company

Exhibit 9: ASP under pressure in 4QFY24

ASP	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel	84,824	72,784	68,536	71,917	73,928	69,772	69,900	67,507	-3.4	-6.1
Tata Steel	95,671	82,818	79,837	80,927	82,625	78,758	77,359	77,505	0.2	-4.2
SAIL	76,185	62,328	60,328	62,232	62,717	58,256	61,444	59,021	-3.9	-5.2
JSPL	74,974	67,271	65,539	67,448	68,415	60,946	64,648	62,821	-2.8	-6.9

Sources: MOFSL, Company

Exhibit 10: EBITDA/t to be soft for most companies

EBITDA/t	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel	9,597	3,052	7,963	12,158	12,340	12,341	11,967	8,861	-26.0	-27.1
Tata Steel	22,584	8,382	5,661	9,279	7,186	6,037	8,760	7,533	-14.0	-18.8
SAIL	7,297	1,746	5,007	6,247	4,245	4,429	5,638	4,211	-25.3	-32.6
JSPL	17,200	7,559	12,513	10,775	14,283	11,372	15,705	13,286	-15.4	23.3

Sources: MOFSL, Company

Exhibit 11: Key commodity prices

Non-ferrous metal price movement	UoM	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Abs YoY	% YoY	Abs QoQ	% QoQ
Copper-LME	USD/t	7,754	8,010	8,919	8,472	8,356	8,169	8,445	-474	-5%	276	3%
Aluminum-LME	USD/t	2,356	2,324	2,395	2,261	2,154	2,192	2,203	-192	-8%	11	1%
Zinc-LME	USD/t	3,278	3,000	3,123	2,536	2,427	2,500	2,453	-669	-21%	-47	-2%
Nickel-LME	USD/t	22,105	25,581	26,033	22,333	20,396	17,257	16,608	-9,425	-36%	-649	-4%
Lead-LME	USD/t	1,977	2,104	2,143	2,117	2,170	2,121	2,075	-68	-3%	-46	-2%
Alumina-Spot	USD/t	339	319	356	349	336	334	333	-24	-7%	-1	0%
Silver	USD/oz	19	21	22	24	24	23	23	1	3%	-0	-1%
Brent	USD/bbl	99	88	81	78	87	84	83	2	2%	-1	-1%
China Steel Prices												
China TMT	RMB/t	4,164	3,969	4,289	3,842	3,822	4,023	4,066	-223	-5%	43	1%
China HRC	RMB/t	4,077	3,941	4,291	3,947	3,937	3,946	3,991	-299	-7%	45	1%
China Wire Rod	RMB/t	4,604	4,424	4,666	4,231	4,189	4,331	4,299	-367	-8%	-32	-1%
India Domestic Prices												
HRC India FoB	USD/t	597	557	676	629	572	580	593	-83	-12%	13	2%
HRC Dom Mum	INR/t	57,662	55,607	59,189	57,544	56,663	56,350	53,524	-5,666	-10%	-2,826	-5%
Billet Raigarh	INR/t	48,149	44,218	46,076	44,102	42,348	40,676	39,084	-6,992	-15%	-1,593	-4%
Wire Rod - Dom	INR/t	57,750	54,992	57,309	54,076	51,669	54,393	50,214	-7,095	-12%	-4,179	-8%
TMT Primary Mum	INR/t	57,135	56,247	61,212	56,495	53,114	55,812	51,918	-9,294	-15%	-3,894	-7%
TMT Secondary Mum	INR/t	55,051	53,789	56,702	52,383	49,264	49,560	48,705	-7,998	-14%	-855	-2%
Pig Iron SG Durgapur	INR/t	46,514	41,908	43,585	42,282	40,665	38,076	38,344	-5,241	-12%	268	1%
CRC Mum	INR/t	67,046	62,746	64,081	62,086	60,975	62,946	61,650	-2,431	-4%	-1,296	-2%
Galvanized Plain	INR/t	69,238	65,469	72,964	71,117	67,983	69,092	65,854	-7,110	-10%	-3,238	-5%
Color Coated	INR/t	77,923	74,500	80,176	81,138	79,021	78,925	75,931	-4,245	-5%	-2,994	-4%
Coking Coal / Coke												
HCC China	USD/t	291	275	276	199	213	263	242	-34	-12%	-21	-8%
HCC Prem India CNF	USD/t	271	294	357	260	276	349	330	-27	-8%	-19	-5%
HCC Mid Vols India CNF	USD/t	248	276	326	231	236	285	277	-49	-15%	-8	-3%
PCI Coal CNF India	USD/t	265	289	328	226	182	204	182	-145	-44%	-21	-10%
Iron Ore												
62% CNF China - Aus	USD/t	104	99	125	111	114	128	125	-0	0%	-3	-3%
Odisha Fines - 62%	INR/t	4,815	4,815	4,815	4,815	4,815	4,815	4,815	-	0%	-	0%
K'taka Fines Fe 60%	INR/t	2,223	2,050	2,644	3,000	2,706	3,579	4,079	1,434	54%	500	14%
NMDC 64 %Fines (C'garh)	INR/t	2,877	2,860	3,623	3,923	3,999	4,546	5,155	1,533	42%	610	13%
NMDC 65%-Lumps	INR/t	3,353	3,360	4,077	4,020	4,570	5,206	5,802	1,725	42%	596	11%
Domestic Pellet	INR/t	7,156	7,520	9,250	8,367	8,447	8,561	8,630	-620	-7%	69	1%
Sponge Iron- Raigarh	INR/t	32,948	29,820	31,016	28,190	27,930	27,029	25,790	-5,226	-17%	-1,239	-5%
China Chrome Ore (40-42%)	USD/t	243	228	279	285	291	286	289	11	4%	3	1%
Odisha Chrome Ore (E-Auction)	INR/t	16,264	18,423	20,392	21,037	26,577	30,110	30,574	10,182	50%	464	2%
Global Mn Ore 38%	USD/ dmtu	4.63	4.24	4.53	4.00	3.75	3.71	3.95	-0.58	-13%	0	6%
Mn Ore India Mn 44% Fe 5%	USD/ dmtu	6.03	4.72	5.84	4.92	4.58	4.38	4.40	-1.44	-25%	0	1%
Balaghat Mn 37.5%, Fe 7%	INR/t	14772	12,810	13,513	12,529	11,871	12,084	12,899	-614	-5%	815	7%
Silico manganese	INR/t	77751	75,175	76,884	73,401	68,067	64,202	66,167	-10,717	-14%	1,964	3%
Ferro Manganese	INR/t	80902	75,328	78,772	75,075	69,132	64,738	66,548	-12,224	-16%	1,810	3%
Currency	**Currency**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**Abs YoY**	**% YoY**	**Abs QoQ**	**% QoQ**
EUR/USD	EUR/USD	1.01	1.02	1.07	1.09	1.09	1.08	1.09	0.01	1%	0	1%
USD/CNY	USD/CNY	6.85	7.11	6.84	7.02	7.25	7.22	7.19	0.34	5%	-0	-1%
USD/GBP	USD/GBP	0.85	0.85	0.82	0.80	0.79	0.81	0.79	-0.03	-4%	-0	-2%
USD/INR	USD/INR	79.81	82.22	82.25	82.19	82.68	83.26	83.05	0.79	1%	-0	0%
GBP/INR	GBP/INR	93.81	96.50	99.96	102.92	104.63	103.37	105.32	5.36	5%	2	2%
EUR/INR	EUR/INR	80.34	84.03	88.27	89.49	89.95	89.63	90.18	1.90	2%	1	1%

Sources: MOFSL, Bloomberg, Steelmint

Exhibit 12: Expected quarterly performance summary

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Coal India	442	Buy	3,75,552	-1.6	3.9	95,335	10.3	-20.1	68,263	23.4	-24.7
Hindalco	568	Buy	5,32,082	-4.7	0.8	63,238	18.7	7.8	29,474	22.2	26.4
Hindustan Zinc	306	Neutral	79,633	-6.4	8.9	35,930	-15.6	2.0	19,428	-24.8	-4.2
JSPL	868	Buy	1,22,073	-10.8	4.3	25,818	18.0	-9.2	12,479	102.6	-35.3
JSW Steel	871	Neutral	4,47,906	-4.6	6.8	58,794	-25.9	-18.1	15,349	-58.1	-32.7
Nalco	161	Neutral	39,237	6.9	17.2	8,433	10.0	9.1	5,367	8.4	14.0
NMDC	213	Buy	63,528	8.6	17.4	23,326	7.9	16.2	18,942	20.5	13.1
SAIL	141	Neutral	2,60,639	-10.5	11.6	18,597	-36.4	-13.2	1,670	-86.1	-51.8
Tata Steel	163	Neutral	6,12,287	-2.8	10.7	59,513	-17.6	-5.0	10,542	-37.7	24.4
Vedanta	287	Neutral	3,41,865	-9.9	-3.8	84,336	-10.8	-1.1	18,876	-39.4	-6.2
Metals			**28,74,803**	**-5.0**	**5.4**	**4,73,319**	**-7.0**	**-7.3**	**2,00,391**	**-12.4**	**-12.8**

Source: MOFSL

Exhibit 13: Valuation summary

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Metals						**15.3**	**11.8**	**9.9**	**2.4**	**2.2**	**1.9**	**15.4**	**18.4**	**19.4**
Coal India	442	Buy	49.8	49.6	59.3	8.7	8.9	7.5	3.7	3.1	2.6	42.5	35.1	34.9
Hindalco	568	Buy	44.6	57.8	60.2	12.6	9.8	9.4	1.6	1.4	1.2	13.4	15.2	13.9
Hindustan Zinc	306	Neutral	18.1	22.5	26.6	16.1	13.6	11.5	8.7	6.9	5.2	56.4	57.6	51.6
JSPL	868	Buy	61.3	61.2	92.6	13.9	14.2	9.4	1.9	1.8	1.5	14.8	13.1	17.2
JSW Steel	871	Neutral	38.1	64.2	72.6	21.8	13.6	12.0	2.8	2.5	2.1	13.3	19.6	19.0
Nalco	161	Neutral	8.3	10.0	12.6	18.3	16.2	12.8	2.0	2.0	1.8	11.3	12.6	14.5
NMDC	213	Buy	21.3	23.0	26.0	9.5	9.2	8.2	2.2	2.1	1.8	25.6	23.9	23.4
SAIL	141	Neutral	2.8	10.8	13.1	48.3	13.0	10.7	1.0	1.0	0.9	2.1	7.7	8.9
Tata Steel	163	Neutral	2.6	10.3	13.0	59.0	15.8	12.5	2.1	2.1	1.9	3.5	13.6	16.0
Vedanta	287	Neutral	14.1	22.6	26.4	19.3	12.7	10.9	3.7	3.9	3.7	15.8	30.9	35.2

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Coal India — Buy

CMP: INR 442 | TP: INR 520 (+18%)

- COAL dispatches grew 7.7% YoY to 202mt in 4QFY24.
- Expect e-auction premium to be at ~53% in 4QFY24.
- Management guidance on FY24 and FY25 production, e-auction volumes and premium are important indicators to look out for.

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	**351**	**298**	**352**	**382**	**360**	**328**	**362**	**376**	**1,383**	**1,425**
Change YoY (%)	38.8	28.1	23.7	16.6	2.5	9.8	2.8	-1.6	26.0	3.1
Change QoQ (%)	7.3	-15.0	17.9	8.5	-5.7	-8.9	10.3	3.9		
Adj. EBITDA	**127**	**80**	**112**	**86**	**112**	**89**	**119**	**95**	**406**	**415**
Change YoY (%)	177.6	99.9	52.1	-30.7	-12.4	10.9	6.2	10.3	42.8	2.2
Change QoQ (%)	2.1	-37.0	40.1	-23.1	29.1	-20.3	34.2	-20.1		
EBITDA per tonne	**717**	**519**	**639**	**461**	**597**	**512**	**624**	**472**	**584**	**551**
Depreciation	10	11	13	13	11	12	13	14	47	50
OBR	5	7	8	17	6	8	6	10	38	30
Interest	2	1	2	2	2	2	2	3	7	9
Other Income	10	18	16	22	15	20	22	22	66	80
PBT after EO	**121**	**78**	**105**	**76**	**107**	**88**	**121**	**91**	**380**	**406**
Tax	32	16	29	21	28	20	33	23	99	104
Tax Rate (%)	26.8	21.0	27.4	27.9	25.8	23.2	27.1	25.2	26.0	25.5
PAT before MI & Asso.	**89**	**62**	**76**	**55**	**80**	**67**	**88**	**68**	**281**	**303**
Sh. of Assoc.	0	0	(0)	(0)	(0)	0	0	-	(0)	0
PAT after MI & Asso.	**88**	**60**	**78**	**55**	**80**	**68**	**91**	**68**	**282**	**307**
Adjusted PAT	**88**	**60**	**78**	**55**	**80**	**68**	**91**	**68**	**282**	**307**
Change YoY (%)	178.3	105.7	70.1	-17.5	-9.8	12.5	16.9	23.4	62.1	8.9
Change QoQ (%)	31.7	-31.6	28.3	-28.7	44.1	-14.7	33.4	-24.7		

Hindalco — Buy

CMP: INR 568 | TP: INR 670 (+18%)

- Novelis sales volumes expected to be higher on a sequential basis.
- Novelis EBITDA/t guidance of USD525/t in 4QFY24 seems achievable.
- The timeline for commissioning multiple capex is crucial.
- We await management guidance on domestic aluminum demand along with the hedging position.

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**580**	**562**	**532**	**559**	**530**	**542**	**528**	**532**	**2,232**	**2,132**
Change (YoY %)	40.2	17.9	5.7	0.2	-8.7	-3.6	-0.6	-4.7	14.4	-4.5
Change (QoQ %)	4.0	-3.2	-5.4	5.1	-5.1	2.2	-2.5	0.8		0.0
Total Expenditure	496	508	496	505	473	486	469	469	2,005	1,897
EBITDA	**84**	**54**	**35**	**53**	**57**	**56**	**59**	**63**	**227**	**235**
Change (YoY %)	37.5	-28.9	-51.9	-27.1	-32.2	4.7	65.3	18.7	-20.0	3.7
Change (QoQ %)	15.4	-36.4	-33.8	50.1	7.3	-1.8	4.5	7.8		0.0
As % of Net Sales	14.5	9.5	6.7	9.5	10.8	10.4	11.1	11.9	10.2	11.0
Interest	9	9	9	10	10	10	9	9	36	39
Depreciation	17	17	18	19	18	18	19	19	71	74
Other Income	2	3	4	4	4	5	3	3	13	14
PBT (before EO item)	**60**	**31**	**12**	**28**	**33**	**32**	**33**	**38**	**132**	**137**
PBT (after EO item)	**61**	**31**	**12**	**28**	**33**	**32**	**33**	**38**	**132**	**137**
Current Tax	11	7	4	7	5	8	8	9	29	30
Deferred Tax	9	2	-5	-2	4	3	2	0	3	8
Total Tax	20	9	-1	4	9	10	10	9	31	38
% Tax	32.4	28.9	-12.2	15.1	26.0	32.0	30.0	22.8	23.8	27.5
Adjusted PAT	**41**	**22**	**14**	**24**	**25**	**22**	**23**	**29**	**101**	**99**
Change (YoY %)	55.0	-36.1	-60.2	-41.4	-39.5	-1.9	71.1	22.2	-26.2	0.0
Change (QoQ %)	-0.9	-45.9	-38.2	77.0	2.3	-12.3	7.7	26.4		

Hindustan Zinc — Neutral

CMP: INR 306 | TP: INR 310 (1%)

- Guidance on CoP, volumes, and realizations are critical.
- Guidance on future dividend payout is important.
- We await further insights on any other update related to the change in corporate structure, if any.

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales										
Zinc refined (kt)	206	189	210	216	208	185	203	221	821	817
Lead refined (kt)	54	57	46	54	50	57	56	53	211	216
Silver (tonnes)	177	194	161	182	179	181	197	189	714	746
Net Sales	**94**	**83**	**79**	**85**	**73**	**68**	**73**	**80**	**341**	**293**
Change (YoY %)	43.7	36.2	-1.6	-3.3	-22.4	-18.5	-7.1	-6.4	15.8	-13.9
Change (QoQ %)	6.7	-11.2	-5.6	8.2	-14.4	-6.7	7.6	8.9		
EBITDA	**51**	**44**	**37**	**43**	**33**	**31**	**35**	**36**	**175**	**136**
Change (YoY %)	44.4	32.1	-15.2	-14.2	-34.8	-28.8	-5.0	-15.6	7.9	-22.3
Change (QoQ %)	3.5	-14.2	-15.9	14.8	-21.3	-6.2	12.2	2.0		
Finance cost	0	1	1	2	2	2	2	3	3	10
DD&A	7	8	8	9	8	8	9	10	33	35
Other Income	3	4	3	4	3	2	3	2	14	10
PBT (before EO item)	**47**	**39**	**32**	**35**	**26**	**23**	**27**	**26**	**153**	**102**
PBT (after EO)	47	39	32	35	26	23	27	26	153	102
Total Tax	16	12	10	9	6	6	6	7	48	25
% Tax	33.8	31.7	32.3	26.3	24.8	25.0	24.0	25.2	31.2	24.7
Reported PAT	**31**	**27**	**22**	**26**	**20**	**17**	**20**	**19**	**105**	**77**
Adjusted PAT	**31**	**27**	**22**	**26**	**20**	**17**	**20**	**19**	**105**	**77**
Change (YoY %)	55.9	32.9	-20.2	-11.8	-36.5	-35.5	-5.9	-24.8	9.2	-27.1
Change (QoQ %)	5.6	-13.3	-19.6	19.8	-24.0	-12.0	17.3	-4.2		

Jindal Steel & Power — Buy

CMP: INR 868 | TP: INR 1000 (+21%)

- Management commentary on the reduction/increase in ASP and coal cost is critical.
- Management commentary on the capex timelines is important.
- Guidance on captive mines and raw material is important.

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**130**	**135**	**125**	**137**	**126**	**123**	**117**	**122**	**527**	**487**
Change (YoY %)	23.0	-0.7	-0.6	-4.5	-3.5	-9.4	-6.0	-10.8	3.2	-7.5
Change (QoQ %)	-9.0	3.6	-7.9	10.0	-8.1	-2.7	-4.5	4.3		
EBITDA	**34**	**19**	**24**	**22**	**26**	**23**	**28**	**26**	**99**	**103**
Change (YoY %)	-24.2	-58.0	-28.2	-28.8	-23.6	18.3	19.6	18.0	-36.0	4.1
Change (QoQ %)	12.0	-43.8	23.1	-8.0	20.2	-13.0	24.4	-9.2		
EBITDA/t	**19,763**	**9,609**	**12,513**	**10,775**	**14,283**	**11,372**	**15,705**	**13,286**	**12,936**	**13,597**
Interest	4	4	3	4	3	3	3	4	14	13
Depreciation	6	6	6	9	6	6	6	7	27	25
Other Income	0	0	0	0	1	0	0	0	1	2
PBT (before EO item)	**25**	**10**	**14**	**10**	**18**	**14**	**19**	**16**	**59**	**67**
Extra-ordinary Income	1	-9.0	-4	-1.5	0	0	0	0.0	-13.7	0
PBT (after EO item)	**26**	**1**	**11**	**8**	**18**	**14**	**19**	**16**	**45**	**67**
Total Tax	6	-2	5	3	1	-0	-0	4	13	4
% Tax	22.4	-303.9	51.2	42.2	4.2	-0.4	-0.1	22.2	28.8	6.4
Adjusted PAT	**15**	**7**	**9**	**6**	**17**	**14**	**19**	**12**	**37**	**63**
Change (YoY %)	-42.5	-73.4	-44.8	-68	15.3	102.2	114.9	103	-57.9	70.7
Change (QoQ %)	-24.9	-53.1	30.7	-31	173.8	-17.7	38.9	-35		
Off Book Adjustments	-4	-4	0	0	0	0	0	0	-9	0

JSW Steel — Neutral

CMP: INR 871 | TP: INR 860 (+4%)

- JSTL is expected to post a QoQ increase in volumes in 4QFY24. Coal costs are expected to remain at elevated levels in 4QFY24.
- Management commentaries on capex is important.
- Performance of domestic and overseas subsidiaries will be crucial.
- Management commentaries on FY25 production and sales are important monitorables.

Quarterly Performance (Consolidated) (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**381**	**418**	**391**	**470**	**422**	**446**	**419**	**448**	**1,660**	**1,735**
Change (YoY %)	31.8	28.5	2.8	0.1	10.8	6.7	7.2	-4.6	13.4	4.6
Change (QoQ %)	-18.8	9.7	-6.3	20.0	-10.1	5.6	-5.9	6.8		
EBITDA	**43**	**18**	**45**	**79**	**70**	**79**	**72**	**59**	**185**	**280**
Change (YoY %)	-58.1	-83.2	-50.2	-13.6	63.5	350.1	57.9	-25.9	-52.5	50.9
Change (QoQ %)	-53.1	-59.3	159.5	74.6	-11.2	11.9	-9.0	-18.1		
EBITDA (INR per ton)	9,597	3,052	7,963	12,158	12,340	12,341	11,967	8,861	8,254	11,317
Interest	14	15	18	21	20	21	20	21	69	81
Depreciation	18	18	19	20	19	20	21	20	75	80
Other Income	2	2	2	5	3	2	2	2	10	10
PBT (before EO Item)	**13**	**-14**	**10**	**43**	**35**	**40**	**33**	**20**	**52**	**128**
EO Items	0	6	0	0	0	6	0	0	6	6
PBT (after EO Item)	**13**	**-8**	**10**	**43**	**35**	**46**	**33**	**20**	**58**	**134**
Total Tax	4	1	5	5	11	18	9	4	15	41
PAT before MI and Asso.	**9**	**-9**	**5**	**37**	**25**	**28**	**25**	**16**	**43**	**93**
MI (Profit)/Loss	0.0	0.7	0.2	-0.8	-0.9	-0.1	-0.4	-0.3	0.1	-1.7
Share of P/(L) of Ass.	-0.2	-0.6	-0.6	-0.1	-0.3	-0.2	-0.2	-0.2	-1.4	-0.9
Reported PAT (after MI & Asso.)	**8**	**-8**	**5**	**37**	**23**	**28**	**24**	**15**	**41**	**90**
Adjusted PAT	**8**	**-14**	**5**	**37**	**23**	**31**	**23**	**15**	**36**	**92**
Change (YoY %)	-85.8	PL	-88.8	-7.8	179.0	LP	365.3	-58.1	-83.4	159.5
Change (QoQ %)	-78.9	PL	LP	647.8	-36.2	31.1	-25.6	-32.7		

NMDC — Buy

CMP: INR 213 | TP: INR 250 (+17%)

- Total sales volumes are higher in 4QFY24 on a QoQ basis.
- NMDC has taken price cuts recently, in line with the decline in Global Iron ore prices.
- Plans to expand its current capacity are underway, with ongoing discussions concerning the timeline for the expansion.
- Any guidance on capex and commissioning of new mines (ECs) are the key monitorables.

Consolidated Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**48**	**33**	**37**	**59**	**54**	**40**	**54**	**64**	**177**	**212**
Change (YoY %)	-26.8	-51.0	-36.7	-12.7	13.2	20.6	45.4	8.6	-31.7	19.8
Change (QoQ %)	-28.9	-30.2	11.8	57.3	-7.8	-25.6	34.8	17.4		
EBITDA	**19**	**9**	**11**	**22**	**20**	**12**	**20**	**23**	**61**	**75**
Change (YoY %)	-54.5	-72.7	-56.3	-19.4	5.0	39.9	76.0	7.9	-51.9	24.3
Change (QoQ %)	-29.2	-55.2	34.0	89.6	-7.8	-40.3	68.6	16.2		
EBITDA per ton (INR/t)	**2,434**	**1,009**	**1,191**	**1,743**	**1,816**	**1,244**	**1,762**	**1,819**	**1,584**	**1,681**
Interest	0.2	0.2	0.3	0.1	0.1	0.2	0.3	0.3	0.8	0.9
Depreciation	0.8	0.7	0.8	0.9	0.7	0.9	0.8	0.9	3.4	3.3
Other Income	1.5	4.3	2.0	-0.1	2.9	3.2	3.4	3.1	7.7	12.7
PBT (before EO Item)	**19**	**12**	**12**	**20**	**22**	**14**	**22**	**25**	**64**	**84**
Extra-ordinary item	0.0	0.0	0.0	12.4	0.0	0.0	-2.5	0.0	12.4	-2.5
PBT (after EO Item)	**19**	**12**	**12**	**33**	**22**	**14**	**20**	**25**	**76**	**81**
Total Tax	4.7	3.0	3.3	10.1	5.5	3.8	5.1	6.3	21.1	20.7
% Tax	24.3	25.3	26.6	30.7	24.9	27.0	25.7	25.0	27.6	25.5
PAT after MI and Sh. of Asso.	**15**	**9**	**9**	**23**	**17**	**10**	**15**	**19**	**55**	**61**
Adjusted PAT	**14**	**10**	**9**	**16**	**17**	**10**	**17**	**19**	**49**	**62**
Change (YoY %)	-54.7	-58.5	-55.5	-13.3	14.3	5.6	83.6	20.5	-47.7	27.4
Change (QoQ %)	-20.3	-32.7	-6.2	72.3	5.1	-37.9	63.2	13.1		

Nalco — Neutral

CMP: INR 161 | TP: INR 150 (-7%)

- Management guidance on production and sales volumes for FY25 will be monitored closely.
- We await management guidance on domestic demand.
- Management guidance on CoP and capex timeline to be monitored.

Quarterly Performance — INR m

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**37,833**	**34,896**	**32,900**	**36,709**	**31,784**	**30,434**	**33,469**	**39,237**	**1,42,337**	**1,34,924**
Change (YoY %)	52.9	-2.9	-12.8	-15.4	-16.0	-12.8	1.7	6.9	0.4	-5.2
Change (QoQ %)	-12.8	-7.8	-5.7	11.6	-13.4	-4.2	10.0	17.2		
Total Expenditure	29,147	31,552	28,302	29,043	25,840	26,469	25,738	30,805	1,18,044	1,08,852
EBITDA	**8,687**	**3,344**	**4,598**	**7,665**	**5,943**	**3,965**	**7,731**	**8,433**	**24,293**	**26,073**
Change (YoY %)	49.6	-70.3	-61.4	-52.6	-31.6	18.6	68.2	10.0	-46.2	7.3
Change (QoQ %)	-46.3	-61.5	37.5	66.7	-22.5	-33.3	95.0	9.1		
Interest	39	41	42	7	23	40	21	36	129	119
Depreciation	1,497	1,537	1,571	2,554	1,697	1,862	1,538	1,577	7,158	6,673
Other Income	629	693	663	559	485	686	510	562	2,544	2,243
PBT (after EO)	**7,781**	**2,459**	**3,648**	**5,663**	**4,709**	**2,750**	**6,682**	**7,382**	**19,550**	**21,523**
Total Tax	1,994	758	910	444	1,215	687	1,797	1,864	4,105	5,564
% Tax	25.6	30.8	24.9	7.8	25.8	25.0	26.9	25.3	21.0	25.9
PAT before MI and Asso.	**5,786**	**1,701**	**2,739**	**5,219**	**3,494**	**2,063**	**4,885**	**5,518**	**15,445**	**15,959**
Sh. of Associate	-207	-447	-175	-269	-156	-189	-179	-151	-1,098	-675
Reported PAT after MI and Asso.	**5,579**	**1,254**	**2,563**	**4,950**	**3,338**	**1,874**	**4,706**	**5,367**	**14,347**	**15,284**
Adjusted PAT	**5,579**	**1,254**	**2,563**	**4,950**	**3,338**	**1,874**	**4,706**	**5,367**	**14,347**	**15,284**
Change (YoY %)	60.4	-83.2	-69.2	-51.7	-40.2	49.4	83.6	8.4	-51.4	6.5
Change (QoQ %)	-45.6	-77.5	104.4	93.1	-32.6	-43.9	151.2	14.0		

SAIL — Neutral

CMP: INR 141 | TP: INR 140 (-1%)

- SAIL guidance on crude steel production for FY25 is crucial; volumes are expected to be higher in 4QFY24.
- Management guidance on the debottlenecking program and the timelines for its implementation are important factors to consider.
- Management guidance on handling the key input costs and debt reduction roadmap will be critical.
- Guidance on domestic and international steel prices and capex will be critical.

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**240**	**262**	**250**	**291**	**244**	**280**	**233**	**261**	**1,044**	**1,017**
Change (YoY %)	16.4	-2.2	-0.8	-5.3	1.4	6.5	-6.8	-10.5	0.9	-2.6
Change (QoQ %)	-21.9	9.2	-4.6	16.3	-16.4	14.8	-16.5	11.6		
Total Expenditure	217	255	230	262	227	258	212	242	964	940
EBITDA	**23**	**7**	**21**	**29**	**16**	**21**	**21**	**19**	**80**	**78**
Change (YoY %)	-64.9	-89.6	-39.1	-33.0	-28.4	189.2	3.1	-36.4	-62.4	-3.3
Change (QoQ %)	-47.1	-68.1	182.7	40.7	-43.6	28.9	0.8	-13.2		
EBITDA per ton (INR)	**7,297**	**1,746**	**5,007**	**6,247**	**4,245**	**4,429**	**5,638**	**4,211**	**4,964**	**4,602**
Interest	4	5	6	5	6	6	6	6	20	24
Depreciation	12	12	12	14	13	13	13	14	50	53
Other Income	2	4	1	3	5	1	1	1	10	9
PBT (before EO Inc.)	**9**	**-6**	**3**	**13**	**2**	**3**	**4**	**0**	**20**	**10**
EO Income(exp)	0	0	3	-0	0	13	1	0	3	14
PBT (after EO Inc.)	**9**	**-6**	**6**	**13**	**2**	**17**	**4**	**0**	**22**	**24**
Total Tax	2	-1	2	4	1	5	1	-0	7	7
% Tax	26.9	20.3	29.9	31.3	33.7	27.7	32.7	-18.2	31.9	28.3
Adjusted PAT	**8**	**-3**	**2**	**12**	**2**	**3**	**3**	**2**	**19**	**11**
Change (YoY %)	-79.8	PL	LP	-53.5	-73.6	LP	42.1	-86.1	-84.8	-40.2
Change (QoQ %)	-65.6	PL	LP	392.1	-82.3	62.3	0.5	-51.8		
Off Book Adj (if any)	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.00	0.0

Tata Steel — Neutral

CMP: INR 163| TP: INR 150 (-7%)

- Management commentary on European operations is critical.
- Management guidance on ASP and CoP across geographies to be monitored.
- Capex timeline to be monitored.
- We await an update on the BF status in the Netherlands.

Quarterly Performance (Consolidated) (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**634**	**599**	**571**	**630**	**595**	**557**	**553**	**612**	**2,434**	**2,317**
Change (YoY %)	18.6	-0.9	-6.1	-9.1	-6.2	-7.0	-3.1	-2.8	-0.2	-4.8
Change (QoQ %)	-8.4	-5.6	-4.7	10.3	-5.5	-6.4	-0.7	10.7		
EBITDA	**150**	**61**	**40**	**72**	**52**	**43**	**63**	**60**	**323**	**217**
Change (YoY %)	-7.1	-63.2	-74.5	-52.0	-65.4	-29.6	54.7	-17.6	-49.1	-33.0
Change (QoQ %)	-0.4	-59.5	-33.2	78.3	-28.3	-17.5	46.8	-5.0		
(% of Net Sales)	23.6	10.1	7.1	11.5	8.7	7.7	11.3	9.7	13.3	9.3
Interest	12	15	18	18	18	20	19	19	63	76
Depreciation	22	23	24	24	24	25	24	25	93	98
Other Income	3	3	3	2	12	2	2	0	10	17
PBT (before EO Inc.)	**118**	**25**	**2**	**32**	**21**	**1**	**22**	**16**	**177**	**60**
EO Income(exp)	0	0	2	0	0	-69	-3		1	-72
PBT (after EO Inc.)	**117**	**25**	**3**	**32**	**21**	**-68**	**19**	**16**	**178**	**-12**
Total Tax	42	13	29	18	13	-2	14	8	102	33
% Tax	35.6	51.9	NA	54.6	63.0	NA	64.2	48.2	57.4	55.0
PAT before MI and Sh. of associate	**76**	**12**	**-26**	**15**	**8**	**-66**	**4**	**8**	**77**	**-45**
Minority Interests	-1	-2	-3	-1	-1	-3	0		-7	-4
Share of asso.	2	1	1	1	-3	1	1	2	4	1
Adj. PAT (after MI & asso)	**78**	**15**	**-24**	**17**	**6**	**7**	**8**	**11**	**86**	**32**
Change (YoY %)	-14.1	-86.5	PL	-83.1	-92.0	-54.2	LP	-37.7	-78.5	-62.7
Change (QoQ %)	-22.2	-80.3	PL	LP	-63.4	13.2	20.6	24.4		

Vedanta — Neutral

CMP: INR 287 | TP: INR 280 (-3%)

- Management update on parent debt situation is crucial.
- Management guidance on future dividend payout is critical.
- Management comments on the demerger status and its guidance on volumes and CoP across verticals are key monitorables

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**386**	**367**	**341**	**379**	**337**	**342**	**355**	**342**	**1,473**	**1,376**
Change (YoY %)	35.9	20.6	0.0	-4.8	-12.7	-6.7	4.2	-9.9	11.0	-6.6
Change (QoQ %)	-3.0	-5.1	-7.0	11.2	-11.1	1.3	4.0	-3.8		
EBITDA	**102**	**77**	**71**	**95**	**64**	**67**	**85**	**84**	**344**	**301**
Change (YoY %)	1.8	-25.7	-34.6	-30.6	-37.0	-12.7	20.7	-10.8	-23.2	-12.5
Change (QoQ %)	-25.2	-24.5	-8.2	33.8	-32.1	4.6	27.0	-1.1		
As % of Net Sales	26.4	21.0	20.7	24.9	19.0	19.7	24.0	24.7	23.4	21.9
Finance cost	12	16	16	18	21	25	24	26	62	96
DD&A	25	26	27	28	26	26	28	28	106	107
Other Income	7	7	7	7	5	6	8	8	29	27
PBT (before EO item)	**73**	**41**	**35**	**56**	**23**	**22**	**41**	**39**	**205**	**125**
EO exp. (income)	0	-2	-9	13	-18	-43	0	0	2	-61
PBT (after EO item)	**73**	**44**	**44**	**43**	**41**	**65**	**41**	**39**	**203**	**185**
Total Tax	16.7	16.7	13.0	11.3	7.8	90.9	12.4	11.2	57.7	122
% Tax	23.0	38.4	29.6	26.4	19.0	140.7	30.1	28.8	28.5	66.0
PAT before MI and Asso.	**56**	**27**	**31**	**31**	**33**	**-9**	**29**	**28**	**145**	**80**
Profit from Asso.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Minority interest	11.7	8.8	6.3	12.5	6.7	8.7	8.6	8.8	39.3	33
APAT	**44**	**14**	**16**	**31**	**9**	**5**	**20**	**19**	**105**	**52**
Change (YoY %)	-1.3	-69.4	-63.4	-49.5	-80.5	-65.7	29.0	-39.4	-46.2	-50.1
Change (QoQ %)	-28.3	-67.8	9.6	99.6	-72.4	-43.3	312.5	-6.2		

Oil & Gas

Company name
Aegis Logistics
BPCL
Castrol India
GAIL
Gujarat Gas
Gujarat State Petronet
HPCL
Indraprastha Gas
IOCL
Mahanagar Gas
MRPL
Oil India
ONGC
Petronet LNG
Reliance Industries

Refining to remain strong; marketing profits may be hit by inventory losses

CGD volumes to remain flat; margin expected to decline for MAHGL and IGL

- **Brent crude prices averaged USD83/bbl in 4QFY24, up 2% YoY. However, Brent has crossed the USD85/bbl level amid escalating geopolitical tensions in the Middle East and as oil tankers circumventing the Red Sea have disrupted the supply flows to global markets. We expect Brent prices at USD85/bbl during FY25-26 amid global oil and oil product inventories being at the lower end of the last five-year average and likely continued production cuts by OPEC+ through CY24.**
- **We expect our coverage universe to report: a) sales growth of 3% YoY (up 12% YoY excluding OMCs), b) EBITDA growth of 3% YoY (up 7% YoY excluding OMCs), and c) PAT decline of 6% YoY (up 6% YoY excluding OMCs).**
- **RIL: Consol. EBITDA is expected to grow 10% YoY to INR388b. We estimate EBITDA of INR183b (up 1% YoY) for the standalone business, INR137b (up 12% YoY) for RJio, and INR62b (up 26% YoY) for the Retail business. Production meant for sale is expected at 17.1mmt (flat YoY), with petchem EBITDA at USD91/mt (down 10% YoY).**
- **OMCs: SG GRM increased to USD7.3/bbl in 4QFY24 (from USD5.5/bbl in 3QFY24), with Naphtha, FO and Gasoline cracks improving to -USD5.6/bbl, -USD9.4/bbl and USD13.5/bbl, respectively. All other cracks declined QoQ. Blended marketing margins for IOCL/BPCL/HPCL are expected at INR3.8/INR3.4/INR4.1 per lit in 4QFY24. Recently announced petrol/diesel price cuts could lead to marketing inventory losses for OMCs.**

Brent crude prices increase YoY

- Brent crude prices averaged USD83/bbl in 4QFY24, up 2% YoY. In the later part of 4Q, Brent breached USD85/bbl levels amid escalating geopolitical tensions in the Middle East and as oil tankers circumventing the Red Sea have disrupted the supply flows to global markets.
- The continued decline in US inventories, a bullish oil market outlook from the International Energy Agency (IEA), and damages to Russia's Rosneft Ryazan oil processing plant by Ukrainian drones have also pushed Brent prices higher.
- We are building Brent prices at USD85/bbl during FY25-26 amid global oil and oil product inventories being at the lower end of the last five-year average and continued production cuts by OPEC+ through CY24.

SG GRM expands sequentially to USD7.3/bbl

- SG GRM expanded 33% QoQ to USD7.3/bbl in 4QFY24, due to a strong expansion in Gasoline, Naphtha and FO cracks, with all other cracks contracting. We expect IOCL/BPCL/HPCL to report GRMs at USD15/USD17.1/USD12.4 per barrel (after refining inventory gain) in 4QFY24.
- Gasoline crack expanded 88% QoQ, while diesel crack contracted 3%. ATF crack contracted 10% QoQ to USD21.2/bbl in 4QFY24. FO crack improved to -USD9.4/bbl in 4QFY24 from -USD10.6/bbl in 3QFY24. LPG crack declined to -USD28.4/bbl.
- Refineries are expected to witness a decline in overall throughput QoQ, except for BPCL (up 1% QoQ) and MRPL (up 2% QoQ). The throughput is expected to decline 6% for IOCL and 11% for HPCL.

Abhishek Nigam – Research Analyst (Abhishek.Nigam@MotilalOswal.com)

Aman Chowdhary – Research Analyst (Aman.Chowdhary@MotilalOswal.com)

Petchem margins continue to decline in 4QFY24

- Petchem prices declined 8% YoY on an average in 4QFY24. PE/PP/PVC prices were down 5%/8%/13% YoY, while they were up 4%/4%/flat QoQ.
- Petchem margins declined 25% YoY on an average. PE/PP/PVC spreads declined 11%/19%/45% YoY.

IGL, MAHGL to witness margin decline QoQ; GUJGA margin to expand

- Volumes are expected to rise 2%/3%/3% for GUJGA/ IGL/MAHGL QoQ. EBITDA/scm is likely to decline for IGL and MAHGL as lower gas cost is expected to be offset by price cuts in 4QFY24. For GUJGA, we expect margin to expand to INR5.5/scm.
- The focus would be on volumes for CGDs, particularly GUJGA, which is trying to push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan. A key factor to watch out for will be a pickup in Morbi volumes.
- IGL is facing multiple headwinds in volume growth such as stagnation in I/C volume growth amid completion from alternate fuels, stagnant growth from D-Haryana segment over past few quarters and margins likely peaking out in FY24. As a result, we remain cautious on IGL from the long-term perspective.

Valuation and view

- **GAIL:** During FY24-26E, we estimate an 8% CAGR in EBITDA, driven by: (1) rising natural gas transmission volumes to 142mmscmd in FY26 from 122mmscmd in FY24; (2) substantial improvement in the profitability of the petchem segment over 2HFY25-FY26, attributable to the commencement of operations of new petchem capacity and heightened demand driven by low global inventories and; (3) the commencement of operations for 3,892km of gas transmission pipelines and 560ktpa of petchem capacity. We remain positive on GAIL (our top pick in CY24).
- **Upstream:** For **ONGC**, 1) the potential operational and financial turnaround at OVL can be a major share price catalyst, 2) if ONGC manages to turn around OPaL, we believe this can add 5-8% to the current market price, 3) the merger of HPCL and MRPL can be an indirect value creator as it could strengthen HPCL's business model and alleviate cash infusion concerns. For **OINL**, Phase-I of the IGGL project could prove to be a catalyst for production growth. Additionally, efforts are underway to enhance the capacity of the DNPL pipeline from 1.5mmscmd to 2.5mmscmd, facilitating increased transportation capabilities. Presently, Numaligarh Refinery is utilizing only 1mmscmd of gas, with the potential to increase to 2mmscmd, following the commissioning phase.

Our key assumptions

- We assume crude prices at USD85/bbl for FY25-26. Average crude prices for 4QFY24 stood at USD83/bbl (vs. USD83.8/bbl in 3QFY24 and USD81.2/bbl in 4QFY23).
- We expect the regional benchmark SG GRM to stabilize at ~USD6/bbl (at its long-term average) over the medium to long term.

Exhibit 1: Oil & gas product prices, cracks, and margins (USD/bbl)

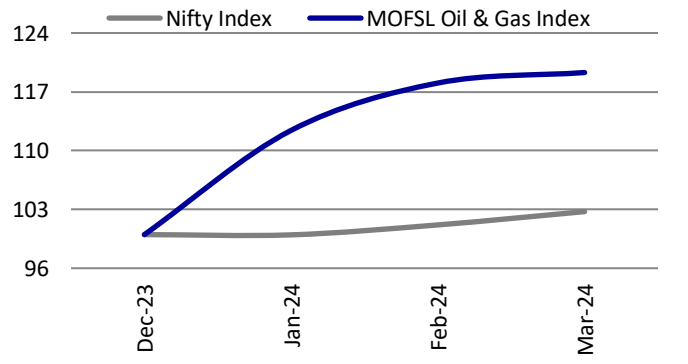
(USD/bbl)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)
Oil							
WTI	76.1	73.8	82.5	78.4	77.1	1.3	-1.7
Brent	81.2	78.4	86.7	83.8	83.0	2.3	-1.0
Dubai	80.3	77.8	86.7	83.5	81.3	1.2	-2.7
Arab Light-Heavy	4.1	1.8	2.1	2.1	1.8	-56.1	-12.9
Gas							
Henry Hub (USD/mmBtu)	2.7	2.2	2.6	2.7	2.1	-19.7	-22.2
Oil to Gas	31.3	36.3	33.4	30.6	43.5	39.3	42.4
Exchange Rate (INR/USD)	**82.3**	**82.2**	**82.7**	**83.3**	**83.0**	**0.9**	**-0.3**
Product Cracks (v/s Dubai)							
LPG	-23.4	-33.0	-31.5	-25.4	-28.4	-21.3	-11.8
Gasoline	14.8	12.3	12.8	7.2	13.5	-8.7	88.0
Diesel	20.8	8.1	20.4	16.9	16.4	-21.0	-2.8
Jet/Kero	26.6	14.3	26.0	23.7	21.2	-20.2	-10.4
Naphtha	-4.8	-12.8	-16.4	-11.7	-5.6	-17.0	51.6
Fuel Oil	-16.0	-8.3	-5.0	-10.6	-9.4	41.3	11.7
SGRM	**8.2**	**4.0**	**9.5**	**5.5**	**7.3**	**-10.7**	**32.6**

Source: Company, MOFSL

Exhibit 2: Summary of Mar'24-quarter earnings estimates

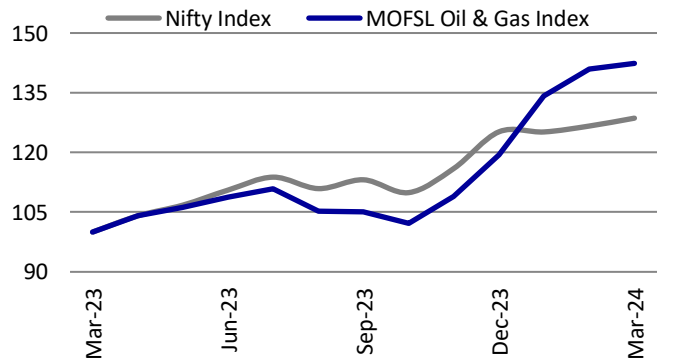
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Aegis Logistics	437	Neutral	20,609	-4.3	10.0	2,405	18.8	13.6	1,449	2.9	11.3
BPCL	601	Neutral	11,81,783	0.1	2.3	1,02,683	-7.9	63.5	63,622	-15.9	87.3
Castrol India	201	Buy	13,276	2.6	5.0	3,250	10.2	-1.2	2,389	18.0	-1.2
GAIL	182	Buy	3,12,208	-5.0	-8.9	36,913	1,101.7	-3.4	27,040	348.0	-4.9
Gujarat Gas	547	Buy	40,133	2.2	2.1	4,664	-16.8	16.4	2,665	-27.8	20.9
Gujarat State Petronet	367	Buy	4,622	23.6	1.5	3,820	29.6	0.6	2,726	21.5	4.0
HPCL	469	Buy	10,25,797	-5.0	-7.8	41,007	-11.9	92.8	22,050	-31.6	316.8
Indraprastha Gas	439	Sell	30,476	-17.3	-14.3	5,779	23.9	-2.4	3,785	14.8	-10.0
IOC	169	Buy	19,31,374	-4.9	-3.0	1,40,664	-2.0	-9.2	70,989	-29.4	-12.0
Mahanagar Gas	1383	Buy	15,018	-6.7	-4.3	4,102	5.3	-8.6	2,862	6.5	-9.8
MRPL	229	Sell	2,42,365	-4.6	-1.8	15,051	-55.7	27.1	6,161	-67.7	59.2
Oil India	593	Buy	57,086	1.1	-1.8	29,468	25.5	39.9	19,666	10.0	24.1
ONGC	270	Buy	3,48,831	-3.9	0.3	1,80,061	10.2	4.9	87,012	40.8	-8.8
Petronet LNG	265	Neutral	1,23,774	-10.8	-16.1	10,986	16.5	-35.6	7,386	20.2	-38.0
Reliance Inds.	2970	Buy	25,82,070	21.3	14.7	3,88,189	1.0	-4.5	1,75,864	-8.9	1.9
Oil & Gas			**79,29,421**	**3.1**	**1.9**	**9,69,043**	**2.9**	**4.3**	**4,95,666**	**-6.1**	**6.9**
Oil Ex OMCs			**37,90,467**	**11.5**	**7.7**	**6,84,689**	**7.0**	**-0.8**	**3,39,005**	**6.2**	**-1.4**

Exhibit 3: Relative performance – three-months (%)



Sources: Bloomberg, MOFSL

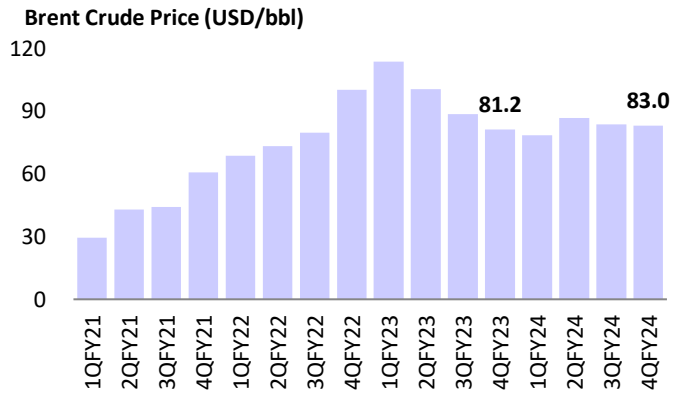
Exhibit 4: One-year relative performance (%)



Sources: Bloomberg, MOFSL

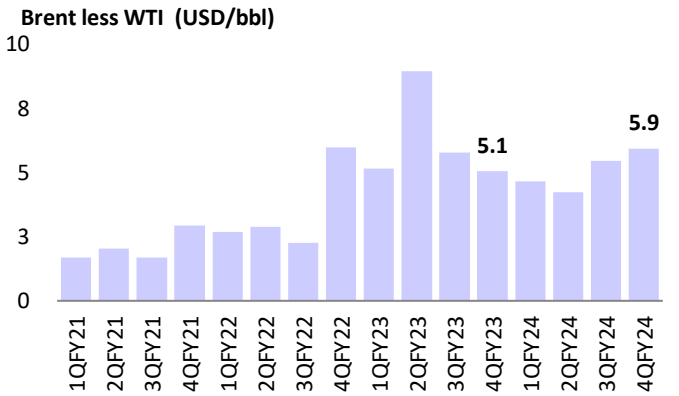
SG GRM expands in 4QFY24; petchem margins continue to decline

Exhibit 5: Brent crude price down 2% YoY and -1% QoQ



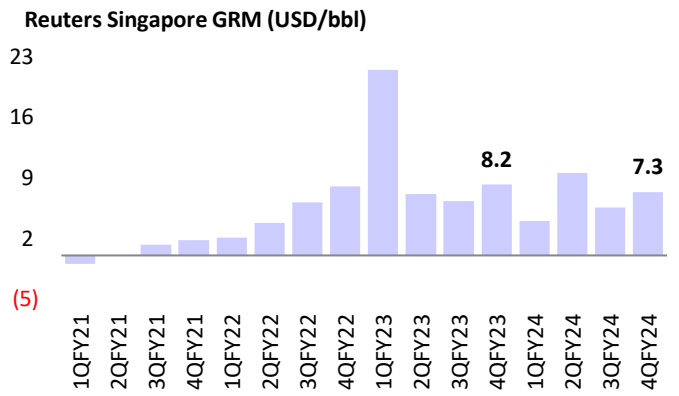
Source: Reuters, MOFSL

Exhibit 6: Brent premium to WTI increased to USD5.9/bbl



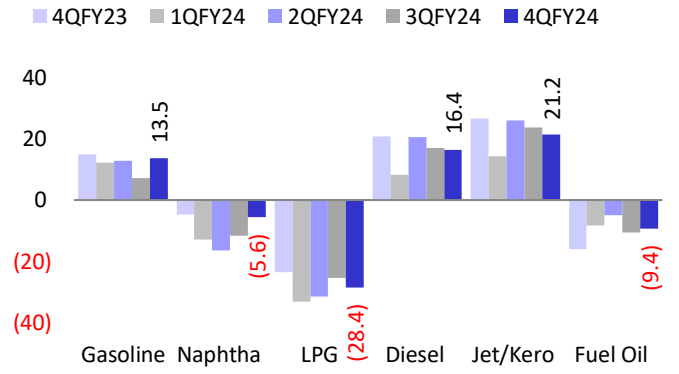
Source: Reuters, MOFSL

Exhibit 7: Reuters SG GRM (average) expanded QoQ to USD7.3/bbl (from USD5.5/bbl in 3QFY24)



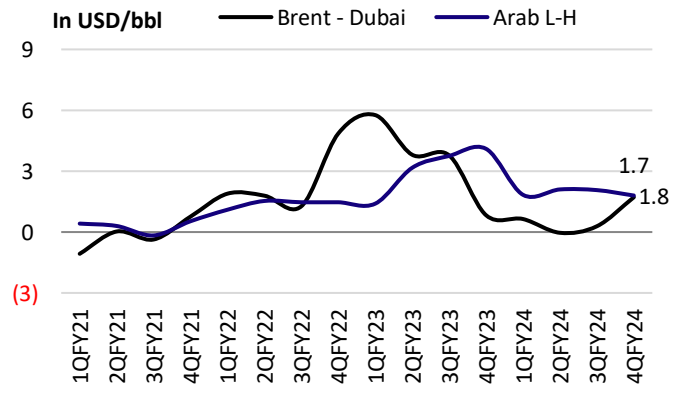
Source: Reuters, MOFSL

Exhibit 8: Naphtha and LPG crack improved during the quarter, others declined (USD/bbl)



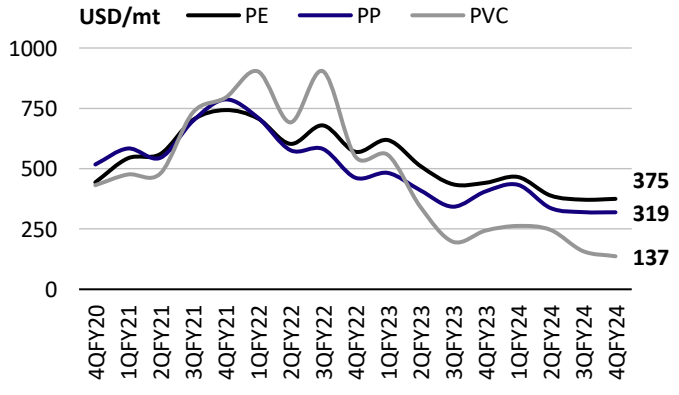
Source: Reuters, MOFSL

Exhibit 9: Crude differential was flat QoQ at USD1.7/bbl for Arab L-H and expanded to USD1.8/bbl for Brent-Dubai



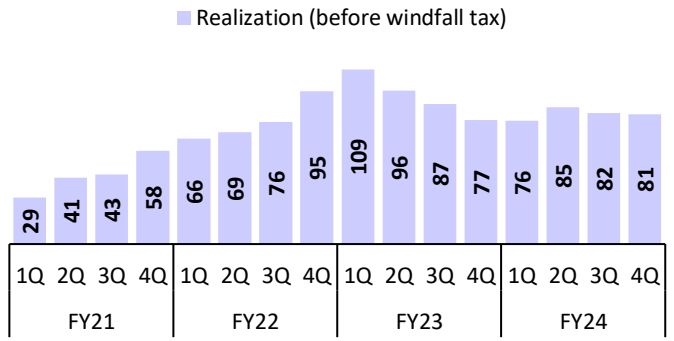
Source: Reuters, MOFSL

Exhibit 10: Spreads over Naphtha for PE, PP, and PVC declined QoQ



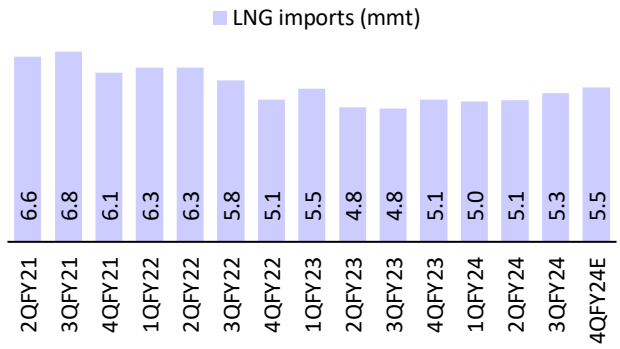
Source: Bloomberg, MOFSL

Exhibit 11: Expect realization (before windfall tax) of USD81/bbl for ONGC in 4QFY24



Source: Company, MOFSL

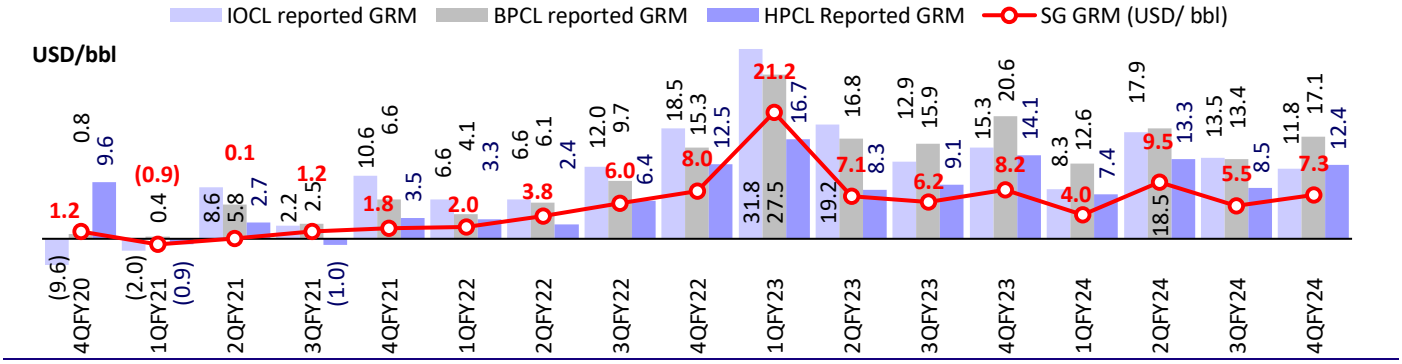
Exhibit 12: Expect LNG imports (mmt) to increase 4% QoQ and 9% YoY in 4QFY24



Mar'24 data extrapolated for 4QFY24E

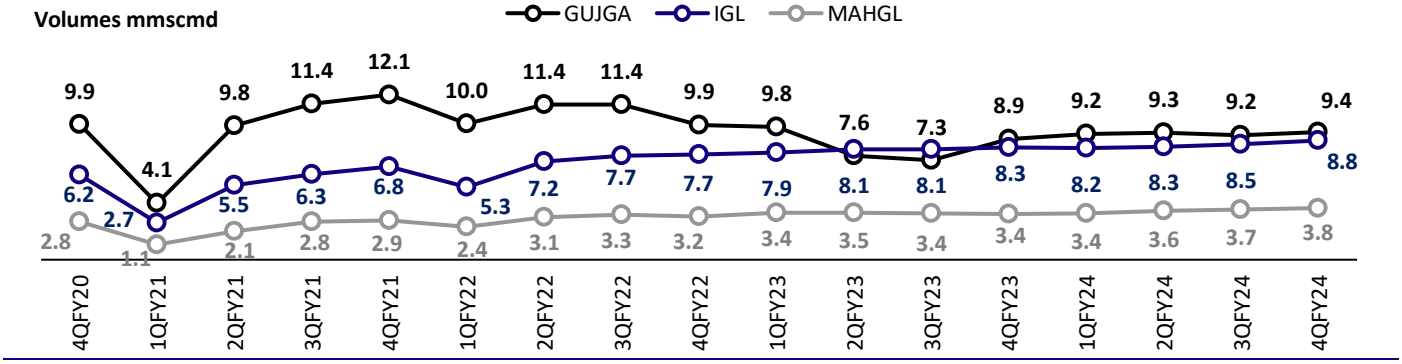
Source: PPAC, MOFSL

Exhibit 13: GRM snapshot for OMCs (USD/bbl)



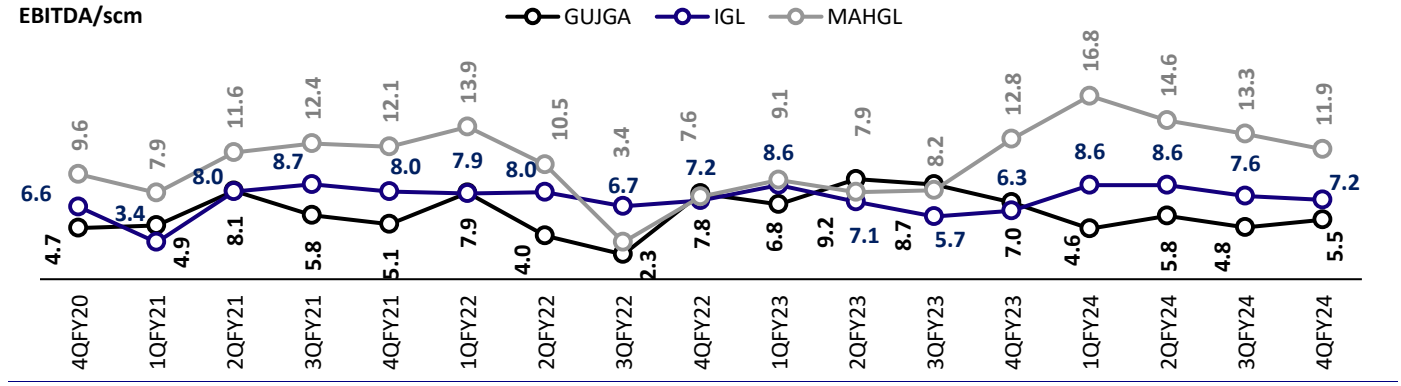
Source: Company, MOFSL

Exhibit 14: Volume snapshot of CGDs (mmscmd)



Source: Company, MOFSL

Exhibit 15: Margin snapshot of CGDs (INR/scm)



Source: Company, MOFSL

Exhibit 16: Valuation summary

	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
Company Name	**INR**	**Reco**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**
Oil & Gas						**13.3**	**15.1**	**13.7**	**1.9**	**1.8**	**1.6**	**14.6**	**11.8**	**11.9**
Aegis Logistics	437	Neutral	14.8	16.0	17.2	30.2	27.2	25.4	4.0	3.6	3.3	14.0	13.9	13.6
BPCL	601	Neutral	144.3	74.5	75.3	4.2	8.1	8.0	1.8	1.6	1.5	49.2	21.2	19.2
Castrol India	201	Buy	8.7	9.7	10.4	21.3	20.8	19.3	8.7	8.8	8.3	43.1	43.8	44.3
GAIL	182	Buy	14.2	13.1	16.6	12.7	13.9	11.0	1.8	1.6	1.5	15.9	13.2	15.2
Gujarat Gas	547	Buy	14.5	21.9	24.8	37.5	24.9	22.1	4.9	4.3	3.8	13.6	18.4	18.3
Gujarat State Petronet	367	Buy	23.0	19.0	20.0	15.5	19.3	18.3	2.0	1.9	1.8	13.3	10.2	10.0
HPCL	469	Buy	105.7	79.5	80.0	4.5	5.9	5.9	1.6	1.3	1.1	39.8	23.9	20.5
Indraprastha Gas	439	Sell	25.9	24.1	25.9	16.7	18.2	16.9	3.6	3.2	2.8	23.4	18.9	17.8
IOC	169	Buy	34.4	16.2	15.4	4.9	10.5	11.0	1.4	1.3	1.2	31.0	12.9	11.4
Mahanagar Gas	1,383	Buy	132.6	118.2	124.3	10.3	11.7	11.1	2.7	2.4	2.1	28.9	22.2	20.5
MRPL	229	Sell	17.5	14.2	13.8	12.5	16.2	16.6	3.1	2.8	2.5	27.9	18.9	16.1
Oil India	593	Buy	65.2	67.0	74.0	9.2	8.9	8.0	1.7	1.5	1.3	21.4	17.6	17.5
ONGC	270	Buy	37.5	43.2	47.9	7.1	6.3	5.6	1.1	1.0	0.9	16.3	16.9	16.7
Petronet LNG	265	Neutral	23.7	23.2	25.0	11.1	11.5	10.6	2.3	2.1	1.9	22.4	19.5	19.0
Reliance Inds.	2,970	Buy	100.9	118.5	138.9	29.5	25.1	21.4	2.2	2.0	1.8	8.0	8.7	9.4

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Aegis Logistics — Neutral

CMP: INR437 | TP: INR430 (-1%) — **EPS CHANGE (%): FY24|25: +6|+2**

- Expect EBITDA of INR2.4b due to an increase in India's LPG imports
- Watch out for commentary on competition from natural gas in industrial volumes
- Recovery in sourcing volume will be a key monitorable
- Watch out for updates on LPG terminal capacity in Mangalore and liquid capacity expansion in Kochi

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**22,355**	**21,505**	**20,867**	**21,545**	**21,005**	**12,349**	**18,734**	**20,609**	**86,272**	**72,696**
YoY Change (%)	229.7	238.5	71.9	2.4	-6.0	-42.6	-10.2	-4.3	86.3	-15.7
EBITDA	**1,466**	**1,686**	**2,161**	**2,026**	**1,959**	**2,083**	**2,118**	**2,405**	**7,339**	**8,565**
Margin (%)	6.6	7.8	10.4	9.4	9.3	16.9	11.3	11.7	8.5	11.8
Depreciation	289	334	344	292	333	341	345	370	1,258	1,389
Interest	103	254	272	254	298	266	302	299	882	1,165
Other Income	861	180	192	637	374	444	446	553	1,870	1,817
PBT before EO expense	**1,935**	**1,279**	**1,738**	**2,117**	**1,702**	**1,920**	**1,918**	**2,290**	**7,068**	**7,829**
Extra-Ord expense	621	0	0	0	0	0	0	0	621	0
PBT	**1,314**	**1,279**	**1,738**	**2,117**	**1,702**	**1,920**	**1,918**	**2,290**	**6,448**	**7,829**
Tax	240	268	309	524	375	420	396	649	1,341	1,840
Rate (%)	18.2	21.0	17.8	24.7	22.0	21.9	20.6	28.4	20.8	23.5
MI & P/L of Asso. Cos.	41	77	175	185	169	230	221	192	477	812
Reported PAT	**1,034**	**934**	**1,253**	**1,409**	**1,158**	**1,270**	**1,301**	**1,449**	**4,630**	**5,178**
YoY Change (%)	131.4	-1.1	23.2	48.7	-24.9	36.0	3.8	2.9	43.7	0.8
Margin (%)	6.9	4.3	6.0	6.5	5.5	10.3	6.9	7.0	6.0	7.1

BPCL — Neutral

CMP: INR601 | TP: INR620 (+3%) — **EPS CHANGE (%): FY24|25: +10|+1**

- Expect refinery throughput at 10mmt (-6% YoY/+1% QoQ)
- Expect marketing sales (excluding exports) volumes of 13.3mmt (+3% YoY and QoQ) during the quarter
- Expect reported GRM at USD17.1/bbl, with blended gross marketing margin at INR3.4/lit
- Watch out for updates on expansion of Bina refinery and construction of new petrochemicals plant

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**1,210.5**	**1,148.1**	**1,191.6**	**1,181.1**	**1,129.8**	**1,029.9**	**1,154.9**	**1,181.8**	**4,731.2**	**4,496.4**
YoY Change (%)	70.7	50.3	25.3	13.3	-6.7	-10.3	-3.1	0.1	36.5	-5.0
EBITDA	**-49.0**	**20.2**	**43.8**	**111.5**	**158.1**	**130.1**	**62.8**	**102.7**	**126.5**	**453.7**
Margins (%)	-4.0	1.8	3.7	9.4	14.0	12.6	5.4	8.7	2.7	10.1
Forex loss	9.6	5.9	1.4	-1.9	-0.2	1.0	0.5	0.1	15.0	1.4
Depreciation	16.1	15.6	15.8	16.0	16.1	16.0	18.2	19.0	63.5	69.3
Interest	6.2	8.1	9.8	8.1	6.8	7.7	5.0	6.3	32.2	25.8
Other Income	4.4	5.6	4.5	5.4	4.7	7.7	6.8	7.8	19.9	27.0
PBT before EO expense	**-76.5**	**-3.8**	**21.3**	**94.8**	**140.1**	**113.1**	**45.8**	**85.0**	**35.8**	**384.1**
Extra-Ord expense	0.0	0.0	0.0	13.6	0.0	0.0	0.0	0.0	13.6	0.0
PBT	**-76.5**	**-3.8**	**21.3**	**81.2**	**140.1**	**113.1**	**45.8**	**85.0**	**22.2**	**384.1**
Adj PAT	**-62.6**	**-3.0**	**19.6**	**75.6**	**105.5**	**85.0**	**34.0**	**63.6**	**29.6**	**288.1**
YoY Change (%)	PL	PL	-30.7	202.4	LP	LP	73.4	-15.9	-70.3	874.9

Castrol (India) — Buy

CMP: INR201 | TP: INR230 (+15%) — **EPS CHANGE (%): CY24|25: +6|0**

- Forecast volumes at 57.8m liters (up 5% YoY and QoQ) during the quarter
- Expect EBITDA margin to increase 170bp YoY, led by declining input costs.
- Expect realization of ~INR229.9/lit (down 2% YoY) during the quarter.
- Raw material volatility, product launches, and OEM tie-ups remain the key monitorable.

Quarterly Performance (INR m)

Y/E December	CY23				CY24				CY23	CY24
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volume (m litres)	**55.0**	**58.0**	**51.0**	**55.0**	**57.8**	**60.9**	**51.0**	**55.9**	**219.0**	**225.6**
Realization	**235**	**230**	**232**	**230**	**230**	**233**	**236**	**244**	232	236
Net Sales	**12,939**	**13,338**	**11,829**	**12,640**	**13,276**	**14,215**	**12,025**	**13,669**	**50,746**	**53,185**
YoY Change (%)	4.7	7.4	5.5	7.5	2.6	6.6	1.7	8.1	6.3	4.8
EBITDA	**2,950**	**3,098**	**2,686**	**3,291**	**3,250**	**3,535**	**2,872**	**3,369**	**12,024**	**13,026**
YoY Change (%)	-7.0	8.3	4.4	31.3	10.2	14.1	6.9	2.4	8.2	8.3
Margin (%)	22.8	23.2	22.7	26.0	24.5	24.9	23.9	24.6	23.7	24.5
Depreciation	227	218	229	250	235	236	248	244	924	963
Interest	17	15	24	20	9	8	14	47	75	79
Other Income	176	186	202	223	188	198	216	238	787	840
PBT before EO expense	**2,883**	**3,050**	**2,635**	**3,243**	**3,194**	**3,488**	**2,826**	**3,315**	**11,811**	**12,824**
PBT	**2,883**	**3,050**	**2,635**	**3,243**	**3,194**	**3,488**	**2,826**	**3,315**	**11,811**	**12,824**
Tax	858	797	691	824	805	879	712	835	3,170	3,232
Rate (%)	29.8	26.1	26.2	25.4	25.2	25.2	25.2	25.2	26.8	25.2
PAT	**2,025**	**2,253**	**1,944**	**2,419**	**2,389**	**2,609**	**2,114**	**2,480**	**8,641**	**9,592**
YoY Change (%)	-11.3	9.2	3.9	25.2	18.0	15.8	8.7	2.5	6.0	11.0

GAIL — Buy

CMP: INR182 | TP: INR214 (+17%) — **EPS CHANGE (%): FY24|25: +10|-3**

- Expect strong transmission volumes and ~10% decline in trading EBITDA QoQ amid lower spot LNG prices
- Expect Petchem volumes of 216.4kmt, with segmental EBIT remaining profitable
- Keep an eye on the progress of GAIL Mangalore Petrochemicals plant
- Updates on progress of ongoing pipeline projects remains a key monitorable

Standalone quarterly performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**3,75,721**	**3,84,909**	**3,53,804**	**3,28,582**	**3,22,275**	**3,18,226**	**3,42,535**	**3,12,208**	**14,43,016**	**12,95,244**
Change (%)	116.1	78.9	37.3	21.8	-14.2	-17.3	-3.2	-5.0	57.5	-10.2
EBITDA	**43,657**	**17,647**	**2,613**	**3,072**	**24,327**	**34,913**	**38,226**	**36,913**	**66,989**	**1,34,379**
% of Net Sales	11.6	4.6	0.7	0.9	7.5	11.0	11.2	11.8	4.6	10.4
Depreciation	6,030	6,194	6,226	6,432	6,358	7,503	7,843	7,885	24,881	29,589
Interest	481	683	1,050	903	1,758	1,718	1,564	1,420	3,117	6,460
Other Income	1,798	7,988	6,889	10,172	2,676	5,609	8,121	9,367	26,847	25,773
PBT	**38,944**	**18,759**	**2,227**	**5,909**	**18,887**	**31,301**	**36,940**	**36,975**	**65,838**	**1,24,103**
Tax	9,792	3,388	-231	-127	4,767	7,252	8,514	9,934	12,823	30,467
Rate (%)	25.1	18.1	-10.4	-2.1	25.2	23.2	23.0	26.9	19.5	24.6
PAT	**29,152**	**15,371**	**2,457**	**6,035**	**14,120**	**24,049**	**28,426**	**27,040**	**53,015**	**93,636**
Change (%)	90.5	-46.3	-92.5	-77.5	-51.6	56.5	1,056.8	348.0	-48.8	76.6
Extraord.: Tax Prov. Write Back	0	0	0	0	0	0	0	0	0	0
Adj PAT	**29,152**	**15,371**	**2,457**	**6,035**	**14,120**	**24,049**	**28,426**	**27,040**	**53,015**	**93,636**
Change (%)	90.5	-46.3	-92.5	-76.8	-51.6	56.5	1,056.8	348.0	-48.5	76.6

Gujarat Gas

Buy

CMP: INR547 | TP: INR675 (+23%) **EPS CHANGE (%): FY24|25: -3|0**

- Expect volumes at 9.4mmscmd (up 6% YoY/2% QoQ) with pickup in PNG I/C segment
- Expect EBITDA/scm to improve QoQ INR5.5/scm as lower spot LNG price offset by price cuts
- Pickup in volumes at Morbi is a key monitorable
- Push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan would be key for growth

Standalone - Quarterly Earning Model **(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**51,701**	**39,765**	**36,843**	**39,286**	**37,815**	**38,454**	**39,291**	**40,133**	**1,67,594**	**1,55,693**
YoY Change (%)	71.7	9.7	-28.4	-15.9	-26.9	-3.3	6.6	2.2	1.8	-7.1
EBITDA	**6,066**	**6,427**	**5,823**	**5,603**	**3,880**	**4,966**	**4,007**	**4,664**	**23,920**	**17,517**
Margin (%)	11.7	16.2	15.8	14.3	10.3	12.9	10.2	11.6	14.3	11.3
Depreciation	1,032	1,064	1,093	1,094	1,151	1,179	1,201	1,256	4,283	4,787
Interest	136	131	76	61	74	78	72	66	404	289
Other Income	190	185	320	318	239	298	230	243	1,013	1,009
PBT	**5,089**	**5,418**	**4,974**	**4,766**	**2,894**	**4,007**	**2,964**	**3,586**	**20,247**	**13,451**
Tax	1,278	1,379	1,261	1,074	743	1,029	761	921	4,992	3,453
Rate (%)	25.1	25.4	25.4	22.5	25.7	25.7	25.7	25.7	24.7	25.7
Reported PAT	**3,811**	**4,039**	**3,713**	**3,692**	**2,151**	**2,978**	**2,203**	**2,665**	**15,255**	**9,997**
Adj. PAT	**3,811**	**4,039**	**3,713**	**3,692**	**2,151**	**2,978**	**2,203**	**2,665**	**15,255**	**9,997**
YoY Change (%)	-20.0	64.6	204.5	-18.5	-43.6	-26.3	-40.7	-27.8	17.8	-34.5

Gujarat State Petronet

Buy

CMP: INR367 | TP: INR450 (+23%) **EPS CHANGE (%): FY24|25: 0|0**

- Expect transmission volumes of 32.4mmscmd (up 29% YoY/ 12% QoQ)
- EBITDA/mscm expected to decline 1% YoY, with tariff likely to fall 1% YoY
- Commissioning of Phase-II Mehsana-Bhatinda pipeline and further expansion/debottlenecking of three pipelines connecting three LNG terminals remain key monitorable
- Key an eye on proposed capex for HP gas grid that would facilitate gas transportation from newer LNG terminals

Standalone - Quarterly Earning Model **(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**4,200**	**3,850**	**3,484**	**3,740**	**3,937**	**4,533**	**4,555**	**4,622**	**15,275**	**17,646**
YoY Change (%)	-4.5	-13.9	-12.7	0.3	-6.3	17.7	30.7	23.6	-7.9	15.5
EBITDA	**3,602**	**3,338**	**2,699**	**2,947**	**3,364**	**4,103**	**3,796**	**3,820**	**12,587**	**15,083**
YoY Change (%)	-3.8	-12.3	-19.8	-3.7	-6.6	22.9	40.6	29.6	-9.9	19.8
Margin (%)	85.8	86.7	77.5	78.8	85.5	90.5	83.3	82.6	82.4	85.5
Depreciation	479	488	489	483	468	477	488	482	1,939	1,916
Interest	14	11	11	10	10	10	12	9	47	42
Other Income	40	1,037	130	476	180	2,663	211	298	1,684	3,353
PBT before EO expense	**3,149**	**3,877**	**2,329**	**2,931**	**3,066**	**6,278**	**3,506**	**3,627**	**12,286**	**16,478**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**3,149**	**3,877**	**2,329**	**2,931**	**3,066**	**6,278**	**3,506**	**3,627**	**12,286**	**16,478**
Tax	794	735	620	687	773	958	884	901	2,836	3,517
Rate (%)	25.2	18.9	26.6	23.5	25.2	15.3	25.2	24.8	23.1	21.3
Reported PAT	**2,355**	**3,142**	**1,709**	**2,243**	**2,293**	**5,320**	**2,622**	**2,726**	**9,450**	**12,961**
YoY Change (%)	1.1	-4.9	-19.9	11.0	-2.6	69.3	53.4	21.5	-3.5	37.2
Margin (%)	56.1	81.6	49.1	60.0	58.2	117.4	57.6	59.0	61.9	73.5

HPCL — Buy

CMP: INR469 | TP: INR590 (+26%) — **EPS CHANGE (%): FY24|25: -1|-1**

- Expect refining throughput at 4.8mmt (-4% YoY)
- Expect marketing sales volumes at 11.4mmt (+3% YoY/ -4% QoQ)
- Expect reported GRM at USD12.4/bbl, with gross marketing margin at INR4.1/lit.
- Watch out for commissioning of remaining units of Visakhapatnam refinery and new Rajasthan refinery

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**1,144.5**	**1,084.2**	**1,096.0**	**1,079.3**	**1,119.6**	**957.0**	**1,113.1**	**1,025.8**	**4,404.0**	**4,215.5**
YoY Change (%)	58.0	30.5	13.5	10.6	-2.2	-11.7	1.6	-5.0	25.9	-4.3
EBITDA	**-115.5**	**-8.9**	**20.7**	**46.6**	**95.2**	**85.8**	**21.3**	**41.0**	**-57.1**	**243.3**
Margins (%)	-10.1	-0.8	1.9	4.3	8.5	9.0	1.9	4.0	-1.3	5.8
Depreciation	10.9	10.8	11.1	10.4	13.6	12.4	13.4	13.6	43.3	53.0
Forex loss	9.5	6.0	4.0	-1.4	-1.3	3.6	-0.4	-0.1	18.1	1.9
Interest	3.3	5.9	6.8	5.2	5.9	5.8	6.1	6.0	21.3	23.8
Other Income	3.4	2.8	2.9	11.6	6.3	3.4	5.6	8.0	20.7	23.3
PBT before EO expense	**-135.8**	**-28.9**	**1.7**	**43.9**	**83.3**	**67.4**	**7.7**	**29.5**	**-119.1**	**187.9**
PBT	**-135.8**	**-28.9**	**1.7**	**43.9**	**83.3**	**67.4**	**7.7**	**29.5**	**-119.1**	**187.9**
Rate (%)	24.9	24.9	-2.4	26.6	25.5	24.1	31.1	25.2	24.7	25.2
Adj PAT	**-102.0**	**-21.7**	**1.7**	**32.2**	**62.0**	**51.2**	**5.3**	**22.1**	**-89.7**	**140.6**
YoY Change (%)	PL	PL	-80.2	79.5	LP	LP	206.8	-31.6	PL	LP

Indraprastha Gas — Sell

CMP: INR439 | TP: INR350 (-20%) — **EPS CHANGE (%): FY24|25: 0|-2**

- Expect total volumes at 8.76mmscmd (up 6% YoY/3% QoQ).
- Expect EBITDA/scm at INR7.2, as price cut offsets decline in spot LNG prices.
- Key monitorable would be increase in sales volumes from GAs – both existing and the newly awarded ones.
- Slowing D-PNG growth and increasing competition from alternate fuels in I/C segment to be the key risk to long-term volume growth prospects.

Standalone Quarterly performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**31,939**	**35,540**	**37,108**	**36,872**	**34,070**	**34,585**	**35,562**	**30,476**	**1,41,459**	**1,34,693**
Change (%)	154.0	94.1	67.5	53.3	6.7	-2.7	-4.2	-17.3	83.5	-4.8
EBITDA	**6,175**	**5,275**	**4,285**	**4,663**	**6,424**	**6,569**	**5,924**	**5,779**	**20,398**	**24,696**
EBITDA (INR/scm)	8.6	7.1	5.7	6.3	8.6	8.6	7.6	7.2	6.9	8.0
Change (%)	62.1	-0.5	-8.8	-6.8	4.0	24.5	38.3	23.9	8.4	21.1
Depreciation	857	914	925	938	989	1,022	1,018	1,092	3,634	4,122
Interest	24	31	26	26	24	25	18	24	106	90
Other Income	307	1,100	557	654	457	1,340	550	486	2,619	2,832
PBT before EO	**5,602**	**5,430**	**3,891**	**4,354**	**5,867**	**6,862**	**5,438**	**5,149**	**19,277**	**23,316**
Tax	1,394	1,269	1,109	1,057	1,483	1,514	1,235	1,364	4,827	5,596
Rate (%)	24.9	23.4	28.5	24.3	25.3	22.1	22.7	26.5	25.0	24.0
PAT	**4,209**	**4,162**	**2,783**	**3,298**	**4,384**	**5,348**	**4,203**	**3,785**	**14,450**	**17,720**
PAT (INR/scm)	5.9	5.6	3.7	4.4	5.9	7.0	5.4	4.7	4.9	5.8
Change (%)	72.3	3.9	-9.8	-8.8	4.2	28.5	51.1	14.8	9.9	22.6

IOC — Buy

CMP: INR169 | TP: INR196 (+16%) — **EPS CHANGE (%): FY24|25: +4|-3**

- Expect refinery throughput of 17.5mmt (down 9% YoY/6% QoQ)
- Petchem cracks have declined sequentially, which should have a bearing on the company's petchem division
- Expect reported GRM at USD15/bbl, with gross marketing margin at INR3.8/lit.
- Increase in SG GRM to positively impact IOC the most among peers due to its highest leverage to refining.

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**2242.5**	**2074.9**	**2047.4**	**2029.9**	**1975.3**	**1797.4**	**1991.0**	**1966.9**	**8394.7**	**7730.6**
YoY Change (%)	89.0	53.2	22.8	14.5	-11.9	-13.4	-2.8	-3.1	40.3	-7.9
EBITDA	**43.0**	**50.1**	**52.9**	**143.5**	**221.6**	**213.1**	**154.9**	**140.7**	**289.5**	**730.3**
Margin (%)	1.9	2.4	2.6	7.1	11.2	11.9	7.8	7.2	3.4	9.4
Depreciation	28.5	29.6	31.0	29.5	31.5	32.8	43.4	42.7	118.6	150.5
Forex loss	29.4	30.5	17.0	-9.9	0.0	0.0	0.0	0.0	67.0	0.0
Interest	17.2	14.4	19.5	18.1	16.3	18.5	18.3	18.5	69.3	71.5
Other Income	6.8	22.0	17.2	16.4	6.9	9.8	14.5	14.6	62.4	45.8
PBT	**-25.3**	**-2.4**	**2.6**	**122.1**	**180.7**	**171.7**	**107.7**	**94.0**	**97.0**	**554.1**
Tax	-5.4	0.3	-1.9	21.6	43.2	42.0	27.0	23.0	14.6	135.3
Rate (%)	21.2	-11.5	-74.6	17.7	23.9	24.5	25.1	24.5	15.0	24.4
Adj PAT	**-19.9**	**-2.7**	**4.5**	**100.6**	**137.5**	**129.7**	**80.6**	**71.0**	**82.4**	**418.8**
YoY Change (%)	PL	PL	-92.4	67.0	LP	LP	1699.8	-29.4	-65.9	408.1
Margin (%)	-0.9	-0.1	0.2	5.0	7.0	7.2	4.0	3.6	1.0	5.4

Mahanagar Gas — Buy

CMP: INR1,383 | TP: INR1,740 (+26%) — **EPS CHANGE (%): FY24|25: -2|+3**

- Expect a volume growth of 13% YoY to 3.8mmscmd with CNG volumes up 12% YoY
- EBITDA margin expected at INR11.9/scm, with price cut offsetting the lower spot LNG prices
- Watch out for incentives for CNG vehicles to pick up demand in the segment.
- Updates on progress of recently announced biogas plant is a key monitorable.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**14,548**	**15,627**	**16,714**	**16,105**	**15,378**	**15,709**	**15,688**	**15,018**	**62,993**	**61,793**
YoY Change (%)	136.4	88.2	62.6	48.2	5.7	0.5	-6.1	-6.7	76.9	-1.9
EBITDA	**2,856**	**2,528**	**2,561**	**3,897**	**5,213**	**4,789**	**4,487**	**4,102**	**11,842**	**18,590**
EBITDA/ scm	9.1	7.9	8.2	12.8	16.8	14.6	13.3	11.9	9.5	14.1
Margins (%)	19.6	16.2	15.3	24.2	33.9	30.5	28.6	27.3	18.8	30.1
Depreciation	537	551	585	638	620	658	683	705	2,311	2,667
Interest	23	25	24	22	25	25	27	27	94	104
Other Income	200	260	323	336	390	437	481	461	1,119	1,768
PBT	**2,496**	**2,213**	**2,274**	**3,573**	**4,957**	**4,543**	**4,258**	**3,831**	**10,555**	**17,588**
Tax	644	573	553	885	1,273	1,158	1,086	968	2,655	4,485
Rate (%)	25.8	25.9	24.3	24.8	25.7	25.5	25.5	25.3	25.2	25.5
Reported PAT	**1,852**	**1,640**	**1,721**	**2,688**	**3,684**	**3,385**	**3,172**	**2,862**	**7,901**	**13,103**
YoY Change (%)	-9.3	-19.7	203.0	104.0	98.9	106.4	84.3	6.5	32.3	65.9
Margins (%)	12.7	10.5	10.3	16.7	24.0	21.5	20.2	19.1	12.5	21.2

MRPL — Sell

CMP: INR229 | TP: INR180 (-21%) — **EPS CHANGE (%): FY24|25: 0 |-2**

- Expect refinery throughput of 4.5mmt (up 2% YoY).
- Watch out for details regarding recently announced petchem expansion and retail sales growth.
- Expect reported GRM at USD7.9/bbl, taking inventory gain into account.
- Sustained high valuations remain a concern, given the current highly volatile macro environment.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**3,22,897**	**2,46,080**	**2,65,574**	**2,54,009**	**2,11,731**	**1,92,297**	**2,46,769**	**2,42,365**	**10,88,561**	**8,93,162**
YoY Change (%)	185.8	85.0	30.1	2.4	-34.4	-21.9	-7.1	-4.6	56.1	-18.0
EBITDA	**54,368**	**-15,325**	**5,358**	**33,940**	**20,617**	**22,428**	**11,843**	**15,051**	**78,342**	**69,939**
Margin (%)	16.8	-6.2	2.0	13.4	9.7	11.7	4.8	6.2	7.2	7.8
Depreciation	2,956	2,969	2,980	2,962	2,940	2,960	3,343	3,329	11,867	12,571
Forex loss	7,228	4,624	2,485	-962	-66	1,046	248	46	13,375	1,273
Interest	3,022	3,155	3,377	3,300	2,673	3,112	2,736	2,817	12,853	11,338
Other Income	367	316	573	861	518	745	396	474	2,117	2,133
PBT before EO expense	**41,530**	**-25,756**	**-2,910**	**29,500**	**15,588**	**16,055**	**5,911**	**9,334**	**42,364**	**46,889**
Extra-Ord expense	0	0	-25	0	0	0	0	0	-25	0
PBT	**41,530**	**-25,756**	**-2,885**	**29,500**	**15,588**	**16,055**	**5,911**	**9,334**	**42,389**	**46,889**
Tax	14,454	-7,865	-1,005	10,421	5,461	5,462	2,041	3,174	16,005	16,138
Rate (%)	34.8	30.5	34.8	35.3	35.0	34.0	34.5	34.0	37.8	34.4
Reported PAT	**27,075**	**-17,891**	**-1,880**	**19,080**	**10,127**	**10,593**	**3,871**	**6,161**	**26,384**	**30,752**
YoY Change (%)	LP	Loss	PL	-37.4	-62.6	LP	LP	-67.7	-11.8	16.6
Margin (%)	8.4	-7.3	-0.7	7.5	4.8	5.5	1.6	2.5	2.4	3.4

Oil India — Buy

CMP: INR593 | TP: INR694 (+17%) — **EPS CHANGE (%): FY24|25: +2|-3**

- Oil realization (post windfall tax) to expand 2% YoY in 4QFY24
- Expect oil sales at 0.83mmt (up 9% YoY) and gas sales of 0.68bcm (up 15% YoY)
- Increase in production at the Baghjan field is a key monitorable over the medium term
- Update on progress of NRL capacity expansion and IGGL phase I

Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**59,641**	**57,760**	**58,794**	**56,462**	**46,447**	**59,133**	**58,150**	**57,086**	**2,32,657**	**2,20,816**
Change (%)	98.6	74.4	57.3	26.1	-22.1	2.4	-1.1	1.1	60.1	-5.1
EBITDA	**26,329**	**18,482**	**28,553**	**23,476**	**23,289**	**24,885**	**21,058**	**29,468**	**96,839**	**98,700**
% of Net Sales	44.1	32.0	48.6	41.6	50.1	42.1	36.2	51.6	41.6	44.7
Change (%)	114.1	102.3	125.3	19.9	-11.5	34.6	-26.2	25.5	80.4	1.9
D,D&A	3,868	4,236	4,536	3,309	3,974	4,234	4,992	5,527	15,949	18,727
Interest	2,042	2,113	2,010	1,077	1,659	2,235	1,814	2,663	7,242	8,371
OI (incl. Oper. other inc)	658	8,949	1,022	4,294	3,341	7,092	5,080	4,512	14,922	20,025
PBT before exceptional	**21,077**	**21,081**	**23,029**	**23,383**	**20,997**	**25,509**	**19,331**	**25,789**	**88,570**	**91,626**
Exceptional item	0.0	0.0	0.0	0.0	0.0	23,627	0.0	0.0	0	23,627
PBT after exceptional	**21,077**	**21,081**	**23,029**	**23,383**	**20,997**	**1,882**	**19,331**	**25,789**	**88,570**	**67,999**
Tax	5,522	3,876	5,568	5,501	4,863	-1,372	3,489	6,123	20,466	13,103
Rate (%)	26.2	18.4	24.2	23.5	23.2	-5.4	18.0	23.7	23.1	14.3
PAT	**15,555**	**17,205**	**17,461**	**17,883**	**16,134**	**3,253**	**15,843**	**19,666**	**68,104**	**54,897**
Change (%)	206.2	241.1	40.3	9.7	3.7	-81.1	-9.3	10.0	75.2	-19.4
Adj. PAT	**15,555**	**17,205**	**17,461**	**17,883**	**16,134**	**19,088**	**15,843**	**19,666**	**68,104**	**70,732**
Change (%)	206.2	241.1	40.3	9.7	3.7	10.9	-9.3	10.0	75.2	3.9

ONGC — Buy

CMP: INR270 | TP: INR315 (+17%) — **EPS CHANGE (%): FY24|25: -5|-3**

- Oil realization (before windfall tax) to expand 5% YoY in line with Brent movement in 4QFY24.
- Update on ramp-up of gas production remain the key monitorable
- Expect oil and gas sales volumes to be +4%/-2% YoY. VAP sales to decline 4% YoY
- Delay in peak oil production from KG Basin or decline in oil prices below USD75/bbl are key downside risks

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**423.2**	**383.2**	**385.8**	**362.9**	**338.1**	**351.6**	**347.9**	**348.8**	**1,555.2**	**1,386.5**
YoY Change (%)	83.8	57.4	35.5	5.2	-20.1	-8.2	-9.8	-3.9	40.9	-10.8
EBITDA	**259.3**	**188.1**	**204.1**	**163.4**	**194.5**	**183.6**	**171.6**	**180.1**	**814.9**	**729.8**
Margin (%)	61.3	49.1	52.9	45.0	57.5	52.2	49.3	51.6	52.4	**-740.7**
Depreciation	57.1	53.1	64.6	93.0	67.0	59.6	74.1	87.5	267.9	288.2
Interest	6.4	6.7	6.9	7.1	10.1	10.2	10.2	10.5	27.0	41.0
Other Income	7.6	35.3	14.1	19.3	16.1	20.9	34.0	34.3	76.3	105.3
PBT before EO expense	**203.4**	**163.6**	**146.7**	**82.6**	**133.6**	**134.7**	**121.3**	**116.3**	**596.3**	**506.0**
Extra-Ord expense	0.0	0.0	0.0	92.4	0.0	0.0	0.0	0.0	92.4	0.0
PBT	**203.4**	**163.6**	**146.7**	**-9.8**	**133.6**	**134.7**	**121.3**	**116.3**	**504.0**	**506.0**
Tax	51.4	35.3	36.3	-7.3	33.5	32.6	26.0	29.3	115.7	121.3
Rate (%)	25.3	21.6	24.7	74.7	25.0	24.2	21.4	25.2	23.0	24.0
Reported PAT	**152.1**	**128.3**	**110.4**	**-2.5**	**100.2**	**102.2**	**95.4**	**87.0**	**388.3**	**384.7**
Adj PAT	**152.1**	**128.3**	**110.4**	**61.8**	**100.2**	**102.2**	**95.4**	**87.0**	**452.5**	**384.7**
YoY Change (%)	250.8	50.9	26.0	-30.3	-34.1	-20.3	-13.7	40.8	48.6	-15.0
Margin (%)	35.9	33.5	28.6	17.0	29.6	29.1	27.4	24.9	29.1	27.7

Petronet LNG — Neutral

CMP: INR265| TP: INR300 (+13%) — **EPS CHANGE (%): FY24|25: +4|0**

- We model in Dahej/Kochi utilization at 100%/20%.
- Increasing domestic gas supply may lead to a decline in LNG imports, thereby adversely impacting utilization.
- Progress on ongoing projects is a key monitorable.
- Expect total PLNG volumes to increase 28% YoY.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**1,42,638**	**1,59,857**	**1,57,759**	**1,38,739**	**1,16,561**	**1,25,320**	**1,47,472**	**1,23,774**	**5,98,994**	**5,13,127**
YoY Change (%)	65.9	47.8	25.2	24.3	-18.3	-21.6	-6.5	-10.8	38.8	-14.3
EBITDA	**10,644**	**11,730**	**16,754**	**9,431**	**11,818**	**12,147**	**17,060**	**10,986**	**48,558**	**52,011**
Margin (%)	7.5	7.3	10.6	6.8	10.1	9.7	11.6	8.9	8.1	10.1
Depreciation	1,912	1,922	1,923	1,886	1,919	1,948	1,955	1,937	7,643	7,758
Interest	779	811	814	902	746	747	697	881	3,305	3,070
Other Income	1,418	942	1,839	1,538	1,467	1,567	1,565	1,706	5,736	6,305
PBT	**9,371**	**9,939**	**15,856**	**8,180**	**10,621**	**11,020**	**15,973**	**9,874**	**43,345**	**47,488**
Tax	2,362	2,496	4,050	2,038	2,723	2,839	4,066	2,488	10,946	12,116
Rate (%)	25.2	25.1	25.5	24.9	25.6	25.8	25.5	25.2	25.3	25.5
Reported PAT	**7,009**	**7,443**	**11,805**	**6,142**	**7,899**	**8,181**	**11,907**	**7,386**	**32,399**	**35,372**
Adj PAT	**7,009**	**7,443**	**11,805**	**6,142**	**7,899**	**8,181**	**11,907**	**7,386**	**32,399**	**35,372**
YoY Change (%)	10.3	-9.6	3.2	-18.1	12.7	9.9	0.9	20.2	-3.4	9.2
Margin (%)	4.9	4.7	7.5	4.4	6.8	6.5	8.1	6.0	5.4	6.9

Reliance Industries

Buy

CMP: INR2,970 | TP: INR3,215 (+8%)

EPS CHANGE (%): FY24|25: 0|-2

- Expect consolidated EBITDA to remain flat YoY at INR388b.
- Expect production meant for sale at 17.1mmt (flat YoY). Expect EBITDA/mt at USD91 (-10% YoY).
- Expect standalone EBITDA at INR182.6b (up 1% YoY)
- Further clarity on INR750b announcements in the new energy business, growth in Retail store additions, and any pricing action in Telecom are the key monitorable.

Consolidated - Quarterly Earning Model **(INR b)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**2,193**	**2,301**	**2,172**	**2,129**	**2,076**	**2,319**	**2,251**	**2,582**	**8,795**	**9,228**
YoY Change (%)	56.7	37.3	17.4	2.7	-5.4	0.8	3.6	21.3	25.6	4.9
EBITDA	**380**	**312**	**352**	**384**	**381**	**410**	**407**	**388**	**1,429**	**1,585**
Margins (%)	17.3	13.6	16.2	18.1	18.4	17.7	18.1	15.0	16.2	17.2
Depreciation	89	97	102	115	118	126	129	130	403	503
Interest	40	46	52	58	58	57	58	29	196	202
Other Income	22	35	31	29	38	38	39	11	118	126
PBT before EO expense	**273**	**205**	**230**	**241**	**243**	**265**	**258**	**240**	**948**	**1,006**
Extra-Ord expense	-9	-2	-1	0	0	0	0	0	-12	0
PBT	**282**	**206**	**231**	**241**	**243**	**265**	**258**	**240**	**960**	**1,006**
Rate (%)	27.7	23.6	22.8	11.6	25.2	25.2	24.6	23.9	21.6	24.7
Minority Interest & P/L of Asso. Cos.	15.5	19.3	19.5	20.0	21.7	24.3	22.2	6.9	74.3	75.2
Reported PAT	**188**	**138**	**159**	**193**	**160**	**174**	**173**	**176**	**679**	**683**
Adj PAT	**182**	**137**	**158**	**193**	**160**	**174**	**173**	**176**	**679**	**683**
YoY Change (%)	48.3	0.1	-2.6	19.1	-12.0	27.0	9.2	-8.9	16.2	0.5
Margins (%)	8.3	6.0	7.3	9.1	7.7	7.5	7.7	6.8	7.7	7.4

Real Estate

Company
Brigade Enterprises
DLF
Godrej Properties
Macrotech Developers
Mahindra Lifespace
Oberoi Realty
Phoenix Mills
Prestige Estates
Sobha
Sunteck Realty

Pre-sales likely to moderate due to lack of launches

- Our coverage universe is expected to report pre-sales of INR250b, up 4% YoY but down 11% QoQ, in 4QFY24. The cumulative bookings for FY24 are expected at INR907b, up 33% YoY vs. initial expectation of 15-20% growth.
- Although the pace of new launches picked up in 3QFY24, it could not be sustained in 4Q, despite a strong project pipeline, as many companies faced delays in approval. Hence, few companies witnessed moderation in bookings on sequential basis. However, all stocks (except SRIN) in our coverage signed off FY24 with yet another strong performance, delivering 20-60% bookings growth.
- Among all companies, GPL/MLIFE/PEPL are expected to report strong YoY growth of 53%/55%/62% in FY24. On the other hand, SRIN is expected to miss the guidance due to the delay in new tower launch at Mira Road.

GPL, MLIFE and OBER to witness highest YoY growth in bookings

- **DLF:** In line with the 3QFY24 commentary, DLF did not launch any major projects during the quarter. Thus, its pre-sales are expected to be subdued at INR28b vs. comparable quarters. Bookings will be helped by the recognition of land sale in Chennai worth INR7.3b.
- **Oberoi Realty:** Aided by the launch of a third tower at Elysian, OBER is expected to report pre-sales of INR17b, up 2.6x YoY. The Sky City project is expected to benefit from a 10% price hike. The company has also witnessed a pick-up in velocity at Mulund projects.
- **GPL:** GPL had another strong quarter of launches, with eight new project/phase launches across MMR, Pune, Gurugram and Kolkata with saleable area of ~7msf and GDV value of INR80b. New launches, along with INR160b worth of inventory, can enable GPL to report pre-sales of INR65b, up 60% YoY. We also expect a strong performance on cash flows and profitability as the company remains on track to achieve its guidance of >10msf of completions and net collections of INR100b.
- **PEPL:** The company had one small launch in Bengaluru worth INR8b in 4Q; however, strong sales momentum for its INR160b of ongoing inventory should lead to pre-sales of INR47b for the quarter. Accordingly, the company is expected to report pre-sales of INR210b in FY24, up 62% YoY.
- **BRGD:** The company launched two new phases with saleable area potential of 1.3msf, which is lower than its guidance of 2.6msf. With INR26b of existing inventory, BRGD is expected to clock pre-sales of INR15b, flat YoY/QoQ.
- **MLDL:** The company launched four new projects across MMR, Chennai, Pune and Bengaluru in 4QFY24. Since Pune and Bengaluru launches happened at the end of the quarter, we expect bookings to spill over to 1QFY25. However, we expect MLDL to report pre-sales of INR15b, a four-fold jump YoY on the back of a strong response to its Kandivali project. Accordingly, pre-sales in FY24 would jump 60% YoY to INR28b and surpass MLDL's FY25 guidance of INR25b a year in advance.
- **SUNTECK:** The company failed to open up any new inventory during the quarter; however, a pick-up in velocity at its existing projects should lead to a 14% QoQ jump in pre-sales to INR5b. FY24 bookings should thus stand at INR18b, lower than its guidance of INR20b.

Pritesh Sheth - Research Analyst (Pritesh.Sheth@motilaloswal.com)

Sourabh Gilda - Research Analyst (Sourabh.Gilda@motilaloswal.com)

Top picks: PEPL, SOBHA and GPL

- As per Anarock, residential sales in FY24 reached a decadal high, with almost 500k units sold (up 30% YoY). Despite new project launches of over 100k in 4QFY24, available inventory in the top seven cities dropped by 7% annually.
- With a favorable demand-supply balance, a comfortable inventory position, and healthy pricing power, we expect buoyancy to continue in the real estate sector.
- Most of the listed companies are trading above the value of their existing pipelines, so we prefer companies that are able to outperform their peers and whose valuations do not reflect this outperformance. **PEPL, SOBHA** and **GPL** are our preferred picks

Exhibit 1: Summary of 4QFY24 estimates

Sector	CMP (INR)	RECO	SALES (INR B)			EBDITA (INR B)			NET PROFIT (INR B)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Macrotech Developers	1169	Buy	37	14	27	9	20	-14	5.9	-20	17
Oberoi Realty	1504	Neutral	14	40	28	7	87	36	4.8	0	33
Godrej Properties	2391	Buy	5	-68	58	0.6	-83	NA	3.7	-18	498
DLF	948	Neutral	23	56	50	7	82	42	8.3	45	26
Prestige Estates	1264	Buy	22	-15	25	6	-6	16	1.9	-59	66
Brigade Enterprise	956	Buy	11	25	-10	3	26	-3	0.5	-21	-26
Sobha	1546	Buy	12	1	78	1	22	90	0.7	52	389
Mahindra Lifespace	620	Neutral	1	-65	10	0	-5	-34	0.0	NA	NA
Phoenix Mills	2845	Neutral	11	49	10	6	42	11	3.1	52	12
Sunteck Realty	426	Buy	6.0	1126	1,311	2.2	NA	NA	1.6	NA	NA
Real Estate			**142**	**9**	**34**	**42**	**29**	**23**	**31**	**2**	**46**

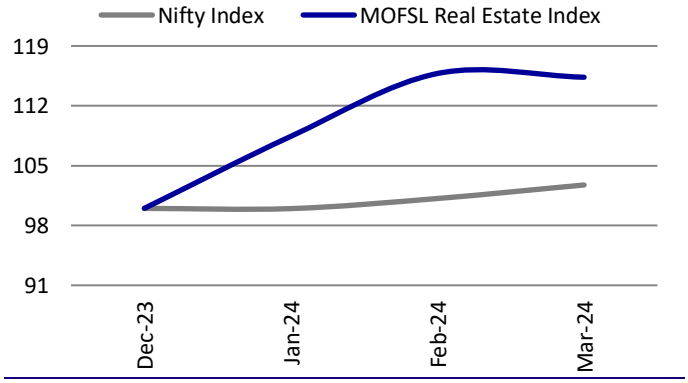
Source: Company, MOFSL

Exhibit 2: Expected operational performance summary

Sector	PRE-SALES (INR b)			VOLUME (MSF)			COLLECTIONS (INR b)		
	Mar-24	Var% YoY	Var% QoQ	Mar-24	Var% YoY	Var% QoQ	Mar-24	Var% YoY	Var% QoQ
Macrotech Developers*	42	40	24	2.9	17	13	35	21	37
Oberoi Realty	17	157	120	0.5	205	93	8	-2	-7
Godrej Properties	65	60	13	5.8	11	34	33	-13	38
DLF	28	-66	-69	1.7	-31	-67	33	73	32
Prestige Estates	47	20	-12	5.6	40	2	34	38	17
Brigade Enterprise	15	1	-1	1.9	-20	12	15	24	10
Sobha*	15	3	-23	1.4	-7	-18	10	-11	-18
Mahindra Lifespace	15	317	240	1.2	155	136	3	-9	-28
Sunteck Realty	5	-2	16	NA	NA	NA	2	-27	-45
Real Estate	**250**	**4**	**-13**	**21**	**13**	**-3**	**175**	**16**	**18**

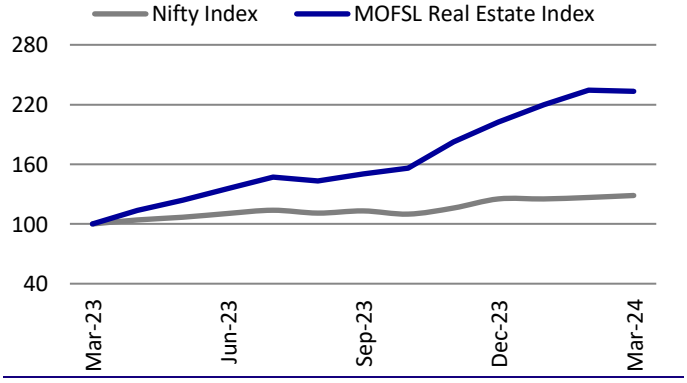
*Actual for Macrotech and Sobha Source: Company, MOFSL

Exhibit 3: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 5: Real estate coverage – operational snapshot

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	YoY (%)	QoQ (%)
Sales (INR b)										
DLF	20	21	25	85	20	22	90	28	-66	-69
Godrej Properties	25	24	33	41	23	50	50	65	60	30
Macrotech	28	31	30	30	34	35	34	42	40	24
Oberoi Realty	8	12	6	7	5	10	8	17	158	119
Prestige Estates	30	35	25	39	39	71	53	47	20	-12
Brigade Enterprise	8	8	10	15	10	12	15	15	1	4
Sobha	11	12	14	15	15	17	20	15	3	-23
Mahindra Lifespace	6	4	5	4	4	5	5	15	317	195
Sunteck Realty	3	3	4	5	4	4	5	5	-2	16
Aggregate Sales (INR b)	**140**	**150**	**152**	**240**	**152**	**227**	**279**	**250**	**4**	**-11**
Volume (msf)										
DLF	1.2	1.6	1.5	5.0	0.9	1.3	5.0	1.7	-67	-67
Godrej Properties	2.8	2.7	4.4	5.3	2.3	5.2	4.3	5.8	11	34
Macrotech	2.2	2.1	2.5	2.5	2.8	2.6	2.6	2.9	17	13
Oberoi Realty	0.4	0.4	0.4	0.2	0.1	0.2	0.3	0.5	121	93
Prestige Estates	3.6	4.6	2.9	4.0	3.8	6.8	5.5	5.6	40	2
Brigade Enterprise	1.2	1.2	1.5	2.4	1.5	1.7	1.7	1.9	-21	12
Sobha	1.4	1.3	1.5	1.5	1.4	1.7	1.7	1.4	-8	-18
Mahindra Lifespace	0.7	0.5	0.6	0.5	0.4	0.7	0.5	1.2	155	136
Aggregate Volume (msf)	**13.5**	**14.3**	**15.3**	**21.3**	**13.2**	**20.3**	**21.5**	**21.0**	**-2**	**-3**
Collections (INR b)										
DLF	10	12	13	18	15	24	25	33	81	32
Godrej Properties	18	22	21	43	23	24	24	33	-23	38
Macrotech	26	24	27	29	24	28	26	35	21	37
Oberoi Realty	6	9	4	9	11	11	9	8	-2	-7
Prestige Estates	21	26	23	28	27	24	29	34	22	17
Brigade Enterprise	9	10	9	10	8	14	14	15	57	10
Sobha	9	11	14	12	11	13	13	10	-11	-18
Mahindra Lifespace	3	3	3	3	3	2	4	3	-9	-28
Sunteck Realty	3	3	3	3	3	3	4	2	-27	-45
Aggregate Collections (INR b)	**104.2**	**119.2**	**117.5**	**155.0**	**126.0**	**142.0**	**147.8**	**175.1**	**13**	**18**

Source: Company, MOFSL

Exhibit 6: Comparative Valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Real Estate														
Brigade Enterpr.	956	Buy	15	37	42	65	26	23	65	26	23	9	20	18
DLF	948	Neutral	11	16	18	86	56	52	4	4	3	7	10	10
Godrej Properties	2,391	Buy	27	46	47	88	51	50	7	6	5	8	12	11
Macrotech Developers	1,169	Buy	16	25	36	72	47	32	8	7	6	12	16	20
Mahindra Lifespace	620	Neutral	1	8	7	397	71	85	5	5	4	1	7	5
Oberoi Realty	1,504	Neutral	44	45	61	31	30	22	4	3	3	11	11	11
Phoenix Mills	2,845	Neutral	61	75	106	46	38	27	5	5	4	12	13	16
Prestige Estates	1,264	Buy	21	21	26	65	63	50	4	4	4	7	7	8
Sobha	1,546	Buy	12	41	84	130	38	19	6	5	4	5	14	24
Sunteck Realty	426	Buy	9	17	23	51	28	20	2	2	2	5	8	10

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Brigade Enterprise — Buy

CMP: INR956 | TP: INR1250 (31%) — **EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to increase 25% YoY to INR10.5b.
- New bookings for the quarter are likely to reach INR15b, flat YoY.
- EBITDA is likely to reach INR2.5b with a margin of 24%.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	**9,025**	**8,792**	**8,203**	**8,428**	**6,540**	**13,666**	**11,738**	**10,509**	**34,448**	**42,453**
YoY Change (%)	135.8	16.8	-10.9	-10.6	-27.5	55.4	43.1	24.7	14.9	23.2
Total Expenditure	6,698	6,628	6,124	6,406	4,792	10,418	9,117	7,969	25,856	32,296
EBITDA	**2,327**	**2,165**	**2,079**	**2,022**	**1,748**	**3,248**	**2,620**	**2,541**	**8,592**	**10,157**
Margins (%)	25.8	24.6	25.3	24.0	26.7	23.8	22.3	24.2	24.9	23.9
Depreciation	751	780	781	834	681	757	821	839	3,146	3,098
Interest	1,061	1,096	1,184	1,000	1,081	1,100	1,349	1,336	4,342	4,866
Other Income	178	330	383	295	315	413	344	292	1,186	1,364
PBT before EO expense	**693**	**618**	**497**	**483**	**300**	**1,803**	**795**	**659**	**2,291**	**3,557**
Extra-Ord expense	-97	-183	0	-170	0	0	0	0	-450	0
PBT	**790**	**801**	**497**	**653**	**300**	**1,803**	**795**	**659**	**2,741**	**3,557**
Tax	184	283	70	21	82	679	237	142	558	1,138
Rate (%)	23.3	35.4	14.1	3.1	27.1	37.6	29.8	21.5	20.4	32.0
MI & Profit/Loss of Asso. Cos.	-271	-258	-142	-62	-166	-210	-177	-30	-733	-583
Reported PAT	**877**	**776**	**569**	**694**	**385**	**1,335**	**735**	**547**	**2,916**	**3,002**
Adj PAT	**802**	**658**	**569**	**530**	**385**	**1,335**	**735**	**547**	**2,515**	**3,002**
YoY Change (%)	-470.8	74.8	-25.9	-18.2	-52.0	103.0	29.2	3.3	59.7	19.4
Margins (%)	8.9	7.5	6.9	6.3	5.9	9.8	6.3	5.2	7.3	7.1

DLF — Neutral

CMP: INR948 | TP: INR850 (-10%) — **EPS CHANGE (%): FY24|25: 3|0**

- We expect revenue to increase 56% YoY to INR13b.
- New bookings are expected moderate to INR28b in 4Q due to lack of new launches.
- DLF can report EBITDA of INR7.2b with steady margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	**14,416**	**13,023**	**14,948**	**14,561**	**14,232**	**13,477**	**15,213**	**22,758**	**56,948**	**65,680**
YoY Change (%)	26.5	-12.1	-3.5	-5.9	-1.3	3.5	1.8	56.3	-0.4	15.3
Total Expenditure	10,280	8,657	10,176	10,577	10,271	8,853	10,103	15,516	39,690	44,743
EBITDA	**4,137**	**4,367**	**4,772**	**3,984**	**3,962**	**4,624**	**5,110**	**7,242**	**17,259**	**20,937**
Margins (%)	28.7	33.5	31.9	27.4	27.8	34.3	33.6	31.8	30.3	31.9
Depreciation	373	367	386	360	364	370	380	453	1,486	1,566
Interest	1,052	1,069	954	846	849	902	837	907	3,921	3,495
Other Income	747	582	659	1,196	985	1,287	1,223	1,103	3,173	4,598
PBT before EO expense	**3,458**	**3,512**	**4,090**	**3,974**	**3,734**	**4,639**	**5,115**	**6,985**	**15,024**	**20,474**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**3,458**	**3,512**	**4,090**	**3,974**	**3,734**	**4,639**	**5,115**	**6,985**	**15,024**	**20,474**
Tax	876	910	1,104	1,125	1,014	1,122	1,350	1,665	4,015	5,151
Rate (%)	25.3	25.9	27.0	28.3	27.2	24.2	26.4	23.8	33.2	33.2
Minority Interest & Profit/Loss of Asso. Cos.	2,111	2,169	2,203	2,848	2,541	2,701	2,792	2,959	9,330	10,993
Reported PAT	**4,692**	**4,772**	**5,189**	**5,696**	**5,261**	**6,219**	**6,557**	**8,279**	**20,340**	**26,316**
Adj PAT	**4,692**	**4,772**	**5,189**	**5,696**	**5,261**	**6,219**	**6,557**	**8,279**	**20,340**	**26,316**
YoY Change (%)	39.2	25.9	-16.7	40.5	12.1	30.3	26.4	45.3	16.6	29.4
Margins (%)	32.5	36.6	34.7	39.1	37.0	46.1	43.1	36.4	35.7	40.1

Source: Company, MOFSL

Godrej Properties — Buy

CMP: INR2,391 | TP: INR2,855 (19%) — **EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to de-grow 68% YoY to INR5.2b.
- GPL's PAT can increase 14% YoY to INR0.6b.
- Aided by strong response to new launches, GPL's pre-sales could increase 60% YoY to INR65b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	**2,447**	**1,651**	**1,962**	**16,463**	**9,360**	**3,430**	**3,304**	**5,213**	**22,523**	**21,307**
YoY Change (%)	184.0	27.7	-29.6	23.7	282.6	107.8	68.4	-68.3	23.4	-5.4
Total Expenditure	2,589	2,325	2,130	12,996	9,303	4,047	3,720	4,639	20,040	21,708
EBITDA	**-142**	**-674**	**-168**	**3,466**	**57**	**-617**	**-416**	**574**	**2,482**	**-401**
Margins (%)	-5.8	-40.8	-8.6	21.1	0.6	-18.0	-12.6	11.0	11.0	-1.9
Depreciation	55	56	65	66	69	74	142	115	241	400
Interest	345	406	457	535	297	480	430	536	1,742	1,743
Other Income	1,817	2,041	2,084	1,926	3,299	2,621	2,179	3,769	7,867	11,868
PBT before EO expense	**1,276**	**905**	**1,394**	**4,791**	**2,990**	**1,451**	**1,192**	**3,692**	**8,366**	**9,324**
Extra-Ord expense	0	0	0	0	1,550	0	0	0	0	-1,550
PBT	**1,276**	**905**	**1,394**	**4,791**	**1,440**	**1,451**	**1,192**	**3,692**	**8,366**	**7,774**
Tax	327	-188	449	1,159	592	388	319	1,033	1,747	2,332
Rate (%)	25.6	-20.7	32.2	24.2	41.1	26.7	26.8	28.0	20.9	30.0
Minority Interest & Profit/Loss of Asso. Cos.	-516	-423	-381	913	488	-336	-245	1,090	-407	997
Reported PAT	**433**	**670**	**564**	**4,545**	**1,336**	**726**	**627**	**3,749**	**6,212**	**6,439**
Adj PAT	**433**	**670**	**564**	**4,545**	**2,248**	**726**	**627**	**3,749**	**6,212**	**7,524**
YoY Change (%)	154.6	87.7	44.8	75.6	419.3	8.4	11.2	-17.5	77.2	21.1
Margins (%)	17.7	40.6	28.7	27.6	24.0	21.2	19.0	71.9	27.6	35.3

Source: Company, MOFSL

Macrotech Developers — Buy

CMP: INR1,169 | TP: INR1,320 (+13%) — **EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to increase 14% YoY to INR37b.
- EBITDA to grow by 20% YoY to INR6.5b driven marginal improvement in EBITDA margin.
- The company has reported pre-sales of INR42b, up 40% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	**26,758**	**17,654**	**17,738**	**32,554**	**16,174**	**17,496**	**29,306**	**37,262**	**94,704**	**1,00,238**
YoY Change (%)	67	-17	-14	-5	-40	-1	65	14	2.6	5.8
Total Expenditure	22,091	13,414	13,701	24,837	12,874	13,335	20,479	27,989	74,042	74,677
EBITDA	**4,667**	**4,240**	**4,038**	**7,717**	**3,300**	**4,161**	**8,827**	**9,273**	**20,661**	**25,561**
Margins (%)	17.4	24.0	22.8	23.7	20.4	23.8	30.1	24.9	21.8	25.5
Adj. EBITDA (as per co.)	**9,030**	**5,250**	**5,700**	**9,800**	**4,600**	**5,500**	**10,800**	**9,273**	**29,780**	**30,173**
Margins (%)	33.7	29.7	32.1	30.1	28.4	31.4	36.9	24.9	31.4	30.1
Depreciation	196	219	217	296	240	293	333	212	928	1,078
Interest	1,193	1,249	1,176	1,172	1,241	1,231	1,168	1,101	4,791	4,741
Other Income	0	-42	1,286	163	544	55	281	376	1,408	1,256
PBT before EO expense	**3,278**	**2,730**	**3,931**	**6,412**	**2,363**	**2,692**	**7,607**	**8,335**	**16,350**	**20,997**
Extra-Ord expense	0	-11,774	0	0	0	0	1,049	0	-11,774	-1,049
PBT	**3,278**	**-9,044**	**3,931**	**6,412**	**2,363**	**2,692**	**6,558**	**8,335**	**4,576**	**19,948**
Tax	559	270	-119	-1,080	556	624	1,439	2,368	-370	4,987
Rate (%)	17.0	-3.0	-3.0	-16.8	23.5	23.2	21.9	28.4	-0.1	0.3
Minority Interest & Profit/Loss of Asso. Cos.	6	16	0	58	15	40	67	33	80	155
Reported PAT	**2,713**	**-9,330**	**4,050**	**7,434**	**1,792**	**2,028**	**5,052**	**5,934**	**4,866**	**14,806**
Adj PAT (as per co.)	**1,200**	**3,670**	**3,000**	**7,500**	**1,700**	**2,100**	**5,700**	**5,934**	**15,370**	**15,434**
YoY Change (%)	-2	28	8	31	42	-43	90	-21	21.9	0.4
Margins (%)	4.5	20.8	16.9	23.0	10.5	12.0	19.4	15.9	16.2	15.4

Source: Company, MOFSL

Mahindra Lifespaces — Neutral

CMP: INR620 | TP: INR600 (-3%) — **EPS CHANGE (%): FY24|25: 0|0**

- Revenue is expected to decrease 65% YoY to INR0.9b while profitability will continue to remain weak.
- On the back of successful launch at Kandivali, we expect MLDL to report best ever quarterly bookings of INR15b, up 4x YoY

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Income from Operations	**946**	**698**	**1,869**	**2,554**	**980**	**178**	**820**	**905**	**6,066**	**2,883**
YoY Change (%)	-36.2	17.8	667.9	57.9	3.7	-74.5	-56.1	-64.6	54.1	-52.5
Total Expenditure	1,265	1,092	1,983	2,827	1,412	527	1,210	1,163	7,167	4,311
EBITDA	**-320**	**-394**	**-114**	**-274**	**-431**	**-349**	**-390**	**-259**	**-1,101**	**-1,429**
Margins (%)	-33.8	-56.4	-6.1	-10.7	-44.0	-196.5	-47.6	-28.6	-18.2	-49.6
Depreciation	24	32	34	31	30	31	38	36	122	135
Interest	18	25	33	34	42	2	3	11	109	59
Other Income	228	40	112	149	120	79	68	79	530	346
PBT before EO expense	**-134**	**-411**	**-69**	**-189**	**-383**	**-303**	**-364**	**-226**	**-803**	**-1,276**
Extra-Ord expense	338	0	340	0	0	0	0	0	678	0
PBT	**204**	**-411**	**271**	**-189**	**-383**	**-303**	**-364**	**-226**	**-124**	**-1,276**
Tax	76	-67	-14	34	-94	-108	-109	-72	28	-383
Rate (%)	37.0	16.4	-5.1	-17.9	24.4	35.7	30.1	31.7	-22.7	30.0
Minority Interest & Profit/Loss of Asso. Cos.	625	266	48	229	247	6	754	113	1,167	1,120
Reported PAT	**754**	**-77**	**332**	**6**	**-43**	**-189**	**500**	**-42**	**1,014**	**227**
Adj PAT	**541**	**-77**	**-8**	**6**	**-43**	**-189**	**500**	**-42**	**461**	**227**
YoY Change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margins (%)	57.2	-11.1	-0.4	0.2	-4.4	-106.5	61.0	-4.6	7.6	7.9

Oberoi Realty — Neutral

CMP: INR1,504 | TP: INR1,390 (-8%) — **EPS CHANGE (%): FY24|25: 9|0**

- We expect revenue to increase 40% YoY to INR13.5b on the back of commencement of revenue recognition from new tower at Elysian.
- OBER's EBITDA could increase 87% YoY to INR7b due to 1200bps margin expansion.
- New bookings could increase to INR17b, up 2.5x YoY – aided by new tower launch at Elysian.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**9,131**	**6,886**	**16,295**	**9,614**	**9,100**	**12,174**	**10,536**	**13,504**	**41,926**	**45,315**
YoY Change (%)	221.2	-8.7	95.8	16.8	-0.3	76.8	-35.3	40.5	55.6	8.1
Total Expenditure	4,209	3,782	6,891	5,927	4,362	5,792	5,443	6,598	20,808	22,196
EBITDA	**4,922**	**3,104**	**9,404**	**3,687**	**4,737**	**6,382**	**5,094**	**6,906**	**21,117**	**23,119**
Margins (%)	53.9	45.1	57.7	38.3	52.1	52.4	48.3	51.1	50.4	51.0
Depreciation	98	101	102	97	113	113	114	120	398	460
Interest	326	363	381	621	615	565	501	489	1,691	2,170
Other Income	217	232	220	337	236	264	292	341	1,006	1,133
PBT before EO expense	**4,715**	**2,873**	**9,141**	**3,306**	**4,245**	**5,968**	**4,771**	**6,638**	**20,036**	**21,622**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**4,715**	**2,873**	**9,141**	**3,306**	**4,245**	**5,968**	**4,771**	**6,638**	**20,036**	**21,622**
Tax	1,137	692	2,260	-896	1,046	1,421	1,192	1,855	3,193	5,514
Rate (%)	24.1	24.1	24.7	(27.1)	24.6	23.8	25.0	27.9	15.9	25.5
Minority Interest & Profit/Loss of Asso. Cos.	453	1,006	144	601	17	21	22	0	2,204	60
Reported PAT	4,031	3,186	7,026	4,803	3,216	4,568	3,602	4,783	19,046	16,168
Adj PAT	**4,031**	**3,186**	**7,026**	**4,803**	**3,216**	**4,568**	**3,602**	**4,783**	**19,046**	**16,168**
YoY Change (%)	400.0	19.5	50.3	106.7	-20.2	43.4	-48.7	-0.4	81.9	-15.1
Margins (%)	44.1	46.3	43.1	50.0	35.3	37.5	34.2	35.4	45.4	35.7

Source: Company, MOFSL

Phoenix Mills

Neutral

CMP: INR2,845 | TP: INR2,425 (-15%)

EPS CHANGE (%): FY24|25: 3|4

- We expect revenue to increase 49% YoY to INR11b in 4QFY24.
- EBITDA margin is likely to remain steady at 56% with EBITDA reaching INR6.1b

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**5,744**	**6,511**	**6,838**	**7,290**	**8,106**	**8,750**	**9,861**	**10,882**	**26,383**	**37,599**
YoY Change (%)	188.2	79.0	60.9	47.2	41.1	34.4	44.2	49.3	77.8	42.5
Total Expenditure	2,515	2,702	2,994	2,983	3,183	3,612	4,343	4,770	11,194	15,908
EBITDA	**3,229**	**3,809**	**3,845**	**4,307**	**4,923**	**5,138**	**5,518**	**6,112**	**15,189**	**21,691**
Margins (%)	56.2	58.5	56.2	59.1	60.7	58.7	56.0	56.2	57.6	57.7
Depreciation	500	559	569	650	630	659	656	772	2,278	2,717
Interest	741	834	866	971	957	965	1,042	1,092	3,412	4,055
Other Income	235	324	347	257	290	316	343	318	1,163	1,267
PBT before EO expense	**2,223**	**2,739**	**2,757**	**2,943**	**3,627**	**3,830**	**4,163**	**4,566**	**10,663**	**16,186**
Extra-Ord expense	5,568	0	0	484	0	-78	0	0	6,052	0
PBT	**7,791**	**2,739**	**2,757**	**3,428**	**3,627**	**3,752**	**4,163**	**4,566**	**16,714**	**16,186**
Tax	341	520	633	496	730	714	724	827	1,989	2,994
Rate (%)	15.3	19.0	23.0	16.8	20.1	18.6	17.4	18.1	18.7	18.5
MI & P/L of Asso. Cos.	263	361	360	391	492	512	646	607	1,375	2,257
Reported PAT	7,187	1,858	1,764	2,541	2,405	2,526	2,793	3,132	13,350	10,934
Adj PAT	**1,619**	**1,858**	**1,764**	**2,057**	**2,405**	**2,604**	**2,793**	**3,132**	**7,298**	**10,934**
YoY Change (%)	-765.7	220.3	78.3	96.3	48.5	40.1	58.3	52.3	121.3	1,869.7
Margins (%)	28.2	28.5	25.8	28.2	29.7	29.8	28.3	28.8	27.7	29.1

Prestige Estates

Buy

CMP: INR1,264 | TP: INR1,535 (21%)

EPS CHANGE (%): FY24|25: 0|0

- We expect revenue to decrease 15% YoY to INR22b in 4QFY24.
- Despite lack of big launches, strong demand at ongoing projects could propel PEPL's pre-sales by 20% YoY to 47b.
- PEPL can report EBITDA of INR6.4b with 28% margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**19,385**	**14,277**	**23,170**	**26,318**	**16,809**	**22,364**	**17,958**	**22,470**	**83,150**	**79,601**
YoY Change (%)	42.3	9.8	74.5	9.6	-13.3	56.6	-22.5	-14.6	30.1	-4.3
Total Expenditure	14,768	10,591	17,428	19,500	11,542	16,439	12,443	16,093	62,287	56,517
EBITDA	**4,617**	**3,686**	**5,742**	**6,818**	**5,267**	**5,925**	**5,515**	**6,377**	**20,863**	**23,084**
Margins (%)	23.8	25.8	24.8	25.9	31.3	26.5	30.7	28.4	25.1	29.0
Depreciation	1,468	1,626	1,698	1,679	1,655	1,741	1,797	1,805	6,471	6,998
Interest	1,847	1,863	2,009	2,347	2,382	2,639	2,932	2,823	8,066	10,776
Other Income	733	470	305	3,062	2,854	1,684	1,747	1,675	4,570	7,960
PBT before EO expense	**2,035**	**667**	**2,340**	**5,854**	**4,084**	**3,229**	**2,533**	**3,425**	**10,896**	**13,271**
Extra-Ord expense	1,497	1,463	0	119	0	8,512	0	0	3,079	8,512
PBT	**3,532**	**2,130**	**2,340**	**5,973**	**4,084**	**11,741**	**2,533**	**3,425**	**13,975**	**21,783**
Tax	996	625	704	1,150	863	2,564	723	860	3,475	5,010
Rate (%)	28.2	29.3	30.1	19.3	21.1	21.8	28.5	25.1	24.9	23.0
Minority Interest & Profit/Loss of Asso. Cos.	487	98	358	139	552	668	647	633	1,250	2,500
Reported PAT	**2,049**	**1,407**	**1,278**	**4,684**	**2,669**	**8,509**	**1,163**	**1,932**	**9,250**	**14,273**
Adj PAT	**974**	**373**	**1,278**	**4,588**	**2,669**	**1,856**	**1,163**	**1,932**	**7,213**	**7,620**
YoY Change (%)	112.7	-52.3	47.6	87.6	174.0	397.2	-9.0	-57.9	58.5	5.6
Margins (%)	5.0	2.6	5.5	17.4	15.9	8.3	6.5	8.6	8.7	9.6

Sobha

Buy

CMP: INR1,546 | TP: INR1,740 (13%)

EPS CHANGE (%): FY24|25: -14|0

- We expect revenue to remain flat at INR12.2b in 4QFY24.
- Weak profitability in contractual segment will continue to drag EBITDA margin.
- Sobha reported pre-sales of INR15b, flat YoY, as key projects were launched in the last week of quarter.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**5,646**	**6,673**	**8,682**	**12,099**	**9,079**	**7,412**	**6,849**	**12,222**	**33,101**	**35,563**
YoY Change (%)	25.8	-14.4	39.5	70.3	60.8	11.1	-21.1	1.0		
Total Expenditure	4,918	5,751	7,794	10,943	8,425	6,658	6,108	10,815	29,407	32,006
EBITDA	**728**	**922**	**888**	**1,156**	**654**	**754**	**741**	**1,407**	**3,694**	**3,556**
Margins (%)	12.9	13.8	10.2	9.6	7.2	10.2	10.8	11.5	11.2	10.0
Depreciation	147	179	175	178	183	193	201	176	678	753
Interest	614	632	660	611	611	639	614	602	2,490	2,466
Other Income	117	233	298	302	313	324	288	319	923	1,245
PBT before EO expense	**84**	**344**	**351**	**669**	**173**	**247**	**214**	**948**	**1,449**	**1,582**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**84**	**344**	**351**	**669**	**173**	**247**	**214**	**948**	**1,449**	**1,582**
Tax	39	152	33	183	52	97	63	211	407	424
Rate (%)	46.4	44.2	9.4	27.4	30.2	39.4	29.4	22.3	28.1	26.8
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**45**	**192**	**318**	**486**	**121**	**149**	**151**	**737**	**1,042**	**1,158**
Adj PAT	**45**	**192**	**318**	**486**	**121**	**149**	**151**	**737**	**1,042**	**1,158**
YoY Change (%)	-87.1	-69.6	-47.9	242.3	168.3	-22.2	-52.6	51.6	-39.8	11.1
Margins (%)	0.8	2.9	3.7	4.0	1.3	2.0	2.2	6.0	3.1	3.3

Sunteck

Buy

CMP: INR426 | TP: INR640 (50%)

EPS CHANGE (%): FY24|25: -8|1

- We expect sharp improvement in topline on account of revenue recognition from Naigaon project.
- Consequently, EBITDA and PAT are expect to increase by multi-fold.
- Delay in launch of new tower in Mira road will result in subdued performance in pre-sales.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	**1,435**	**807**	**893**	**489**	**706**	**250**	**424**	**5,990**	**3,624**	**7,370**
YoY Change (%)	-35.4	68.8	43.4	219.2	-50.8	-69.1	-52.5	1,125.7		
Total Expenditure	983	707	713	579	780	391	573	3,827	2,982	5,571
EBITDA	**452**	**100**	**180**	**-91**	**-75**	**-141**	**-148**	**2,163**	**642**	**1,799**
Margins (%)	31.5	12.4	20.2	-18.6	-10.6	-56.5	-34.9	36.1	17.7	24.4
Depreciation	21	23	22	25	18	22	24	7	92	72
Interest	198	176	196	289	173	158	171	142	859	644
Other Income	52	70	81	80	178	113	185	202	284	679
PBT before EO expense	**285**	**-29**	**44**	**-324**	**-87**	**-208**	**-158**	**2,216**	**-24**	**1,763**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**285**	**-29**	**44**	**-324**	**-87**	**-208**	**-158**	**2,216**	**-24**	**1,763**
Tax	62	-10	42	-62	-27	-64	-55	586	31	441
Rate (%)	21.7	36.3	95.3	19.2	31.0	30.5	34.9	26.5	-125.6	25.0
Minority Interest & Profit/Loss of Asso. Cos.	-27	-42	-19	17	7	-6	-6	-6	-70	-10
Reported PAT	**250**	**23**	**21**	**-279**	**-67**	**-139**	**-97**	**1,635**	**15**	**1,332**
Adj PAT	**250**	**23**	**21**	**-279**	**-67**	**-139**	**-97**	**1,635**	**15**	**1,332**
YoY Change (%)	NA	-90.6	-11.4	NA	-75.8	105.7	-29.9	-1,781.2	NA	NA
Margins (%)	17.4	2.9	2.3	-57.1	-9.6	-55.6	-22.9	27.3	0.4	18.1

Retail

Company
Aditya Birla Fashion
Avenue Supermarts
Bata India
Campus Activewear
Metro Brands
Raymond
Relaxo Footwear
Shoppers Stop
Titan Company
Trent
V-Mart Retail
Vedant Fashions

Demand remains muted; soft recovery likely in value space

Revenue growth led by footprint additions

Demand is expected to remain subdued in the retail space as Jan'24 was soft and Feb'24 was slightly better, benefiting from the wedding season and partly from the extended winter season. Festive celebrations (Holi and Eid) in Mar'24 may lead to some demand improvement. Metros/Tier 1 cities/towns continue to outperform Tier 2/Tier 3 cities.

We expect overall revenue to grow 21% YoY to INR1.06t in 4QFY24, which would be driven by footprint addition, as same-store sales could remain muted for most retailers. However, we could see some soft recovery in the value space, i.e., VMART and Pantaloons. VMART in its pre-quarter update reported 4% standalone SSSG, indicating a recovery. MANYAVAR is experiencing a subdued demand environment as the quarter saw fewer weddings. Premium players like METRO, ABFRL and SHOP are too witnessing subdued demand, while TRENT/DMART could be the outlier in the segment.

Store additions to continue despite challenges

Traditionally, the last quarter tends to be robust for retailers in terms of store expansions. We expect store additions to continue for all players in our coverage. DMART in a pre-quarter update reported 24 store additions in 4QFY24 (vs. 17 in 9MFY24). However, as expected VMART closed 19 loss-making stores, resulting in a net closure of 10 stores in 4QFY24. In terms of aggressive store adds, TRENT, METRO, Raymond and Intune are expected to be key outliers. We expect Westside/ Zudio to add 6/27 stores in 4QFY24, taking the total store count to 233/444.

Weak SSSG to weigh on margins

The cool-off in raw material prices has eased pressure on gross margins, and due to the subdued demand environment, we do not expect retailers to hike prices during the quarter. Accordingly, we expect gross margins to remain flat YoY. However, a decline in SSSG could hurt store productivity and lead to operating deleverage. We expect overall PAT to grow by 9.6% YoY for our coverage universe.

Tanmay Gupta - Research Analyst (Tanmay.Gupta@motilaloswal.com)

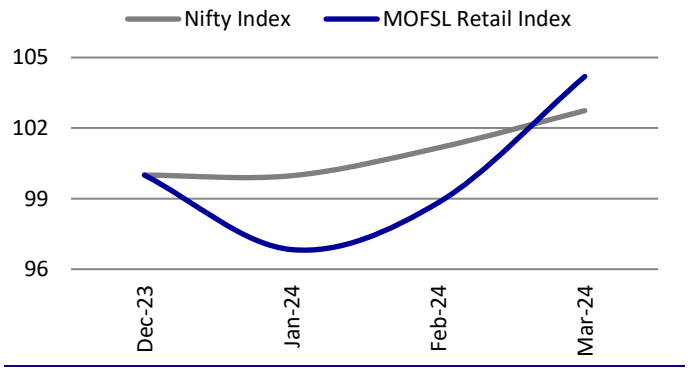
Valuation and View

TRENT and DMART remain strong candidates (BUY), considering their healthy balance sheets and strong secular growth momentum. Additionally, we like RAYMOND, which could benefit from the demerger of its real estate and lifestyle businesses. We continue to monitor VMART, given its comfortable valuations, recovery in SSSG, and likelihood of a decline in losses. In the footwear space, METRO remains a strong player (BUY) for its effective retail economics and healthy growth potential; however, the subdued demand environment may keep the stock range-bound for a few months.

Exhibit 1: Summary of quarterly estimates

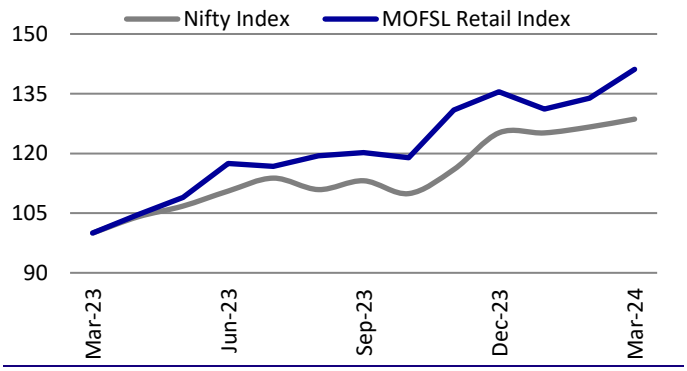
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Aditya Birla Fashion	212	Neutral	32,976	14.5	-20.9	2,227	15.5	-59.7	-2,376	Loss	Loss
Avenue Supermarts	4481	Buy	1,27,285	20.1	-6.2	9,982	29.4	-10.9	5,912	28.5	-14.5
Barbeque Nation	522	Neutral	2,995	6.9	-9.5	536	34.3	-19.2	-16	Loss	PL
Bata India	1369	Neutral	8,033	3.2	-11.1	1,907	4.8	4.6	678	3.3	16.9
Campus Activewear	227	Buy	3,666	5.4	-22.3	557	-1.5	-1.0	257	12.2	3.4
Devyani Intl.	155	Buy	8,120	7.5	-3.7	1,414	-6.6	-3.4	35	-94.2	-30.4
Jubilant Foodworks	455	Neutral	13,260	5.9	-2.1	2,761	9.5	-2.4	511	-17.6	-16.1
Metro Brands	1130	Buy	5,950	9.4	-6.4	1,448	0.9	-27.2	569	-17.3	-42.0
Raymond	1822	Buy	24,643	14.6	3.3	4,221	25.3	16.6	2,333	-14.8	24.3
Relaxo Footwear	824	Neutral	8,218	7.4	15.3	1,382	17.1	58.5	775	22.4	100.8
Restaurant Brands	104	Buy	4,598	26.0	3.2	847	100.5	19.8	64	LP	LP
Sapphire Foods	1598	Buy	6,352	13.4	-4.6	1,098	11.9	-9.8	66	-42.5	-33.2
Shoppers Stop	777	Neutral	9,696	5.8	-19.7	1,741	10.8	-19.2	120	-26.5	-66.4
Titan Company	3738	Buy	122,100	17.9	-13.8	12,884	18.3	-17.7	8,686	18.0	-17.5
Trent	3886	Buy	32,692	57.4	-1.3	4,297	102.7	-31.0	1,897	80.4	-44.8
V-Mart Retail	2173	Neutral	6,680	12.5	-24.9	263	14.7	-78.0	-410	Loss	PL
Vedant Fashions	962	Neutral	3,561	4.2	-25.0	1,754	4.5	-27.5	1,079	-0.9	-31.6
Westlife Foodworld	798	Neutral	5,765	3.6	-4.0	867	-5.7	-9.7	91	-54.8	-47.4
Retail			**4,30,180**	**19.1**	**-8.7**	**50,614**	**22.7**	**-17.1**	**20,581**	**13.9**	**-23.6**

Exhibit 2: Relative performance – three-months (%)



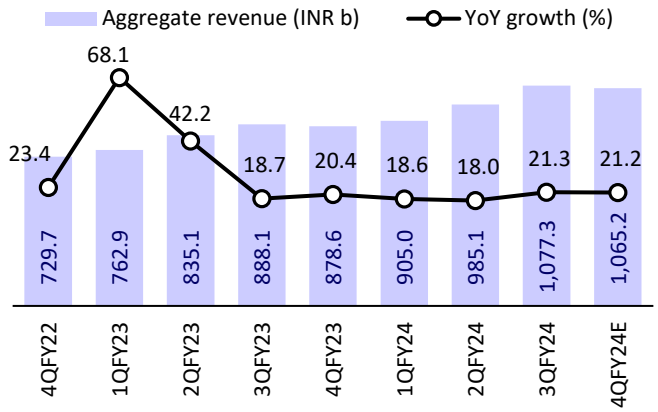
Source: Bloomberg, MOFSL

Exhibit 3: Relative performance – one-year (%)



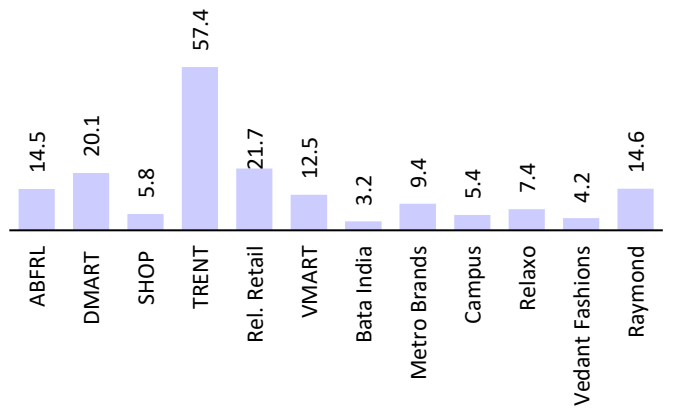
Source: Bloomberg, MOFSL

Exhibit 4: Aggregate revenue growth (INR b; YoY %)



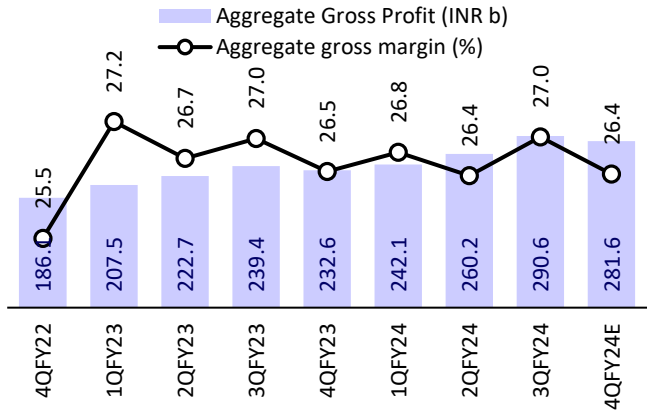
Source: Company, MOFSL

Exhibit 5: Expected revenue growth in 4QFY24; TRENT may continue to outperform (YoY %)



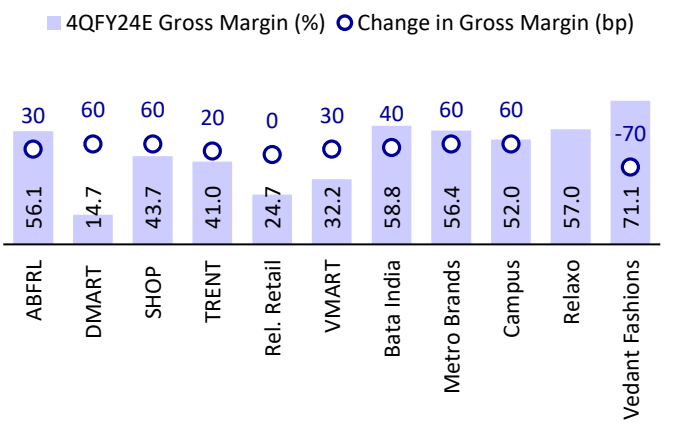
Source: Company, MOFSL

Exhibit 6: Aggregate growth in gross profit (YoY %)



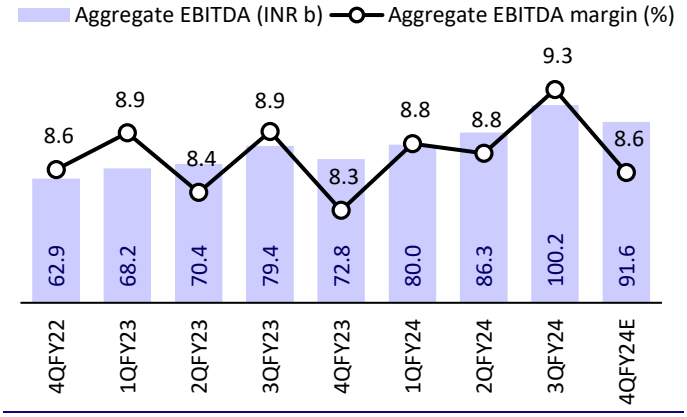
Source: Company, MOFSL

Exhibit 7: Change in gross margin (YoY %)



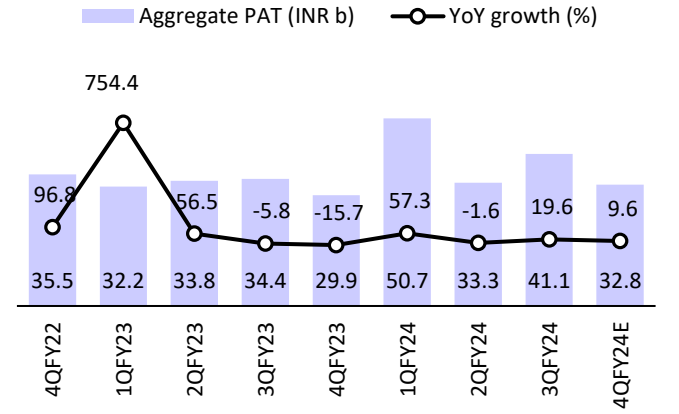
Source: Company, MOFSL

Exhibit 8: Aggregate EBITDA trajectory (margin, %)



Source: Company, MOFSL

Exhibit 9: Aggregate PAT trajectory (YoY %)



Source: Company, MOFSL

Exhibit 10: Retail coverage – KPI snapshot

	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E
Total store count									
Madura EBOs	2,522	2,585	2,561	2,601	2,650	2,643	2,660	2,696	2,750
Pantaloons	377	375	396	406	431	434	439	446	456
DMart	284	294	302	306	324	327	336	341	365
Shoppers Stop	88	90	91	96	98	98	102	105	112
Westside	200	203	208	211	214	221	223	227	233
Zudio	233	247	285	326	352	388	411	460	487
V-Mart	380	391	405	414	423	431	437	454	444
Vedant Fashions	583	603	626	640	649	662	669	673	694
Metro Brands	624	644	672	745	764	789	817	840	879
Store additions									
Madura EBOs	34	63	-24	40	49	-7	17	36	54
Pantaloons	16	-2	21	10	25	3	5	7	10
DMart	21	10	8	4	18	3	9	5	24
Shoppers Stop	5	2	1	5	2	0	4	3	7
Westside	3	3	5	3	3	7	2	4	6
Zudio	56	14	38	41	26	36	23	49	27
V-Mart	6	11	14	9	9	8	6	17	-10
Vedant Fashions	17	20	23	14	9	13	7	4	21
Metro Brands	-5	20	28	73	19	25	28	23	39
Total store additions	**979**	**885**	**957**	**893**	**1032**	**566**	**375**	**345**	**518**

Source: Company, MOFSL

Exhibit 11: Comparative valuation

	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
Company Name	**INR**	**Reco**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**
Retail						**114.9**	**80.1**	**61.2**	**17.0**	**14.1**	**11.8**	**14.8**	**17.6**	**19.4**
Aditya Birla Fashion	212	Neutral	-7.5	-6.4	-6.7	-27.3	-33.1	-31.6	7.4	5.8	7.1	-23.9	-19.8	-20.1
Avenue Supermarts	4,481	Buy	39.4	55.7	73.8	114.9	80.4	60.7	15.8	13.1	10.7	14.7	17.7	19.4
Barbeque Nation	522	Neutral	-3.3	-0.1	1.9	-152.9	-7,590.3	276.5	5.0	5.2	5.1	-3.3	-0.1	1.9
Bata India	1,369	Neutral	23.1	30.3	41.7	59.1	45.1	32.9	10.3	8.4	6.7	18.9	20.5	22.7
Campus Activewear	227	Buy	2.7	4.0	5.2	79.8	57.4	43.5	10.4	9.2	7.6	13.0	16.0	17.5
Devyani Intl.	155	Buy	0.8	1.4	2.2	194.6	112.0	69.6	22.2	24.1	23.1	10.4	21.0	33.8
Jubilant Foodworks	455	Neutral	4.2	5.2	6.7	107.6	87.4	68.0	14.5	14.7	14.3	13.5	16.8	21.1
Metro Brands	1,130	Buy	11.6	15.3	19.6	99.2	73.7	57.7	17.5	14.9	12.8	19.1	22.2	24.5
Raymond	1,822	Buy	103.2	117.0	144.9	17.5	15.6	12.6	2.7	2.3	1.9	18.5	15.8	16.6
Relaxo Footwear	824	Neutral	8.7	11.4	15.1	93.8	72.1	54.6	10.1	9.2	8.2	11.2	13.4	15.8
Restaurant Brands	104	Buy	-3.4	-0.9	0.8	-29.9	-111.2	128.4	7.4	8.1	7.6	-22.1	-7.0	6.1
Sapphire Foods	1,598	Buy	8.9	15.3	25.3	176.6	104.8	63.1	7.4	6.6	5.7	4.3	6.7	9.7
Shoppers Stop	777	Neutral	8.3	15.1	14.3	90.8	51.5	54.5	21.2	15.4	12.0	26.2	35.1	24.7
Titan Company	3,738	Buy	40.7	52.8	65.2	93.4	70.7	57.4	23.6	18.8	15.4	27.6	29.4	29.5
Trent	3,886	Buy	24.4	35.0	45.4	162	111	85.5	37.9	27.4	20.4	28.6	30.5	29.3
V-Mart Retail	2,173	Neutral	-54.6	-3.6	28.6	-39	-607	76.0	5.2	5.3	4.9	NM	NM	6.7
Vedant Fashions	962	Neutral	16.7	21.2	26.1	55	45	36.9	14.1	12.3	10.3	26.7	28.6	27.1
Westlife Foodworld	798	Neutral	5.0	7.9	12.5	161.8	100.8	63.8	18.3	16.3	13.3	12.4	17.1	23.0

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Aditya Birla Fashion — Neutral

CMP: INR212 | TP: INR270 (+27%) — **EPS CHANGE (%): FY25|26: -2.9|-3.2**

- Expect standalone revenue growth to remain moderate at 5% YoY; margin expansion to be led by better channel mix.
- Consol revenue expected to clock 14.5% YoY growth, led by other businesses
- Expect consol EBITDA margin to remain flat YoY due to funding for its new business
- Madura/Pantaloons expected to add 54/10 EBO stores in 4QFY24

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue	**28,748**	**30,746**	**35,888**	**28,797**	**31,961**	**32,264**	**41,667**	**32,976**	**1,24,179**	**1,38,868**
YoY Change (%)	254.1	49.7	20.1	26.1	11.2	4.9	16.1	14.5	52.6	11.8
Total Expenditure	24,063	26,779	31,532	26,869	29,037	29,031	36,134	30,748	1,09,243	1,24,951
EBITDA	**4,684**	**3,967**	**4,356**	**1,928**	**2,923**	**3,233**	**5,533**	**2,227**	**14,936**	**13,917**
Change, YoY (%)	-377.6	26.5	-25.2	-48.3	-37.6	-18.5	27.0	15.5	35.8	-6.8
Depreciation	2,703	2,907	3,175	3,485	3,670	3,888	4,441	4,605	12,270	16,604
Interest	944	1,036	1,321	1,422	1,873	2,084	2,454	2,535	4,724	8,946
Other Income	311	220	269	364	603	457	441	479	1,165	1,980
PBT	**1,349**	**245**	**129**	**-2,615**	**-2,017**	**-2,281**	**-922**	**-4,434**	**-893**	**-9,653**
Tax	411	-56	62	-646	-397	-282	227	-2,058	-230	-2,510
Rate (%)	30.4	-23.0	48.3	24.7	19.7	12.4	-24.6	46.4	25.7	26.0
Reported PAT	**938**	**301**	**67**	**-1,969**	**-1,620**	**-1,999**	**-1,149**	**-2,376**	**-663**	**-7,144**
Adj PAT	**938**	**301**	**67**	**-1,969**	**-1,620**	**-1,999**	**-1,149**	**-2,376**	**-663**	**-7,144**
YoY Change (%)	-126.7	411.2	-96.6	-740.1	-272.7	-763.8	-1,821.9	20.7	-45.1	977.3

E: MOFSL Estimates

Avenue Supermarts — Buy

CMP: INR4,481| TP: INR5,160 (+15%) — **EPS CHANGE (%): FY25|26: +2|0**

- Consolidated revenue expected to grow 20% YoY
- Standalone revenue/sqft grew 5% YoY to ~INR33,450
- DMART added 24 stores in 4QFY24, taking its total store count to 365
- Expect PAT to grow by 28.5% YoY

Consolidated - Quarterly Earning (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**100.4**	**106.4**	**115.7**	**105.9**	**118.7**	**126.2**	**135.7**	**127.3**	**428.4**	**507.9**
YoY Change (%)	93.7	36.6	25.5	20.6	18.2	18.7	17.3	20.1	38.3	18.6
Total Expenditure	90.3	97.5	106.0	98.2	108.3	116.2	124.5	117.3	392.0	466.3
EBITDA	**10.1**	**8.9**	**9.7**	**7.7**	**10.4**	**10.0**	**11.2**	**10.0**	**36.4**	**41.6**
EBITDA margin (%)	**10.0**	**8.4**	**8.3**	**7.3**	**8.7**	**8.0**	**8.3**	**7.8**	**8.5**	**8.2**
Change YoY (%)	349.7	33.4	11.4	4.4	2.7	12.7	16.0	29.4	45.6	14.3
Depreciation	1.4	1.6	1.7	1.6	1.6	1.7	1.9	2.0	6.4	7.3
Interest	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.7	0.6
Other Income	0.3	0.4	0.3	0.3	0.4	0.4	0.3	0.4	1.3	1.5
PBT	**8.8**	**7.5**	**8.1**	**6.2**	**9.0**	**8.5**	**9.5**	**8.1**	**30.6**	**35.1**
Tax	2.3	0.6	2.2	1.6	2.4	2.3	2.6	2.2	6.8	9.5
Rate (%)	26.6	8.3	27.4	26.4	26.6	26.8	27.2	27.4	22.3	27.0
Reported PAT	**6.4**	**6.9**	**5.9**	**4.6**	**6.6**	**6.2**	**6.9**	**5.9**	**23.8**	**25.6**
Adj PAT	**6.4**	**5.4**	**5.9**	**4.6**	**6.6**	**6.2**	**6.9**	**5.9**	**22.4**	**25.6**
YoY Change (%)	574.2	30.4	6.7	7.8	2.5	14.4	17.2	28.5	49.9	14.6

E: MOFSL Estimates

Bata India

Neutral

CMP: INR1,369| TP: INR1,460 (+7%)

EPS CHANGE (%): FY25|26: -1.6|-1.6

- Expect 3% YoY growth in revenue to INR8b for 4QFY24
- EBITDA margin to improve 30bp YoY to 23.7%
- Expect PAT margin to increase to 3% YoY

Consolidated - Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**9,430**	**8,298**	**9,002**	**7,786**	**9,581**	**8,191**	**9,035**	**8,033**	**34,516**	**34,840**
YoY Change (%)	253.1	35.1	7.0	17.0	1.6	-1.3	0.4	3.2	44.6	0.9
Gross Profit	5,339	4,562	4,931	4,547	5,246	4,755	5,065	4,723	19,379	19,789
Gross margin%	56.6	55.0	54.8	58.4	54.7	58.1	56.1	58.8	56.1	56.8
Total Expenditure	6,983	6,688	6,941	5,966	7,186	6,375	7,210	6,125	26,579	26,897
EBITDA	**2,447**	**1,609**	**2,061**	**1,820**	**2,395**	**1,817**	**1,824**	**1,907**	**7,936**	**7,944**
EBITDA margin	25.9	19.4	22.9	23.4	25.0	22.2	20.2	23.7	23.0	22.8
Change YoY (%)	-876.5	35.0	22.2	12.2	-2.1	12.9	-11.5	4.8	89.6	0.1
Depreciation	693	736	754	765	811	817	860	821	2,948	3,309
Interest	249	272	286	272	281	284	295	282	1,078	1,143
Other Income	93	119	75	99	133	155	111	103	386	501
PBT before EO expense	**1,597**	**720**	**1,096**	**882**	**1,436**	**870**	**780**	**907**	**4,296**	**3,993**
Extra-Ord expense	0	0	0	0	0	409	0	0	0	409
PBT	**1,597**	**720**	**1,096**	**882**	**1,436**	**461**	**780**	**907**	**4,296**	**3,584**
Tax	404	172	265	226	367	121	201	229	1,067	917
Rate (%)	25.3	23.9	24.2	25.6	25.5	26.3	25.7	25.3	24.8	25.6
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0		
Reported PAT	**1,194**	**548**	**831**	**656**	**1,069**	**340**	**580**	**678**	**3,229**	**2,666**
Adj PAT	**1,194**	**548**	**831**	**656**	**1,069**	**641**	**580**	**678**	**3,229**	**2,968**
YoY Change (%)	-272	47	15	4	-10	17	-30	3	213	-8
Margins (%)	13%	7%	9%	8%	11%	8%	6%	8%	9%	9%

E: MOFSL Estimates

Campus Activewear

Buy

CMP: INR227| TP: INR285 (+26%)

EPS CHANGE (%): FY25|26: 0|0

- Revenue growth likely to remain moderate at 5% YoY due to weak demand environment
- Expect volume/ASP growth of 2%/3% YoY
- EBITDA margin to contract ~110bp YoY due to higher SG&A.
- Expect PAT to grow 12% YoY due to lower finance cost.

Consolidated - Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**3,377**	**3,332**	**4,656**	**3,478**	**3,538**	**2,587**	**4,720**	**3,666**	**14,842**	**14,510**
YoY Change (%)	149.6	22.0	7.4	-1.3	4.8	-22.4	1.4	5.4	24.3	-2.2
Gross Profit	**1,676**	**1,594**	**2,265**	**1,787**	**1,888**	**1,406**	**2,420**	**1,906**	**7,323**	**7,620**
Gross margin	49.6	47.9	48.6	51.4	53.4	54.3	51.3	52.0	49.3	52.5
Total Expenditure	2,760	2,897	3,737	2,912	2,876	2,342	4,158	3,108	12,307	12,484
EBITDA	**617**	**434**	**919**	**565**	**662**	**245**	**563**	**557**	**2,536**	**2,026**
EBITDA margins (%)	18.3	13.0	19.7	16.3	18.7	9.5	11.9	15.2	17.1	14.0
Depreciation	145	170	196	200	171	181	184	195	710	730
Interest	56	76	82	72	69	65	58	32	287	224
Other Income	6	7	9	6	2	4	14	7	28	27
PBT	**422**	**196**	**650**	**299**	**424**	**4**	**335**	**337**	**1,567**	**1,099**
Tax	109	50	167	70	109	1	86	79	396	275
Rate (%)	25.8	25.7	25.7	23.3	25.8	13.5	25.6	23.5	25.2	25.0
Reported PAT	**313**	**145**	**483**	**229**	**315**	**3**	**249**	**257**	**1,171**	**824**
Adj PAT	**313**	**145**	**483**	**229**	**314**	**3**	**249**	**257**	**1,171**	**824**
YoY Change (%)	1,467	-49	-12	0	1	-98	-48	12	8.7	-29.6

E: MOFSL Estimates

Metro Brands

Buy

CMP: INR1,130 | TP: INR1,320 (+17%)

EPS CHANGE (%): FY25|26: -5.0|-5.0

- Revenue to grow 9% YoY to INR6b, led by footprint additions
- Expect to add 39 stores in 4QFY24, taking the total count to 879
- Expect EBITDA margin to contract 200bp YoY to 24.3% due to Fila acquisition

Consolidated - Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**5,080**	**4,763**	**5,987**	**5,441**	**5,825**	**5,557**	**6,355**	**5,950**	**21,271**	**23,687**
YoY Change (%)	286.6	46.7	23.8	35.0	14.7	16.7	6.1	9.4	58.4	11.4
Total Expenditure	3,251	3,292	3,935	4,006	3,959	4,003	4,365	4,502	14,483	16,830
EBITDA	**1,829**	**1,472**	**2,052**	**1,436**	**1,866**	**1,554**	**1,990**	**1,448**	**6,788**	**6,858**
EBITDA Margin (%)	36.0	30.9	34.3	26.4	32.0	28.0	31.3	24.3	31.9	29.0
Depreciation	390	414	504	502	543	572	586	600	1,810	2,300
Interest	134	148	173	175	185	197	204	223	631	809
Other Income	93	118	146	187	144	162	160	161	544	626
PBT	**1,397**	**1,027**	**1,521**	**946**	**1,282**	**946**	**1,359**	**786**	**4,891**	**4,374**
Tax	345	253	394	267	353	275	379	217	1,257	1,225
Rate (%)	24.7	24.6	25.9	28.2	27.5	29.1	27.9	27.7	25.7	28.0
MI & Profit/Loss of Asso. Cos.	5	5	2	8	0	0	0	0	20	0
PAT before MI	**1,052**	**774**	**1,128**	**680**	**929**	**671**	**981**	**569**	**3,634**	**3,149**
Adj PAT post MI	**1,058**	**779**	**1,130**	**688**	**929**	**671**	**981**	**569**	**3,654**	**3,149**
YoY Change (%)	-973	41	11	-1	-12	-14	-13	-17	70.4	-13.8

E: MOFSL Estimates

Raymond

Buy

CMP: INR1,822| TP: INR2,340 (+28%)

EPS CHANGE (%): FY25|26: -2.8|-4.5

- Expect revenue to grow 15% YoY driven by healthy growth in real estate and branded apparels
- Real estate to post 76% YoY revenue growth and margin expansion
- EBITDA margin to expand 140bp YoY, aided by scale benefits and improved GM

Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Revenue	**17,281**	**21,682**	**21,682**	**21,502**	**17,715**	**22,534**	**23,862**	**24,643**	**82,147**	**88,753**
YoY %	109%	40%	18%	10%	3%	4%	10%	15%	33%	8%
Total expenditure	15,197	18,333	18,490	18,134	15,748	19,388	20,242	20,422	70,153	75,800
EBITDA	**2,085**	**3,350**	**3,192**	**3,368**	**1,966**	**3,146**	**3,619**	**4,221**	**11,994**	**12,953**
EBITDA margin (%)	**12.1%**	**15.4%**	**14.7%**	**15.7%**	**11.1%**	**14.0%**	**15.2%**	**17.1%**	**14.6%**	**14.6%**
Depreciation and amortization	584	575	578	616	597	654	703	703	2,354	2,657
Finance Costs	591	634	705	643	795	893	1,035	1,014	2,573	3,737
Other income	263	226	314	420	550	673	642	640	1,223	2,503
Exceptional items	0	96	45	930	94	230	0	0	1,072	324
Profit before Tax	**1,172**	**2,271**	**2,177**	**1,599**	**1,030**	**2,042**	**2,523**	**3,145**	**7,219**	**8,739**
Tax	365	709	1,161	-231	267	507	626	792	2,004	2,193
Profit after Tax	**807**	**1,562**	**1,017**	**1,830**	**763**	**1,535**	**1,897**	**2,352**	**5,216**	**6,545**
Margin (%)	4.7%	7.2%	4.7%	8.5%	4.3%	6.8%	7.9%	9.5%	6.3%	7.4%
Minority Interest	-10	-31	-18	-21	-15	-14	-19	-19	-80	-66
Share of Profit in Associated Companies	12	57	-51	135	9,904	77	-43	0	154	9,938
Net Income	**809**	**1,589**	**948**	**1,944**	**10,653**	**1,598**	**1,835**	**2,333**	**5,289**	**16,417**
Adjusted income	**797**	**1,627**	**1,044**	**2,739**	**842**	**1,751**	**1,878**	**2,333**	**6,207**	**6,803**
Margin (%)	4.7%	7.3%	4.4%	9.0%	60.1%	7.1%	7.7%	9.5%	6.4%	18.5%

Relaxo Footwear

Neutral

CMP: INR824| TP: INR830 (+1%)

EPS CHANGE (%): FY25|26: 0|-2

- Expect revenue to grow 7% YoY
- ASP likely to decline YoY due to price cuts by the company
- Expect improvement in EBITDA margin YoY, aided by scale benefits and improved GM
- Expect 22% YoY growth in PAT to INR775m

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	**6,672**	**6,697**	**6,810**	**7,649**	**7,388**	**7,153**	**7,127**	**8,218**	**27,827**	**29,887**
YoY Change (%)	34.2	-6.3	-8.4	9.6	10.7	6.8	4.7	7.4	4.9	7.4
Total RM Cost	3,063	3,422	3,199	3,660	3,150.8	3,013	3,065	3,533	13,343	12,761.6
Gross Profit	**3,609**	**3,275**	**3,611**	**3,990**	**4,237**	**4,140**	**4,062**	**4,685**	**14,484**	**17,125**
Margins (%)	54.1	48.9	53.0	52.2	57.4	57.9	57.0	57.0	52.1	57.3
Total Expenditure	5,810	6,102	6,088	6,470	6,313	6,238	6,255	6,837	24,470	25,643
EBITDA	**861**	**594**	**722**	**1,180**	**1,076**	**915**	**872**	**1,382**	**3,358**	**4,244**
Margins (%)	12.9	8.9	10.6	15.4	14.6	12.8	12.2	16.8	12.1	14.2
Depreciation	298	305	320	328	346	369	375	375	1,251	1,465
Interest	69	41	41	41	45	47	48	48	192	189
Other Income	42	57	44	43	73	105	60	59	186	297
PBT before EO expense	**536**	**304**	**406**	**854**	**758**	**604**	**508**	**1,017**	**2,100**	**2,887**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**536**	**304**	**406**	**854**	**758**	**604**	**508**	**1,017**	**2,100**	**2,887**
Tax	149	80	105	221	195	162	123	243	555	722
Rate (%)	27.8	26.3	25.8	25.9	25.7	26.8	24.1	23.9	26.4	25.0
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**387**	**224**	**301**	**633**	**563**	**442**	**386**	**775**	**1,545**	**2,165**
Adj PAT	**387**	**224**	**301**	**633**	**563**	**442**	**386**	**775**	**1,545**	**2,165**
YoY Change (%)	24.9	-67.3	-57.1	0.6	45.6	97.0	28.3	22.4	-33.6	40.2
Margins (%)	5.8	3.3	4.4	8.3	7.6	6.2	5.4	9.4	5.6	7.2

E: MOFSL Estimates

Shoppers Stop — Neutral

CMP: INR777| TP: INR715 (-7%) — **EPS CHANGE (%): FY25|26: 0.5|0.4**

- Expect moderate revenue growth of 5.8% YoY mainly driven by footprint additions
- Intune to add 10 stores
- Expect to add 7 departmental stores, taking the total store count to 112

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Revenue from Operations	**9,419**	**10,082**	**11,317**	**9,165**	**9,816**	**10,252**	**12,068**	**9,696**	**39,984**	**41,830**
YoY Change (%)	368.4	59.6	19.0	29.1	4.2	1.7	6.6	5.8	60.3	4.6
Total Expenditure	7,795	8,411	9,196	7,594	8,093	8,654	9,914	7,955	32,996	34,615
EBITDA	**1,624**	**1,672**	**2,121**	**1,571**	**1,723**	**1,598**	**2,154**	**1,741**	**6,988**	**7,215**
EBITDA Margin (%)	17.2	16.6	18.7	17.1	17.6	15.6	17.8	18.0	17.5	17.2
Depreciation	846	927	999	1,044	1,050	1,081	1,112	1,188	3,816	4,431
Interest	511	514	515	551	541	548	579	585	2,092	2,252
Other Income	56	39	244	222	73	105	33	181	561	392
PBT before EO expense	**323**	**270**	**851**	**197**	**204**	**74**	**496**	**149**	**1,641**	**924**
Extra-Ord expense	0	20	0	0	0	-49	0	0	20	-49
PBT	**323**	**250**	**851**	**197**	**204**	**25**	**496**	**149**	**1,621**	**875**
Tax	95	68	230	35	55	8	141	30	429	233
Rate (%)	29.5	27.3	27.1	17.6	26.9	29.9	28.3	19.9	26.4	26.6
Reported PAT	**228**	**181**	**621**	**163**	**149**	**18**	**356**	**120**	**1,192**	**642**
Adj PAT	**228**	**201**	**621**	**163**	**149**	**67**	**356**	**120**	**1,212**	**691**
YoY Change (%)	-122.2	-766.9	23.7	-200.9	-34.4	-66.8	-42.7	-26.5	-269.1	-43.0

E: MOFSL Estimates

Titan Company — Buy

CMP: INR3,738 | TP: INR4,300 (+15%) — **EPS CHANGE (%): FY25|26: 0.0|0.0**

- We expect revenue growth of 17.9% YoY.
- GP margin is expected to decrease 70bp YoY, while EBITDA margins remains flat YoY.
- We anticipate the jewelry segment to grow by ~18.5%, with a five-year revenue CAGR of 21.4%.
- Outlook on international business expansion is a key monitorable.

Consolidated Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**94.4**	**91.6**	**116.1**	**103.6**	**119.0**	**125.3**	**141.6**	**122.1**	**405.8**	**508.0**
YoY change (%)	171.9	22.3	15.7	32.9	26.0	36.7	22.0	17.9	40.9	25.2
Gross Profit	**24.1**	**25.3**	**27.7**	**25.1**	**26.4**	**29.3**	**32.9**	**28.8**	**102.2**	**117.4**
Margin (%)	25.5	27.6	23.9	24.3	22.2	23.4	23.3	23.6	25.2	23.1
EBITDA	**12.0**	**12.5**	**13.5**	**10.9**	**11.3**	**14.1**	**15.7**	**12.9**	**48.8**	**53.9**
EBITDA growth %	773.0	28.8	-6.6	24.3	-5.9	13.2	16.2	18.3	42.5	10.5
Margin (%)	12.7	13.6	11.6	10.5	9.5	11.3	11.0	10.6	12.0	10.6
Depreciation	1.0	1.1	1.1	1.2	1.3	1.4	1.5	1.4	4.4	5.7
Interest	0.7	0.6	0.8	1.0	1.1	1.4	1.7	1.6	3.0	5.8
Other Income	0.4	0.6	0.9	1.1	1.1	1.2	1.4	1.5	3.1	5.2
PBT	**10.7**	**11.4**	**12.4**	**9.9**	**10.0**	**12.5**	**13.8**	**11.3**	**44.5**	**47.6**
Tax	2.8	3.1	3.3	2.5	2.5	3.4	3.3	2.7	11.7	11.7
Rate (%)	26.3	26.9	26.7	25.5	24.6	26.9	23.6	23.4	26.4	24.6
Adjusted PAT	**7.9**	**8.4**	**9.1**	**7.4**	**7.6**	**9.2**	**10.5**	**8.7**	**32.7**	**35.9**
YoY change (%)	#	30.3	-9.9	11.0	-4.3	9.6	15.5	18.0	40.2	9.8

E: MOFSL Estimates

Trent

Buy

CMP: INR3,886 | TP: INR4,460 (+15%)

EPS CHANGE (%): FY25|26: 0|0

- Expect revenue growth momentum to sustain at 57% YoY, led by robust SSSG and strong footprint additions
- Revenue from Westside to grow 23% YoY, Zudio revenues expected to double YoY.
- Expect Westside/Zudio to add 4/27 stores in 4QFY24
- EBITDA margin to improve 300bp YoY to 13%

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**16,529**	**18,136**	**21,715**	**20,772**	**25,364**	**28,907**	**33,125**	**32,692**	**77,152**	**1,20,088**
YoY Change (%)	405.0	77.7	61.1	75.3	53.5	59.4	52.5	57.4	98.8	55.7
Total Expenditure	13,488	15,461	18,359	18,652	21,708	24,299	26,893	28,394	65,959	1,01,294
EBITDA	**3,041**	**2,675**	**3,356**	**2,120**	**3,657**	**4,609**	**6,232**	**4,297**	**11,193**	**18,794**
EBITDA Margin (%)	18.4	14.8	15.5	10.2	14.4	15.9	18.8	13.1	14.5	15.7
Depreciation	1,202	1,043	1,106	1,281	1,335	1,448	1,575	1,678	4,632	6,037
Interest	925	880	885	883	891	923	957	1,019	3,572	3,791
Other Income	415	1,680	730	1,291	498	1,511	768	929	4,117	3,705
PBT before EO expense	**1,330**	**2,432**	**2,095**	**1,248**	**1,928**	**3,748**	**4,467**	**2,529**	**7,105**	**12,671**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**1,330**	**2,432**	**2,095**	**1,248**	**1,928**	**3,748**	**4,467**	**2,529**	**7,105**	**12,671**
Tax	303	574	486	197	445	851	1,031	632	1,559	2,959
Reported PAT	**1,026**	**1,859**	**1,610**	**1,051**	**1,483**	**2,897**	**3,436**	**1,897**	**5,546**	**9,712**
Adj PAT	**1,026**	**1,859**	**1,610**	**1,051**	**1,483**	**2,897**	**3,436**	**1,897**	**5,546**	**9,712**
YoY Change (%)	-222.5	37.1	21.1	40.2	44.5	55.9	113.5	80.4	113.5	75.1

E: MOFSL Estimates

V-Mart Retail

Neutral

CMP: INR2,173 | TP: INR2,210 (+2%)

EPS CHANGE (%): FY25|26: NM|-50

- Consolidated revenue grew 12% YoY mainly led by SSSG
- Excluding revenue from LimeRoad (INR150m), the company's revenue grew 12% YoY
- Added 9 stores and closed 19 stores, taking the total store count to 444
- EBITDA margin likely to remain flat YoY

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**5,879**	**5,062**	**7,769**	**5,939**	**6,785**	**5,494**	**8,891**	**6,680**	**24,648**	**27,850**
YoY Change (%)	231.4	49.8	12.3	29.5	15.4	8.5	14.4	12.5	47.9	13.0
Total Expenditure	4,992	4,526	6,732	5,710	6,261	5,488	7,694	6,417	21,959	25,859
EBITDA	**887**	**536**	**1,037**	**229**	**525**	**7**	**1,197**	**263**	**2,689**	**1,991**
EBITDA Margin (%)	15.1	10.6	13.3	3.9	7.7	0.1	13.5	3.9	10.9	7.2
Depreciation	402	441	473	484	499	532	583	504	1,800	2,118
Interest	247	279	307	336	330	359	376	343	1,169	1,407
Other Income	41	27	7	75	15	20	130	15	150	180
PBT	**278**	**-157**	**264**	**-516**	**-290**	**-864**	**369**	**-569**	**-130**	**-1,354**
Tax	74	-44	64	-146	-70	-223	87	-159	-52	-366
Rate (%)	26.5	27.9	24.4	28.3	24.2	25.8	23.5	27.9	39.7	27.0
Reported PAT	**205**	**-113**	**200**	**-370**	**-219**	**-641**	**282**	**-410**	**-78**	**-988**
Adj PAT	**205**	**-113**	**200**	**-370**	**-219**	**-641**	**282**	**-410**	**-78**	**-988**
YoY Change (%)	-171.2	-20.0	-65.0	1,314.5	-207.3	466.8	41.3	11.0	-167.4	1,159.5

E: MOFSL Estimates

Vedant Fashions

Neutral

CMP: INR962| TP: INR1,050 (+9%)

EPS CHANGE (%): FY25|26: -2.0|-1.7

- Revenue to grow 4.2% YoY due to subdued demand environment
- EBITDA margin to slightly improve YoY to 49.3%
- Expect PAT to marginally decline to INR1.08b due to operating deleverage

Quarterly Earning (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**3,250**	**2,469**	**4,414**	**3,416**	**3,116**	**2,183**	**4,745**	**3,561**	**13,549**	**13,604**
YoY Change (%)	103.1	23.5	14.7	15.3	-4.1	-11.6	7.5	4.2	30.2	0.4
Total Expenditure	1,619	1,315	2,170	1,737	1,635	1,255	2,324	1,806	6,841	7,020
EBITDA	**1,631**	**1,154**	**2,245**	**1,679**	**1,482**	**928**	**2,420**	**1,754**	**6,708**	**6,584**
EBITDA margins (%)	50.2	46.7	50.9	49.1	47.5	42.5	51.0	49.3	49.5	48.4
Change YoY (%)	135.6	26.6	17.2	16.6	-9.1	-19.6	7.8	4.5	189.6	96.1
Depreciation	264	249	251	274	299	325	344	351	1,038	1,319
Interest	78	77	75	84	94	107	112	114	315	427
Other Income	71	97	100	134	150	151	155	156	402	612
PBT before EO expense	**1,359**	**925**	**2,019**	**1,454**	**1,238**	**648**	**2,119**	**1,445**	**5,758**	**5,450**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
Tax	351	235	516	366	319	161	542	366	1,467	1,387
Rate (%)	25.8	25.4	25.5	25.2	25.7	24.8	25.6	25.3	25.5	25.5
Reported PAT	**1,009**	**690**	**1,504**	**1,089**	**919**	**487**	**1,577**	**1,079**	**4,291**	**4,063**
Adj PAT	**1,009**	**690**	**1,504**	**1,089**	**919**	**487**	**1,577**	**1,079**	**4,291**	**4,063**
YoY Change (%)	123	30	18	23	-9	-29	5	-1	36	-5

E: MOFSL Estimates

Technology

Coforge
Cyient
HCL Tech.
Infosys
LTIMindtree
L&T Technology
Mphasis
Persistent Systems
TCS
Tech Mahindra
Wipro
Zensar Tech.

Demand outlook continues to be uncertain

Low 3Q base to drive sequential growth uptick

- Uncertain macroeconomic outlook continues to dampen the demand environment for the IT services industry in 4QFY24. While the sequential revenue growth for companies across our coverage should see an improvement due to low 3Q base (on account of seasonality), the YoY growth continues to remain anemic. This should result in the weakest sector annual growth (median growth of 4.9% YoY) since 2008-09 financial crisis (excluding pandemic impacted FY21). While discretionary spends continue to be under pressure, there is no meaningful change in industry spending patterns. We factor in demand improvement in FY25 on the back of positive outlook from US fed and large order backlog; however, the certainty of this translating into tangible growth remains uncertain. Our IT Services coverage universe should report a median revenue growth of 1.8% QoQ/4.1% YoY in 4QFY24. This is also supported by favorable movement of major currencies (EUR/GBP, 0.9%/2.2%). Despite modest revenue growth, we expect most companies to deliver better operating margin in 4Q due to continued focus on cost optimization (with the exception of HCLT where P&P seasonality impacts 4Q profitability). We estimate 3.6% YoY revenue growth in INR, translating to a corresponding YoY growth in INR EBIT/PAT of 3.6%/3.8% in 4Q.
- While deal TCVs should remain stable to positive, conversion of deal wins into revenues continue to be pushed out due to adverse macros, leading to slower revenue conversion in 4Q. As reiterated by Accenture recent earnings commentary, corporate spending continues to be focused on cost optimization and efficiency. We expect collective deal TCV (Tier1 + Tier 2) growth to stay in line or moderate YoY.
- Weakness across major verticals and geographies should continue in 4Q with BFSI, Retail, Hi-Tech, and Communications expected to exercise greater caution and emphasize cost management. With BFS and Hi-Tech seeing meaningful pressure over the last year, the base should start becoming favorable and help moderate the drag on overall growth. Given the limited clarity regarding demand recovery in both the US and Europe, the company commentary should maintain a cautious tone.
- Anticipating a cautious stance, we expect companies' initial guidance/commentary on FY25 revenue growth to reflect the subdued demand outlook. The emphasis is expected to be on a potential uptick in demand in 2HFY25, indicating a more normalized spending environment for FY26. Additionally, we anticipate companies to guide for better margins by implementing cost efficiency measures.
- We expect revenue growth of Tier-I companies to be in the range of -0.1% to +2.2% QoQ CC. Revenue of Tier-II players are expected to grow to the tune of +1.3% to +5.5% QoQ in CC terms.

TCS/LTTS to lead topline growth among Tier I/Tier II firms

- Revenues of Tier-I companies are expected to improve sequentially on account of low base; however, it is still expected to remain below their historical range. Infosys and WPRO should see flat revenues, while TCS is expected to outperform others with +2.2% QoQ CC, driven by the scaling up of the BSNL

Mukul Garg - Research Analyst (Mukul.Garg@MotilalOswal.com)

business. Meanwhile, LTIM /HCLT/TECHM should grow 1.4%/0.9%/0.7% CC QoQ. Overall, Tier-I companies are expected to exhibit weak median revenue growth (0.8% QoQ CC).

- Among Tier-II companies, we expect LTTS to outpace its peers with 5.5% QoQ CC revenue growth, aided by strong deal momentum. PSYS and COFOGRE should see decent growth of 3.0%/2.9% QoQ CC, followed by CYL-DET, ZENT, and MPHL at 1.9%, 1.5%, and 1.3% QoQ CC, respectively.

Margins should improve through continued focus on cost efficiency

- We expect 4Q EBIT margins to improve QoQ, as companies remain focused on cost efficiency, particularly through workforce optimization, coupled with the absence of incremental costs during the quarter. With a few exceptions, most companies are expected to experience better sequential margins; however, the YoY improvement may be more subdued due to weak topline growth.
- Tier-I companies are expected to report margin changes ranging from -120bp to +160bp QoQ in 4Q. HCLT should see a seasonal impact due to a decline in growth in its high margin P&P vertical, whereas WPRO is expected to see a margin pickup by aggressive cost efficiency measures during the same period.
- The Tier-II pack is anticipated to undergo margin changes ranging from -130bp to +210bp QoQ. ZENT's margin is expected to moderate as it reinvests back into the business, while COFORGE should experience a seasonal pickup. The net headcount addition would be lower across the board, owing to muted demand trend.

Good PAT growth on low 3Q base

- We expect our Tier-I IT coverage universe to report 4.3% QoQ improvement in PAT, although the YoY growth will be a more modest 3.3% due to growth pressure. While TECHM should report a strong QoQ PAT improvement due to weak 3Q profitability, its YoY performance will still be down 31%. Similarly, WPRO's PAT should decline 4.2% YoY. TCS/HCLT are likely to lead the PAT growth with 8.1% YoY/6.9% YoY due to robust business mix.
- Tier-II players should register a strong PAT growth of 6.7% QoQ/12.9% YoY, aided by growth and margin support. LTTS/COFORGE/PSYS/CYL should see robust PAT growth

Prefer Tier I over Tier II companies; HCLT remains our top pick

- With improving macro sentiment and estimated demand recovery in FY25, the IT stock valuations are marginally higher than their historical range. The FY26 PE for the IT stocks (MOFSL universe) stood at 21x, wherein Tier-II looks expensive at 23x with ~20% premium to the Tier-1 pack.
- Given the muted near-term demand with no meaningful sign of recovery in the discretionary IT spends, we expect the companies to provide modest commentary on CY24E budget cycle. Among Tier-I players, HCLT is one of the key beneficiaries on having a defensive business mix, which should support the growth in the demand-constraint environment. Additionally, we expect TCS and INFO to be a key beneficiary of the acceleration in digital and business transformation in the medium term.
- Among Tier-II players, our preference lies with CYL, which is poised for robust performance. This is supported by the revival in the aerospace vertical and the easing challenges in sectors such as railways and communications.

Exhibit 1: Expect Tier-I companies' revenue (USD) to be modest at 1.5% QoQ

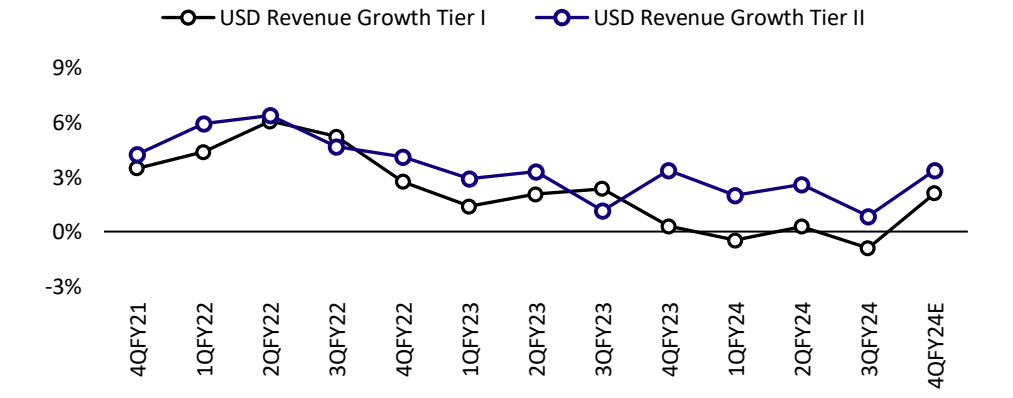
Company	Revenue (USD m)					Revenue (INR b)				
	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)
TCS	7,477	7,281	2.7%	7,195	3.9%	621	606	2.4%	592	4.9%
INFO	4,677	4,663	0.3%	4,554	2.7%	388	388	0.0%	374	3.7%
HCLT	3,459	3,415	1.3%	3,235	6.9%	287	284	0.9%	266	7.9%
WPRO	2,671	2,656	0.5%	2,840	-5.9%	223	222	0.3%	232	-4.0%
TECHM	1,594	1,573	1.3%	1,668	-4.4%	132	131	1.0%	137	-3.5%
LTIM	1,102	1,084	1.7%	1,058	4.2%	91	90	1.4%	87	5.2%
Tier I aggregate	20,980	20,672	1.5%	20,548	2.1%	1,742	1,722	1.2%	1,688	3.2%
	EBIT margin (%)					Adjusted PAT (INR b)				
Company	**4QFY24**	**3QFY24**	**QoQ (bps)**	**4QFY23**	**YoY (bps)**	**4QFY24**	**3QFY24**	**QoQ (%)**	**4QFY23**	**YoY (%)**
TCS	25.0	25.0	-	24.5	60.0	123.6	117.7	5.0%	114.4	8.1%
INFO	20.5	20.5	-	21.0	-60.0	63.0	61.1	3.0%	61.3	2.7%
HCLT	18.5	19.7	-120.0	18.2	30.0	42.5	43.5	-2.2%	39.8	6.9%
WPRO	16.4	14.8	160.0	16.2	20.0	29.6	27.0	9.7%	30.9	-4.2%
TECHM	8.4	7.0	140.0	11.2	-280.0	9.3	7.3	28.1%	13.4	-30.6%
LTIM	15.8	15.4	50.0	16.4	-50.0	11.9	11.7	1.8%	11.1	6.9%
Tier I aggregate	20.1	19.9	20.0	20.1	-	280	268	4.3%	271	3.3%

Exhibit 2: Expect Tier-II firms' revenue (USD) to be up 3.3% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)
LTTS	307	291	5.8%	255	20.5%	25.5	24.2	5.4%	21.0	21.7%
MPHL	408	402	1.5%	412	-0.9%	33.9	33.5	1.2%	33.9	0.0%
COFORGE	292	282	3.4%	264	10.3%	24.2	23.2	4.2%	21.7	11.5%
PSYS	310	301	3.1%	275	12.9%	25.7	25.0	3.0%	22.5	14.1%
ZENT	148	145	2.0%	148	0.0%	12.2	12.0	1.7%	12.1	1.0%
CYL	228	219	4.3%	213	7.1%	18.9	18.2	4.0%	17.5	8.2%
Tier II aggregate	1,693	1,639	3.3%	1,567	8.1%	140.5	136.2	3.2%	128.7	9.2%
	EBIT margin (%)					Adjusted PAT (INR b)				
Company	**4QFY24**	**3QFY24**	**QoQ (bps)**	**4QFY23**	**YoY (bps)**	**4QFY24**	**3QFY24**	**QoQ (%)**	**4QFY23**	**YoY (%)**
LTTS	17.6	17.2	40.0	18.7	-120.0	3.6	3.4	7.6%	3.1	16.8%
MPHL	15.0	14.8	20.0	15.2	-20.0	4.0	3.7	7.3%	4.1	-1.1%
COFORGE	15.9	13.8	210.0	15.5	40.0	2.8	2.4	17.1%	2.3	19.8%
PSYS	15.1	14.5	60.0	15.4	-30.0	3.0	2.9	4.5%	2.5	18.9%
ZENT	13.3	14.6	-130.0	11.6	170.0	1.3	1.6	-19.1%	1.2	9.5%
CYL	15.2	14.3	90.0	14.3	90.0	2.2	1.9	16.6%	1.8	23.0%
Tier II aggregate	15.5	14.9	60.0	15.4	10.0	16.9	15.8	6.7%	14.9	12.9%

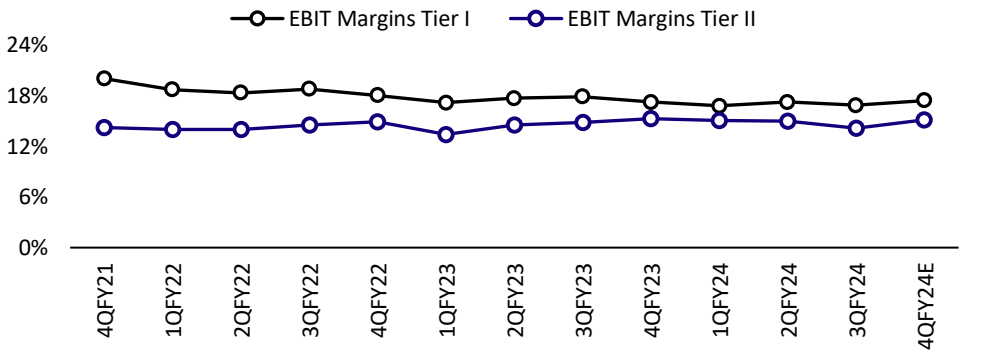
Source: Company, MOFSL

Exhibit 3: Revenue growth should see an uptick up, after a seasonally weak 3Q



Source: MOFSL, Company

Exhibit 4: Tier I should perform better on margin



Source: MOSL, Company

Exhibit 5: Cross-currency will have positive impact on 4Q USD revenue growth

	CC USD growth QoQ (%)	USD growthQoQ (%)	Cross-currency impact (bp)
TCS	2.2	2.7	50
INFO	-0.1	0.3	40
HCLT	0.9	1.3	40
WPRO	-0.1	0.5	60
TECHM	0.7	1.3	60
LTIM	1.4	1.7	30
LTTS	5.5	5.8	20
MPHL	1.3	1.5	20
COFORGE	2.9	3.4	50
PSYS	3.0	3.1	10
ZENT	1.5	2.0	40
CYL (DET)	1.9	2.6	70

Source: Company, MOFSL

Exhibit 6: Currency highlights (INR) in 4QFY24

	Rates (INR)				Change (QoQ)			
	USD	EUR	GBP	AUD	USD(%)	EUR(%)	GBP(%)	AUD(%)
Average	83.1	90.2	105.3	54.6	-0.23	0.68	1.92	0.77
Closing	83.4	90.6	105.7	54.8	0.28	-1.46	-0.05	-3.42

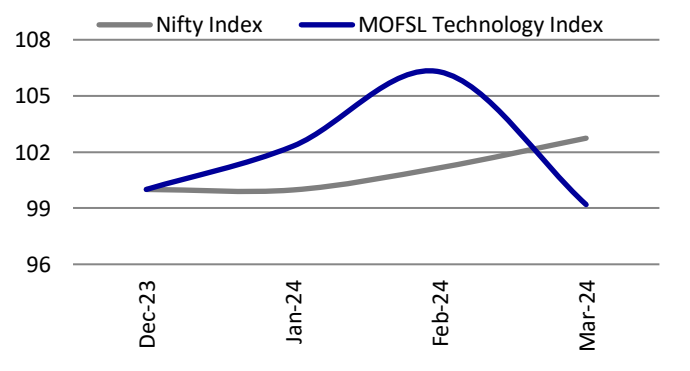
Source: Bloomberg, MOFSL

Exhibit 7: Currency highlights (USD) in 4QFY24

	Rates (USD)			Change (QoQ)		
	EUR	GBP	AUD	EUR(%)	GBP(%)	AUD(%)
Average	1.09	1.27	0.66	0.91	2.16	1.00
Closing	1.09	1.27	0.66	-1.74	-0.33	-3.63

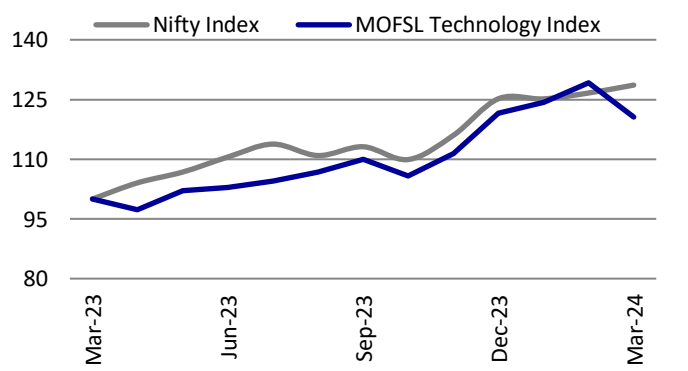
Source: Bloomberg, MOFSL

Exhibit 8: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 9: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 10: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Coforge	5491	Neutral	24,206	11.5	4.2	4,672	14.6	16.4	2,787	19.8	17.1
Cyient	2007	Buy	18,943	8.2	4.0	3,637	12.9	11.5	2,167	23.0	16.6
HCL Technologies	1556	Buy	2,87,123	7.9	0.9	64,116	8.2	-4.4	42,515	6.8	-2.3
Infosys	1496	Buy	3,88,160	3.7	0.0	97,337	-0.6	-0.1	62,994	2.8	3.2
LTIMindtree	4882	Neutral	91,448	5.2	1.4	16,411	2.3	3.5	11,907	6.9	1.8
L&T Technology	5602	Buy	25,519	21.7	5.4	5,251	16.9	7.7	3,616	16.8	7.6
MphasiS	2462	Neutral	33,769	0.5	1.2	6,129	2.4	2.0	4,010	-1.1	7.3
Persistent Systems	3992	Neutral	25,732	14.1	3.0	4,683	12.5	6.0	2,991	18.9	4.5
TCS	3915	Buy	6,20,620	4.9	2.4	1,68,110	7.1	2.5	1,23,630	8.1	5.0
Tech Mahindra	1245	Neutral	1,32,320	-3.5	1.0	15,595	-22.8	15.1	9,232	-30.6	28.5
Wipro	485	Neutral	2,22,622	-4.0	0.3	44,715	-2.9	6.0	29,464	-4.2	9.4
Zensar Tech	610	Neutral	12,246	1.0	1.7	1,974	12.2	-4.9	1,307	9.5	-19.1
Technology			**18,82,707**	**3.6**	**1.3**	**4,32,630**	**3.0**	**1.9**	**2,96,620**	**3.9**	**4.5**

Source: Company, MOFSL

Exhibit 11: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Technology						**28.5**	**25.9**	**22.0**	**8.5**	**8.8**	**8.6**	**29.7**	**34.0**	**39.2**
Coforge	5,491	Neutral	140.6	190.3	225.2	39.1	28.9	24.4	9.8	8.4	7.2	26.3	31.1	31.6
Cyient	2,007	Buy	69.4	86.0	112.0	28.7	23.3	17.9	5.9	5.4	4.8	21.2	24.2	28.4
HCL Technologies	1,556	Buy	58.9	67.3	77.9	26.2	23.1	20.0	6.5	6.6	6.7	24.6	28.5	33.5
Infosys	1,496	Buy	59.3	67.6	79.1	25.3	22.1	18.9	8.2	8.2	8.1	32.5	37.0	43.1
LTIMindtree	4,882	Neutral	157.9	179.2	220.0	31.3	27.2	22.2	7.5	6.4	5.5	26.0	25.3	26.5
L&T Technology	5,602	Buy	125.0	151.1	177.7	43.8	37.1	31.5	11.0	9.7	8.4	25.9	28.2	28.6
MphasiS	2,462	Neutral	82.2	94.5	112.7	29.1	26.1	21.9	5.3	5.0	4.6	18.9	20.1	22.1
Persistent Systems	3,992	Neutral	73.2	88.8	109.6	54.5	45.0	36.4	13.5	11.7	10.1	26.7	28.3	30.2
TCS	3,915	Buy	125.7	146.8	170.1	30.9	26.7	23.0	16.1	16.8	17.5	51.5	61.9	74.4
Tech Mahindra	1,245	Neutral	40.4	50.9	68.0	31.0	24.5	18.3	3.9	3.8	3.7	12.7	15.6	20.3
Wipro	485	Neutral	20.6	22.9	27.3	23.3	21.1	17.7	3.5	3.5	3.4	14.7	16.7	19.7
Zensar Tech	610	Neutral	27.3	24.6	28.5	22.2	24.8	21.4	4.1	3.7	3.3	19.6	15.8	16.5

Source: Company, MOFSL

The tables below provide a snapshot of actual and estimated numbers for IT companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Coforge — Neutral

CMP INR55065| TP: INR6310 (8%) — **EPS CHANGE (%): FY24|25: +0.0|+0.0**

- Revenue growth is expected to be 2.9% QoQ on account of deal scale-up and low base in verticals like BFSI.
- EBITDA margin (Pre-RSU) is expected to improve 200bp QoQ, led by enhanced operating efficiency and increased offshoring.
- Deal wins should look attractive on the back of healthy deal pipeline on both BFS and Insurance verticals
- We expect the company to provide initial FY25 USD revenue growth guidance of low teens YoY CC.

Quarterly performance (Ind-AS)

Y/E March	FY23				FY24E				FY23	FY24E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Rev. (USD m)	**239**	**247**	**252**	**264**	**272**	**278**	**282**	**292**	**1,002**	**1,124**
QoQ (%)	2.7	3.4	1.9	5.0	2.8	2.3	1.4	3.4	15.6	12.2
Revenue (INR m)	**18,294**	**19,594**	**20,558**	**21,700**	**22,210**	**22,762**	**23,233**	**24,206**	**80,146**	**92,411**
YoY (%)	25.2	24.9	24.0	24.5	21.4	16.2	13.0	11.5	24.6	15.3
GPM (%)	**30.4**	**32.0**	**33.4**	**34.1**	**30.7**	**32.5**	**33.1**	**34.5**	**32.5**	**32.7**
SGA (%)	**13.9**	**13.7**	**14.9**	**14.5**	**14.7**	**14.9**	**15.1**	**14.5**	14.3	14.8
EBITDA (INR m)	**2,922**	**3,449**	**3,615**	**4,076**	**3,316**	**3,473**	**4,012**	**4,672**	**14,062**	**15,473**
EBITDA margin (%)	16.0	17.6	17.6	18.8	14.9	15.3	17.3	19.3	17.5	16.7
EBIT (INR m)	**2,292**	**2,835**	**2,991**	**3,359**	**2,559**	**2,701**	**3,201**	**3,849**	**11,477**	**12,310**
EBIT margin (%)	12.5	14.5	14.5	15.5	11.5	11.9	13.8	15.9	14.3	13.3
Other income	-76	-150	83	-487	-152	-295	-257	-121	-630	-825
ETR (%)	22.2	17.7	23.3	18.3	20.1	21.9	17.5	23.0	20.4	20.8
Minority Interest	-222.0	-195.0	-77.0	-19.0	-104.0	-69.0	-48.0	-83.0	-513.0	-304.0
Adj. PAT	**1,501**	**2,016**	**2,282**	**2,327**	**1,818**	**1,809**	**2,380**	**2,787**	**8,126**	**8,795**
QoQ (%)	-29.3	34.3	13.2	2.0	-21.9	-0.5	31.6	17.1		
YoY (%)	10.3	32.7	21.1	9.6	21.2	-10.3	4.3	19.8	18.0	8.2
Adj. EPS (INR)	**24.2**	**32.5**	**36.7**	**37.4**	**29.2**	**29.0**	**38.1**	**44.6**	**130.6**	**140.6**

Cyient — Buy

CMP INR2000 | TP: INR2500 (+16%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- Expect 1.9% QoQ CC growth for DET in 4QFY24, with better growth in Aerospace and Comm. verticals.
- Sustainability initiatives are performing well and are expected to maintain their earlier momentum in 4Q.
- DET margins are likely to improve 90bp QoQ, and the company should deliver on its guidance band.
- Given the continued macro headwinds, we expect the FY25 DET revenue growth guidance to be in the 12-13% YoY range.

Quarterly performance (Consol)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**162**	**175**	**197**	**213**	**205**	**214**	**219**	**228**	**746**	**867**
QoQ (%)	3.1	8.2	12.7	8.1	-3.6	4.4	2.1	4.3	22.7	16.1
Revenue (INR m)	**12,501**	**13,962**	**16,182**	**17,514**	**16,865**	**17,785**	**18,215**	**18,943**	**60,159**	**71,808**
YoY (%)	18.1	25.6	36.7	48.3	34.9	27.4	12.6	8.2	32.7	19.4
GPM (%)	**36.8**	**38.4**	**37.8**	**38.0**	**36.6**	**35.7**	**35.4**	**37.3**	**37.8**	**36.3**
SGA (%)	21.2	22.0	20.6	19.6	17.9	17.4	17.5	18.1	20.8	17.7
EBITDA	**1,946**	**2,290**	**2,785**	**3,222**	**3,156**	**3,258**	**3,261**	**3,637**	**10,243**	**13,312**
EBITDA margin (%)	**15.6**	**16.4**	**17.2**	**18.4**	**18.7**	**18.3**	**17.9**	**19.2**	**17.0**	**18.5**
EBIT	**1,435**	**1,660**	**2,086**	**2,496**	**2,480**	**2,600**	**2,600**	**2,879**	**7,677**	**10,559**
EBIT margin (%)	**11.5**	**11.9**	**12.9**	**14.3**	**14.7**	**14.6**	**14.3**	**15.2**	**12.8**	**14.7**
Other income	160	-148	60	-257	-176	-134	-100	38	-185	-372
ETR (%)	27.2	19.4	24.1	21.3	22.9	23.6	23.3	24.0	23.0	23.5
Adj. PAT	**1,161**	**1,218**	**1,628**	**1,762**	**1,767**	**1,831**	**1,858**	**2,167**	**5,769**	**7,623**
QoQ (%)	-24.7	4.9	33.7	8.2	0.3	3.6	1.5	16.6		
YoY (%)	0.9	0.5	23.7	14.3	52.2	50.3	14.1	23.0	10.5	32.1
EPS (INR)	**10.6**	**11.1**	**14.8**	**16.0**	**16.0**	**16.6**	**16.9**	**19.7**	**52.4**	**69.4**

HCL Technologies — Buy

CMP INR1528| TP: INR1870 (+22%) — **EPS CHANGE (%): FY24|25: -0.3| -0.5**

- Service (IT +ER&D) revenue growth (organic) is expected to be strong on account of deal momentum and continued ramp-up in Verizon deal. We expect Service business to report 2.7% QoQ growth in CC terms.
- P&P is projected to maintain YoY growth, but it is anticipated to experience QoQ weakness (-12% QoQ) due to seasonal factors, which could potentially impact sequential Consol growth negatively.
- The decline in the high margin P&P business should result in 120bp QoQ decrease in profitability during 4Q.
- We expect the company to provide initial FY25 revenue growth guidance of around 10%, with stable to improving EBIT margin. Commentary on the ramp up of mega wins and the demand trends around ERD space would be watched out for.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**3,025**	**3,082**	**3,244**	**3,235**	**3,200**	**3,225**	**3,415**	**3,459**	**12,586**	**13,299**
QoQ (%)	1.1	1.9	5.3	-0.3	-1.1	0.8	5.9	1.3	9.6	5.7
Revenue (INR b)	**235**	**247**	**267**	**266**	**263**	**267**	**284**	**287**	**1,015**	**1,101**
YoY (%)	16.9	19.5	19.6	17.7	12.1	8.0	6.5	7.9	18.5	8.5
GPM (%)	**35.8**	**35.8**	**37.4**	**36.5**	**35.6**	**36.2**	**36.7**	**36.1**	**36.4**	**36.2**
SGA (%)	12.9	12.2	12.0	12.8	13.6	12.4	11.5	12.2	12.5	12.4
EBITDA	**50**	**54**	**63**	**59**	**55**	**60**	**67**	**64**	**226**	**245**
EBITDA margin (%)	21.1	22.0	23.7	22.3	20.8	22.3	23.6	22.3	22.3	22.3
EBIT	**40**	**44**	**52**	**48**	**45**	**49**	**56**	**53**	**185**	**203**
EBIT margin (%)	17.0	17.9	19.6	18.2	17.0	18.5	19.7	18.5	18.2	18.4
Other income	3	2	1	4	2	2	3	3	10	10
ETR (%)	24.3	23.9	23.8	23.4	24.8	25.3	25.9	24.0	23.8	25.0
Adjusted PAT	**33**	**35**	**41**	**40**	**35**	**38**	**44**	**43**	**148**	**160**
QoQ (%)	-8.7	6.3	17.4	-2.8	-11.2	8.4	13.5	-2.3		
YoY (%)	2.1	6.9	19.0	10.8	7.6	9.8	6.2	6.8	9.9	7.5
EPS	**12.1**	**12.9**	**15.1**	**14.7**	**13.0**	**14.1**	**16.0**	**15.7**	**54.8**	**58.9**

Infosys — Buy

CMP INR1481| TP: INR1740 (+17%) — **EPS CHANGE (%): FY24|25: -0.3|-0.5**

- Revenue growth is expected to be weak at -0.1% QoQ CC, on account of ongoing macro challenges and delays in the ramp-up of large deals.
- Operating margin should remain stable, due to weak growth. We expect the operating margin to be flat QoQ at 20.5%.
- The deal pipeline remains healthy, while closure are somewhat challenging due to slower decision-making processes and furloughs. Nevertheless, the conversion rate remains on track.
- We expect the company to provide initial FY25 revenue growth guidance band of 5-7%, factoring in deal scale up along with initial caution.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**4,444**	**4,555**	**4,659**	**4,554**	**4,617**	**4,718**	**4,663**	**4,677**	**18,212**	**18,675**
QoQ (%)	3.8	2.5	2.3	-2.3	1.4	2.2	-1.2	0.3	66.5	2.5
Revenue (INR m)	**345**	**365**	**383**	**374**	**379**	**390**	**388**	**388**	**1,468**	**1,546**
YoY (%)	23.6	23.4	20.2	16.0	10.0	6.7	1.3	3.7	108.1	5.3
GPM (%)	**29.3**	**30.5**	**30.7**	**30.5**	**30.5**	**30.7**	**29.8**	**29.9**	**30.3**	**30.2**
SGA (%)	**9.2**	**8.9**	**9.2**	**9.5**	**9.6**	**9.5**	**9.3**	**9.4**	9.2	9.4
EBITDA	**87**	**97**	**102**	**98**	**96**	**101**	**97**	**97**	**384**	**392**
EBITDA margin (%)	**25.2**	**26.7**	**26.6**	**26.1**	**25.4**	**25.8**	**25.1**	**25.1**	**26.2**	**25.3**
EBIT	**69**	**79**	**82**	**79**	**79**	**83**	**80**	**79**	**309**	**321**
EBIT margin (%)	**20.1**	**21.5**	**21.5**	**21.0**	**20.8**	**21.2**	**20.5**	**20.5**	**21.1**	**20.8**
Other income	6	5	7	6	5	5	7	6	24	22
ETR (%)	28.8	28.2	26.3	27.5	28.9	29.1	29.1	26.5	27.7	28.4
PAT	**54**	**60**	**66**	**61**	**59**	**62**	**61**	**63**	**241**	**246**
QoQ (%)	-5.7	12.3	9.4	-7.0	-3.0	4.5	-1.7	3.2		
YoY (%)	3.2	11.1	13.4	7.8	10.9	3.2	-7.3	2.8	63.8	1.9
EPS (INR)	**12.8**	**14.3**	**15.7**	**14.8**	**14.4**	**15.0**	**14.7**	**15.2**	**57.3**	**59.0**

LTIMindtree — Neutral

CMP INR4928| TP: INR 5500 (+12%) **EPS CHANGE (%): FY24|25: 0.0|0.0**

- LTIM should report 1.4% CC growth in 4Q, with weak demand environment partially compensated by reversal of 3Q furloughs.
- Margins are expected to see a sequential pickup of 50bp QoQ due to better operating leverage.
- Manufacturing continues to perform well, while BFSI should see tailwinds from low base effect.
- We expect the initial commentary on FY25 growth to remain muted, while the company is likely to maintain its margin guidance. The demand commentary will be closely monitored.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**980**	**1,022**	**1,047**	**1,058**	**1,059**	**1,076**	**1,084**	**1,102**	**4,106**	**4,320**
QoQ (%)	3.7	4.3	2.4	1.0	0.1	1.6	0.8	1.7	17.2	5.2
Revenue (INR m)	**76,442**	**82,278**	**86,200**	**86,910**	**87,021**	**89,054**	**90,166**	**91,448**	**3,31,830**	**3,57,689**
YoY (%)	32.9	29.6	25.3	21.9	13.8	8.2	4.6	5.2	27.1	7.8
GPM (%)	**31.1**	**30.8**	**28.6**	**29.9**	**31.6**	**31.4**	**29.9**	**30.4**	**30.1**	**30.8**
SGA (%)	11.6	11.0	11.7	11.4	12.8	13.1	12.3	12.5	11.4	12.7
EBITDA	**14,937**	**16,356**	**14,548**	**16,037**	**16,355**	**16,313**	**15,849**	**16,411**	**61,878**	**64,928**
EBITDA margin (%)	**19.5**	**19.9**	**16.9**	**18.5**	**18.8**	**18.3**	**17.6**	**17.9**	**18.6**	**18.2**
EBIT	**13,273**	**14,397**	**12,767**	**14,214**	**14,508**	**14,231**	**13,859**	**14,491**	**54,651**	**57,089**
EBIT margin (%)	**17.4**	**17.5**	**14.8**	**16.4**	**16.7**	**16.0**	**15.4**	**15.8**	**16.5**	**16.0**
Other income	1,465	1,233	1,139	228	856	962	1,588	1,280	4,065	4,686
ETR (%)	24.9	23.9	22.3	22.9	25.0	23.5	24.3	24.5	23.5	24.3
Adj. PAT	**11,066**	**11,890**	**10,807**	**11,141**	**11,523**	**11,623**	**11,693**	**11,907**	**44,904**	**46,746**
QoQ (%)	-0.2	7.4	-9.1	3.1	3.4	0.9	0.6	1.8		
YoY (%)	31.7	25.1	2.9	0.5	4.1	-2.2	8.2	6.9	13.7	4.1
EPS (INR)	**36.1**	**40.1**	**35.4**	**37.6**	**38.9**	**39.2**	**39.4**	**40.2**	**151.8**	**157.9**

LTTS — Buy

CMP INR5785| TP: INR6750 (+17%) **EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect strong revenue growth of 5.5% QoQ CC in 4Q. The growth is expected to be driven by deal scale up and pick up in projects deferred in 3Q.
- With wage hikes behind, we expect a sequential improvement in margin of 40 bps.
- We expect the deal momentum to continue in 4Q on selected verticals.
- We expect the company to provide FY25 USD CC revenue growth guidance of 15%, aided by strong deal pipeline.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**240**	**247**	**248**	**255**	**280**	**288**	**291**	**307**	**990**	**1,166**
QoQ (%)	3.2	3.2	0.4	2.9	9.8	2.9	0.9	5.8	12.4	17.8
Revenue (INR m)	**18,737**	**19,951**	**20,486**	**20,962**	**23,014**	**23,865**	**24,218**	**25,519**	**80,136**	**96,616**
YoY (%)	23.4	24.1	21.4	19.4	22.8	19.6	18.2	21.7	22.0	20.6
GPM (%)	**33.0**	**32.1**	**33.0**	**32.5**	**30.0**	**28.0**	**29.2**	**29.6**	**32.6**	**29.2**
SGA (%)	11.6	11.0	11.5	11.0	10.4	8.1	9.1	9.0	11.3	9.1
EBITDA	**4,010**	**4,218**	**4,412**	**4,492**	**4,528**	**4,756**	**4,877**	**5,251**	**17,132**	**19,412**
EBITDA margin (%)	**21.4**	**21.1**	**21.5**	**21.4**	**19.7**	**19.9**	**20.1**	**20.6**	**21.4**	**20.1**
EBIT	**3,434**	**3,628**	**3,829**	**3,927**	**3,954**	**4,075**	**4,162**	**4,486**	**14,818**	**16,677**
EBIT margin (%)	**18.3**	**18.2**	**18.7**	**18.7**	**17.2**	**17.1**	**17.2**	**17.6**	**18.5**	**17.3**
Other income	340	261	627	392	357	286	493	434	1,620	1,570
ETR (%)	27.1	27.2	31.6	28.0	27.6	27.6	27.6	26.5	28.6	27.3
PAT	**2,742**	**2,824**	**3,036**	**3,096**	**3,111**	**3,154**	**3,362**	**3,616**	**11,698**	**13,243**
QoQ (%)	4.7	3.0	7.5	2.0	0.5	1.4	6.6	7.6		
YoY (%)	26.8	22.8	22.0	18.2	13.5	11.7	10.7	16.8	22.2	13.2
EPS (INR)	26.0	26.7	28.7	29.2	29.4	29.8	31.7	34.1	110.5	125.0

Mphasis — Neutral

CMP INR2502 | TP: INR2600 (+4%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect a revenue growth of 1.3% QoQ CC, driven by low base and scale up of new deals.
- The weakness in the mortgage business (DR) should start stabilizing in 4Q, which is likely to aid volume for BFS.
- We expect margins to improve marginally by 20bp QoQ on continued cost optimization.
- The volume recovery for its DR business, outlook for the mortgage business and deal TCVs, need to be watched out for.

Quarterly performance

Y/E March	FY23				FY24E				FY232	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**436**	**440**	**429**	**412**	**398**	**398**	**402**	**408**	**1,718**	**1,607**
QoQ (%)	1.2	1.0	-2.5	-4.1	-3.4	0.1	1.0	1.5	7.8	-6.4
Revenue (INR m)	**34,113**	**35,198**	**35,062**	**33,612**	**32,520**	**32,765**	**33,380**	**33,769**	**1,37,985**	**1,32,434**
YoY (%)	26.8	22.7	12.2	2.5	-4.7	-6.9	-4.8	0.5	15.4	-4.0
GPM (%)	**29.8**	**28.1**	**28.5**	**29.2**	**29.1**	**28.9**	**31.3**	**30.9**	**28.9**	**30.1**
SGA (%)	**12.2**	**10.5**	**10.8**	**11.4**	**11.1**	**10.7**	**13.3**	**12.8**	11.2	12.0
EBITDA	**6,001**	**6,177**	**6,175**	**5,987**	**5,869**	**5,956**	**6,007**	**6,129**	**24,340**	**23,961**
EBITDA margin (%)	**17.6**	**17.5**	**17.6**	**17.8**	**18.0**	**18.2**	**18.0**	**18.1**	**17.6**	**18.1**
EBIT	**5,205**	**5,376**	**5,354**	**5,152**	**4,995**	**5,067**	**4,972**	**5,082**	**21,087**	**20,116**
EBIT margin (%)	**15.3**	**15.3**	**15.3**	**15.3**	**15.4**	**15.5**	**14.9**	**15.0**	**15.3**	**15.2**
Other income	125	174	156	189	263	150	14	270	644	697
ETR (%)	24.6	24.6	25.2	24.1	24.7	24.9	25.1	25.1	24.6	24.9
PAT	**4,020**	**4,184**	**4,123**	**4,053**	**3,961**	**3,920**	**3,736**	**4,010**	**16,380**	**15,627**
QoQ (%)	2.5	4.1	-1.5	-1.7	-2.3	-1.0	-4.7	7.3		
YoY (%)	18.3	17.1	15.3	3.4	-1.5	-6.3	-9.4	-1.1	13.2	-4.6
EPS (INR)	21.2	22.1	21.8	21.5	20.9	20.6	19.6	21.1	86.9	82.2

Persistent Systems — Neutral

CMP INR3993 | TP: INR4055 (2%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- Expect revenue growth of 3.0% QoQ CC, aided by continued momentum in Hi-Tech and Healthcare, while BFSI is expected to be soft due to furloughs.
- Margins are expected to improve 60bps QoQ; however, it would be lower than the corresponding last year.
- Deal wins should be healthy in 4Q with continued momentum on client end.
- Commentaries on the demand environment and deal pipeline are closely to be watched out for.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	**241.5**	**255.6**	**264.4**	**274.6**	**282.9**	**291.7**	**300.6**	**310.0**	**1,036**	**1,185**
QoQ (%)	11.1	5.8	3.4	3.9	3.0	3.1	3.0	3.1	35.3	14.4
Revenue (INR m)	**18,781**	**20,486**	**21,694**	**22,545**	**23,212**	**24,117**	**24,982**	**25,732**	**83,506**	**98,043**
QoQ (%)	14.7	9.1	5.9	3.9	3.0	3.9	3.6	3.0		
YoY (%)	52.7	51.6	45.4	37.6	23.6	17.7	15.2	14.1	46.2	17.4
GPM (%)	**33.8**	**33.5**	**33.8**	**33.9**	**34.2**	**33.1**	**33.8**	**33.9**	**33.8**	**33.7**
SGA (%)	**16.1**	**15.5**	**15.3**	**15.5**	**16.0**	**16.3**	**16.1**	**15.7**	15.6	16.0
EBITDA	**3,333**	**3,680**	**4,016**	**4,163**	**4,229**	**4,052**	**4,418**	**4,683**	**15,191**	**17,383**
EBITDA margin (%)	**17.7**	**18.0**	**18.5**	**18.5**	**18.2**	**16.8**	**17.7**	**18.2**	**18.2**	**17.7**
EBIT	**2,688**	**2,987**	**3,332**	**3,466**	**3,466**	**3,308**	**3,631**	**3,886**	**12,472**	**14,290**
EBIT margin (%)	**14.3**	**14.6**	**15.4**	**15.4**	**14.9**	**13.7**	**14.5**	**15.1**	**14.9**	**14.6**
Other income	131	-31	192	-60	90	250	262	103	233	705
ETR (%)	24.9	25.6	24.1	26.2	22.0	26.0	26.5	25.0	25.2	24.9
PAT	**2,116**	**2,200**	**2,676**	**2,515**	**2,774**	**2,633**	**2,861**	**2,991**	**9,507**	**11,259**
QoQ (%)	5.3	4.0	21.6	-6.0	10.3	-5.1	8.7	4.5		
YoY (%)	33.3	36.0	51.7	25.1	31.1	19.7	6.9	18.9	36.2	18.4
EPS (INR)	**13.8**	**14.4**	**15.6**	**16.5**	**14.9**	**17.1**	**18.6**	**19.4**	**60.3**	**70.0**

TCS — Buy

CMP INR3998 | TP: INR4600 (+15%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- The growth is expected to be good at 2.2% QoQ CC, led by deal scale up, including the large BSNL deal.
- The deal pipeline should remain resilient, especially in the UK regions, while the US and Europe continue to stay on a weaker trajectory.
- EBIT margin is expected to be stable, as operational improvements should be compensated by low margins in the India business.
- Outlook on near-term demand environment, BFSI, and deal wins are the key monitorables.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
IT Services Revenue (USD m)	**6,780**	**6,877**	**7,075**	**7,195**	**7,226**	**7,210**	**7,281**	**7,477**	**27,927**	**29,194**
QoQ (%)	1.3	1.4	2.9	1.7	0.4	-0.2	1.0	2.7	8.6	4.5
Overall Revenue (INR b)	**528**	**553**	**582**	**592**	**594**	**597**	**606**	**621**	**2,255**	**2,417**
QoQ (%)	4.3	4.8	5.3	1.6	0.4	0.5	1.5	2.4		
YoY (%)	16.2	18.0	19.1	16.9	12.6	7.9	4.0	4.9	17.6	7.2
GPM (%)	**38.4**	**39.5**	**40.1**	**40.1**	**39.5**	**40.1**	**40.8**	**40.6**	**39.6**	**40.3**
SGA (%)	15.3	15.5	15.5	15.7	16.4	15.8	15.8	15.6	15.5	15.8
EBITDA	**134**	**145**	**156**	**157**	**150**	**157**	**164**	**168**	**592**	**639**
EBITDA margin (%)	25.3	26.2	26.8	26.5	25.2	26.3	27.1	27.1	26.2	26.4
EBIT	**122**	**133**	**143**	**145**	**138**	**145**	**152**	**155**	**542**	**591**
EBIT margin (%)	23.1	24.0	24.5	24.5	23.2	24.3	25.0	25.0	24.1	24.4
Other income	6	8	4	9	12	8	7	11	27	39
PBT	**128**	**141**	**146**	**154**	**150**	**153**	**159**	**166**	**569**	**629**
ETR (%)	25.5	25.8	25.7	25.7	25.8	25.8	25.8	25.5	25.7	25.7
Adj. PAT	**95**	**105**	**109**	**114**	**111**	**114**	**118**	**124**	**423**	**468**
Exceptional items	**0**	**0**	**0**	**0**	**0**	**0**	**-7**	**0**	**0**	**-7**
Reported PAT	**95**	**105**	**109**	**114**	**111**	**114**	**111**	**124**	**423**	**461**
QoQ (%)	-4.4	9.9	4.0	5.1	-2.8	2.3	-2.5	11.4		
YoY (%)	5.4	8.4	11.0	14.8	16.8	8.7	2.0	8.1	10.0	9.0
EPS (INR)	26.0	28.5	29.6	31.1	30.3	31.0	30.3	33.7	115.3	125.7

Tech Mahindra — Neutral

CMP INR1267 | TP: INR1360 (7%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- Revenue growth is expected to be muted at 0.7% QoQ CC due to weakness in both CME and Enterprise verticals.
- Margins are likely to improve 140bp QoQ, as the impact of cost-control efforts should start becoming visible. Weak growth is likely to keep margins under pressure.
- Deal wins are likely to be muted due to macro uncertainty. We expect deal TCV to the tune of USD500m in 4Q.
- The outlook on margin and growth in the CME vertical will be the key monitorable.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	**1,633**	**1,638**	**1,668**	**1,668**	**1,601**	**1,555**	**1,573**	**1,594**	**6,607**	**6,323**
QoQ (%)	1.5	0.3	1.8	0.0	-4.0	-2.8	1.1	1.3	10.1	-4.3
Revenue (INR b)	**127**	**131**	**137**	**137**	**132**	**129**	**131**	**132**	**533**	**524**
YoY (%)	24.6	20.7	19.9	13.2	3.5	-2.0	-4.6	-3.5	19.4	-1.8
GPM (%)	**28.3**	**27.9**	**28.7**	**28.9**	**25.7**	**22.5**	**23.9**	**25.0**	**28.5**	**24.3**
SGA (%)	**13.5**	**12.8**	**13.1**	**14.2**	**13.5**	**11.5**	**13.6**	**13.2**	13.4	13.0
EBITDA	**19**	**20**	**21**	**20**	**16**	**14**	**14**	**16**	**80**	**59**
EBITDA margin (%)	**14.8**	**15.1**	**15.6**	**14.7**	**12.2**	**10.9**	**10.3**	**11.8**	**15.1**	**11.3**
EBIT	**14**	**15**	**16**	**15**	**12**	**9**	**9**	**11**	**61**	**41**
EBIT margin (%)	**11.0**	**11.4**	**12.0**	**11.2**	**8.8**	**7.3**	**7.0**	**8.4**	**11.4**	**7.9**
Other income	1	2	1	2	1	2	0	1	6	3
ETR (%)	22.8	21.4	27.3	22.9	21.8	9.9	17.6	25.0	23.7	18.9
Adj. PAT	**11**	**13**	**13**	**13**	**10**	**10**	**7**	**9**	**51**	**36**
QoQ (%)	-24.9	15.8	-1.0	2.6	-28.2	2.3	-26.5	28.5		
YoY (%)	-16.4	-2.2	-5.3	-11.6	-15.5	-25.3	-44.6	-30.6	-8.9	-29.5
Extra-Ordinary Item	0.0	-0.2	0.0	-2.1	-2.6	-4.8	-2.1	0.0	-2.4	-9.5
Reported PAT	**11**	**13**	**13**	**11**	**7**	**5**	**5**	**9**	**48**	**26**
EPS (INR)	**12.8**	**14.8**	**14.7**	**15.0**	**10.8**	**11.0**	**8.1**	**10.4**	**57.3**	**40.4**

Wipro — Neutral

CMP INR486 | TP: INR520 (+7%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect WPRO to report flat revenue growth in 4Q, due to macro impact and continued softness in verticals.
- Consulting business continues to be weak, owing to cut down in discretionary spends and reprioritizing of projects.
- IT Service Margin should see improvement of 160bps on account of cost efficiency measures.
- Commentary on revenue conversion, consulting, and deal pipeline will be the key monitorables.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
IT Services Revenue (USD m)	**2,756**	**2,817**	**2,821**	**2,840**	**2,779**	**2,713**	**2,656**	**2,671**	**11,234**	**10,818**
QoQ (%)	1.3	2.2	0.1	0.6	-2.1	-2.3	-2.1	0.5	8.5	-3.7
Overall Revenue (INR b)	**215**	**225**	**232**	**232**	**228**	**225**	**222**	**223**	**905**	**896**
QoQ (%)	3.2	4.7	3.1	-0.2	-1.5	-1.4	-1.4	0.3		
YoY (%)	17.9	14.6	14.4	11.2	6.0	-0.1	-4.4	-4.0	14.4	-0.9
GPM (%)	**27.7**	**27.3**	**29.7**	**29.8**	**29.4**	**29.3**	**30.7**	**30.9**	**28.7**	**30.0**
SGA (%)	13.4	13.4	14.1	14.0	14.2	14.6	16.0	14.6	13.7	14.9
EBITDA	**40**	**41**	**47**	**46**	**42**	**42**	**42**	**45**	**173**	**171**
EBITDA margin (%)	**18.5**	**18.1**	**20.2**	**19.9**	**18.4**	**18.8**	**19.0**	**20.1**	**19.1**	**19.1**
IT Services EBIT (%)	**14.9**	**15.1**	**16.3**	**16.3**	**16.0**	**16.1**	**16.0**	**17.9**	**15.7**	**16.5**
EBIT margin (%)	**14.8**	**14.4**	**16.2**	**16.2**	**15.1**	**14.8**	**14.8**	**16.4**	**15.4**	**15.3**
Other income	2	2	2	3	3	2	3	2	8	10
ETR (%)	23.6	22.5	22.9	23.0	24.0	24.0	24.0	24.0	23.0	24.0
PAT	**26**	**27**	**31**	**31**	**29**	**26**	**27**	**29**	**114**	**111**
QoQ (%)	-17.0	3.7	14.8	0.7	-6.6	-7.8	1.8	9.4		
YoY (%)	-20.7	-9.3	2.9	-0.4	12.0	-0.5	-11.7	-4.2	-7.1	-2.0
EPS (INR)	4.7	4.9	5.6	5.6	5.1	5.0	5.2	5.6	20.7	20.6

Zensar Technologies — Neutral

CMP INR629| TP: INR600 (-5%) — **EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect revenue growth of 1.5% QoQ CC in 4QFY24, reflecting improvement from the recent trend of decline observed over the last few quarters.
- We expect margins to moderate 130bp from its 3Q level, led by increased investment in growth.
- The order book should look stable YoY; however, sequentially it should see some pickup.
- The demand environment within its critical sectors and progress on stimulating growth drivers would be closely monitored.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	156	155	**146**	**148**	**149**	**150**	**145**	**148**	604	**592**
QoQ (%)	1.8	-0.6	-5.9	1.1	1.2	0.6	-3.7	2.0	6.1	-2.1
Revenue (INR m)	12,034	12,346	**11,976**	**12,127**	**12,272**	**12,408**	**12,041**	**12,246**	48,483	**48,967**
YoY (%)	28.5	17.5	8.6	5.1	2.0	0.5	0.5	1.0	14.2	1.0
GPM (%)	26.6	25.3	**27.4**	**31.9**	**33.6**	**31.8**	**31.1**	**32.9**	27.8	**32.4**
SGA (%)	15.3	16.8	16.1	17.4	14.9	13.2	13.9	16.8	16.4	14.7
EBITDA	1,361	1,054	**1,349**	**1,759**	**2,301**	**2,308**	**2,076**	**1,974**	5,523	**8,659**
EBITDA margin (%)	11.3	8.5	**11.3**	**14.5**	**18.8**	**18.6**	**17.2**	**16.1**	11.4	**17.7**
EBIT	871	562	**852**	**1,408**	**1,878**	**1,942**	**1,764**	**1,631**	3,693	**7,215**
EBIT margin (%)	7.2	4.6	**7.1**	**11.6**	**15.3**	**15.7**	**14.6**	**13.3**	7.6	**14.7**
Other income	149	209	183	209	224	306	356	135	750	1,021
ETR (%)	26.4	26.3	26.1	26.2	25.7	22.7	23.8	26.0	26.2	24.4
Adj. PAT	751	568	**765**	**1,193**	**1,562**	**1,738**	**1,616**	**1,307**	3,277	**6,223**
QoQ (%)	-42.1	-24.4	34.7	55.9	30.9	11.3	-7.0	-19.1		
YoY (%)	-25.6	-39.8	-15.8	-8.0	108.0	206.0	111.2	9.5	-21.2	89.9
EPS (INR)	3.3	2.5	**3.4**	**5.2**	**6.8**	**7.6**	**7.1**	**5.7**	14.4	**27.3**

Telecom

Company
Bharti Airtel
Indus Towers
RJio
Tata Communications
Vodafone Idea

Moderate growth with similar capex

Expect moderate growth to continue

We expect the overall telecom sector to see a moderate revenue growth of 2.1% QoQ, driven by both an increase in subscribers and mix led ARPU improvements. In the absence of tariff hike, we expect incremental EBITDA margin to remain at ~64%. Capex is expected to remain similar as observed in the previous quarter. However, the absence of tariff hike, slow market share shift from VIL, and the gradual 5G ramp-up have not significantly contributed to revenue growth, and might potentially lead to a moderation in revenue growth over the next few quarters. This is in contrast to the 4-5% QoQ growth witnessed in the last few years.

Bharti looking to drive ARPUs; RJio chasing subscriber growth

Industry growth is expected to be driven by a 1.2% increase in ARPU mix and a 1.1% growth in industry subscribers. Within the industry, Bharti/RJio continue to see higher revenue growth of 2.4%/2.5%. Bharti's revenue growth will be largely led by 1%/1.5% increase in subscribers/ARPU. RJio's revenue growth should be led by 2.2% subscriber growth while ARPU expected to be flat, reflecting its continued dominance in capturing incremental subscriber market share, largely from VIL. Bharti's strategy involves upgrading 2G subscribers to 4G, premiumising toward postpaid services, and promoting high data usage. This approach emphasizes ARPU enhancements through a diversified mix of services.

Blended ARPU growth supporting margin improvement

The EBITDA margin may slightly improve with limited operating leverage, due to the slower revenue growth. We expect ~3% QoQ EBITDA growth for both RJio and Bharti, respectively, with margin expansions of 20-40bp to 52.7% and 52.5%, respectively. We expect VIL to post ~1% QoQ EBITDA growth, led by an increase in ARPU, even after losing its market share with margin expansions of 30bp QoQ to 41.1%.

Similar capex to continue

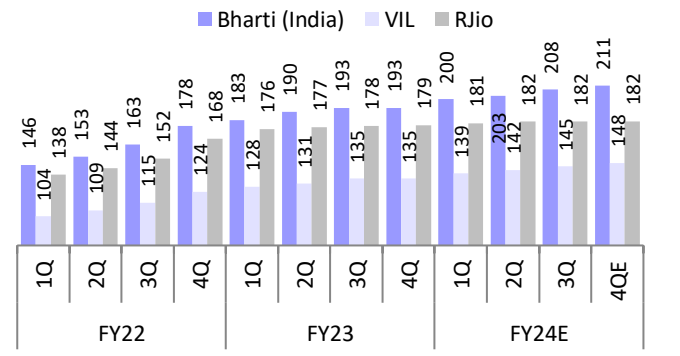
We expect the capex to remain consistent with the last quarter, driven by ongoing investments in 5G infrastructure and rural network densification efforts. RJio has already completed the rollout of 5G telecom services in the majority of cities/towns by Dec'23, using standalone architecture. In contrast, Bharti plans to cover urban cities by Mar'24, using non-standalone architecture. VIL's 5G plans depend on its ability to secure funding. It also plans to use the non-standalone architecture for its 5G rollout. Bharti's management expects INR750b capex in the next three years with front-loading in the initial period. RJio plans to invest INR2t to develop its network (including INR881b for the spectrum).

Tanmay Gupta - Research Analyst (Tanmay.Gupta@motilaloswal.com)

Exhibit 1: Expected quarterly performance summary

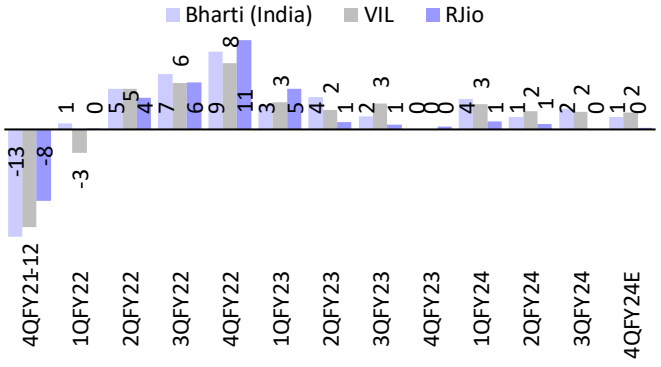
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Bharti Airtel	1218	Buy	3,88,607	7.9	2.5	2,03,981	9.1	2.9	21,994	-15.2	-11.7
Indus Towers	315	Neutral	73,433	8.7	2.0	36,519	6.4	1.9	13,148	-6.0	-14.6
Tata Comm	2037	Neutral	57,689	26.3	2.4	11,551	11.7	1.8	4,951	51.8	114.9
Vodafone Idea	14	Neutral	1,07,159	1.7	0.4	44,053	4.6	1.3	-76,798	Loss	Loss
Telecom			**6,26,889**	**8.3**	**2.1**	**2,96,104**	**8.2**	**2.5**	**-36,705**	**Loss**	**Loss**

Exhibit 2: Player-wise QoQ ARPU trends (INR)



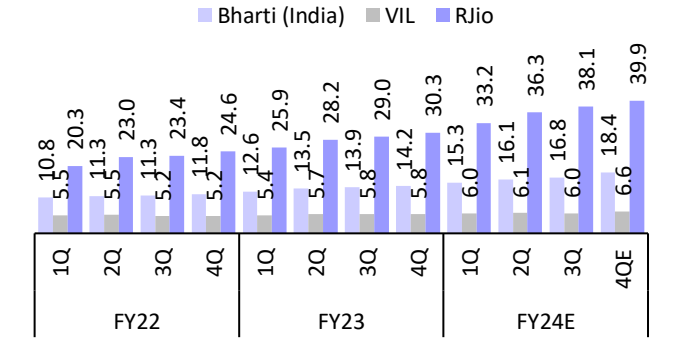
Sources: Company, MOFSL

Exhibit 3: Player-wise QoQ ARPU growth trends (%)



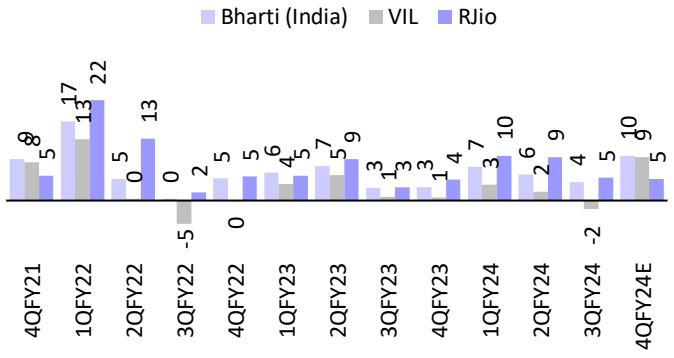
Sources: Company, MOFSL

Exhibit 4: Player-wise QoQ data traffic trends (b GB)



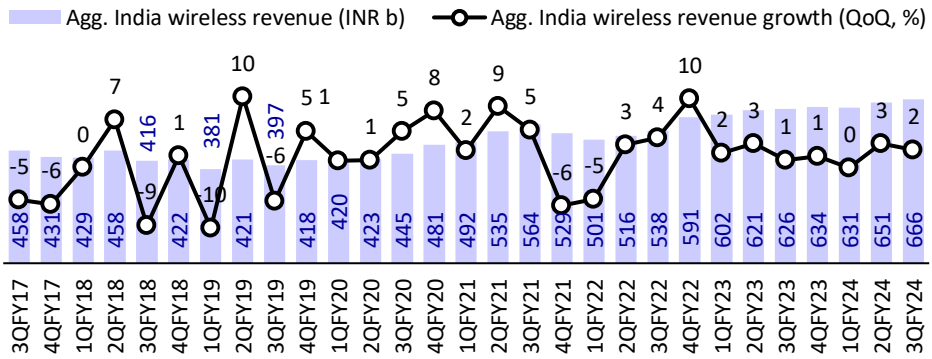
Sources: Company, MOFSL

Exhibit 5: Player-wise QoQ growth trends in data traffic (%)



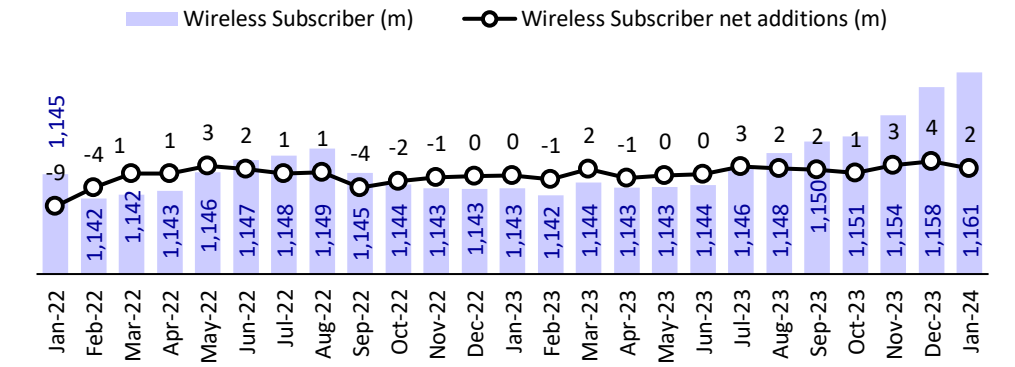
Sources: Company, MOFSL

Exhibit 6: Aggregate India Wireless revenue and growth trends (QoQ, %)



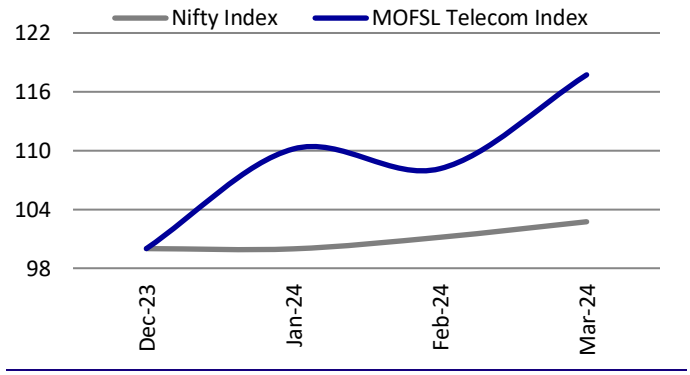
Sources: TRAI, MOFSL

Exhibit 7: Aggregate India Wireless subscriber and growth trends (MoM, %)



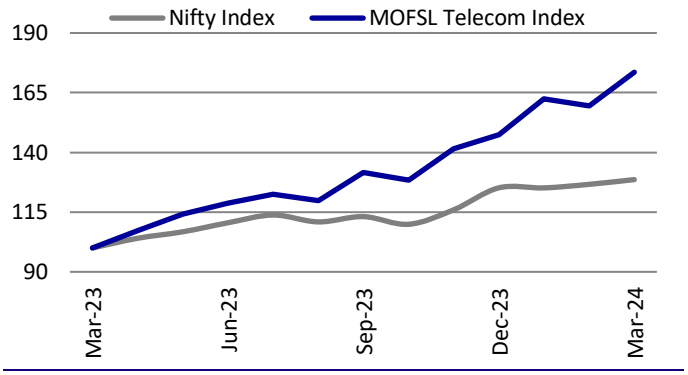
Sources: TRAI, MOFSL

Exhibit 8: Relative performance – three-months (%)



Sources: Bloomberg, MOFSL

Exhibit 9: Relative performance – one-year (%)



Sources: Bloomberg, MOFSL

Exhibit 10: Comparative valuation

	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
Company Name	**INR**	**Reco**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**	**FY24E**	**FY25E**	**FY26E**
Telecom						**-63**	**-231**	**212.7**	**31.6**	**36.0**	**31.1**	**-50.1**	**-15.5**	**14.6**
Bharti Airtel	1,218	Buy	18.9	32.6	40.6	65.1	37.3	30.0	6.5	5.5	4.6	11.5	15.8	16.7
Indus Towers	315	Neutral	20.4	20.7	21.4	14.3	15.2	14.8	2.9	2.6	2.2	23.0	19.0	16.4
Tata Comm	2,037	Neutral	44.6	54.6	78.2	45.1	37.3	26.1	24.6	16.3	10.6	66.1	52.9	49
Vodafone Idea	14	Neutral	-11.1	-10.2	-9.2	-1.2	-1.4	-1.5	-0.4	-0.3	-0.3	NM	NM	NM

Exhibit 11: Wireless KPI comparison

	FY22				FY23				FY24E				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
EOP Wireless SUBS (m)														
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	349	4.0	0.9
VIL	255	253	247	244	240	234	229	226	221	220	215	213	-5.6	-0.9
RJio	441	430	421	410	420	428	433	439	449	460	471	481	9.6	2.2
Avg. Wireless Subs (m)														
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	347	4.0	0.9
VIL	262	254	250	246	242	237	232	227	224	221	218	214	-5.7	-1.5
RJio	433	435	425	416	415	424	430	436	444	454	465	476	9.2	2.3
ARPU (INR/month)														
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	211	9.4	1.5
VIL	104	109	115	124	128	131	135	135	139	142	145	148	9.6	2.0
RJio	138	144	152	168	176	177	178	179	181	182	182	182	1.8	0.2
MOU/Sub (min)														
Bharti (India)	1,044	1,053	1,061	1,081	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,138	1.5	1.0
VIL	641	630	620	610	620	599	613	623	627	613	614	620	-0.5	1.0
RJio	815	835	901	962	1004	968	984	1001	1006	976	981	1001	0.0	2.0
Wireless traffic (B min)														
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,185	5.4	2.1
VIL	503	480	465	449	450	427	426	425	421	406	401	399	-6.2	-0.5
RJio	1060	1090	1150	1200	1250	1230	1270	1310	1340	1330	1370	1382	5.5	0.9
Data usage/Sub (Gb)														
Bharti (India)	18.9	19.1	18.7	19.2	19.9	20.8	20.8	20.8	21.6	22.2	22.5	23.3	12.1	3.5
VIL	13.3	13.5	12.8	12.9	13.3	14.1	14.2	14.2	14.7	14.9	14.6	15.3	7.4	5.0
RJio	15.6	17.6	18.3	19.7	20.8	22.2	22.5	23.2	24.9	26.6	27.3	27.9	20.5	2.3
Data traffic (B Gb)														
Bharti (India)	10.8	11.3	11.3	11.8	12.6	13.5	13.9	14.2	15.3	16.1	16.8	18.4	29.0	9.6
VIL	5.5	5.5	5.2	5.2	5.4	5.7	5.8	5.8	6.0	6.1	6.0	6.6	13.1	9.3
RJio	20.3	23.0	23.4	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	39.9	31.6	4.6

Sources: Company, MOFSL

Exhibit 12: Quarterly financials

	FY22				FY23				FY24E				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (INR b)														
Bharti (India wireless)	143	152	161	176	182	190	194	195	204	210	216	222	13.4	2.4
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	389	7.9	2.5
VIL	92	94	97	102	104	106	106	105	107	107	107	107	1.7	0.4
RJio	180	187	193	209	219	225	230	234	240	248	254	260	11.2	2.5
EBITDA (INR b)														
Bharti (India wireless)	70	75	79	89	93	99	104	105	112	115	119	122	16.0	2.3
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	204	9.1	2.9
VIL	37	39	38	46	43	41	42	42	42	43	44	44	4.6	1.3
RJio	86	90	95	105	110	115	120	122	126	130	133	137	12.3	3.3
EBITDA Margin (%)														
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	124bps	-4bps
Bharti (consolidated)	48.3	48.8	49.2	50.9	50.4	51.0	51.5	51.9	52.3	52.7	52.3	52.5	57bps	21bps
VIL	40.5	41.1	39.3	45.4	41.6	38.6	39.4	40.0	39.0	40.0	40.8	41.1	113bps	35bps
RJio	47.9	48.0	49.2	50.3	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.7	56bps	41bps
PAT (INR b)														
Bharti (consolidated)	3	11	8	20	16	21	16	30	16	13	24	22	-26.8	-9.9
VIL	(73)	(71)	(72)	(66)	(73)	(76)	(80)	(64)	(78)	(87)	(70)	(77)	19.6	9.9
RJio	35	35	36	42	43	45	46	47	49	51	52	54	14.0	3.2
EPS (INR)														
Bharti	0.5	2.1	1.5	3.6	2.9	3.8	2.8	5.3	2.8	2.4	4.3	3.9	-26.8	-9.9
VIL	(2.5)	(2.5)	(2.5)	(2.0)	(2.3)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.6)	19.6	9.9
RJio	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.2	14.0	3.2

Sources: Company, MOFSL

The tables below provide a snapshot of the actual and estimated numbers of companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Bharti Airtel — Buy

CMP: INR1,218| TP: INR1,400 (+15%) — **EPS CHANGE (%): FY25|26: 0|0**

- We expect 2.5% revenue growth on a sequential basis, led by 2.4%/2.8% QoQ growth in India Wireless/Airtel Africa.
- Expect EBITDA margin to improve 20bp to 52.5%.
- We expect India Wireless growth, supported by 1%/1.5% QoQ growth in Subscribers/ARPU.
- Expect similar quarterly capex posted in the last quarter

Consolidated - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**328**	**345**	**358**	**360**	**374**	**370**	**379**	**389**	**1,391**	**1,512**
YoY Change (%)	22.2	21.9	19.9	14.3	14.1	7.3	5.9	7.9	19.4	8.7
Total Expenditure	163	169	174	173	178	175	181	185	679	719
EBITDA	**165**	**176**	**185**	**187**	**196**	**195**	**198**	**204**	**713**	**793**
YoY Change (%)	27.3	27.4	25.5	16.6	18.6	10.9	7.4	9.1	23.9	11.3
Depreciation	88	89	93	94	97	97	101	105	364	400
Net Finance cost	45	49	47	52	56	52	66	55	193	229
Other Income	4	6	-1	9	9	9	11	13	17	43
PBT before EO expense	**36**	**43**	**44**	**50**	**53**	**55**	**42**	**57**	**172**	**207**
Extra-Ord expense	0	0	7	0	34	16	1	0	7	51
PBT	**36**	**43**	**37**	**50**	**19**	**39**	**41**	**57**	**166**	**156**
Tax	11	13	11	8	3	18	12	17	43	51
Rate (%)	31.3	30.2	29.2	15.7	18.0	46.9	30.0	29.1	25.8	32.5
Minority Interest & P/L of Asso. Cos.	9	8	10	12	-1	8	4	19	39	30
Reported PAT	**16**	**21**	**16**	**30**	**16**	**13**	**24**	**22**	**83**	**76**
Adj PAT	**15**	**21**	**20**	**26**	**29**	**30**	**25**	**22**	**82**	**106**
YoY Change (%)	469.4	245.7	147.0	39.4	91.3	44.2	25.0	-15.2	131.2	29.4

E: MOFSL Estimates

Indus Towers — Neutral

CMP: INR315 | TP: INR285 (-10%) — **EPS CHANGE (%): FY25|26: 0|0**

- We expect the number of tenants and rental revenue to grow 1.0% and 1.8%, respectively, on a quarterly basis.
- Consolidated revenue to grow at 2% QoQ.
- We expect tower additions of 3,000 in 4QFY24.
- Adj. EBITDA margin is likely to decline 10bp QoQ

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from operations	69	80	68	68	71	71	72	73	284	288
YoY Change (%)	1.5	15.9	-2.3	-5.1	2.6	-10.5	6.4	8.7	10.6	1.3
Total Expenditure	46	52	56	33	36	37	36	37	187	146
EBITDA	**23**	**28**	**12**	**34**	**35**	**34**	**36**	**37**	**97**	**141**
YoY Change (%)	-35.7	-22.4	-68.6	-15.5	53.8	21.7	208.3	6.4	-26.2	46.2
Depreciation	13	13	14	13	14	15	16	17	53	62
Interest	4	4	4	3	4	2	0	3	15	9
Other Income	1	1	1	1	1	1	1	0	4	3
PBT before EO expense	**6**	**12**	**-5**	**19**	**18**	**17**	**21**	**18**	**33**	**74**
Extra-Ord expense	0	0	5	0	0	0	0	0	5	0
PBT	**6**	**12**	**-10**	**19**	**18**	**17**	**21**	**18**	**28**	**74**
Tax	2	3	-2	5	5	5	5	4	7	19
Rate (%)	25.8	25.8	25.6	26.1	25.5	25.9	25.8	25.2	26.1	25.6
Reported PAT	**5**	**9**	**-7**	**14**	**13**	**13**	**15**	**13**	**20**	**55**
Adj PAT	**5**	**9**	**-3**	**14**	**13**	**13**	**15**	**13**	**24**	**55**
YoY Change (%)	-66.3	-44.1	-145.1	-23.5	182.4	48.5	-550.9	-6.0	-51.7	128.7

E: MOFSL Estimates

Reliance Jio

CMP: NR | TP: INR

EPS CHANGE (%): FY25|26: -5.2|+4.9

- We expect 2.5% revenue growth on a sequential basis, led by a 3.5% QoQ growth in subscribers.
- ARPU is expected to be stable at INR182 with subscribers increasing to 481.3m.
- EBITDA margin is likely to improve 40bp QoQ to 52.7%.
- Expect similar quarterly capex posted in the last quarter.

Quarterly Earning Model (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Revenue	**219**	**225**	**230**	**234**	**240**	**248**	**254**	**260**	**908**	**1,002**
YoY Change (%)	21.6	20.2	18.9	11.9	9.9	9.9	10.3	11.2	17.9	10.3
Total Expenditure	109	110	110	112	115	118	121	123	441	476
EBITDA	**110**	**115**	**120**	**122**	**126**	**130**	**133**	**137**	**467**	**525**
Margins (%)	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.7	51.4	52.4
Depreciation	42	45	48	50	52	53	54	56	185	214
Finance Cost	10	10	10	10	10	10	10	11	41	41
Other Income	1	1	1	1	1	1	1	1	4	4
PBT	**58**	**61**	**62**	**63**	**65**	**68**	**70**	**72**	**244**	**275**
Tax	15	15	16	16	17	17	18	18	62	70
Rate (%)	25%	25%	25%	25%	26%	26%	26%	25%	25%	25%
PAT	**43**	**45**	**46**	**47**	**49**	**51**	**52**	**54**	**182**	**205**
Margins (%)	19.8	20.1	20.2	20.2	20.2	20.4	20.5	20.7	20.1	20.5
YoY Change (%)	24%	28%	28%	13%	12%	12%	12%	14%	23%	13%

Tata Communications

Neutral

CMP: INR2,037 | TP: INR1,960 (-4%)

EPS CHANGE (%): FY25|26: 0|0

- We expect a 3% QoQ decline in Voice revenue, while 2.4% QoQ growth in the overall revenue.
- DPS revenue/Core data services expected to grow 5%/1% QoQ.
- We expect EBITDA margins to decline 10bp QoQ, owing to new acquisitions.
- We expect USD 231m capex for FY24 and similar capex as that of last quarter in 4QFY24.

Cons. Quarterly Earning Model INRb

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**43.1**	**44.3**	**45.3**	**45.7**	**47.7**	**48.7**	**56.3**	**57.7**	**178.4**	**210.5**
YoY Change (%)	5.1	6.2	8.2	7.2	10.7	10.0	24.4	26.3	6.7	18.0
Total Expenditure	32.3	33.0	34.5	35.3	37.5	38.6	45.0	46.1	135.2	167.2
EBITDA	**10.8**	**11.3**	**10.8**	**10.3**	**10.2**	**10.2**	**11.3**	**11.6**	**43.2**	**43.3**
YoY Change (%)	9.2	1.5	-0.5	-1.1	-4.9	-10.1	5.3	11.7	2.2	0.2
Depreciation	5.4	5.5	5.5	6.2	5.8	6.1	6.2	6.4	22.6	24.4
Interest	0.8	1.0	1.2	1.3	1.3	1.4	1.9	2.2	4.3	6.7
Other Income	2.3	0.4	0.3	0.6	1.9	0.3	0.1	3.4	3.6	5.7
PBT before EO expense	**6.9**	**5.2**	**4.3**	**3.5**	**5.0**	**3.0**	**3.4**	**6.4**	**19.9**	**17.8**
Exceptional (gain)/loss	0.0	-0.8	0.0	0.0	0.0	0.0	1.9	0.0	-0.8	1.8
PBT	**6.9**	**5.9**	**4.3**	**3.5**	**5.0**	**3.0**	**1.5**	**6.4**	**20.6**	**16.0**
Tax	1.6	0.7	0.4	0.3	1.3	0.8	1.1	1.6	3.0	4.8
Rate (%)	22.9	11.1	10.1	8.1	25.9	26.1	73.8	25.0	14.4	30.2
MI & P/L of Asso. Cos.	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	-0.2	-0.3	-0.3
Reported PAT	**5.4**	**5.3**	**3.9**	**3.3**	**3.8**	**2.2**	**0.4**	**5.0**	**18.0**	**11.4**
Adj PAT	**5.4**	**4.6**	**3.9**	**3.3**	**3.8**	**2.2**	**2.3**	**5.0**	**17.2**	**13.3**
YoY Change (%)	87.2	10.5	1.9	-15.5	-30.2	-51.5	-41.5	51.8	16.5	-22.9

Vodafone Idea

Neutral

CMP: INR 14|TP: INR 14 (-2%)

EPS CHANGE (%): FY25|26: -6.9|-10

- We expect a 2% sequential increase in blended ARPU, offset by a subscriber decline of 1%, leading to flat revenue growth.
- ARPU is expected to grow to INR148, with an increase in data subscribers and data usage.
- EBITDA margin is likely to increase 30bp on a sequential basis to 41.1%.
- Without fundraising, capex is projected to be minimal and in line with the historical average.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	**104**	**106**	**106**	**105**	**107**	**107**	**107**	**107**	**422**	**428**
YoY Change (%)	13.7	12.8	9.3	2.9	2.4	1.0	0.5	1.7	9.5	1.4
Total Expenditure	61	65	64	63	65	64	63	63	254	256
EBITDA	**43**	**41**	**42**	**42**	**42**	**43**	**44**	**44**	**168**	**172**
YoY Change (%)	16.7	6.1	9.5	-9.4	-4.0	4.5	4.1	4.6	4.9	2.3
Depreciation	58	57	59	57	56	57	56	56	230	225
Net Finance Costs	58	60	63	49	64	65	65	65	230	259
PBT before EO expense	**-73**	**-76**	**-80**	**-64**	**-78**	**-79**	**-77**	**-77**	**-293**	**-312**
Extra-Ord expense	0	0	0	0	0	0	-8	0	0	-8
PBT	**-73**	**-76**	**-80**	**-64**	**-78**	**-79**	**-70**	**-77**	**-293**	**-304**
Tax	0.0	0.0	0.0	0.0	0.0	8.2	0.0	0.0	0.0	8.2
Rate (%)	-0.1	-0.1	0.0	0.1	0.0	-10.3	0.0	0.0	0.0	-2.7
Reported PAT	**-73**	**-76**	**-80**	**-64**	**-78**	**-87**	**-70**	**-77**	**-293**	**-312**
Adj PAT	**-73**	**-76**	**-80**	**-64**	**-78**	**-87**	**-77**	**-77**	**-293**	**-320**
YoY Change (%)	-2.7	6.3	10.7	-2.3	7.4	15.0	-3.1	20.1	3.1	9.3

E: MOFSL Estimates

Others | Various Sectors

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

APL Apollo Tubes — Buy

CMP INR1,575 | TP: INR1,800 (+14%) — **EPS CHANGE (%): FY25|FY26: -4 |-4**

- The company registered volume growth of ~4% YoY to 678,556 MT in 4QFY24 (up 12% QoQ).
- EBITDA is expected to decline 3% YoY, assuming EBITDA/MT of ~INR4,636 (down 7% YoY).
- Revenue is likely to decline by ~5% YoY due to a fall in realizations.
- Price of primary steel HRC continues to be a key monitorable.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**34,386**	**39,692**	**43,271**	**44,311**	**45,449**	**46,304**	**41,778**	**42,112**	**1,61,660**	**1,75,643**
YoY Change (%)	35.7	28.7	34.0	5.1	32.2	16.7	-3.5	-5.0	23.8	8.6
Total Expenditure	32,446	37,373	40,543	41,082	42,377	43,054	38,982	38,967	1,51,444	1,63,379
EBITDA	**1,939**	**2,319**	**2,729**	**3,229**	**3,072**	**3,250**	**2,795**	**3,145**	**10,216**	**12,263**
Margins (%)	5.6	5.8	6.3	7.3	6.8	7.0	6.7	7.5	6.3	7.0
Depreciation	294	276	345	468	409	413	471	500	1,383	1,793
Interest	100	136	186	249	271	266	285	240	671	1,063
Other Income	83	116	93	180	217	196	150	210	472	773
PBT before EO expense	**1,629**	**2,023**	**2,290**	**2,692**	**2,608**	**2,767**	**2,190**	**2,615**	**8,633**	**10,180**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**1,629**	**2,023**	**2,290**	**2,692**	**2,608**	**2,767**	**2,190**	**2,615**	**8,633**	**10,180**
Tax	422	521	598	673	672	738	535	658	2,215	2,603
Rate (%)	25.9	25.7	26.1	25.0	25.8	26.7	24.4	25.2	25.7	25.6
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**1,207**	**1,502**	**1,692**	**2,018**	**1,936**	**2,029**	**1,655**	**1,957**	**6,419**	**7,577**
Adj PAT	**1,207**	**1,502**	**1,692**	**2,018**	**1,936**	**2,029**	**1,655**	**1,957**	**6,419**	**7,577**
YoY Change (%)	-28.4	2.8	32.3	14.3	60.5	35.1	-2.2	-3.0	3.7	18.1
Margins (%)	3.5	3.8	3.9	4.6	4.3	4.4	4.0	4.6	4.0	4.3

Cello — Buy

CMP INR785| TP: INR1100 (+40%) — **EPS CHANGE (%): FY25|FY26: 0|0**

- Revenue is likely to grow by ~8% QoQ on good demand scenario.
- Demand scenario and competitive intensity will be key monitorables.
- EBITDA margins may moderate to ~24%, due to higher raw material costs.

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	**0**	**0**	**0**	**0**	**4,718**	**4,890**	**5,271**	**5,700**	**17,967**	**20,578**
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	#DIV/0!	14.5
Total Expenditure	0	0	0	0	3,526	3,687	3,949	4,335	13,762	15,497
EBITDA	**0**	**0**	**0**	**0**	**1,192**	**1,203**	**1,321**	**1,365**	**4,205**	**5,081**
Margins (%)	NA	NA	NA	NA	25.3	24.6	25.1	24.0	23.4	24.7
Depreciation	0	0	0	0	118	127	147	183	503	575
Interest	0	0	0	0	6	7	5	4	18	22
Other Income	0	0	0	0	81	107	45	30	167	263
PBT before EO expense	**0**	**0**	**0**	**0**	**1,149**	**1,176**	**1,214**	**1,208**	**3,852**	**4,748**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**0**	**0**	**0**	**0**	**1,149**	**1,176**	**1,214**	**1,208**	**3,852**	**4,748**
Tax	0	0	0	0	321	310	307	257	1,001	1,195
Rate (%)	NA	NA	NA	NA	27.9	26.4	25.3	21.3	26.0	25.2
Minority Interest & P/L of Asso. Cos.	0	0	0	0	54	66	58	39	189	218
Reported PAT	**0**	**0**	**0**	**0**	**774**	**800**	**849**	**912**	**2,661**	**3,335**
Adj PAT	**0**	**0**	**0**	**0**	**774**	**800**	**849**	**912**	**2,661**	**3,335**
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	#DIV/0!	25.3
Margins (%)	NA	NA	NA	NA	16.4	16.4	16.1	16.0	14.8	16.2

Coromandel International — Buy

CMP INR1,114 | TP: INR1,290 (+16%) — **EPS CHANGE (%): FY25|FY26: 0|0**

- Fertilizer manufacturing volumes are expected to grow 5% YoY, while trading volumes are expected to decline 4% YoY.
- Crop Protection revenue is expected to grow ~4% YoY in 4QFY24.
- Fertilizer manufacturing (NPK and DAP) EBIDTA/MT is expected to be ~INR1,600.
- Raw material and product pricing scenario to be the key monitorables.

Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**57,291**	**1,01,134**	**83,096**	**54,758**	**56,934**	**69,881**	**54,642**	**48,182**	**2,96,279**	**2,29,638**
YoY Change (%)	56.4	64.5	63.8	29.5	-0.6	-30.9	-34.2	-12.0	55.0	-22.5
Total Expenditure	50,437	90,564	75,290	50,726	49,842	59,294	51,063	45,736	2,67,017	2,05,936
EBITDA	**6,854**	**10,570**	**7,806**	**4,032**	**7,092**	**10,587**	**3,578**	**2,445**	**29,262**	**23,703**
Margins (%)	12.0	10.5	9.4	7.4	12.5	15.2	6.5	5.1	9.9	10.3
Depreciation	446	457	471	446	481	540	635	600	1,820	2,256
Interest	266	542	568	524	405	462	381	340	1,900	1,589
Other Income	536	311	396	469	445	448	585	450	1,711	1,928
PBT before EO expense	**6,678**	**9,881**	**7,163**	**3,531**	**6,651**	**10,033**	**3,147**	**1,955**	**27,253**	**21,787**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**6,678**	**9,881**	**7,163**	**3,531**	**6,651**	**10,033**	**3,147**	**1,955**	**27,253**	**21,787**
Tax	1,703	2,481	1,794	901	1,674	2,450	776	492	6,879	5,392
Rate (%)	25.5	25.1	25.0	25.5	25.2	24.4	24.7	25.2	25.2	24.8
Minority Interest & P/L of Asso. Cos.	-15	-6	100	166	36	15	61	108	245	220
Reported PAT	**4,991**	**7,406**	**5,269**	**2,464**	**4,940**	**7,569**	**2,310**	**1,355**	**20,129**	**16,174**
Adj PAT	**4,991**	**7,406**	**5,269**	**2,464**	**4,940**	**7,569**	**2,310**	**1,355**	**20,129**	**16,174**
YoY Change (%)	47.8	42.6	38.1	-15.0	-1.0	2.2	-56.2	-45.0	31.7	(19.6)
Margins (%)	8.7	7.3	6.3	4.5	8.7	10.8	4.2	2.8	6.8	7.0

EPL — Buy

CMP INR183 | TP: INR250 (+37%) — **EPS CHANGE (%): FY25|FY26: 0 |0**

- Revenue is expected to grow by 9% YoY on broad-based growth across geographies.
- EBITDA margin is likely to grow by ~200bp YoY.
- Increasing the share of fully recyclable tubes will be a key focus area.
- Ramp-up of Brazil plant and prices of raw materials will be key monitorables.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**8,318**	**9,481**	**9,449**	**9,693**	**9,102**	**10,016**	**9,751**	**10,606**	**36,941**	**39,475**
YoY Change (%)	4.1	9.0	7.0	10.1	9.4	5.6	3.2	9.4	7.6	6.9
Total Expenditure	7,062	7,995	7,959	8,147	7,512	8,206	7,917	8,705	31,163	32,340
EBITDA	**1,256**	**1,486**	**1,490**	**1,546**	**1,590**	**1,810**	**1,834**	**1,901**	**5,778**	**7,135**
Margins (%)	15.1	15.7	15.8	15.9	17.5	18.1	18.8	17.9	15.6	18.1
Depreciation	652	664	699	790	800	836	842	850	2,805	3,328
Interest	122	157	189	206	235	306	294	280	674	1,115
Other Income	42	68	43	268	100	96	237	160	421	593
PBT before EO expense	**524**	**733**	**645**	**818**	**655**	**764**	**935**	**931**	**2,720**	**3,285**
Extra-Ord expense	11	0	0	0	0	0	0	0	11	0
PBT	**513**	**733**	**645**	**818**	**655**	**764**	**935**	**931**	**2,709**	**3,285**
Tax	141	249	10	-27	106	254	70	251	373	681
Rate (%)	27.5	34.0	1.6	-3.3	16.2	33.2	7.5	27.0	13.8	20.7
Minority Interest & Profit/Loss of Asso. Cos.	-38	-22	-7	-2	-6	-5	-4	-2	-69	-17
Reported PAT	**334**	**462**	**628**	**843**	**543**	**505**	**861**	**677**	**2,267**	**2,586**
Adj PAT	**345**	**462**	**628**	**843**	**543**	**505**	**861**	**677**	**2,278**	**2,586**
YoY Change (%)	-40.4	-8.9	10.0	73.1	57.4	9.3	37.1	-19.6	6.3	13.5
Margins (%)	4.1	4.9	6.6	8.7	6.0	5.0	8.8	6.4	6.2	6.6

Godrej Agrovet

Neutral

CMP INR502 | TP: INR510 (+2%)

EPS CHANGE (%): FY25|FY26: +1|0

- Revenue in the Animal Feed business is expected to grow by ~5% YoY
- The performance outlook on Astec and domestic Crop Protection will be a key focus area.
- EBITDA margins likely to marginally improve to 5.1% from 3.6% in 4QFY23 on the back of broad-based recovery
- Raw material (such as maize and soybean) and palm oil prices are key monitorables.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**25,099**	**24,453**	**23,235**	**20,950**	**25,102**	**25,709**	**23,452**	**22,377**	**93,737**	**96,640**
YoY Change (%)	25.9	13.5	11.8	0.7	0.0	5.1	0.9	6.8	12.9	3.1
Total Expenditure	23,483	22,950	21,872	20,204	23,173	23,694	21,861	21,244	88,509	89,973
EBITDA	**1,616**	**1,503**	**1,363**	**746**	**1,929**	**2,014**	**1,591**	**1,132**	**5,228**	**6,667**
Margins (%)	6.4	6.1	5.9	3.6	7.7	7.8	6.8	5.1	5.6	6.9
Depreciation	449	461	469	476	528	529	530	535	1,855	2,122
Interest	216	257	249	270	295	279	251	260	991	1,084
Other Income	77	88	76	126	115	112	84	115	367	426
PBT before EO expense	**1,028**	**873**	**721**	**127**	**1,222**	**1,318**	**894**	**453**	**2,749**	**3,887**
Extra-Ord expense	0	0	-708	0	0	0	0	0	-708	0
PBT	**1,028**	**873**	**1,429**	**127**	**1,222**	**1,318**	**894**	**453**	**3,457**	**3,887**
Tax	279	219	334	-8	353	369	191	114	823	1,027
Rate (%)	27.1	25.1	23.4	-6.6	28.9	28.0	21.3	25.2	23.8	26.4
Minority Interest & Profit/Loss of Asso. Cos.	-77	-64	-69	-175	-202	-104	-215	-193	-385	-714
Reported PAT	**827**	**718**	**1,164**	**310**	**1,071**	**1,053**	**918**	**532**	**3,019**	**3,574**
Adj PAT	**827**	**718**	**640**	**310**	**1,071**	**1,053**	**918**	**532**	**2,495**	**3,574**
YoY Change (%)	-22.0	-34.3	-17.8	-74.6	29.5	46.7	43.5	71.4	-40.6	43.2
Margins (%)	3.3	2.9	2.8	1.5	4.3	4.1	3.9	2.4	2.7	3.7

Havells India

Buy

CMP INR1,514 | TP: INR1,690 (+12%)

EPS CHANGE (%): FY25|FY26: +1.9 |+2.1

- We estimate revenue to grow 12% YoY in 4QFY24.
- Revenue from C&W/Switchgear is estimated to grow 8%/5% YoY. Lloyd revenue should grow 24% YoY.
- EBITDA is estimated to grow 6% YoY to INR5.6b, driven by higher volume.
- Expect EBITDA margin to decline 60bp YoY to 10.3%.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**42,445**	**36,689**	**41,197**	**48,592**	**48,338**	**39,003**	**44,139**	**54,526**	**1,68,923**	**1,86,006**
YoY Change (%)	63.4	13.9	12.8	10.0	13.9	6.3	7.1	12.2	21.6	10.1
EBITDA	**3,615**	**2,871**	**4,237**	**5,271**	**4,020**	**3,734**	**4,327**	**5,590**	**15,995**	**17,670**
YoY Change (%)	2.4	-35.3	-3.8	1.3	11.2	30.1	2.1	6.0	(9.0)	10.5
Margins (%)	8.5	7.8	10.3	10.8	8.3	9.6	9.8	10.3	9.5	9.5
Depreciation	721	721	746	774	763	812	877	856	2,961	3,308
Interest	98	68	73	98	85	93	102	90	336	370
Other Income	476	433	399	467	648	525	559	595	1,775	2,327
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-
PBT before EO expense	**3,273**	**2,515**	**3,818**	**4,867**	**3,821**	**3,353**	**3,907**	**5,239**	**14,473**	**16,320**
Tax	841	646	978	1,287	950	862	1,028	1,383	3,752	4,223
Rate (%)	25.7	25.7	25.6	26.4	24.9	25.7	26.3	26.4	25.9	25.9
Reported PAT	**2,432**	**1,869**	**2,839**	**3,580**	**2,871**	**2,491**	**2,879**	**3,856**	**10,720**	**12,096**
YoY Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	7.7	(10.3)	12.8
Adj PAT	**2,432**	**1,869**	**2,839**	**3,580**	**2,871**	**2,491**	**2,879**	**3,856**	**10,720**	**12,096**
YoY Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	7.7	(10.3)	12.8

Indian Hotels — Buy

CMP INR602 | TP: 650 (+8%) — **EPS CHANGE (%): FY25|FY26: +3|+2**

- Revenue is expected to grow 15% YoY, while EBIDTA margin is expected to be ~35% in 4QFY24.
- Performance of the international subsidiaries and new businesses will be key monitorable.
- Demand scenario in key markets, improvement in occupancy, and ARR are key focus areas.

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**12,661**	**12,326**	**16,858**	**16,254**	**14,664**	**14,332**	**19,638**	**18,692**	**58,099**	**67,327**
YoY Change (%)	267.5	69.2	51.7	86.4	15.8	16.3	16.5	15.0	90.1	15.9
Total Expenditure	8,882	9,386	10,886	10,899	10,562	10,784	12,315	12,091	40,054	45,752
EBITDA	**3,779**	**2,940**	**5,972**	**5,355**	**4,102**	**3,548**	**7,324**	**6,602**	**18,046**	**21,575**
Margins (%)	29.8	23.9	35.4	32.9	28.0	24.8	37.3	35.3	31.1	32.0
Depreciation	1,026	1,026	1,033	1,076	1,091	1,112	1,143	1,170	4,161	4,516
Interest	624	600	567	570	565	591	532	510	2,361	2,197
Other Income	271	250	577	291	493	477	398	450	1,389	1,818
PBT before EO expense	**2,401**	**1,564**	**4,949**	**4,000**	**2,939**	**2,322**	**6,047**	**5,372**	**12,914**	**16,680**
Extra-Ord expense	91	-123	-1	0	0	0	0	0	-33	0
PBT	**2,309**	**1,687**	**4,950**	**4,000**	**2,939**	**2,322**	**6,047**	**5,372**	**12,946**	**16,680**
Tax	648	443	1,161	980	833	723	1,667	1,612	3,232	4,835
Rate (%)	28.1	26.3	23.4	24.5	28.4	31.1	27.6	30.0	25.0	29.0
Minority Interest & P/L of Asso. Cos.	-39	28	-38	-263	-118	-70	-140	-289	-312	-617
Reported PAT	**1,701**	**1,216**	**3,827**	**3,283**	**2,224**	**1,669**	**4,520**	**4,049**	**10,026**	**12,462**
Adj PAT	**1,769**	**1,123**	**3,826**	**3,283**	**2,224**	**1,669**	**4,520**	**4,049**	**10,001**	**12,462**
YoY Change (%)	NA	NA	357.2	430.2	25.7	48.6	18.1	23.3	NA	24.3
Margins (%)	14.0	9.1	22.7	20.2	15.2	11.6	23.0	21.7	17.2	18.5

InterGlobe Aviation — Neutral

CMP INR3,548 | TP: INR3,564 (0%) — **EPS CHANGE (%): FY24|25: +12|-20**

- Expect RPK at 30b (+16% YoY), PLF at 87.5% (up from 85.8% in 3QFY24) and ASK of 34b (up 12% YoY), with seasonality coming into play in 4QFY24.
- Outlook on P&W engine-fitted aircraft (being grounded in FY25) is a key monitorable. Further, the commentary on impending competition would be keenly monitored.
- According to our database, the average fare was down 17% on one-month forward bookings, while the same was down 23% on 15-day forward bookings.
- International expansion is the focus area for the management with addition of new networks and code share agreements.

Standalone Quarterly performance (INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**128.6**	**125.0**	**149.3**	**141.6**	**166.8**	**149.4**	**194.5**	**165.2**	**544.5**	**676.0**
YoY Change (%)	327.5	122.8	60.7	76.5	29.8	19.6	30.3	16.7	110.0	24.2
EBITDAR	**6.6**	**0.7**	**31.8**	**28.9**	**51.6**	**23.9**	**54.4**	**46.9**	**68.1**	**176.9**
Margin (%)	5.2	0.6	21.3	20.4	30.9	16.0	28.0	28.4	12.5	26.2
Net Rentals	0.7	0.5	0.7	1.4	1.9	2.0	3.0	2.0	3.3	8.8
EBITDA	**6.0**	**0.3**	**31.1**	**27.5**	**49.7**	**22.0**	**51.4**	**44.9**	**64.8**	**168.0**
Margin (%)	4.6	0.2	20.9	19.4	29.8	14.7	26.4	27.2	11.9	24.9
Depreciation	11.7	12.4	13.4	13.5	14.0	15.5	16.6	17.0	51.0	63.1
Interest	6.6	7.3	8.3	9.2	9.5	10.2	11.0	10.7	31.3	41.4
Other Income	1.6	3.5	4.8	4.4	4.8	5.6	6.1	6.5	14.3	22.9
PBT	**-10.7**	**-15.9**	**14.2**	**9.2**	**30.9**	**1.9**	**30.0**	**23.7**	**-3.2**	**86.4**
Reported PAT	**-10.7**	**-15.9**	**14.2**	**9.2**	**30.9**	**1.9**	**30.0**	**23.7**	**-3.2**	**86.4**
EPS	**-27.7**	**-41.2**	**36.8**	**23.8**	**80.2**	**4.9**	**77.9**	**61.5**	**-8.2**	**224.5**
YoY Change (%)	Loss	Loss	1,004.1	LP	LP	LP	111.4	158.5	LP	LP

Kajaria Ceramics — Buy

CMP INR1,225 | TP: INR1,600 (+31%) — **EPS CHANGE (%): FY25|FY26: -- |--**

- We estimate sales volume to grow 6% YoY (up 10% QoQ) in 4QFY24. Realization is estimated to decline 3% YoY (flat QoQ).
- Gross margin is estimated to rise 60bp YoY to 36%.
- EBITDA is estimated to grow 20% YoY and OPM is likely to grew 1.5pp YoY to ~16%.
- Adjusted net profit after MI is estimated to increase 18% YoY/QoQ to INR1.2b.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**10,082**	**10,778**	**10,911**	**12,048**	**10,642**	**11,216**	**11,518**	**13,118**	**43,819**	**46,494**
YoY Change (%)	79.5	10.7	2.1	9.4	5.6	4.1	5.6	8.9	18.3	6.1
Total Expenditure	8,546	9,484	9,581	10,289	8,950	9,419	9,730	11,004	37,899	39,103
EBITDA	**1,536**	**1,294**	**1,331**	**1,759**	**1,692**	**1,797**	**1,788**	**2,114**	**5,920**	**7,391**
Margins (%)	15.2	12.0	12.2	14.6	15.9	16.0	15.5	16.1	13.5	15.9
Depreciation	324	337	325	343	305	361	389	405	1,329	1,460
Interest	36	32	83	72	53	43	50	74	223	219
Other Income	81	76	75	104	93	83	113	99	336	387
PBT before EO expense	**1,257**	**1,002**	**997**	**1,448**	**1,427**	**1,477**	**1,462**	**1,733**	**4,705**	**6,098**
Extra-Ord expense	0	37	0	43	0	0	0	0	79	0
PBT	**1,257**	**966**	**997**	**1,406**	**1,427**	**1,477**	**1,462**	**1,733**	**4,625**	**6,098**
Tax	328	277	261	298	336	366	379	452	1,163	1,533
Rate (%)	26.1	27.6	26.1	20.6	23.5	24.8	25.9	26.1	24.7	25.1
Adj PAT	**930**	**661**	**737**	**1,076**	**1,091**	**1,110**	**1,083**	**1,281**	**3,404**	**4,565**
MI & P/L of Asso. Cos.	7	-10	-7	28	16	31	41	49	17	136
Adj PAT	**923**	**671**	**743**	**1,048**	**1,075**	**1,080**	**1,042**	**1,233**	**3,386**	**4,429**
YoY Change (%)	114.4	-42.2	-39.1	9.5	16.5	60.8	40.2	17.6	-10.2	30.8
Margins (%)	9.2	6.2	6.8	8.7	10.1	9.6	9.0	9.4	7.7	9.5

Lemon Tree Hotels — Buy

CMP INR138 | TP: INR170 (+23%) — **EPS CHANGE (%): FY25|FY26: +0|+0**

- Revenue is expected to grow 29% YoY and EBIDTA margin is expected to be ~49.5% in 4QFY24.
- The demand scenario in key markets (Mumbai and Delhi) and Occupancy/ARR trend are the key monitorable.
- Ramp-up of Aurika Mumbai will be a key focus area.
- Any update on the management contract pipeline is a key monitorable.

Consolidated Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	**1,920**	**1,967**	**2,335**	**2,527**	**2,223**	**2,272**	**2,887**	**3,260**	**8,750**	**10,642**
YoY Change (%)	355.6	103.0	62.6	111.4	15.7	15.5	23.6	29.0	117.5	21.6
Total Expenditure	997	1,031	1,071	1,128	1,178	1,253	1,490	1,647	4,226	5,567
EBITDA	**924**	**936**	**1,265**	**1,399**	**1,045**	**1,019**	**1,397**	**1,614**	**4,524**	**5,075**
Margins (%)	48.1	47.6	54.2	55.4	47.0	44.8	48.4	49.5	51.7	47.7
Depreciation	245	250	236	235	228	226	333	350	966	1,137
Interest	429	446	445	452	481	473	534	550	1,772	2,039
Other Income	3	7	6	20	24	29	22	31	36	105
PBT before EO expense	**252**	**247**	**590**	**732**	**359**	**348**	**552**	**745**	**1,822**	**2,004**
Extra-Ord expense	48	0	0	0	0	0	0	0	48	0
PBT	**204**	**247**	**590**	**732**	**359**	**348**	**552**	**745**	**1,774**	**2,004**
Tax	71	56	106	143	87	86	118	187	377	478
Rate (%)	34.9	22.7	18.0	19.6	24.2	24.8	21.3	25.2	21.3	23.9
MI & P/L of Asso. Cos.	-5	23	84	149	38	35	80	74	251	227
Reported PAT	**138**	**168**	**400**	**440**	**235**	**226**	**354**	**483**	**1,146**	**1,298**
Adj PAT	**174**	**168**	**400**	**440**	**235**	**226**	**354**	**483**	**1,193**	**1,298**
YoY Change (%)	NA	NA	NA	NA	34.5	35.1	-11.4	9.9	NA	8.8
Margins (%)	9.1	8.5	17.1	17.4	10.6	10.0	12.3	14.8	13.6	12.2

UPL — Neutral

CMP INR466| TP: INR470 (+1%) — **EPS CHANGE (%): FY25|FY26: -13|-12**

- All the key geographies are expected to witness YoY decline in revenue.
- Revenue/EBITDA are expected to decline by 31%/56% YoY.
- The price trend in raw materials, debt levels and capex plans are the key monitorables.
- Global demand-supply scenario will be key monitorable.

Cons.: Quarterly Earning Model (INRb)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**108.2**	**125.1**	**136.8**	**165.7**	**89.6**	**101.7**	**98.9**	**114.7**	**535.8**	**404.9**
YoY Change (%)	27.1	18.4	21.1	4.5	-17.2	-18.7	-27.7	-30.7	15.9	-24.4
Total Expenditure	84.8	97.4	106.5	135.5	73.7	86.0	94.7	101.5	424.2	355.9
EBITDA	**23.4**	**27.7**	**30.3**	**30.2**	**15.9**	**15.8**	**4.2**	**13.2**	**111.6**	**49.0**
Margins (%)	21.7	22.1	22.2	18.2	17.8	15.5	4.2	11.5	20.8	12.1
Depreciation	5.9	6.1	6.2	7.3	6.4	6.6	6.8	6.9	25.5	26.6
Interest	5.2	6.4	8.9	9.1	7.0	8.7	11.9	11.5	29.6	39.1
Other Income	0.7	0.8	1.2	2.1	1.0	1.1	1.5	1.5	4.8	5.1
Exch. difference on trade rec./payable	2.0	3.2	1.5	2.9	3.2	2.5	3.2	0.0	9.6	8.9
PBT before EO expense	**11.1**	**12.7**	**14.8**	**13.0**	**0.4**	**-1.0**	**-16.2**	**-3.7**	**51.6**	**-20.5**
Extra-Ord expense	0.8	0.4	0.2	0.3	0.4	0.9	0.2	0.0	1.7	1.5
PBT	**10.3**	**12.3**	**14.6**	**12.7**	**0.0**	**-1.9**	**-16.4**	**-3.7**	**49.9**	**-22.0**
Tax	0.6	2.3	1.4	3.1	-1.6	-1.0	-0.6	-0.7	7.4	-3.9
Rate (%)	5.7	18.8	9.2	24.5	3,280.0	51.9	3.6	18.0	14.7	17.5
MI & P/L of Asso. Cos.	1.0	1.8	2.4	1.7	-0.1	1.0	-3.6	1.0	6.9	-1.7
Reported PAT	**8.8**	**8.1**	**10.9**	**7.9**	**1.7**	**-1.9**	**-12.2**	**-4.0**	**35.7**	**-16.4**
Adj PAT	**10.4**	**10.5**	**13.4**	**10.5**	**4.0**	**1.1**	**-5.9**	**-4.0**	**44.7**	**-4.9**
YoY Change (%)	2.9	40.3	11.1	-44.6	-61.7	-89.8	-144.2	-138.5	-7.8	-110.9
Margins (%)	9.7	8.4	9.8	6.3	4.5	1.0	-6.0	-3.5	8.4	-1.2

Voltas — Buy

CMP INR1,153 | TP: INR1,410 (+23%) — **EPS CHANGE (%): FY25|FY26: +4.6|+5.2**

- Estimate revenue to grow 27% YoY in 4QFY24.
- Revenues from UCP/EMPS/PES are estimated to increase 21%/42%/19% YoY.
- EBITDA is estimated to grow 5% YoY to INR2.3b. OPM is estimated to decline 1.3pp YoY to 6.1%.
- Adj. PAT is estimated to grew 19% YoY to INR1.7b.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**27,680**	**17,684**	**20,056**	**29,568**	**33,599**	**22,928**	**26,257**	**37,487**	**94,988**	**1,20,271**
YoY Change (%)	55.1	4.7	11.8	10.9	21.4	29.7	30.9	26.8	19.7	26.6
EBITDA	**1,770**	**1,008**	**764**	**2,182**	**1,854**	**703**	**284**	**2,289**	**5,724**	**5,129**
YoY Change (%)	30.4	(21.9)	(50.9)	(16.4)	4.7	(30.3)	(62.8)	4.9	-16.0	-10.4
Margins (%)	6.4	5.7	3.8	7.4	5.5	3.1	1.1	6.1	6.0	4.3
Depreciation	85	97	111	104	113	117	128	138	396	496
Interest	40	67	64	124	101	115	135	139	296	490
Other Income	268	644	307	467	700	710	579	613	1,685	2,601
Extra-ordinary items	-	(1,064)	(1,374)	-	0	-	-	-	(2,438)	0
PBT	**1,913**	**423**	**(478)**	**2,420**	**2,339**	**1,181**	**599**	**2,625**	**4,278**	**6,745**
Tax	508	195	300	706	735	493	515	684	1,709	2,427
Rate (%)	26.6	13.1	33.5	29.2	31.4	41.7	85.9	26.1	25.4	36.0
Share of profit of associates/JV's	(316)	(303)	(325)	(275)	(312)	(321)	(389)	(227)	(1,219)	(1,249)
Reported PAT	**1,089**	**(74)**	**(1,104)**	**1,439**	**1,293**	**367**	**(304)**	**1,713**	**1,350**	**3,069**
YoY Change (%)	(10.6)	(107.2)	(215.0)	(21.2)	18.7	NM	NM	19.1	-73.2	127.3
Adj PAT	**1,089**	**990**	**270**	**1,439**	**1,293**	**367**	**(304)**	**1,713**	**3,788**	**3,069**
YoY Change (%)	(10.6)	(4.5)	(71.8)	(21.2)	18.7	(62.9)	NM	19.1	-24.8	-19.0

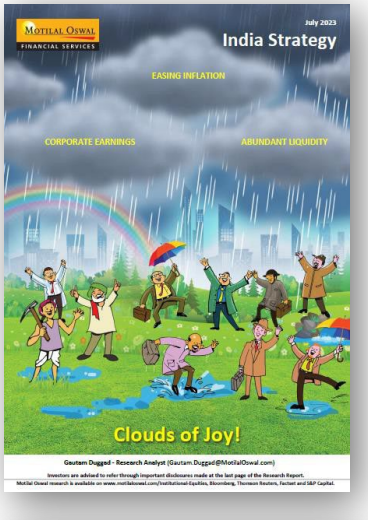
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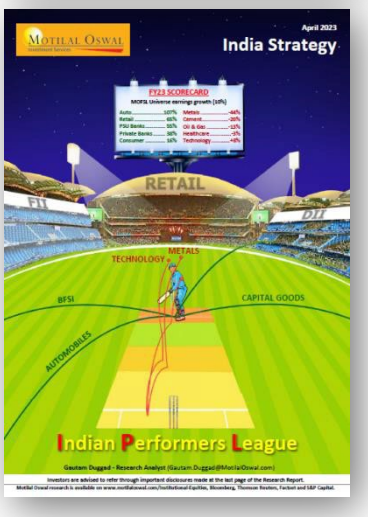
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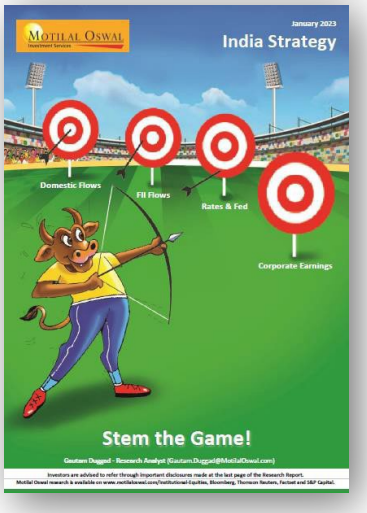
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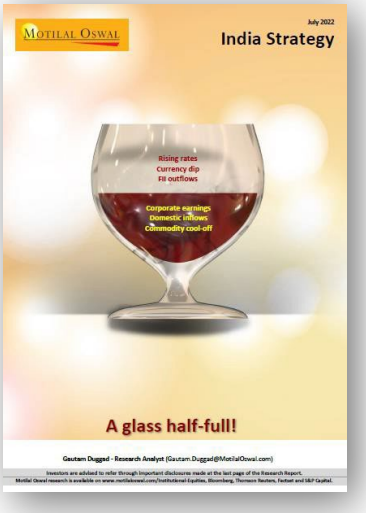






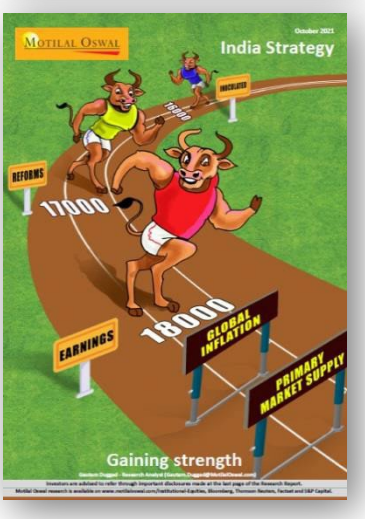


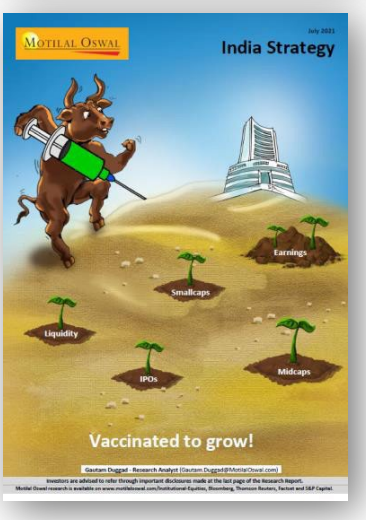


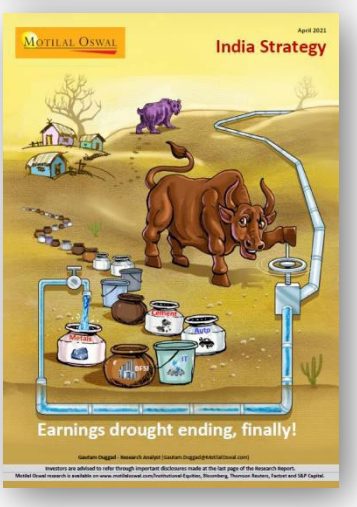












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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.